GENERATION Y EXPECTATIONS OF QUALITY IN MASTER OF BUSINESS ADMINISTRATION PROGRAMS

for the

Christian Business Faculty Association

2006 Conference

by

Vicken A. Bezjian, DBA

Adjunct Professor, Center for Adult and Professional Studies

Executive Director, International Center

vbezjian@apu.edu

Orlando V. Griego, Ph.D.

Professor, School of Business & Management

ogriego@apu.edu

Azusa Pacific University

901 E. Alosta Blvd.

Azusa, CA 91702

626-815-6000

Abstract

Generation Y are forcing business schools to rethink their strategies. The changing environment in higher education has required universities to employ aggressive marketing strategies. Declining government funding, changing demographics, and increased competition have led business schools to market their programs like any other service marketing, where the quality of the service is judged by current Generation Y consumers. When it comes to enrolling in an MBA program, what captures Generation Y's attention in terms of the quality of a business school? This study was conducted worldwide, targeting prospective Generation Y MBA students in the United States and the world at large. The instrument was based on the service quality model by Adissornprasert (2001) designed to measure quality expectations. Significant findings and results are discussed.

Introduction

The current university generation, also known as Generation Y, Echo Boomers or Millennium Generation, are forcing business schools to rethink their strategies. The university marketing approaches that were accepted by their parents are being rejected by this generation. It is hypothesized that behind the shift in Gen Y thinking lies a shift in values on the part of Gen Y consumers (Neuborne & Kerwin, 1999). Having grown up in an even more media-saturated, brand-conscious world than their parents, they respond to university business programs differently. The Department of Health and Human Services defines Generation Y as being born on or after 1980. The question is what captures Generation Y's attention in terms of the quality of a business school? In essence, that is the crux of this study.

The changing environment in higher education has required universities to employ aggressive marketing strategies. Declining government funding, changing demographics, and increased competition have led business schools to market their programs like any other service marketing, where the quality of the service is judged by current Generation Y consumers. Many universities, private and public, have developed aggressive marketing campaigns to attract Generation Y students and maintain enrollments to remain competitive (Berger & Wallingford, 1996). Business schools compete for students like any other industry, and most see the students as their customers and education as the product.

According to Parasuraman, Zeithaml, and Berry (1985), measuring the quality of intangible services is not an easy task because of three well-documented characteristics: intangibility, heterogeneity, and inseparability. They explained that most services are intangible because they cannot be inventoried and verified for quality before a sale is made. Boulding, Kalra, Staeline, and Zeithaml (1993) found a strong link between service quality and behavioral intentions of university students, including saying positive things about their school, future financial contributions, and referring prospective graduate students for employers to recruit. These actions have strategic importance to any school that needs the flow of qualified

prospective students and high enrollment numbers high while maintaining the quality of education within the guidelines of its accrediting organizations.

Research in service quality has been concentrated in many industries, such as hospitality (Bare & Turkel, 2003; Saleh & Rayan, 1992), travel and tourism (Augustyn & Ho, 98), automotive (Allen & Liu, 1995), banking (Minjoon & Shaohan, 2001), university libraries (Nitecki & Hernon, 2000; White & Abels, 1995), hospitals and medical care (Brown, 2001; Sheppard, 2002) and airlines (Cunningham, Young, & Moonkyu, 2002). Individual companies such as Northwest Airlines, AT&T, and Toyota have monitored the impact of service quality on selected behavioral intentions of their customers (Zeithaml, Berry, & Parasuraman, 1996). The service quality model conceptualized by Parasuraman et al. (1985), also known as the PZB model or the SERVQUAL instrument, has provided the framework by which extensive research has been done in many service industries. However, not enough research has been done in modeling service quality in the educational organization specifically for marketing MBA programs. A modified version of the PZB model was utilized by Adisornprasert (2001) in an educational study setting. Part of the questionnaire (questions 24 – 28) looked at respondent quality preferences for selecting an MBA (see Table 1) but the majority of survey questions dealt with the SERVQUAL concepts outlined by Adisornprasert (2001). This modified model serves the primary needs for this study while the MBA selection preference questions help to offer another viewpoint for the study. A summary of the SERVQUAL instrument (see Table 2) are provided.

