AN ANALYTICAL STUDY OF THE RELATIONSHIP BETWEEN ACADEMIC PERFORMANCE AND GROWTH IN CAREER OF THE MBAs OF RTMNU, NAGPUR

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ABSTRACT

The main aim of this research paper is to put forth the insights in the relationship between academic performance of the passed out students of Master in Business Administration (MBA's) from RTM Nagpur University, Nagpur and their career trajectory. This paper examines the relationship among three variables viz; academic performance, career growth rate and salary earned by the MBAs on their first job after completing MBA. This is a quantitative research study carried out by following the techniques of descriptive and inferential statistics. It has been found that there is no relationship between career growth rate and academic performance of the MBAs. It is also evident from this study that there is no relationship between career growth rate of MBAs and the number of years on the job. It is concluded by this research study that there is no relationship between academic performance of the MBAs and the salary offered to them on their first job after successful completion of the MBA program.

KEYWORDS: *Academic Performance, Career Growth Rate, MBA, Salary, RTMNU*

INTRODUCTION

Presently, there are around fifty management institutes functioning in Nagpur and are affiliated to RashtraSantTukdojiMaharaj Nagpur University (RTMNU), Nagpur. Every year, a stream of about 2500-3000 management post-graduates (MBAs) passes out from this university and are absorbed in various industries in different parts of the country. MBA program is in existence in Nagpur since last three decades and has produced more than 50,000 management graduates in this period.Hence, the researcher felt a need to have a deep insight into the variables associated with the employment perspectives of this professionally qualified manpower in this region. A snapshot of the related research studies carried out in different parts of the world has been presented below.

According to **Crisil Research Report 2014** the average annual salary for MBAs for Tier I (top B-Scools), II, III and Tier IV cities in India is Rs 9+, 5 to 9, 3 to 5 and 0 to 3 lakhs respectively.

(Kitroeff NatalieKitro, 2015) Women and men start their post-MBA careers earning almost the same money—$98,000 for women and $105,000 for men—according to survey of those who graduated from 2007 through 2009. But the gap then widens sharply. By 2014 men hauled in a median of $175,000 and women, $140,000. That means employers pay women 80 percent of what men with the same degree take home.

(Unknown, Mahilanche Utpann Purushanpeksha Kami, 2016) According to Corn FerriGroup, the income of women in India is about 18.8% lower than that of the men. In the world, the women earn 17.6% less than men. In India, even if the nature of job and designation of men and

women is same, men earn 3.5% more than women; and in the world this difference in earning is mere 1.6%. It means, in the world women and men earn almost equally if the nature of job and designation is same.

(Unknown, Master of Business Administration (MBA) Degree Average Salary, 2016) According to a website payscale.comthe median annual salary of male MBAs in India is reported as Rs 669,729. Whereas, the median salary of female MBAs is Rs 499,629. That means females are getting about 26% lesser salary than male.

Associated Chambers of Commerce and Industry of India (ASSOCHAM), People Strong, Payscale.com, Aspiring minds are the few agencies who have been carrying out surveys of management post-graduates regularly at national and world level. These agencies have been presenting the statistics with regard to the employment trends of MBAs on annual basis. Most of these studies are descriptive in nature. The researcher has decided to explore relationships among the variables which typically do not form a part of these employment surveys. The researcher has made effortsto get insights into the salaries offered to the MBAs graduated from RTMNU. The researcher studied the relationship of salary with other variables which influence salary. Precisely,the researcher made an attempt to study the association of salaries earned and the academic performance of the MBAs along with their career growth rates.

PROBLEM DEFINITION

Every year, RTMNU produces around 2500-3000 MBAs. These professional degree holders are the major source of fulfilling human resource requirements for different industries spread across the length and breadth of this country in general and Nagpur region in particular. Typically, a study of employment perspectives of the professionally qualified human resource of a region is itself a major indicator of the economic welfare of the region under consideration. There has always been a debate on the association between the academic performance of the students and their career success. It has been conventionally assumed that the students good at academics are successful in their career. With this backdrop it becomes essential to know whether such association really exists. Hence, an evidence based comprehensive study to test this association becomes necessary. It also becomes necessary to track the career trajectory of the management post-graduates of RTMNU, Nagpur.

