

**GLOBAL MBA™ GRADUATE
SURVEY 2003**

SUMMARY REPORT

The Graduate Management Admission Council® (GMAC), a not-for-profit education association dedicated to creating access to graduate management education worldwide, has tabulated results of its fourth annual survey of graduating MBA students—the Global MB® Graduate Survey. This report summarizes the results.

4,123 students responded from 96 schools. Citizens of 110 different countries completed the questionnaire. Forty-seven percent are non-U.S. citizens.

These graduates from around the world told us their opinions on:

- School Selection Criteria
- Influential Sources of Communications
- Value of MBA Education
- School Recommendation
- Quality Ratings of MBA Program Aspects
- Improvement in Skills and Abilities
- Satisfaction in Benefits of MBA Degree
- The Job Search
- Annual Base Salary
- Ethics
- Corporate Scandals

In return for their cooperation, each of the 96 schools receives the following:

- an executive report, summarizing the overall significant findings and implications, including year-to-year trends;
- online access to all students' aggregated responses, enabling the schools to run customized queries by program type, gender, school size, age, school location, citizenship and race/ethnicity (U.S.);
- online access to the aggregated responses of the students associated with their individual schools, enabling benchmarking against practices at all schools; and
- a comprehensive statistical report of all findings, including comparisons by program type, gender, school size, age, school location, citizenship and race/ethnicity (U.S.);

Results from the Global MBA Survey can be used by all of the functions in the office of the dean—program direction, admissions, career services, marketing, student services, and alumni affairs.

Professionals can:

- generate strategic information to share with deans and other senior administrators
- increase recruiting effectiveness by identifying high-impact activities
- determine student satisfaction compared with other graduates
- enhance the effectiveness of the reach and influence of school communications
- manage job offer and salary expectations.

For more information contact:

Rachel Edgington

Project Manager, Applied Research

Graduate Management Admission Council

1-703-749-0131 (phone)

edgington@gmac.com

SCHOOL SELECTION CRITERIA.....page 1

On what criteria did prospective students base their school selection? How does it mirror recruiters' school selection criteria? How has selection criteria changed from last year? How do criteria differ for each gender, type of program, and geographic location of the school? What are the implications for schools?

INFLUENTIAL SOURCES OF COMMUNICATIONS.....page 5

How much influence did various school, personal, and media sources have on prospective students when they were forming impressions of their school's reputation? What are the implications for schools?

VALUE OF THE MBA DEGREE.....page 9

How do graduates from the class of 2003 rate the value of their degree? What factors determine how they rate the degree? How does the class of 2003 compare to the class of 2001? What are the implications for schools?

SCHOOL RECOMMENDATION.....page 11

How willing is the class of 2003 to recommend their school? What factors determine whether they will recommend their school? What are the implications for schools?

QUALITY OF MBA PROGRAM.....page 13

How does the class of 2003 rate the quality of their fellow students, faculty, curriculum, admission, program management, administration, student services, and career services? What are the implications for schools?

IMPROVEMENT IN SKILLS/ABILITIES.....page 14

How much does the class of 2003 feel their MBA education has improved their skills and abilities?

MBA DEGREE SATISFACTION.....page14

How satisfied is the class of 2003 that their MBA degree will give them the potential benefits they are seeking? What are their motivations and expectations from the degree? How do motivations differ between career enhancers versus career switchers? What industry is the most attractive? What concentrations are the most popular? What are the implications for schools?

THE JOB SEARCH.....page 20

What growing trend did we find in EMBA programs? Where are the sources of offers coming from? How has this changed from last year?

ANNUAL BASE SALARY.....page 20

What are the salary offers graduate are receiving? How does this compare to last year? What salary offers are graduates attending schools in different geographic regions receiving?

ETHICS.....page 24

How are programs incorporating ethics into their business school curriculum? How do different types of programs incorporate ethics? How do programs located in different geographic regions incorporate ethics? How do the graduates rate the effectiveness of the incorporation of ethics into their curriculum?

CORPORATE SCANDALS.....page 26

What is the class of 2003's assessment of the recent corporate scandals? How do they feel it has impacted business? How has it affected their job search?

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

SCHOOL SELECTION CRITERIA

Respondents were asked to indicate the importance of various factors in their decision to enroll in the graduate management schools they attend. Factor analysis shows that the criteria respondents used to select their schools fall into four categories: quality and reputation, financial cost, personal fit, and locality (a category that includes factors related to both the geographic location of the school and regard for the school within its local community). Prestige or global recognition of the college or university was the top criterion used in school selection. The following table shows the criteria within each category that graduates said were extremely important in their decision to enroll in their schools.

