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## **Business Students' Choice of Specialization: A Quantitative Case on a Private University of Bangladesh**

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## **Business Students' Choice of Specialization: A Quantitative Case on a Private University of Bangladesh**

### **Abstract**

It is a major challenge for business students of Bangladesh in choosing the specialization which will lead them to their ultimate career path. The purpose of the study is to identify important factors crucial in selecting a specialization. Due to increasing competition among private and public universities and also among different majors of business education, it has become vital to determine student perceptions and take necessary actions. It helps the educators to enhance the current majors to gain new business students. A survey on 214 business undergraduate students of American International University- Bangladesh was conducted through convenience sampling from different specializations. The results from statistical analysis using SPSS show criteria such as personal issues, job characteristics, course offerings, features of specialization, prospective salary are important and positively correlated in the process of major selection. The factors, issues and job characteristics are the most important ones while the factor advice is the least important to students in this regard. Moreover, the study showed 80% participants chose their major after their admission in the university during 3rd to 5th semester and their decisions were affected mainly by their own judgment (49.5%) and to some extent through the advices from parents (15.9%). This refers that the BBA program of a private university in Bangladesh has enough opportunities to affect students' decisions by counseling, improving career opportunities and enriching courses and majors.

**Keywords:** Career Choice in Business, Private Universities in Bangladesh, Decision Making.

## **1. Introduction**

### **1.1. Background**

Decision Making is always challenging and it becomes more crucial when it comes for choosing a major for education or career. Previous studies showed career selection is dependent on different factors like passion, job sector, salary, family pressure, peer influence, availability of the courses in universities, enriched material, extensive opportunities in future, individual's capacity, etc. In addition, it is also influenced by factors like race and gender which can affect the fields student may choose (Darren, 2013; Esters and Bowen, 2005). Now day's students are more rational and career oriented; as a result choosing an appropriate career path plays a huge part in their lives. It is very obvious that student's career choice varies over time and that's why they face confusion when they declare their major.

Different research (e.g. Malgwi et al., 2005; DeMarie and Young, 2003; Pearson and Dellman, 1997; Lowe and Simons, 1997) examined many factors that play a vital role in the selection of specializations in different aspects of education. Our research focuses to find out the most and least important factors which affect their decision mostly in the context of Bangladesh for the students of business studies. This study will help educators to open new wings in front of business Students.

In Bangladesh, students in higher education already select their preferred area before entering the universities. However, once admitted students are often faced with the dilemma to choose the area of specialization specially those who study the business. Students equipped with zero to no experience in job are challenged while making this decision. Currently Bangladesh has since the establishment of *Private University Act, 1992*, the total number of private universities in Bangladesh is 97 as of April 2018. Among these within the capital of Bangladesh, Dhaka, top-tier private universities are NSU, IUB, Brac, AIUB etc (UGC, 2019). AIUB is one of the best and largest private universities in Bangladesh offering several programs to potential students willing for higher studies in business, science and engineering. Because of the focus, commitment, potential growth and current ranking, AIUB's Business School was selected as the case for the research. This study was conducted over 214 business graduates of this reputed organization.

## **2. Objective of The Study**

The broad objective of the study is to find out the factors affecting the decision of a Business Undergraduate for choosing his/her specialization. Specifically, this study aims:

- To identify potential factors in choosing a major under business studies from the perspective of Bangladesh through detail literature review
- To determine not only the importance of major variables of major selection but also the most and least important ones using BBA students of AIUB as a case study
- To identify correlation among main factors of decision making regarding choice of major
- To understand when students make their choice while deciding on their specialization and who influences their decision

### **2.1. Methodology**

The research instrument used in this study is a model with six main and 19 sub-divided variables. The main variables are related to prospective salary, job characteristics, course offerings, feature of specialization, source of advices and personal attributes etc. The aim is to identify statistical importance and correlation of these variables in choosing a major in business education.

For the quantitative analysis, stratified random sampling was used which consisted students of different semesters from Faculty of Business Administration of American International University of Bangladesh. The study used a structured and pilot tested questionnaire using Likert Scale of 7. It was formulated through extensive reviewing of literature with the aim to answer the research question. It was developed by modifying the instruments used in previous literature according to the perspective of private universities of Bangladesh. Nineteen factors grouped into six main factors, were preselected to identify whether they are important to students of business studies. The questionnaire also included demographic profile of the respondents. Other than that, students were asked to identify most and least important criteria which affected their own decisions most and least respectively. Moreover, we tried to identify the most effective source of information or advice in this situation. Statistical software SPSS was used

for analysis. Descriptive statistics was used to check importance of different factors.