NEED AND SIGNIFICANCE OF THE STUDY

Such research studies are generally carried out at national or state level. But, a comprehensive empirical study related to the issues under consideration at micro level (i.e. RTMNU) is rarely found for ready reference by the members of the interest groups. This study is an effort to fulfil this latent need of the stakeholders, seeking information on employment related issues of management post graduates of the Nagpur region. This piece of research work shall be of immense importance to the following interest groups viz. the graduated MBAs, MBA aspirants, the management institutes, Training & Placement officers, the employers, manpower consultancy firms, HR professionals, the policy makers and other important stakeholders. These stakeholders shall be benefited at large by taking an overview of the key findings of this piece of research work.

SCOPE OF THE STUDY

1. This study is confined only to the MBAs of RTM Nagpur University.
2. This study is carried out by surveying the MBAs of RTMNU completing their course during last seven years i.e. from 2007 to 2013.
3. This research study has been carried out on the MBAs who preferred to make their career in private or government jobs. Entrepreneurs have been excluded from this study.
4. This research study examines the relationship between only four parameters viz career growth rate of MBA over their career trajectory, their academic performance (i.e. aggregate percent scored by them in all the four semesters), first salary earned by them on their first job after completion of MBA, and the number of years of their career in jobs.

OBJECTIVES OF THE STUDY

1. To evaluate the relationship between academic performance of the MBAs and their respective carrier growth rate.
2. To assess the relationship between academic performance of the MBAs and salary earned by them on their first jobs.
3. To examine the relationship between career growth and number of years of career

HYPOTHESES

1. There is no relationship between career growth rate and academic performance
2. There is no relationship between the academic performance and the salary earned on the first job
3. There is no relationship between career growth rate and number of years of career

RESEARCH METHODOLOGY

This research study has been carried out by using the techniques of descriptive and inferential research designs. This research study is out and out based on quantitative research techniques. Survey method for contacting the target respondents has been adopted by the researcher.

Sample design: The target population for this research study was all the MBAs including male and female who have graduated during 2007 & 2013 from RTMNU. The target population size was approximately 20,000. The researcher has taken out a sample of 196 MBAs. Clusters were formed on the basis of the year of batches of MBAs. Seven clusters starting from year 2007 to 2013 have been formed and the samples were drawn from all the clusters proportionately. For final selection of samples, the researcher has adopted snowball sampling method.

Data collection: The researcher had used telephonic interview and self-administered questionnaire methods predominantly to collect primary data. A questionnaire has been designed as an instrument of data collection.

ANALYSIS OF DATA
Testing of Hypothesis: 1

Null hypothesis: There is no relationship between career growth rate and academic performance

H_o: r = 0

Alternate hypothesis: There is significant relationship between career growth rate and academic performance

H_1: r ≠ 0

The researcher wishes to examine the degree of relationship between the two variables namely career growth rate and academic performance (i.e. aggregate percent scored). Therefore, computing Karl Pearson's correlation coefficient will be an appropriate measure.

A scatter plot has been prepared to check the association between both the variables.
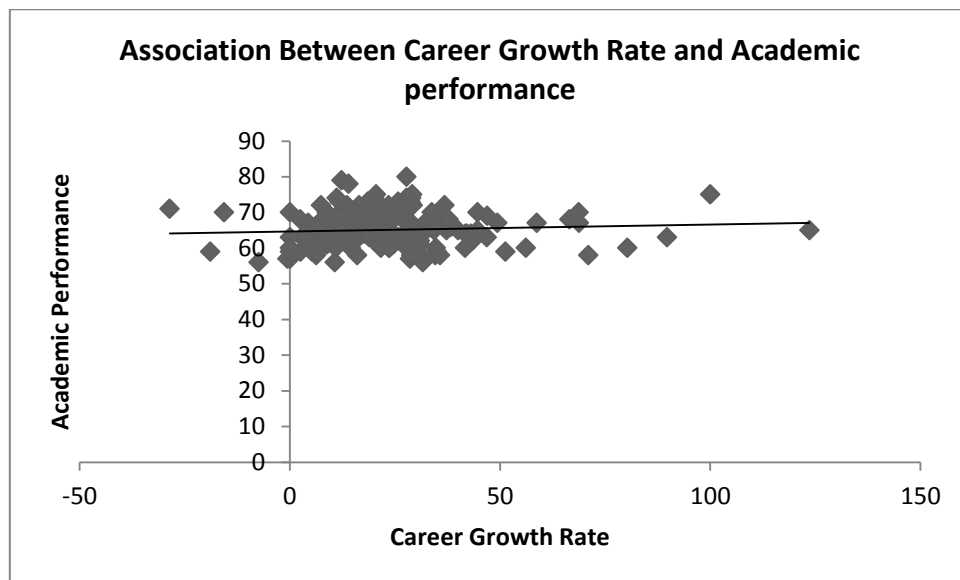
As it is evident from the scatter plot, there seem to be no association between career growth rate and academic performance of the MBAs.

