

GLOBAL MBA™ 2002 SURVEY OVERALL REPORT



MBA Student Profile

Students enrolled in full-time programs make up 76% of the sample of 4,736 graduates. Another 20% are enrolled in part-time programs and 4%, in executive programs. Slightly more than two-thirds (69%) are male. More than half (54%) are between the ages of 28 and 34, while a fairly substantial 32% are 27 or younger and another 14% are 35 or older.

Among U.S. citizens who were asked their race/ethnicity, 84.7% are white (non-Hispanic). Asian Americans make up the next largest group at 6.7%, followed by Hispanics (4.5%) and blacks/African Americans (4.1%).

Respondents are attending MBA programs in all parts of the world. More than three-quarters are in schools located in the United States (77%), while 10% are in schools located in Europe. Respondents in Canadian, Asian/Australian, and African/Middle Eastern schools round out the sample at 6%, 5%, and 1%, respectively. Respondents from U.S. schools are distributed across regions of the United States.

Graduates also come from all parts of the world, as indicated by the results of a question on their citizenship. Most (55%) are from the United States, but the balance are distributed across Asia, Europe, Canada, Latin America and the Caribbean, and other diverse regions of the world.

Confidence in Benefits of an MBA

Graduates indicated their confidence in benefits the MBA is giving them along a five-point scale (from “extremely confident” to “not at all confident”). Their responses are summarized below in terms of the percentage who said they are *extremely* confident in each benefit of the MBA.

Benefit	Extremely Confident
Opportunity to improve yourself personally	48%
An increase in your career options	41%
Development of management skills	38%
An increase in earning power	33%
Credentials you desire	33%
Opportunity for quicker advancement	29%
Opportunity to network	28%
Preparation to get a good job in the business world	25%
Increase in work-environment flexibility	23%
Job security	11%

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As the table shows, graduates are most confident that the MBA is giving them the opportunity to improve themselves personally (48%), followed closely by an increase in their career options (41%), and development of management skills (38%). Thirty-three percent say both that they are *extremely* confident about getting an increase in earning power and the credentials they desire. Job security is at the bottom of the list. And, at 11%, less than one-fourth as many graduates are *extremely* confident in getting this from their MBA as are *extremely* confident in the opportunity to improve themselves personally.

Career Options

Graduates in prior Global MBA Surveys (2001 and 2000) indicated a high level of *satisfaction* in the increase in career options earned by pursuing an MBA. This year, they express a high level of *confidence* in this potential benefit of an MBA. It is important to know just how graduates believe their career options are improving. Those who were *extremely* or *very* confident in this MBA benefit were asked to indicate the three most important ways the MBA is increasing their career options.

- Nearly three-fourths (72%) say it is allowing them to switch industries and/or to diversify the types of organizations with which they can seek employment.
- Three-fifths or more say it is increasing their career options by allowing them to expand the number of organizations with which they can seek employment (62%) or allowing them to make a career transition (60%).
- Nearly one-third say the degree is allowing them to make a transition from a nonbusiness undergraduate degree or preparing them to start their own business (32% each).
- Finally, more than one-fourth (27%) say it is increasing their career options by preparing them to seek international employment.

School Recommendation

Asked if they would recommend their school to someone who has decided to pursue an MBA, slightly more than three-fifths (62%) said *definitely* yes, while another 31% expressed some reservation by saying *probably* yes. Seven percent said *probably* or *definitely* no.

School Selection Criteria

Graduates rated the importance of 16 criteria in their decision to enroll in the graduate management school they attend. The table below shows the importance of criteria—from most to least important—based on the percentage rating each criterion *extremely* important.

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As the table shows, slightly more than one-half (51%) said the school’s accreditation status was *extremely* important in their enrollment decision. Location—at 35%—is a distant second. The next three criteria—prestige of the school, quality/reputation of the faculty, and career options available to graduates—appear almost equal in importance. The specific curriculum offered is *extremely* important to 26%. And, at 25%, about one-half as many graduates find published rankings *extremely* important as find school accreditation *extremely* important. Other criteria evaluated are *extremely* important to fewer than 20% of this year’s graduates.

School Selection Criteria	Extremely Important
It was an accredited program	51%
Location	35%
Prestige of the school	30%
Quality/reputation of the faculty	29%
Career options available to graduates	28%
Specific curriculum offered	26%
Published rankings	25%
The schools reputation in placing graduates	23%
Diversity of faculty and students	19%
Financial cost of school	18%
Availability of scholarships, grants or other financial aid	15%
Reputation of alumni	15%
Convenient class schedules	15%
There were people like me at this school	11%
My employer paid for my education at this school	10%
Personal experience as an undergraduate	7%

School Recruitment/Communication Activities

In addition to evaluating criteria important to them in selecting their schools, graduates also responded to a question on influential school recruitment/communication activities. Specifically, they selected, from a list provided to them, the three factors most influential in their decision to enroll.

Listed in the following table are those activities selected by 20% or more of the sample. A school brochure, pamphlet, and/or catalog is selected most often (by 37%), followed by a campus visit (33%), and a school Web site (32%). The next four activities involve interaction with others: admissions or MBA program personnel, current students, or school alumni.