## **2.2. Rationale**

Bangladesh is a developing country where many public and private universities are working prudently to deliver skilled, knowledgeable graduates students to different industries. However, job positions in organizations vary according to functions. Based on these functions, higher education industry worldwide has divided the business studies in different majors or areas of specialization. But Bangladesh has cultural, political, social and economical differences with other countries. As a result, decisions of a student and their impact on the professional life will evidently be unfamiliar and dissimilar to researcher. Moreover, from the review of the literature, no research is done on this problem especially for Bangladesh and few studies are done in developed countries. Hence, it has been of paramount importance to conduct a research on identifying and assessing crucial criteria affecting students' career choice. With that purpose, this study focuses on factors affecting the private university students' mind set. First variables are to be selected as per the literature and modified as per the context of Bangladesh. Second, thorough descriptive and other statistical analysis is to be performed to understand managerial and other implications.

## **2.3. Structure of the Article**

The first chapter lays out, along with a brief introduction, the objectives and methodology of this paper. The remaining part of the paper is organized in different sections. In the second part, literature is reviewed. Section 3 and 4 include research design and methodology respectively to explain how the research is conducted and what analyses are performed to achieve the goals of the research. In the next section, results are highlighted and discussed covering different issues of the study. At last, part 5 concluded the paper by presenting summary of the findings, limitation of the research and future scope of study in this area.

## **3. Literature review**

As higher education is getting more competitive and market oriented day by day, it is evident that students need to select their major very prudently. The best decision can bring the ultimate success in their career. Moogan and Baron (2003) and Vrontis et al. (2007) conducted extensive research on students' decision making. Some research were focused on student's choices made during their studies (Hugstad,1997; Newell et al.,1996; Petruzzellis and Romanazzi, 2010) in specific areas of higher education such as engineering for different other countries. Many attributes play role in decision making but our study is to find out most important and least important factors to check the exact influence of those on decision making by business students of Bangladesh. According to Moogan and Baron (2003), the variables that influence the students' choice were divided into two categories. The first category covered the characteristics of universities and offered programs. The second category included variables such as sources of information, personal interests etc. The result of another study by Robinson and Bornholt (2007) gave the theory for course pathway that students adopt while in selection of course which is:  $\text{Pathway Progression} = \text{Student characteristics} \times \text{Time Frame for course} \times \text{Course} \times \text{Choice}$

Another study argued that students social and financial background determine the choice for university and course (Beekhoven et al., 2002). The study conducted over English students for a university course identified the economic factors such as job opportunities, accommodation costs and financial problems are determinants in decision making (Foskett et al., 2006). Another research by Durkin et al. (2012), showed the fee-payment environment in UK leads to change in students' and parents' expectations which ultimately make a subsequent change in search-buy behavior of students in course selection and university choice. On the contrast, a study among undergraduate students in Sheffield UK, explored that the availabilities of courses, computer facilities, library facilities, university teaching reputation, availability of self-study areas and reasonably quite areas and public transport have more influence while location, distance and ranking of university have least influence on university choice (Price et al., 2003). Indonesian undergraduate student choice was influenced by the five most important factors i.e. cost, reputation, proximity, job prospect and parents (Kusumawati, 2013). An extensive study conducted among New Zealand business students and US undergraduate students in mid-Atlantic university that different program options availability, flexibility to change the course, degree reputation, cost of accommodation, time to complete degree, graduate employability, campus outer appearance, family and peer

influence and word of mouth influence and determine the choice for a university (O'Neil et al. ,1977). The criteria which are identified from the studies of university choice can be also critical in case of specialization selection.

O'Neil, Meeker, and Borger (1977) made a model based on six factors of major influence and 22 sub-factors of minor influence. These are (a) the Familial Factor, (b) the Individual Factor, (c) the Societal Factor, (d) the Socioeconomic Factor, (d) the Situational Factor, and (e) the Psychosocial-Emotional factor. O'Neil et al. (1977) also found each of these variables has significance role in career decision making process.

Career and Decision making is inseparable. We should choose the best factors and ignore the unfit factors of decision making. Choosing a major is known as planting stage for career. A wrong decision may lead to unsuccessful and dissatisfied career and even a change in career in future for rectifying initial mistake. If we can take proper decision it will help us to start a successful career. Previous Studies identified some of effective factors but didn't find the most and least important factors which can guide fresh business students and educators of Bangladesh in developing proper career. The decision making criteria for career selection may vary discipline to discipline and the role of developing country can be significant considering her particular socio-economic, cultural, industrial and political structure. So, the goal of this study is to develop an instrument and to determine the influential factors in selecting a specialization for Bangladeshi Business students.

## **4. Presentation and Analysis of Data**

### **4.1. Demographic Profile**

Among 214 respondents 68.2% were males and the rest were females. Only 5.1% of the participants were married. Most (45.3%) had monthly household income between fifty to hundred thousand bdt. and 29% have household income of below fifty thousand. The survey was conducted on students who already selected their major. Students from 6th to 12th semesters participated but around 75% of respondents were studying between their 7th to 9th semesters. Following Table 1 shows the percentage of feedbacks from different specializations of BBA of AIUB. The



percentages of responses from different departments vary due to varying number of students in different discipline.