Table 1

MBA Selection Preferences

24.	Quality of faculty
25.	Program content and class structure
26.	Responsiveness of faculty/staff
27.	Compassion of faculty
28.	Physical facilities and equipment

Table 2

A Summary of the Dimensions of Program Quality: SERVQUAL

Tangibility	Program content and class structure	Responsiveness	Assurance	Empathy
Accessibility of computers	Experiential work	Entire faculty	Knowledge of professors	Availability of mentoring
Adequacy of library	Teamwork	Course professors	Organization of classwork	Adequacy of career placement service
Appeal of campus or facilities	Class competition	Administrative staff	Ability to present class materials interestingly	Adequacy of counseling and advising
Safety of campus or facilities	Class interaction	Librarian	Fairness and accuracy of grading system	
	Elective courses		Prior teaching experience	
			Percentage of class taught by faculty with doctoral degrees	

Purpose of the Research Study

The purpose of this study is to examine the importance of various dimensions of program quality expectations by Generation Y students interested in an MBA program.

There were four research questions in this study:

1. What are the differences between Generation Y and older students on SERVQUAL dimensions and MBA Selection Preferences who are planning to enroll in an MBA program?

2. What are the differences and similarities between international and American Generation Y students on SERVQUAL dimensions and MBA Selection Preferences who are planning to enroll in an MBA program?

3. What other demographic factors, in any, gender, undergraduate major, traditional vs. web-based learning, and type of program on SERVQUAL dimensions and MBA Selection Preferences who are planning to enroll in an MBA program?

4. Using repeated measures ANOVA, what within subject factors, if any, are important to Generation Y students on SERVQUAL dimensions?

The results of this study add to the body of knowledge in the field of business marketing and quality expectations for Generation Y. Moreover, it offers business applications for university marketing programs.

Methods: Methodology Used

This study was conducted worldwide, targeting prospective Generation Y MBA students in the United States and the world at large. The primary data were collected through a self-administered survey questionnaire administered online, using the World Wide Web. The survey instrument was available to respondents via a dedicated Web site at http://www.getyourmba.com. A single version of the questionnaire was designed to address the quality of MBA programs.

The instrument was based on the SERVQUAL model as modified by Adissornprasert (2001) to meet the requirements of the educational field, specifically, MBA programs. Further modifications were required to meet the needs of this study, and the questionnaire was simplified to include a single set of items common to both face-to-face and Web-delivered education programs.

The questionnaire had three sections. The first section solicited responses to the responding student's expectations of the MBA program, based on the five dimensions of program quality: tangibility, program content and class structure, responsiveness, assurance and empathy (see Table 1). The questions in this section presented 5-point Likert-type response scales of 1 = *strongly disagree* through 5 = *strongly agree*. The second section asked for information on the demographic factors of age, gender, nationality, undergraduate major, area of

specialization. The third section looked at five dimensions of MBA Selection Preferences referred to in this study as MBA Selection Preferences (see Table 1).

Web site advertising solicited potential respondents to visit a dedicated site to participate in a survey and have an equal chance to win a limited scholarship toward their MBA program. The offer for the drawing in this contest was to motivate and entice respondents to visit the survey site and to complete the questionnaire. After the completion and submission of the survey, respondents were asked whether they would like to participate in the scholarship drawing. Respondents who agreed to enter the drawing were directed to an independent secure site to provide name, age, and email address for notification of the winner of the contest. When the surveys were submitted, the information was linked to a secure site for data collection and further analysis. Every effort was made to keep the results of this survey confidential.

Data analysis was done using SPSS 13.0 (Statistical Package for the Social Sciences). T-tests, single factor ANOVA, and repeated measures ANOVA were done to analyze the differences between the various demographic groups and dependent variables within SERVQUAL.

Highlights: Statistical Findings

A total of 123 responses were collected via the Web site. However, some respondents were omitted because of missing data. The summaries of the response rates and demographic information are presented in Tables 3.

Table 3

Demographic Characteristics of the Respondents

Characteristic and category	*n*	%
Gender		
Male	55	49.5
Female	56	50.5
Area of specialization		
Accounting	2	1.8
Finance	13	11.8
International business	11	10.0
Management	29	26.4
Marketing	42	38.2
Other	13	11.8
Missing	12	
Undergraduate major		
Business	79	68.7
Nonbusiness	27	23.5
Citizenship		
American	90	73.17
International	25	20.33
Delivery		
Traditional face-to-face	97	86.6
Distance, Web-delivered	15	13.4
Age (years)		
18-25 (Gen Y)	79	84.0
22-25	15	16.0

Reliability analysis using Cronbach's alpha was completed on all five dimensions of program service quality SERVQUAL and the MBA Selection Preference (questions 24-28). The alphas ranged from .633 to .754, except for two measures. Content and structure and Assurance expectations failed to demonstrate acceptable levels of internal consistency (α = .498 and .506, respectively). Additionally, survey item 21 (The professors will mentor and give students individual attention by helping them with personal problems and career advice) within the Empathy counseling advice expectations construct was omitted to increase the alpha.