IMPORTANCE OF SCHOOL SELECTION CRITERIA, BY CATEGORY		
Extremely Important Criteria		
Quality and reputation	Percent	Rank
Prestige or global recognition of the college/university	39%	1
Career options available to graduates	35%	3
Quality/reputation of the faculty	34%	4
Published rankings of graduate management program	33%	5
Reputation of alumni	21%	9
Locality		
Location of the college or university	38%	2
Local respect	25%	7
Personal Fit		
School offered the specific curriculum wanted	26%	6
The students and faculty had diverse backgrounds and experience	23%	8
There were people like me at this college or university	14%	11
Financial Cost		
Financial cost of school	23%	8
Financial aid offer extended	19%	10

As the table above clearly illustrates, criteria related to quality and reputation are extremely important to people choosing a graduate management program.

Additional Remarks:

According to MBA employers who responded to the Corporate Recruiters Survey 2002–03, a school’s reputation is built on the quality and standards of its faculty, curriculum, and admissions office and measured by experience—recruiters’ relationships with the school, the success of alumni from the school, and the history of the recruiters’ companies with students from the school. Global recognition of the school—one way recruiters define reputation—is really a byproduct of a school’s ability to build its reputation and establish a history with recruiters.

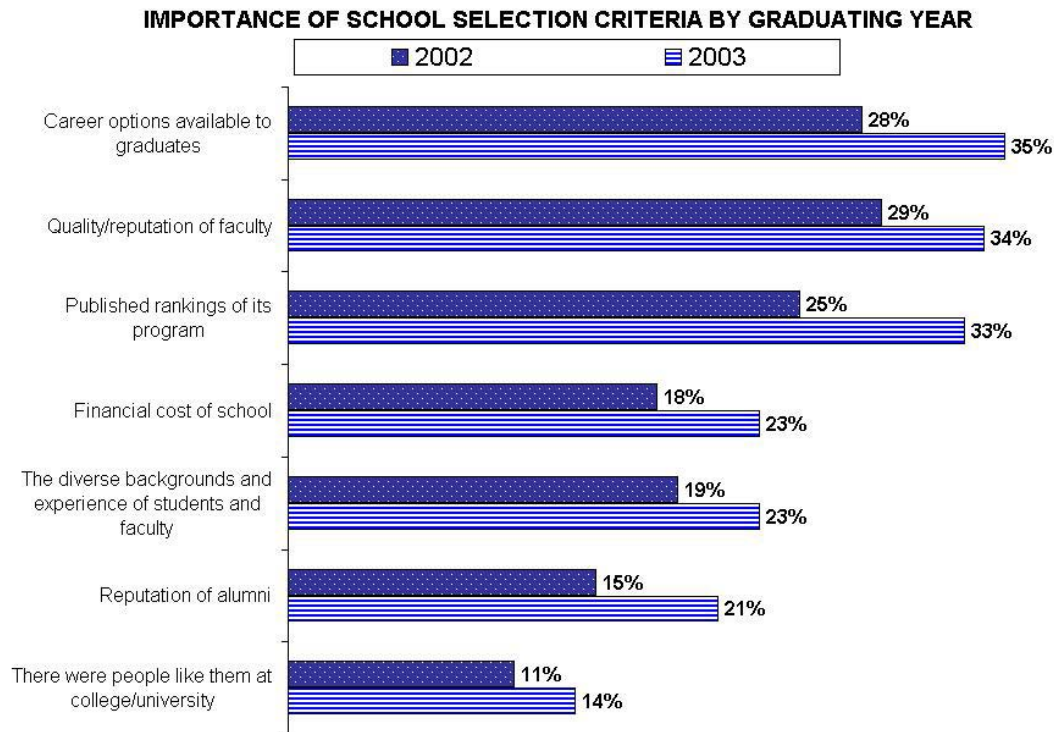
Implications:

The reputation of a school’s faculty is important to both prospective students and companies who employ MBAs. But whereas the reputation of alumni is less important to prospective students than the reputation of the school, the reputations of the school and its alumni are equally important to MBA employers choosing schools at which to recruit. Schools face the challenge of meeting the criteria necessary to attract prospective students as well as recruiters who will employ their graduating students. Both prospective students and employers are attracted to schools that cultivate and retain high-quality faculty and foster strong alumni networks.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

Longitudinal Analysis:

Graduates in the MBA class of 2003 found seven of the 12 school selection criteria significantly more important than their predecessors did in the class of 2002. The following chart shows extremely important school selection criteria by graduation year.



Implications:

The increased weight prospective students have placed on these criteria may be due to the competitive job market upon graduation. Between the time the class of 2002 decided where to enroll and the time the class of 2003 made their enrollment decisions, the job market for graduating MBAs was becoming increasingly competitive. Concerns about the job market could have contributed to the class of 2003's emphasis on certain school selection criteria. These concerns on the part of the class of 2003 before they matriculated actually reflect corporate recruiters' current circumstances—57 percent of recruiters surveyed in recruiting year 2002-03 report that economic weakness is constraining their recruiting plans for recently graduated MBAs. The resulting “buyers” job market of 2003 means that the ability of a school to facilitate the placement of its graduates in jobs is more important to the class of 2003 than it was to the class of 2002. The graduates of the class of 2003 accurately gauged the changed in the job market when they chose their schools.