**Table 1: Participants from different majors**

<b>Business Major</b>	<b>% of Respondents</b>
Accounting and Finance	38.3%
Economics	0.9%
Human Resource Management	14.5%
Management Information System	6.1%
Marketing	23.4%
Operations and Supply Chain Management	14%
Tourism and Hospitality Management	2.8%

#### **4.2. Reliability Analysis**

The questionnaire used in the study showed consistency and stability as the Cronbach's Alpha is greater than 0.5 (Kaiser and Rice, 1974). The result of the reliability analysis is shown in Table 2.

**Table 2: Reliability statistics**

<b>Cronbach's Alpha</b>	<b>N of Items</b>
.798	31

#### **4.3. Descriptive Statistics**

##### Importance of Factors

Descriptive statistics was used on all main and sub-variables which may have an effect on subject choice of business students. The Mean, Maximum, Minimum and Standard Deviation were calculated for each of them and shown in Table 3.

**Table 3: Importance of factors on choice of business majors**

<b>Factors</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Standard Deviation</b>
Prospective Salary	1.00	7.00	5.18	1.55
Job Characteristics	1.33	7.00	5.31	1.26
Course Offerings	1.00	7.00	5.4	1.32
Features of Specializations	1.33	7.00	5.04	1.09
Advices	1.00	7.00	4.88	1.35
Personal Attributes	1.00	7.00	5.75	1.39

The mean values of almost all the factors such as job characteristics, course offerings, features of specializations, advices and personal attributes are greater than 5 which indicate students of business administration identified these as important factors for major selection. However, they were neutral about the effect on advices. The higher values of standard deviation for all the variables states large gap among opinions of respondents. The standard deviation varies between 1.09 to 1.55 which shows business students had mismatch among their opinions. Moreover, it is evident, the most effective criteria in selecting business specialization is the personal attributes which comprises personal interest and capabilities. The second most effective criteria is job characteristics which includes remunerations, opportunity, security, reputation and challenges offered by the job.

The students were asked directly which variable affected them most in their decision making process. Table 4 presents the percentage of opinions depicting highest importance of different criteria. Personal issues (29%) and

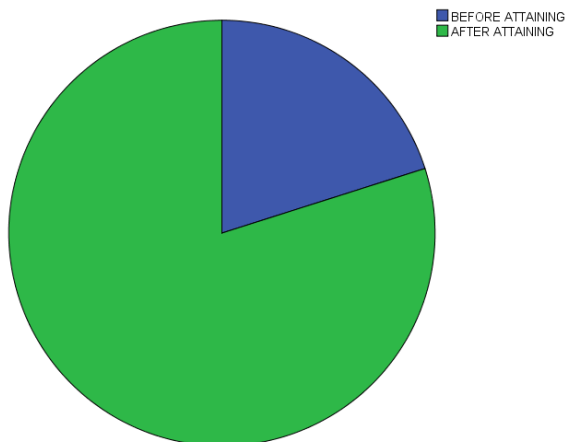
job characteristics (26.6%) were identified as the most impactful ones whereas advices (7%) as the least effective one according to the participants. Features of a discipline such as skill set, image, familiarity, professional enrichment program. Faculty profile and extra-curricular activities associated with the department was also very important (22.4%). This result complies with the findings from mean and standard deviation analysis.

**Table 4: Most to least important factors in business specialization decision making**

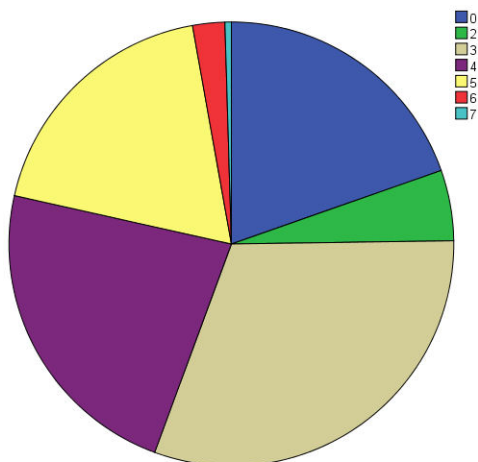
<b>Factors</b>	<b>Frequency</b>	<b>Percent</b>
Prospective Salary	16	7.5%
Job Characteristics	57	26.6%
Course Offerings	16	7.5%
Features of Specializations	48	22.4%
Advices	15	7%
Personal Attributes	62	29.0%

### Timing of Major Selection

From the descriptive analysis we also identified the timing of major selection by Business Students of AIUB. It is visible that only 20.1% students decided before attaining the university and 79.9% chose the major during their studies in the business faculty from Figure 1. Figure 2 shows participants made this crucial decision mainly in 3rd and 4th semester.



