

## **Student Quality Perceptions and Preferences for MBA Delivery Formats: Implications for Graduate Programs in Business and Economics**

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### **ABSTRACT**

*Utilizing a sample of undergraduate students enrolled in on-campus business courses at a small Midwestern university, this study examined student perceptions and preferences for on-line, blended, and fully in-class MBA delivery formats. Results indicated that a majority of students in the sample felt that the quality of on-line degree formats was inferior to in-class formats. Students with higher GPAs were more likely than students with lower GPAs to express a preference for in-class over on-line and blended formats. When comparing potential variations in preference levels for degree formats by academic major and gender, Accounting and Finance majors were less likely than other majors to express a preference for blended formats and females were less likely than males to express a preference for fully on-line degree formats. A majority of all respondents felt that the quality of blended formats was superior to that of fully on-line formats. Overall, over 76% of respondents in this sample expressed a clear preference for pursuing an MBA degree in a fully in-class format, while only 6.5% expressed a preference for a fully on-line format, suggesting that it is unlikely that in-class MBA degree formats offered by institutions such as the one in the study would be “cannibalized” by delivery of an on-line version. Implications for institutions seeking to promote on-line and blended formats are discussed.*

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### **INTRODUCTION**

Over the past several years, there has been considerable growth in the number of students enrolled in on-line coursework. Between 2010 and 2011 alone, there was a 17% increase in such enrollments in the U.S., with one in four college students now taking at least one course on-line (Perry, 2011). In addition to the growth at post-secondary levels, more than one million students enrolled in grades K-12 in the U.S. are now taking on-line classes. This figure represents a 47% increase in on-line enrollments between 2009 and 2011 (Gabriel, 2011).

Despite the phenomenal growth in on-line enrollments, a majority of college and university faculty members across the U.S. view on-line courses as being at least somewhat inferior in quality to in-class formats (Perry, 2009). Moreover, student perceptions of the relative quality of such courses has been mixed. For instance, in a comparison of student perceptions of on-line and in-class courses offered at a university agricultural extension, Moore and Wilson (2005) found that students noted the convenience factor of on-line courses to be a positive. But relative to in-class formats, they did not feel that student/faculty interactions were as good as the case was with in-class courses.

Alternatively, Leonard and Guha (2001) indicated that a majority of students enrolled in on-line courses within a school of education gave more favorable ratings to the quality of learning experiences of the on-line courses. This result was attributed at last partially to students reporting more opportunities for participation than the case was for most in-class courses.

Characteristics of students themselves may also impact both perceived quality of on-line courses as well as actual amounts of learning that occur in such settings. For instance, Barnard (2008) indicated that self-regulated

learning skills significantly impact performance in on-line courses. Thus, the ability of students to work independently and structure task schedules are important ingredients in students performing successfully in such courses.

On a similar note, Watters and Robertson (2009) indicated that, in two separate undergraduate business courses, virtually all students with cumulative GPAs in excess of 3.5 believed that the on-line course that they took was as effective as an in-class format would have been. Alternatively, less than half of all students with GPAs less than 2.5 felt the same way. The authors noted that the perceived effectiveness of on-line courses were related to factors including student success, motivation, and intellectual ability.

### **Purpose**

The purpose of this study is to assess the attitudes of undergraduate students enrolled in traditional undergraduate programs of study toward fully in-class, blended, and fully on-line MBA programs. Specifically, the following questions will be addressed:

- 1.) Overall, what are student perceptions of the relative quality of on-line and blended MBA program formats relative to programs with courses offered entirely in class?
- 2.) What is the proportion of students that would favor enrolling in on-line or blended MBA program formats over programs that are offered entirely in class?
- 3.) Do individual characteristics of students, including undergraduate GPA, gender, and academic major have an influence on perceptions of quality of MBA program formats?
- 4.) What are the implications for MBA programs seeking to offer blended or on-line degree formats?