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Recruitment/Communication Activity	Most Influential
School publications	37%
Campus visit	33%
School Web site	32%
Interaction with school program personnel	26%
Interaction with current student(s)	26%
Interaction with school alumni	21%
Admissions interview	20%

Career Placement Services: Availability/Use and Helpfulness

Availability/Use

Over four-fifths of the graduates of full-time programs (84%) used their schools' career/placement services. These graduates evaluated the helpfulness of ten services along a five-point scale from *extremely* helpful to *not at all* helpful. If the specific service was not available at their school or they did not use it, they checked "not applicable." As the table below shows, nine of the ten services are available to and/or used by 90% or more of these full-time graduates who are general users of school career/placement services. Only assistance in arranging off-campus interviews falls below this level (at 77%).

Career Placement Service	Available and/or Used
Assistance in resume and cover-letter preparation	97%
Employer information	96%
Aid in developing job-interviewing skills	94%
On-campus interviews with potential employers	94%
Career counseling or planning	94%
School-sponsored networking opportunities	93%
Assistance in making job contacts in the business community	91%
School-sponsored career seminars	91%
Assistance obtaining summer, part-time, or internship positions	90%
Assistance arranging off-campus interviews	77%

Helpfulness

The 10 career/placement services vary widely in the extent to which they are evaluated as being helpful or not. The following table shows how the services compare in terms of the percent of respondents who evaluated each service as *extremely/very* helpful.

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As the table shows, more than three-fifths of the graduates find assistance in arranging off-campus interviews and on-campus interviews with potential employers to be *extremely/very* helpful. More than one-half evaluate the following as *extremely/very* helpful: (1) aid in developing job-interviewing skills; (2) assistance obtaining summer, part-time, or internships positions; and (3) employer information (such as company profiles, business directories, and/or current job openings). School-sponsored networking opportunities and career seminars, as well as career counseling and planning are considered *extremely/very* helpful by more than three-fifths of graduates. Assistance in making job contacts in the business community and in arranging off-campus interviews round out the list at relatively lower levels of helpfulness.

Career/Placement Service	Extremely/Very Helpful
Assistance in resume and cover-letter preparation	63%
On-campus interviews with potential employers	62%
Aid in developing job-interviewing skills	55%
Assistance obtaining summer, part-time, or internship positions	52%
Employer information	51%
School-sponsored networking opportunities	45%
School-sponsored career seminars	43%
Career counseling or planning	42%
Assistance in making job contacts in the business community	36%
Assistance arranging off-campus interviews	26%

Recruiting/Job Search Activities

In addition to evaluating the helpfulness of career/placement services, graduates of full-time programs also indicated the recruiting/job search activities in which they had been involved. Close to three-fifths had attended career fairs/information days (63%); had gone on a job interview off campus (61%) or been involved in on-campus interviews for a full-time job (59%); had attended a formal/informal company presentation (59%); or had had campus interviews for an internship (58%). Nearly one-half (46%) had attended a company-sponsored cocktail reception or dinner; while close to two-fifths (38%) had visited or toured a company site. Slightly more than one-fourth (26%) had contacted a headhunter or job search firm. Smaller shares had attended an executive lecture series (19%) or gone on Consortium interviews (11%).

Sixty-eight percent of graduates of full-time programs said they had an internship while studying for their MBA.

Job Search, Job Sources, and Employment Acceptance Factors

More than one-fourth of graduates (26%) had either accepted jobs or received offers at the time of the survey, while another 33% were waiting for offers. Forty percent were not interviewing.

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Graduates who had already accepted offers described the source(s) as follows: an organization where they had had an internship (49%); an on-campus recruiter (43%); and/or an organization where they had conducted an off-campus job search (18%). A smaller share (2%) specifically noted a previous employer as the source of their accepted offer.

All graduates involved in a job search (whether or not they had yet accepted offers) selected from a list the three factors most important to them in deciding where to work after graduation. The table below ranks these factors according to the percentage of the sample selecting each one (multiple responses possible).

Employment Acceptance Factor	Percent
Challenging and/or interesting work	56%
Competitive salary	46%
Opportunity for advancement	35%
Location	31%
Opportunity to learn new things	26%
Company image and reputation	21%
Positive organizational climate	21%
Opportunity to use your skills to the maximum	19%
Achieving something that you personally value	14%
Job security	7%
Benefits	5%
Job autonomy	5%
Opinions of spouse/significant other	4%
Opportunity for travel	4%
Stock option or ownership program	1%
Opinions of peers	1%

As the table shows, challenging and interesting work is selected most often (56% of the respondents), followed by competitive salary (46%), opportunity for advancement (35%), and location (31%). More than one-fourth of the graduates involved in a job search (26%) named the opportunity to do new things as a most important factor. Slightly more than one-fifth selected company image/reputation and positive organizational climate (21% each). And slightly less than one-fifth (19%) noted the opportunity to use their skills to the maximum. Other factors, including job security, benefits, and the opinions of others, were selected less often. In fact, when the overall list is reviewed, it is interesting that challenging and interesting work (the factor most important) was selected at eight times the rate of job security.