Research Question 1: What are the differences between Generation Y and older students on SERVQUAL dimensions and MBA Selection Preferences who are planning to enroll in an MBA program?

An independent samples t-test indicated one significant difference between Generation Y and older students on the SERVQUAL Tangibility scale ($t = 2.89$, $p = .015$) but no significant differences on the MBA Selection Preferences. Generation Y scored Tangibility significantly higher ($M = 4.64$, $SD = .40$) than did older prospective MBA students ($M = 4.00$, $SD = .70$).

Research Question 2: What are the differences and similarities between international and American Generation Y students on SERVQUAL dimensions and MBA Selection Preferences who are planning to enroll in an MBA program?

Table 4 indicates four significant differences between American and International Generation Y students at all levels except Assurance on the SERVQUAL and MBA Selection Preferences dimensions.

Table 4

Results of the t-*Test Between American and International Students*

Program quality dimension and country of citizenship	*n*	Mean	*SD*	*t*
Tangibility expectations				2.16*
American	86	4.67	0.33	
International	17	4.32	0.65	
Program content, class structure				3.65*
American	86	4.24	0.41	
International	17	3.84	0.43	
Responsiveness of faculty and staff				1.55*
American	86	4.31	0.41	
International	17	4.13	0.50	
Assurance expectations				2.09
American	85	4.70	0.36	
International	16	4.41	0.55	
Empathy counseling advice				2.54*
American	84	4.58	0.48	
International	16	4.22	0.68	
MBA Selection Preferences				1.59
American	83	4.29	0.41	
International	15	4.09	0.65	

* $p < .05$

Research Question 3: What other demographic factors, in any, gender, undergraduate major, traditional vs. web-based learning, and type of program on SERVQUAL dimensions and MBA Selection Preferences who are planning to enroll in an MBA program?

No significant results were discovered with gender or undergraduate major (business vs. non-business) on SERVQUAL dimensions and MBA Selection Preferences. For traditional face-to-face vs. web-delivered programs, four significant results were found: Program Content, Responsiveness, and Empathy on SERVQUAL and the computed MBA Selection Preferences.

Table 5

Results of the t-*Test Program Preference (Traditional Face-to-Face Versus Web-Delivered) on the SERVQUAL dimensions.*

Program quality dimension and preferred program type	*n*	Mean	*SD*	*t*
Tangibility expectations				1.25
Traditional F2F	90	4.65	0.37	
Web-delivered learning	8	4.47	0.70	
Program content, class structure				2.00*
Traditional F2F	90	4.22	0.42	
Web-delivered learning	8	3.90	0.51	
Responsiveness of faculty and staff				1.20
Traditional F2F	90	4.32	0.41	
Web-delivered learning	8	4.13	0.61	
Assurance expectations				2.77*
Traditional F2F	90	4.71	0.37	
Web-delivered learning	8	4.31	0.51	
Empathy counseling advice				2.08*
Traditional F2F	90	4.67	0.48	
Web-delivered learning	8	4.18	0.70	
MBA Selection Preferences				2.35*
Traditional F2F	90	4.29	0.44	
Web-delivered learning	7	3.88	0.53	

Note. F2F = face-to-face learning.
*$p < .05$.

In addition to the above, an ANOVA was completed to determine if there was any significant difference on type of specialized program Generation Y students planned to enter in an MBA

program (i.e, management, accounting/finance, marketing, etc.) on the SERVQUAL Service Quality Preferences. One significant result on content and structure was discovered ($F = 3.36$, $p = .01$). Generation Y students planning to enter management ($M = 4.77$, $SD = .27$)) had significantly higher expectations on content and structure than did accounting/finance ($M = 3.98$, $SD = .52$) or marketing ($M = 4.08$, $SD = .35$). Another ANOVA was completed to analyze specialization preferences in an MBA program on MBA Selection Preferences. The results was significant ($F = 2.94$, $p = .02$). Again, those thinking of entering management ($M = 4.51$, $SD = .38$) had significantly higher expectations on MBA selection than all the other specializations—accounting/finance ($M = 4.12$, $SD = .52$), international business ($M = 4.02$, $SD = .62$), marketing ($M = 4.22$, $SD = .43$), and Other ($M = 4.20$, $SD = .12$).