### **Methodology**

A survey was administered to students enrolled in upper-level undergraduate business courses that were delivered in a traditional format (i.e., entirely in-class) at a small Midwestern university. On a five point scale, the survey asked students to rate their preferences for MBA degree formats that included entirely on-line, 50% in class and 50% on-line and entirely in-class (1 = do not desire to 5 = have strong preference for format). Students were also asked to provide their opinions of the quality of both entirely on-line and blended degree formats relative to entirely in-class formats (1 = better, 2 = the same, 3 = worse). Students were also asked demographic questions including gender, undergraduate major, and current cumulative undergraduate grade point average.

### **Results**

A total of 108 students completed the survey. Response frequencies for selected items are presented in Table 1 and results segmented by GPA, undergraduate degree type, and gender presented in Tables 2-4. Overall, a majority of respondents (75%) felt that the quality of a fully on-line degree was inferior to a traditional in-class format. Moreover, 36.1% of respondents felt that the quality of a blended degree format was inferior to the in-class format. Respondents with cumulative GPAs in excess of the sample mean (3.15 on a 4.0 scale) were more likely than students with lower GPAs to indicate that the quality of both fully on-line and blended formats were inferior to entirely in-class formats. Not surprisingly, there were statistically significant differences in levels of preferences for degree formats, with higher GPA students having a stronger preference than lower GPA students for in-class MBA formats and lower preference levels for both blended and on-line formats.

In terms of preferences for degree formats, 6.5% of all respondents indicated that they would prefer to pursue an MBA degree via an on-line format, 13.0% indicated a preference for a blended format, and 75.9% indicated a preference for an entirely in-class format. The remaining 4.6% of respondents indicated no clear preference for a particular type of degree format. A majority of students also expressed a preference for blended formats over entirely on-line formats.

Finance and accounting majors were more likely than other majors to feel that the quality of an on-line degree format was inferior to a fully in-class format. But, ironically, a larger percentage of this group also expressed a preference for seeking an MBA degree in a fully on-line format (9.1% versus 3.1%).

There were no statistically significant differences in preference levels for degree formats on the basis of gender. However, the difference in mean preference levels for the on-line format approached significance ( $p = .052$ ), with males having a higher mean preference level than that of females.

## Discussion

Results of this study seem to provide important insights for institutions attempting to promote on-line MBA degree programs. First of all, given that a majority of all respondents viewed the quality of on-line degree formats to be inferior to traditional in-class formats and that lower GPA students expressed a stronger preference than higher GPA students for this format, it appears to not only be important for institutions to promote convenience and flexibility factors associated with on-line programs but to also promote program attributes that make them be perceived as being comparable to or superior in quality to traditional programs. Exactly what these attributes might be is likely to vary from context to context. However, promoting courses taught by highly qualified faculty, overall institutional image, favorable job placement rates, opportunities for students to be more creative and more fully participate in on-line courses, as well as opportunities to learn new technical skills by virtue of taking on-line coursework would all seem to be potential themes that institutions may wish to capitalize on when marketing on-line courses.

Secondly, it is important to note that, of the individuals preferring a fully on-line degree format over other the forms of instruction (which was a total of only seven students in our sample), four of the seven indicated that they felt that the quality of an on-line degree was inferior to entirely in-class formats. Thus, some individuals appear to be willing to trade off at least some perceived quality for other attributes associated with time and place utility that may be realized via opting for on-line degree formats.

Third, despite the concern that some individuals may have regarding on-line programs potentially “cannibalizing” traditional, on-campus MBA programs, our results provide little evidence that this would be the case. Thus, there appears to be opportunities for institutions to offer on-line and/or blended degree formats without significantly impacting enrollments in fully in-class formats.