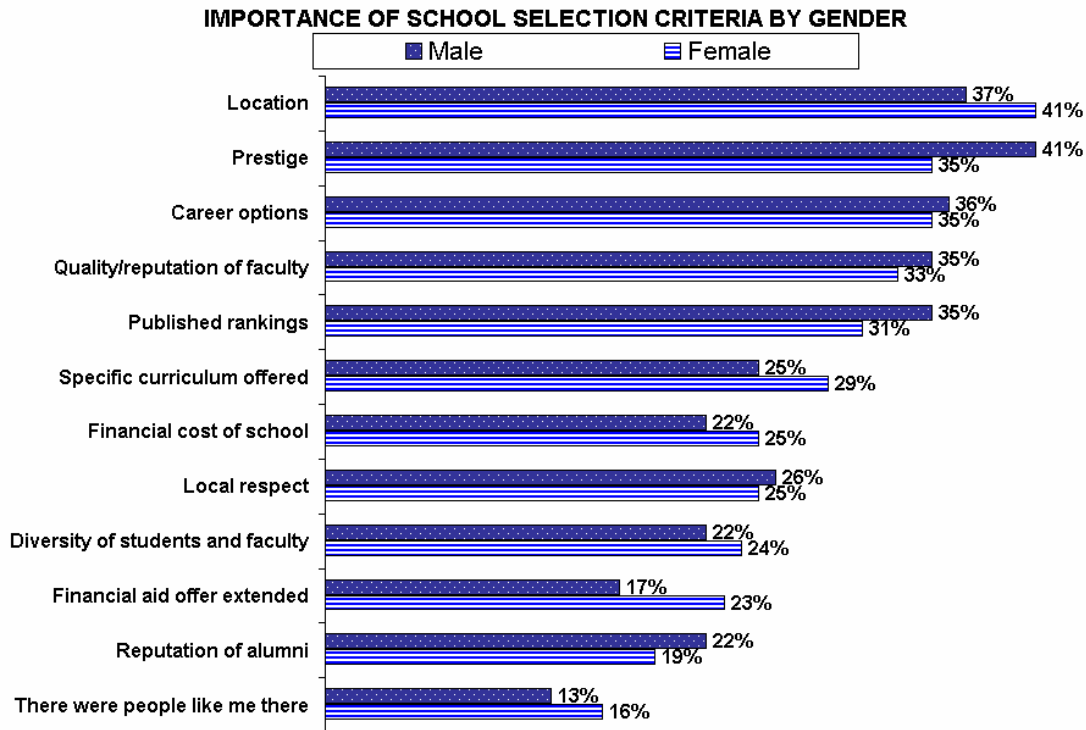
Of the school selection factors that increased in importance between 2002 and 2003, alumni reputation experienced the most significant increase. This increase may be a reaction to recent corporate scandals or to the increased need for a strong alumni network in today's tight job market. Although the scandals happened after the class of 2003 matriculated into their program, graduates may be retrospectively increasing the importance of alumni reputation.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

Findings by Cross-Sections

While the most important school selection criteria did not vary among any particular cross-section of respondents, the importance or the weight graduates placed on the criteria did.

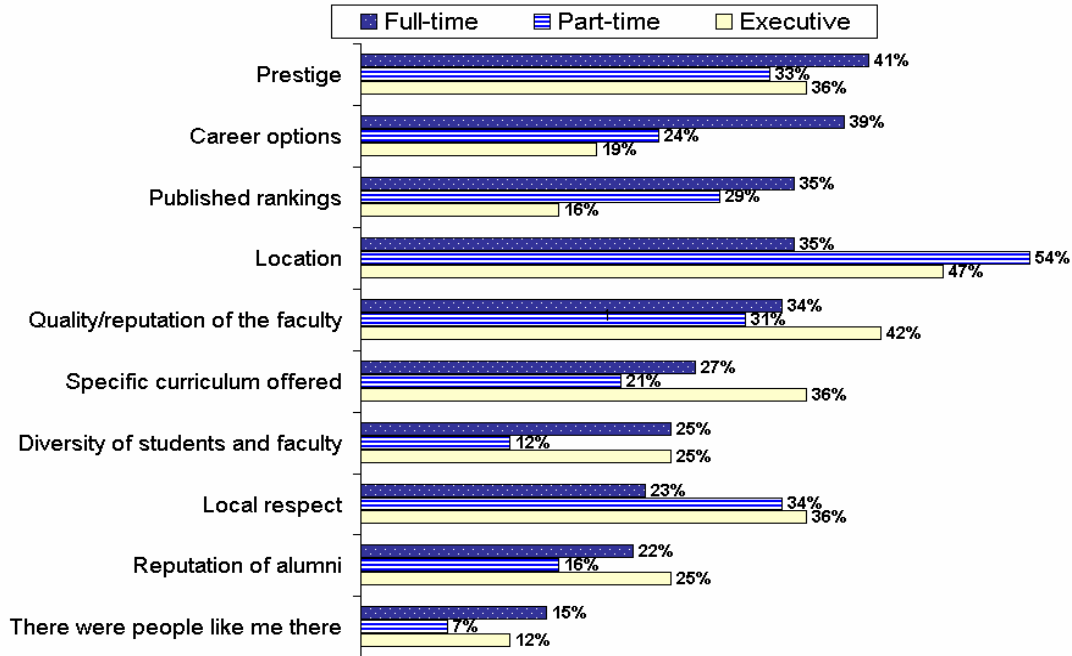
The following chart shows that while males place more weight on selection criteria in the quality category, females place more weight on items in the financial cost, personal fit, and locality categories.