Research Question 4: Using repeated measures ANOVA, what within subject factors, if any, are important to Generation Y students on SERVQUAL dimensions?

The F was significant ($F = 37.00$, $p < .001$). However, Mauchly's test of sphericity indicates that sphericity can not be assumed. Consequently, Greenhouse-Geisser was used to calculate the F statistic. Further post hoc analysis was done using LSD (Least Significant Difference) to determine the significant difference within groups. The results indicated that Generation Y students had significantly higher expectations in the following areas:

1. Tangibility expectations were significantly higher than both Program Content/Class Structure and Responsiveness.
2. Responsiveness expectations were significantly higher than Program Content/Class Structure expectations.
3. Assurance expectations were significantly higher than Program Content/Class Structure, Responsiveness, and Empathy expectations.
4. Finally, Empathy expectations were significantly higher than Program Content/Class Structure or Responsiveness (see Table 6 for means and standard deviations).

Table 6

Descriptive Statistics for Repeated Measures Analysis of Variance on SERVQUAL (N = 100)

Dimension of program quality	Mean	*SD*
Tangibility expectations	4.62	0.42
Program content, class structure	4.19	0.43
Responsiveness of faculty and staff	4.30	0.43
Assurance expectations	4.66	0.41
Empathy counseling advice	4.52	0.53

Outcomes: Conclusions and Recommendations

The purpose of this study has been to examine the importance of various dimensions of program quality expectations by Generation Y students interested in an MBA program. Specifically, SERVQUAL dimensions and MBA Selection Preferences served as the dependent variables while various demographics (i.e., gender, Gen Y vs. older, specialization, etc.) were used as independent attribute variables.

Overall, there were no major differences between Generation Y and others (i.e., Generation X or Baby Boomers) except for expectations of Tangibility. Interestingly, this media-saturated, technically savvy generation had significantly higher expectations about brick and mortar features such as facilities, computers, and libraries than did older generations.

When it came to U.S. citizens vs. international Generation Y students, Americans had far greater expectations. Tangibility, Program Content and Class Structure, Responsiveness, and Empathy had significantly greater expectations than their international counterparts. Further

analysis indicated the order of importance based on the mean was Tangibility first, Responsiveness second, Empathy third, followed by Program Content and Class Structure last.

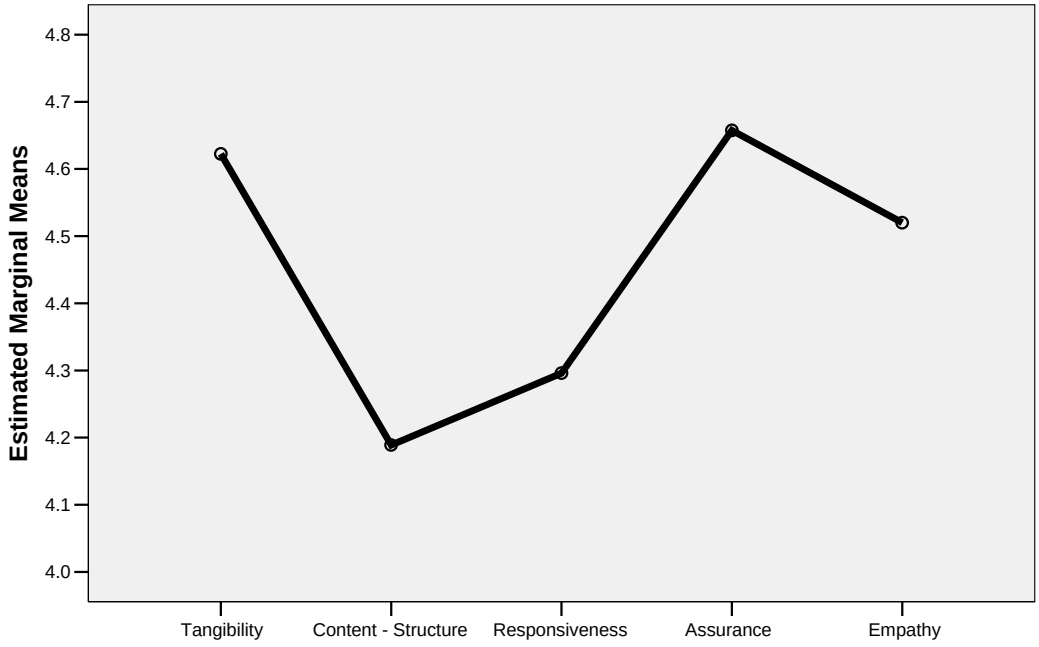
When it came to traditional face-to-face versus web-delivered service quality indicators (SERVQUAL), traditional face-to-face Generation Y students had higher quality expectations than did web-based learners in three areas. Assurance and Empathy means led Program Content and Class Structure means. The computed MBA Selection Preferences was also significantly higher for face-to-face traditional students than was web-based students.