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Preferences for Organization Culture

The employment acceptance factors offer insight into job/employer choice. But they do not provide information on graduates' preferences for organizational culture. Accordingly, this year's Global MBA Survey asked graduates to select from a series of pairs the item that best describes their preference for organizational culture. They agreed most on their preference for a cooperative atmosphere, with 92% preferring this to internal competition (8%). Flexible career opportunities were also preferred strongly over the alternative, a well-defined career path (85%, compared with 15%). And respondents prefer decentralized decision-making to centralized decision-making (84%, compared with 16%) nearly as much as they prefer flexibility and equally as much as they prefer an informal atmosphere to a formal one.

Graduates agree moderately on their preference for a clear, well-communicated vision (76%), when compared with flexible, adaptable corporate goals (24%). And they also agree moderately on their preference for a focus on company success (73%), compared with a focus on public good (27%). Graduates differ the most in their preferences for the structuring of responsibilities and rewards. That is, 53% prefer varied/fluid responsibilities, while 47% prefer clearly defined responsibilities. And 57% prefer individual performance-based rewards, while the other 43% prefer team-based rewards.

Organization Size and Function

Nearly one-half of graduates (49%) who have accepted a job say they will be employed in organizations with 15,000 or more employees. Slightly less than one-third (32%) expect to work in organizations with fewer than 15,000 employees but more than 1,000; and the balance (20%) expect to work in organizations with 1,000 or fewer employees.

Of all graduates who know the location of their work (whether or not they have interviewed this year), 79% expect to be working in their country of citizenship after graduation.

Graduates interviewing for a job this year (including those waiting for offers or considering offers and those who have already accepted one) identified the function of the organization for which they will be working (or expect to be working). Their responses provide detailed information on specific functions ranging from business development and corporate finance to advertising and market research (among many others). These were aggregated into eight general categories during the survey analysis. The results show that 37% expect to work in finance/accounting, while 21% expect to work in marketing/sales. Consulting—at 13%—is a distant second. Nine percent say general management, while another 7% each say operations/logistics or information technology/MIS. Other functions are named to a lesser extent.

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Salary

Signing Bonuses

Almost one-half of this year's graduates expect a signing bonus (49%), down from 62% last year. The median of graduates' expectations for a signing bonus is \$10,000, down from \$15,000 in 2001.

Salaries

Overall, the typical graduate earned \$48,000 before entering the MBA program and now expects to earn \$75,000 in the first job after graduation—a 56% increase. This year's median expected salary of \$75,000 is down from \$80,000 in 2001.

Financing the MBA

Asked the principal way in which they financed their MBAs, 39% of the graduates said with savings (personal or family). Another 30% used a private or federal loan, and nearly equal shares received a scholarship (13%) or a corporate scholarship (15%). Four percent reported some other way of financing their MBAs.

MBA Concentrations

Graduates select as many as two areas in which they concentrated during their MBA programs. Based on their responses, the most popular concentrations were finance (38%), marketing (22%), general management and strategy (10% each), and international business and entrepreneurship (7% each). Five percent concentrated in each of the following areas: management information systems, accounting, and e-commerce.

Undergraduate Major

More graduates majored in science as undergraduates (37%) than in any other field. Business and commerce is a close second at 33%, followed by social science at 18%. Seven percent reported majoring in the humanities, while 5% reported a major not fitting into the other categories.

Among graduates majoring in science, three-fifths majored in engineering. No single undergraduate business major, however, reached this level of popularity. That is, among those majoring in business, 24% majored in finance; 23%, in accounting; 19%, in management; and 13%, in marketing.

Those majoring in humanities as undergraduates tended to pick English (32%) or foreign language (26%). And those majoring in social science picked economics (45%), political science (17%), or psychology (11%) more than other specific majors.

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Pre-MBA Experience

Overall

- Graduates represent a diverse group in terms of the industries within which they worked prior to pursuing their MBAs. Nineteen percent worked in finance/accounting; 16%, in technology; 15%, in products and services; and 11%, in manufacturing. Eight percent worked in consulting, and 6% worked in health care/pharmaceuticals. A relatively low 3% worked in energy and utilities. The balance of the graduates (24%) worked in industries not easily placed in the aforementioned categories.
- More than three-fourths of the sample (79%) have three or more years of work experience.
- Among those with work experience, more than one-third (35%) are (or have been) middle- or senior-level managers. More than one-fourth (28%) have supervised 10 or more people, but a similar share (26%) have never supervised others.
- Forty-nine percent of the graduates reported no budget responsibility in their pre-MBA work experience, lowering the median for the overall sample to \$5,500. Among graduates with *any* budget responsibility, however, the typical graduate is (or has been) responsible for a budget as high as \$600,000. Similarly, the average budget responsibility of all graduates (including those with no budget responsibility) is \$2.6 million; but among those with some budget responsibility, the average is \$5.2 million.