The following chart shows that graduates of full-time programs place greater importance on school selection criteria in the quality category, graduates of part-time programs place great importance on quality *and* locality, and graduates of executive programs place great importance on quality, locality, *and* personal fit.

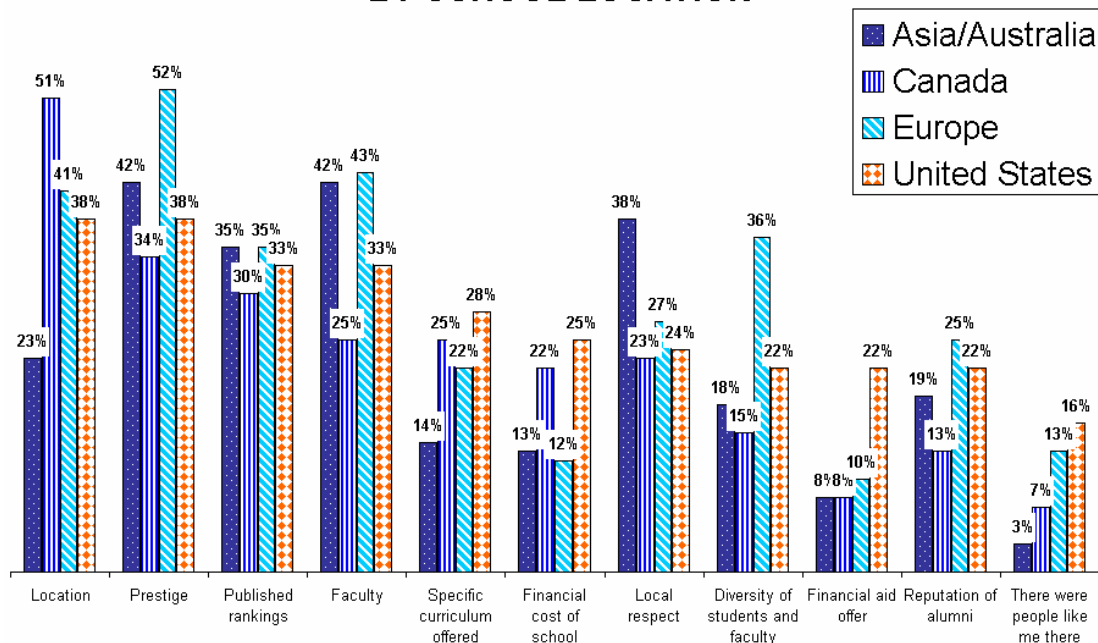
2003 GLOBAL MBA® GRADUATE SURVEY SUMMARY REPORT

IMPORTANCE OF SCHOOL SELECTION CRITERIA BY PROGRAM TYPE



Location (an item in the locality category) is the most influential criterion to graduates of Canadian schools. Criteria in both the quality and locality categories are influential to graduates of U.S. schools. The following chart shows school selection criteria that are extremely important to survey respondents in each school location.

IMPORTANCE OF SCHOOL SELECTION CRITERIA BY SCHOOL LOCATION



2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

Implications:

While items in the quality category are influential to the majority of graduates, graduates attending schools in different world regions make distinctions about how quality is determined, evidenced by the varying importance they place on different criteria. For example, respondents attending European schools equate quality with the prestige and global recognition of the program. For respondents attending Asian schools, quality is associated with prestige and the quality/reputation of faculty. Respondents attending U.S. schools equate quality with prestige and career options available to graduates.

The MBA degree enjoys a widespread acceptance in the business community in the United States that it may not have in other world regions. Therefore, prestige may be more influential in school choice outside the United States. Additionally, cultural influences affect graduates' ideas about how prestige is determined. In a hierarchical society, the reputation of a school's faculty may be deemed more important than it would be in a more egalitarian society that is more concerned with individual achievement than with credentials.