Generally speaking, Program Content and Class Structure expectations were measured lower than the other dimensions. In one case there was an exception—expected specializations upon entering an MBA program (i.e., management, marketing, etc.). In this instance, Program Content and Class Structure expectations were significantly higher for perceived management majors as compared to all other majors.

The most telling statistic was the repeated measures ANOVA for each SERVQUAL dimension. In each situation, the Program Content / Class Structure expectation was significantly lower than the other measures. This is best revealed by a line graph. Figure 1 helps to point out that Tangibility, Assurance, and Empathy had the highest marginal means for the SERVQUAL assessment, Responsiveness a distance fourth, and Program Content and Class Structure coming in last.

Figure 1.

Estimated Marginal Means of SERVQUAL Expectations.



The findings show that personal relationships qualities such as Assurance, Responsiveness, or Empathy were, in good measure, important attributes while facilities-minded Tangibility also were important qualities for future Generation Y MBA students. Interestingly, Program Content and Class Structure faired poorly, overall. The study suggests Generation Y students perceive personal qualities of faculty and staff and supportive facilities as the key to their decision making when it comes to MBA programs. Those marketing their MBA program would be wise to take note.

References

Adisornprasert, W. (2001). *Consumer evaluation of MBA program quality: A pre-and post-program experience comparison between American and Thai business schools.* Doctoral dissertation, United States International University, San Diego.

Allen, B. W., & Liu, D. (1995). Service quality and motor carrier costs: An empirical analysis. *Review of Economics and Statistics, 77*(3), 499-510.

Augustyn, M., & Ho, S. K. (1998). Service quality and tourism. *Journal of Travel Research, 37*(1), 71-75.

Berger, K. A., & Wallingford, H. R. (1996). Developing advertising and promotion strategies for higher education. *Journal of Marketing for Higher Education, 7*(4), 61-72.

Bare, M., & Turkel, S. (2003). Superior services sells guestrooms. *Lodging Hospitality, 59*(6), 32.

Boulding, W., Kalra A., Staelin, R., & Zeithaml, V. (1993). A dynamic process model of service quality: From expectations to behavioral intention. *Journal of Marketing Research, 30,* 7-27.

Brown, J. D. (2001). Impact of desires on customer satisfaction with hospitals. *Service Marketing Quarterly, 23*(2), 1.

Cunningham, L., F., Young, C. E., & Moonkyu, L. (2002). Cross cultural perspectives of service quality and risk in air transportation. *Journal of Air Transportation*, 7(1), 3-26.

Minjoon, J., & Shaohan, C. (2001). The key determinants of Internet banking service quality: A content analysis. *International Journal of bank Marketing, 19*(7), 276-291.

Neuborne, E. & Kerwin, K. (February 15, 1999). Generation Y. Business Week , pp. 46-50.

Nitecki, D. A., & Hernon, P. (2000). Measuring service quality at Yale University's library. *Journal of Academic Librarianship, 26*, 259-273.

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing, 49*, 41-50.

Saleh, F., & Ryan, C. (1992). Analysing service quality in the hospitality industry using the SERVQUAL model. *Service Industries Journal, 11*, 324-343.

Sheppard, L. (2002). Models of service quality in professional health services. *Service Marketing Quarterly, 23*(4), 1-18.

White, M. D., & Abels, E. G. (1995). Measuring service quality in special libraries: Lessons from service marketing. *Special Libraries, 86*(1), 36-45.

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing, 60*, 31-46.