Choosing an Online MBA Program

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Online MBA programs have existed for more than a decade, but the major publications that rank business schools — BusinessWeek and U.S. News and World Report — have yet to weigh in on the worth of online degrees. “It’s clearly a crying need, but we haven’t been able to figure out how to do it yet,” says Kim Clark, a senior writer with U.S. News and World Report. Much of the data currently used to rank full-time MBA programs doesn’t translate well to online programs, and often schools don’t report the necessary statistics — like the percentage of students who drop out of the program before completing it.

In addition, students tend to pursue online MBAs for a wider variety of reasons than full-time students. To many students, traditional guideposts like reputation matter less than, say, convenience and cost. But in evaluating programs, there are a few questions that any candidate should ask. Here are three to start with, as well as places to look for more information:

Is the School Accredited?

If it is, find out what entity issues the accreditation. The AACSB, the oldest accreditation board for business schools, is the most attractive to corporate recruiters because it has the strictest requirements. For online MBAs, that includes high-caliber curricula taught by the business school's regular faculty, frequent interaction between students and teachers, and a rigorous admissions process. For example, most AACSB schools require the GMAT. (Of the 68 AACSB schools with online MBA offerings, a handful will waive the test, but only if you already have an advanced degree or eight years of managerial experience.) MBA-Options.com offers a near-complete list of AACSB-certified online MBA programs. And GetEducated.com's article “Do I Need an AACSB-Accredited Online MBA?” can help clarify whether you need to make this a priority.

The next best option, after the AACSB, is a regional board that the federal government recognizes, like the Higher Learning Commission or the North Central Association of Colleges and Schools, which are used by many big Midwestern universities. But beware: Not all accrediting boards are legit. “There is no federal requirement that a school be accredited by an agency approved by the U.S. or a state government,” says Vicky Phillips, CEO of GetEducated.com. “It’s a very easy scam to perpetrate a fake college.” If you don’t recognize a school’s accrediting agency, look it up at the Department of Education’s accreditation database. You can also search the Diploma Mill Police at GetEducated.com, which tracks more than 300 fake online colleges.
What Do Recruiters Think?

Online degrees are not universally admired by hiring managers at top companies (see “What’s an Online MBA Worth?”), but if you’re not aiming for the C-suite, that may not matter to you. If you’ve got your sights set on a mid-level career at a specific company, call the HR department or an executive search firm that works with the company. Ask whether they hire candidates with online MBAs — and, if so, which schools they think most highly of.

We asked executive recruiters at firms such as Stanton Chase International and education experts at GetEducated.com, The Princeton Review, and U.S. News and World Report to tell us which online MBAs are standouts. The five names that came up again and again — Indiana University, Thunderbird School of Global Management, University of Wisconsin, Pennsylvania State University, and Arizona State University — all happen to be AACSB-accredited schools that require the GMAT and report completion rates of 80 to 95 percent.

What’s the Value?

One of the biggest perceived advantages of an online degree is affordability — and yet not all of them are bargains. The typical online MBA costs about $20,000; those that are AACSB-accredited average $32,000. Many of the best online programs, however, cost more than their residential counterparts because of the technology and the extra work required of professors. Duke’s Global MBA, a hybrid program, runs about $135,500 because it includes travel to foreign countries.

The important consideration is what you’re getting for the price. Are cheaper degrees worth less? Not necessarily. At the most expensive programs, part of what you’re paying for is the school’s reputation. And in this increasingly democratic, global — and expensive — world, students (or should we say consumers?) are starting to value different criteria. This year, Forbes’ list of best undergraduate programs threw out reputation as a metric and replaced it with criteria like debt load and alumni salaries, upending the traditional school-ranking system. As tuition prices skyrocket, the value of a degree — undergrad or graduate, online or residential — is under serious reconsideration. Unless you plan to leap from B-school directly to a Fortune 500 company or management-consulting firm, where you went to school may not matter as much as what you learned while you were there.

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