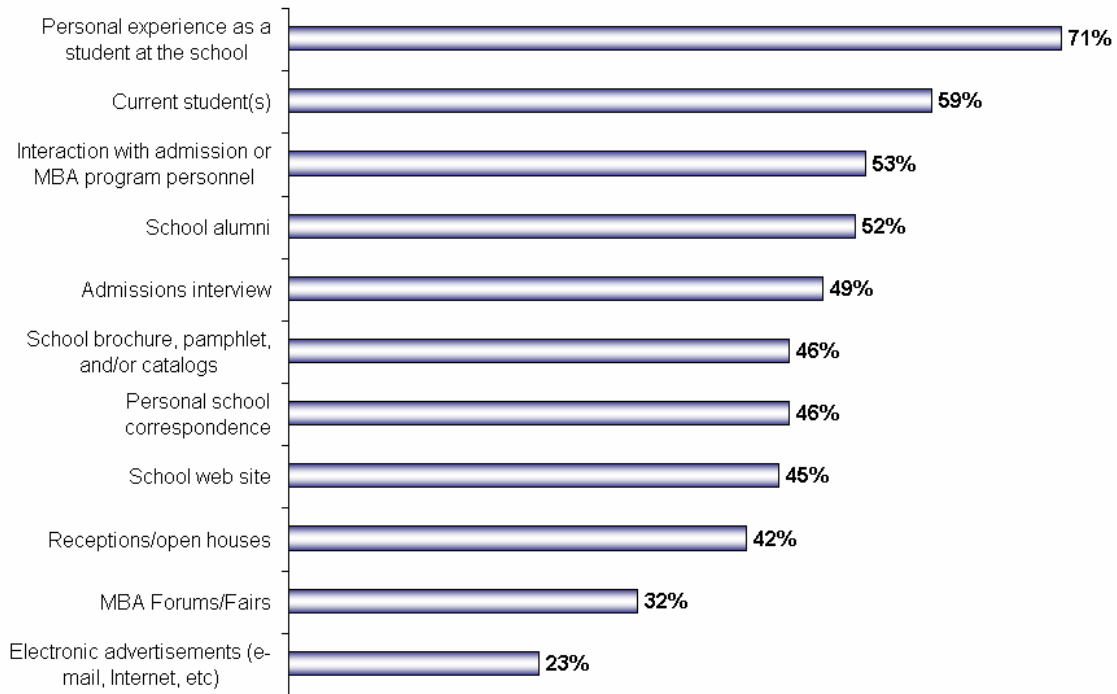
While all groups indicate that school selection criteria in the quality category are important, many groups, such as females, also place importance of a multitude of other factors. For this reason, from the business schools' perspective, communications with these groups when they are prospective students is more complex. It is somewhat less challenging for schools to communicate with a group of prospective students that is primarily concerned with only one category of school selection criteria. Special recruitment outreach will be more successful if it addresses the criteria that are important to the groups the school seeks to recruit. Detailed analysis of school selection by program type, age, gender, school location, and citizenship is provided in the comprehensive report from Global MBA Graduate Survey 2003. The following section of this executive summary covers sources that influence prospective students' impressions of schools.

SOURCES OF INFLUENCE IN FORMING IMPRESSIONS OF SCHOOL'S REPUTATION

Respondents were asked to indicate on a five-point scale (from a great deal to none at all) how much influence various school, personal, and media sources had on them when they were forming their impressions of their schools' reputation. Respondents could also indicate whether a source was not applicable to their impressions. Although the most influential school communication source is personal experience as a student at the school, personal experience was also deemed the least applicable influence (41% did not find it applicable). And, while school brochures and Web sites reached the most respondents when they were prospective students, personal interaction with students, program personnel, and alumni had the greatest influence on their impressions of their schools' reputation.