**Figure 1: Timing of decision (before or after attaining the university)**



**Figure 2: Timing of decision (semester)**

### Sources of Effective Advice of Specialization Decision

Advices was determined as one of effective factor for business students' decision making process through literature. As a result, though our research recognized it as the most ineffective factor, the most important sources of advices were found out and represented in Figure 3. The findings again validate the previous results. 49.5% students took their own decision other than being influenced by advices from parents, seniors or friends.

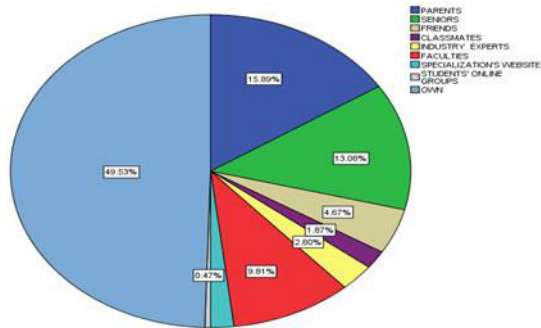


Figure 3: Sources of effective advice of specialization decision

#### 4.4. Correlation Analysis

Pearson coefficient of correlation was calculated between pairwise variables to understand the strength and association of bonding between two variables. Bivariate analysis was used in this purpose and the results are shown in Table 5. All the variables have strong positive correlation with each other with only one exception “Advices”. The values varied between 0.41 to 0.668 which mean these factors are related positively. On the other hand, the factor- advices has weak (0.2 to 0.38) positive correlation with most other factors. “Characteristics of a major” is the only factor which is strongly related to advices in a positive way. All these results were significant at the significance level of 0.05 for 2 tailed- test.

Table 5: Pearson correlation analysis

Factors	Salary	Job Traits	Course Features	Features of major	Advices	Personal Attributes
Salary	1					
Job Traits	0.58	1				
Course Features	0.49	0.57	1			
Features of major	0.45	0.63	0.668	1		
Advices	0.23	0.32	0.38	0.462	1	

<b>Personal Attributes</b>	0.41	0.498	0.593	0.50	0.38	1
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#### **4.5. Recommendations**

Following steps can be taken as per the findings of this research work

- As personal interests and capabilities are the most significant criteria, workshops can be arranged to explain the different attributes needed for different areas of choice. More studies can be done to find out what areas pick the interest of current generation of students.
- Industry related experiences such as job fair, guest lecturer session, seminar from all majors should be organized, preferably before they select any major. Potential students should be exposed to job opportunities and responsibilities through power point, poster presentation etc.
- Faculty profiles should be enriched through highly qualified, impressive personnel with industry connections.
- As majority decided while studying in the university in their 3-4<sup>th</sup> semester mainly, the organization has higher possibility to impact their decisions by taking different actions mentioned beforehand during this time period for proper matching between the student and the specialization.
- Clearly, advice is least important in this decision making process and least related to other factors. So, students should be informed and guided properly by the faculties and management of the institute.

This paper does not include respondents from MBA and public universities of Bangladesh. So it is highly recommended to undergo relevant researches in future for overall understanding and improvement through comparison.

#### **5. Conclusion**

Bangladesh has 95 private universities, each of which offer business studies in both undergraduate and master's level. As discussed in the literature review, studies took place to understand the decision making process by students regarding university choice, career choice by different fields of student. But there is a lacking in studies regarding business students' career choice from Bangladesh. After identifying probable factors by reviewing past works, our research came up to following outcomes

- The factors such as prospective salary, job characteristics, course offerings, features of specializations, advices and personal issues – all were important in the decision of career path. Furthermore, personal issues and job characteristics are the most and advices are the least important among them. So focusing on student compatibility and highlighting jobs and their opportunities with a specific major will not only increase number of students in that major but also overall in business administration studies. As advices from parents, seniors etc. are not important to students; it provides a greater opportunity for business schools to influence their opinions by highlighting scopes of other five factors. Moreover, these five factors are strongly positively correlated which means they have very similar impact on an individual student.
- Majority of the participants used their own judgments in their choice making process which provides us opportunities to educate, guide and motivate them in deciding on appropriate discipline.
- Most students decided their major after getting admitted to the university in their 3rd and 4th semester. This implies the timing when we should focus on marketing of different departments of BBA.

The research didn't cover responses from MBA students which limited the outcomes of the study. Future studies can take place considering perceptions of MBA students regarding their choice of major. As the profile of MBA students is quite different in compare to BBA students in terms of social and professional aspects, the factors affecting choice of major can have different effects and meanings. As a result, it warrants further studies in this regard.

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