Karl Pearson's correlation coefficient between these two variables is calculated as r = +0.08.

This supports the findings of scatter plot as there is very low positive relationship between academic performance and career growth rate of the respondents.

Computation of probable error of 'r':

Computation of SE of r			Computation of PE	
r	0.07786			
1				
r square	0.006062		PE	0.049025
1-rsqr	0.993938		r	0.07786
n	187		Range	
sqrt n	13.67479		Lower	0.028834
SE	0.072684		Upper	0.126885

PE is calculated to be 0.05. Therefore, population correlation will fall between 0.03 to 0.13.

Coefficient of determination (R) square is 0.01.

Test of Significance of 'r':
Now, the calculated Pearson Correlation Coefficient, r, between two variables, the significance of r should be checked.

Hypothesis Testing	
Computing p-value	
r	0.07786
r^2	0.006062
df=n-2	185
df*r^2	1.121492
1-r^2	0.993938
(df*r^2)/(1-r^2)	1.128332
p-value	0.289516
α	0.05
Result	Accept

Since p-value (0.29) > Alpha (0.05), therefore the null hypothesis is accepted.

Interpretation: There is no significant relationship between career growth rate and academic performance of the MBAs at 0.05 significance level.

Testing of Hypothesis: 2
Null hypothesis: There is no relationship between the academic performance and salary fetched on the first job

H_o: r = 0

Alternate hypothesis: There is significant relationship between the academic performance and salary fetched on the first job

H_1: r ≠ 0

The researcher wishes to examine the degree of relationship between the two variables namely academic performance (i.e. aggregate percent scored) by the MBAs and the salary fetched by them on their first jobs. Therefore, computing Karl Pearson's correlation coefficient will be an appropriate measure.

A scatter plot has been prepared to check the association between both the variables.
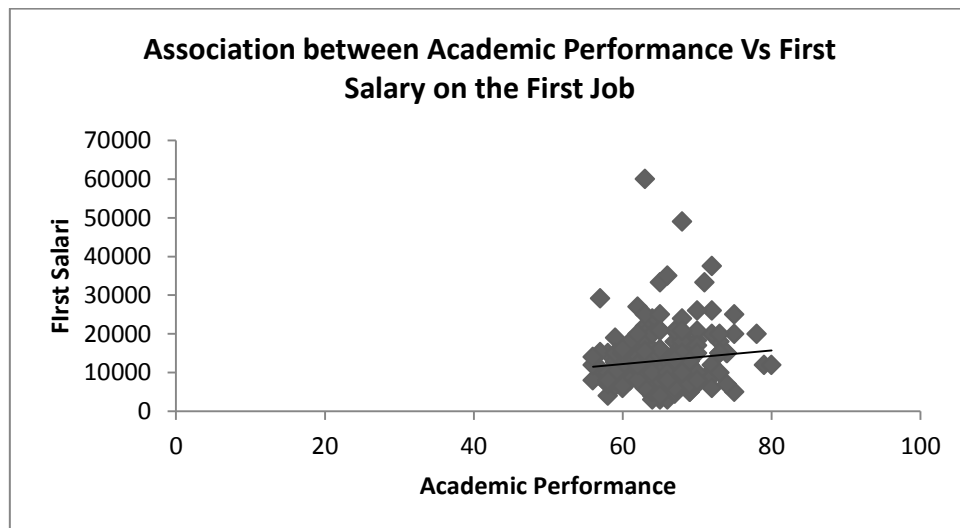
As it is evident from the scatter plot, there seem to be no association between academic performance and the first salary earned by MBAs.

Karl Pearson's correlation coefficient between these two variables is calculated as r = +0.11.

This supports the findings of scatter plot as there is very low positive relationship between academic performance and the first salary of the respondents.

Computation of probable error of 'r':

Computation of SE of r		Computation of PE	
r	0.11006		
1			
r square	0.012113	PE	0.121655
1-rsqr	0.987887	r	0.11006
n	30	Range	
sqrt n	5.477226	Lower	-0.0116
SE	0.180363	Upper	0.231714

PE is calculated to be 0.12. Therefore, population correlation will fall between -0.01 to +0.23.
Coefficient of determination (R) square is 0.012.

Test of Significance of 'r':
Now, the calculated Pearson Correlation Coefficient, r, between two variables, the significance of r should be checked.