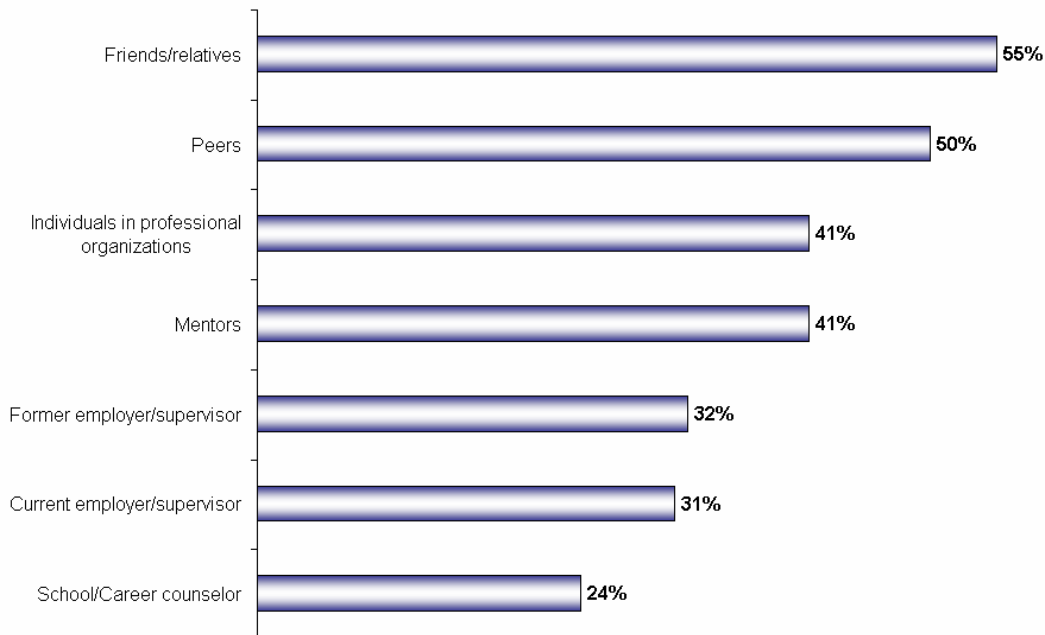
2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

A GREAT DEAL/A GOOD AMOUNT OF INFLUENCE: SCHOOL COMMUNICATION SOURCES



Among personal sources, friends, relatives, and peers had the broadest reach and greatest influence.

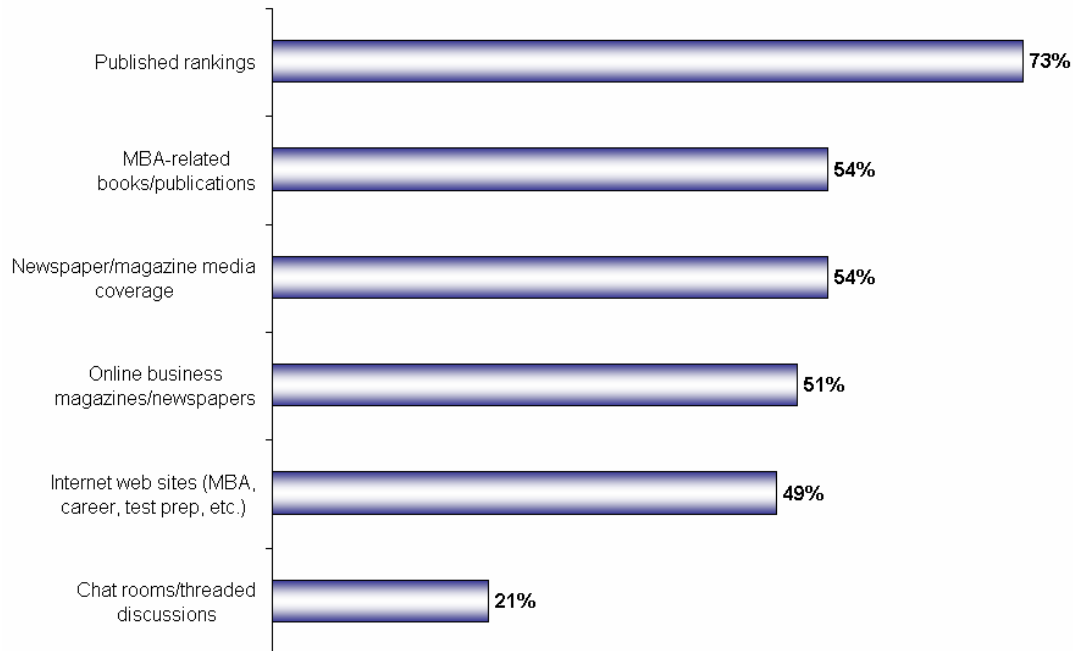
A GREAT DEAL/A GOOD AMOUNT OF INFLUENCE: RECOMMENDATIONS/WORD-OF-MOUTH



2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

Published school rankings continue to have the broadest reach and greatest influence of all media sources as well as remaining the top source overall.

A GREAT DEAL/A GOOD AMOUNT OF INFLUENCE: MEDIA SOURCES



The influence of various communication sources varies widely by respondents' program type, gender, school size, age, school location, and citizenship. The following breakdowns show the most influential communications sources for each group. See the comprehensive survey report for specific details.

Influential Communications by Program Type

Graduates of full-time programs were heavily influenced by a mix of all communications sources — rankings, personal experience, current students, MBA-related books, school personnel, and friends.

For part-time students, with the exception of rankings, the most influential communications sources are those involving personal connections—rankings, personal experience, friends, peers, alumni, and current students.

For executive students, school sources had more influence—school personnel, admissions interview, personal experience, alumni, receptions, and school brochure.