Finally, it appears as though blended program formats may be viable options for many institutions. In our study, approximately 64% of all respondents felt that the quality of a blended MBA program was comparable to or better than a fully in-class format. While, relative to fully on-line programs, geographic reach and scheduling become constraints with blended formats, they may still allow institutions to serve various markets that cannot be served with traditional in-class formats, such as working individuals with very tight schedules and/or other individuals that may have very rigid time constraints and/or mobility constraints, but still wish to complete degree requirements in a timely manner.

## Limitations and Directions for Future Research

A limitation of this study is that virtually all respondents had little or no exposure to on-line instruction. Therefore, their perceptions of on-line degree programs may vary systematically from groups of respondents who have taken more on-line courses. As a study by Arbaugh (2004) noted, student perceptions of on-line learning tended to become more positive as the number of on-line courses completed increased. As a result, this study should be replicated utilizing other student samples and particularly students who have had a more balanced array of both in-class and on-line experiences.

Future studies should also examine how exposure to various messages promoting on-line degree programs may impact their perceptions of the quality such programs. These types of analyses may be quite useful in enabling institutions to convey the right types of messages to the right types of prospective students.

Finally, variables that may potentially moderate individual perceptions of on-line degree programs should also be considered in analyses. For instance, it is possible that factors such as institutional image and perceived quality of faculty members within various programs may influence perceptions of on-line programs offered.

Given the proliferation of on-line degree programs offered by various institutions, it is imperative for entities to gain a better understanding of factors contributing to the perceived quality of such programs and for recruiters to better understand what types of individuals might be viable candidates for on-line programs. In this manner, institutions can market degree program formats in both a more efficient and effective manner.

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**Table 1****Summary Statistics for Questionnaire Items (All Respondents)**

Mean GPA	3.15
Female	33.3%
Male	66.7%
Proportion Saying On-Line Quality Worse than In-Class:	75.0%
Proportion Saying Blended Quality Worse than In-Class:	36.1%
% Preferring Blended Over Entirely On-Line:	65.7%
% Saying Blended Better than In-Class:	13.0%
% Saying Fully On-Line Better than In-Class:	0.9%

**Preference for Degree Formats (1 = Do Not Desire to 5 = Strongly Desire):**

In-Class	3.759
Blended	2.838
On-Line	1.843

**Percentage of Sample Expressing Clear Preference for:**

In-Class	76.9%
Blended	12.9%
On-Line	6.5%
No Clear Preference	3.7%

**Table 2****Comparison of Results by Undergraduate GPA  
(Low GPA <3.15 versus High GPA  $\geq$  3.15)****Preference for Degree Formats:**

	Low GPA (n = 55)	High GPA (n = 53)
<b>In-Class</b>	3.654	4.095
	t = 2.040	
	p = .0438*	
<b>Blended</b>	3.127	2.679
	t = 2.155	
	p = .0334*	
<b>On-Line</b>	2.780	2.054
	t = 4.640	
	p = .000009**	

\*\* p  $\leq$  .01      \* p  $\leq$  .05**Table 3****Comparison of Results by Major  
(Accounting and Finance Majors versus Other Majors)****Preference for Degree Formats:**

	ACC/FIN (n = 45)	Other (n = 63)
<b>In-Class</b>	4.044	3.762
	t = 1.271	
	p = .2063	
<b>Blended</b>	2.644	3.095
	t = 2.137	
	p = .0340*	
<b>On-Line</b>	1.755	2.015
	t = 1.126	
	p = .266	

\*\* p  $\leq$  .01      \* p  $\leq$  .05

**Table 4**  
**Comparison of Results by Gender**

**Preference for Degree Formats:**

	Female (n = 36)	Male (n = 72)
<b>In-Class</b>	4.000	3.611
	t = 1.691	
	p = .0933	
<b>Blended</b>	2.847	3.027
	t = 0.804	
	p = .4231	
<b>On-Line</b>	1.750	2.222
	t = 1.959	
	p = .0526	

\*\*  $p \leq .01$       \*  $p \leq .05$