Hypothesis Testing	
Computation of p-value	
r	0.11006
r^2	0.012113
df=n-2	194
df*r^2	2.349942
1-r^2	0.987887
(df*r^2)/(1-r^2)	2.378756
p-value	0.124625
α	0.05
Result	Accept

Since p-value (0.12) > Alpha (0.05), therefore the null hypothesis is accepted.
Interpretation: There is no significant relationship between academic performance of the MBAs and the salary offered to them on their first job after successful completion of MBA programat 0.05 significance level.

Testing of Hypothesis: 3
Null hypothesis: There is no relationship between career growth rate and number of years of career
H_o: r = 0

Alternate hypothesis: There is significant relationship between career growth rate and number of years of career
H_1: r ≠ 0
The researcher wishes to examine the degree of relationship between the two variables namely career growth rate and the number of years of career of MBAs. Therefore, computing Karl Pearson's correlation coefficient will be an appropriate measure.
A scatter plot has been prepared to check the association between both the variables.

Association between Career Growth Rate and Years of career
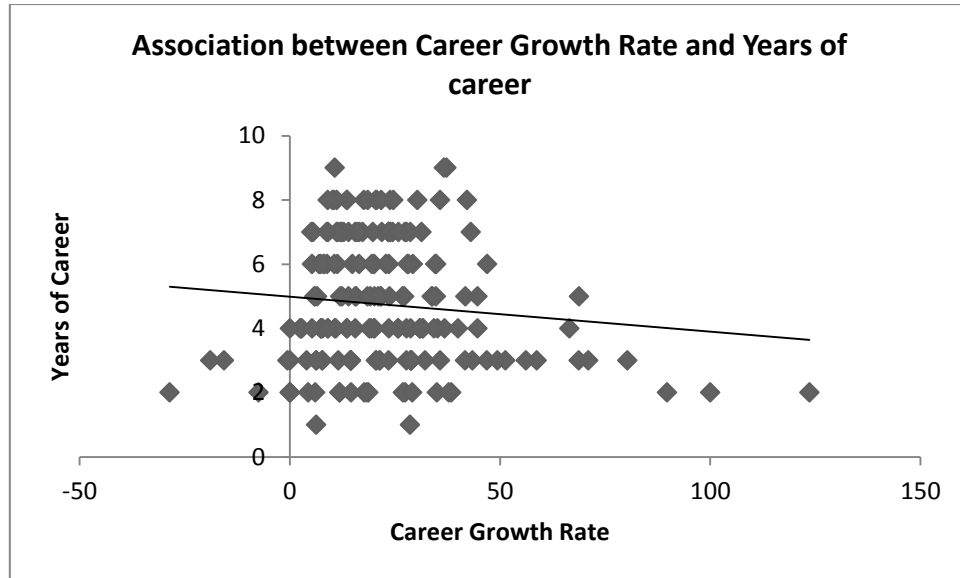
As it is evident from the scatter plot, there seem to be a very low negative association between academic performance and the first salary earned by MBAs.

Karl Pearson's correlation coefficient between these two variables is calculated as r = -0.10.

This supports the findings of scatter plot as there is very low negative relationship between academic performance and the first salary of the respondents.

Computation of probable error of 'r':

Computation of SE of r			Computation of PE	
r	-0.10443			
1				
r square	0.010905		PE	0.048786
1-rsqr	0.989095		r	-0.10443
n	187		Range	
sqrt n	13.67479		Lower	-0.15321
SE	0.07233		Upper	-0.05564

PE is calculated to be 0.048. Therefore, population correlation will fall between -0.15 to -0.06.

Coefficient of determination (R) square is 0.01.

Test of Significance of 'r':

Now, the calculated Pearson Correlation Coefficient, r, between two variables, the significance of r should be checked.

Hypothesis Testing	
Computing p-value	
r	-0.10443
r^2	0.010905
df=n-2	185
$df*r^2$	2.017359
$1-r^2$	0.989095
$(df*r^2)/(1-r^2)$	2.0396
p-value	0.154936
α	0.05
Result	Accept

Since p-value (0.15) > Alpha (0.05), therefore the null hypothesis is accepted.

Interpretation: There is no significant relationship between career growth rate of MBAs and the number of years of career on job at 0.05 significance level.

CONCLUSION

It has been found that there is no relationship between career growth rate and academic performance of the MBAs. It is also evident from this study that there is no relationship between career growth rate of MBAs and the number of years on the job. It is concluded by this research study that there is no relationship between academic performance of the MBAs and the salary offered to them on their first job after successful completion of the MBA program.

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