Influential Communications by Gender

While there are no differences in the communication sources that were most influential to males and females, school communications were generally more influential with females and media sources were generally more influential with males.

Influential Communications by School Size

Every communication source was more influential to respondents attending large schools.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

Influential Communications by Age

Every communication source was less influential to those 35 years old or older than to younger respondents.

Influential Communications by School Location

Every communication source was more influential to respondents attending European schools. Every source was less influential to those attending Canadian schools.

Influential Communications by Citizenship

The impressions of Asian citizens were highly influenced by rankings, personal experience, MBA-related books, media coverage, friends/relatives, and peers.

U.S. citizens were highly influenced by personal experience, rankings, current students, school personnel, alumni, and friends.

Canadian citizens were highly influenced by rankings, personal experience, online magazines, MBA-related books, and media coverage.

Latin American citizens were highly influenced by personal experience, rankings, current students, friends, MBA-related books, and online magazines.

European citizens were highly influenced by rankings, personal experience, current students, friends, alumni, and media coverage.

Implications:

The ability of a communication source to influence the impressions of different groups can be attributed in part to what these groups are looking for in their schools as well as how they measure the reputation of a school. For example, if an individual measures reputation by published rankings, media sources could logically have more influence over impressions of a school's reputation. Or, if the individual measures reputation by quality/reputation of faculty, school communications (the best source of information about faculty) could have more influence.

Understanding Canadian Citizens

Interestingly, Canadian citizens are the only respondents who did not indicate a personal source as one of their most influential sources. Instead, they relied primarily on media sources—somewhat counterintuitive, considering the fact that the most important factor in their school selection is the location of the school. Canadian citizens are explicit in their school selection criteria—half of them indicated that location is *extremely* important. Prestige or global recognition of the school is a distant second most important criterion (rated extremely important by 35% of Canadian citizens).

Canadian citizens' reliance on sources not directly related to a school may indicate why they rate their degree satisfaction and the quality of various aspects of their graduate management programs significantly lower than citizens from other world regions. If Canadians base their perceptions primarily on media sources, they may come to their graduate management programs with unrealistic expectations of what their MBA experience will be; they would therefore be more likely to give survey responses that indicate dissatisfaction with various aspects of their schools. Their responses indicate that in choosing a school largely on the basis of location but assuming quality largely on the basis of non-school-related sources, they may feel they have compromised quality for convenience—when that may not actually be the case.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

Longitudinal Analysis:

Every school communication and personal source reached significantly more graduates of 2003 than 2001 graduates; and every communication source (except school brochures and Web sites) influenced the graduates of 2003 more.

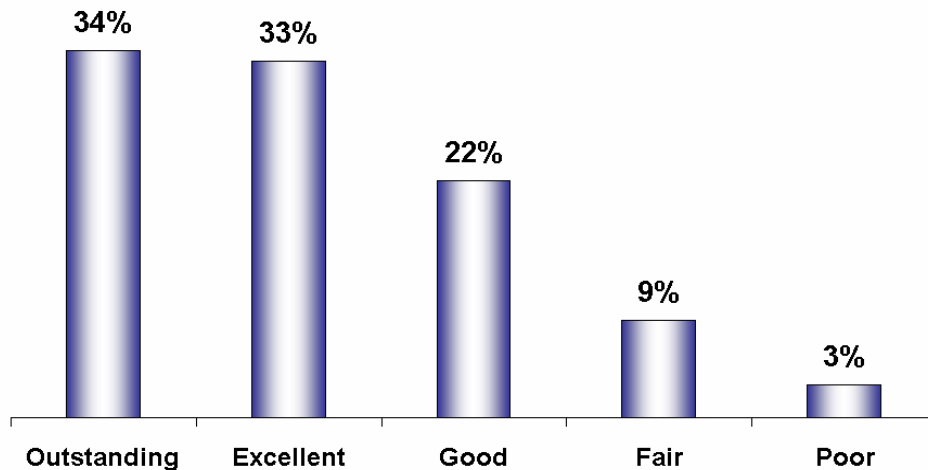
Implications:

These results suggest that 1) prospective students are becoming more astute consumers, and 2) schools are doing a better job reaching and influencing their target markets.

VALUE OF THE MBA DEGREE

Do the MBA graduates of the class of 2003 value the education they have received despite the cost of earning the MBA degree? The answer is a resounding “yes.” The graduating MBA class of 2003 was asked to rate the overall value of their MBA education by comparing the total monetary cost of their MBA programs to the quality of education they received. Sixty-seven percent of the graduates feel the value of their MBA is outstanding or excellent.

OVERALL VALUE OF THE MBA



Determining Value:

Not all graduates rate the degree “outstanding,” and close to one-fourth select “good” for their valuation, rather than “outstanding” or “excellent.” A lower percentage say the value is “fair” or “poor.” What is behind these differences in respondents’ valuations of the degree? We asked graduates in the Global MBA Graduate Survey 2003 other questions about their MBA experience that would help us determine the potential drivers of their value ratings and then used simple and multiple correlation and regression analysis to discover potential drivers of differences in the ratings of overall value.

We found 10 potential drivers to be statistically significant and explained 48 percent of the variance in ratings, each making its own independent contribution to the explanation of differences in ratings of overall value of the MBA.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

Four of the potential drivers come from the list of eight aspects of the MBA program for which graduates rated their satisfaction. These drivers are—

- the quality of curriculum;
- the quality of the administration;
- the quality of career services; and,
- the quality of fellow students.

Two drivers come from in the list of 12 skills and abilities areas in which respondents were asked to rate their improvement:

- leadership skills; and,
- the ability to think strategically.

Three drivers come from the nine different areas of degree satisfaction graduates were asked to rate.

- preparation to get a good job in the business world;
- the increase in career options the degree has given graduates; and
- an increase in earning power.

Implications:

Respondents' ratings of overall value of the MBA are primarily driven by factors related to career preparation. In the next section, we examine the career goals of MBA graduates, which shed light on what benefits graduates expect from their MBA degree.

First, it is important to note that questionnaire items from each of the driver categories are significant in predicting ratings of the overall value of the degree. That is, all aspects of the MBA with which respondents were asked to rate their satisfaction in, are important to their perception of the overall value of the degree.

Second, with regard to aspects of the MBA program, it is clear that graduates value the contributions of fellow students just as they value those of the faculty. This underscores one of the important admissions objectives: to assemble classes in which the students themselves contribute significantly to the MBA program.

Third, graduates have clear opinions about their ratings of curriculum content that are independent of their ratings of faculty and fellow students. Also, they recognize the independent contributions of the MBA program administration and career services professionals

Of the factors that were found to predict value ratings, the two items from the skills/abilities driver category address two fundamentally different kinds of skills, interpersonal and cognitive. The fact that items representing each of the two skills areas explain ratings of overall value of the MBA shows that graduates recognize the importance of improving both cognitive and interpersonal skills as part of their MBA education. These results would suggest that the efforts of business school administrators to provide skills development in both areas appear to be well placed.

Respondents' ratings of their preparation to get a good job in the business world and increase in earning power are significant predictors of their ratings of the overall value of the MBA. However, the absolute salaries graduates expect to receive and the salary increases from pre-MBA levels—also tested as potential drivers of overall value ratings—do not enter the model (are not predictors of the respondents' assessments of the degree's value).

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

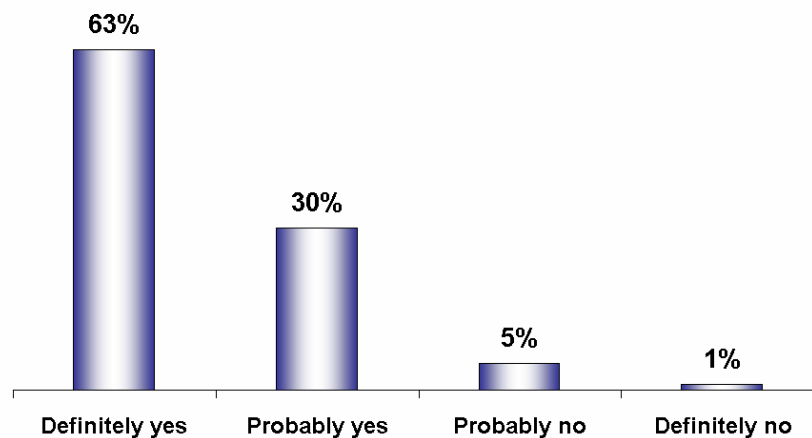
Longitudinal Comparison:

The class of 2003 is significantly more likely to rate the overall value of the MBA degree higher than the class of 2001. Thirty-four percent of the class of 2003 rated the overall value of the MBA outstanding, compared to 26 percent of the class of 2001.

SCHOOL RECOMMENDATION

A student's willingness to recommend his or her school is a tangible expression of satisfaction and loyalty. Respondents were asked whether they would recommend their schools to someone who has decided to pursue an MBA. Sixty-three percent said definitely yes.

LIKELIHOOD OF SCHOOL RECOMMENDATION



Determining Willingness to Recommend School:

While more than three-fifths of graduates would *definitely* recommend their schools, the rest are less positive. As is true for the overall value of the MBA, it is possible to explore predictors of variations in graduates' willingness to recommend their schools.

Four of the potential drivers of willingness to recommend one's school come from the list of eight aspects of the MBA programs for which graduates rated their satisfaction:

- program management;
- curriculum;
- administration; and
- fellow students.

Four of the drivers come from the nine different areas of degree satisfaction graduates were asked to rate:

- preparation to get a good job in the business world;
- gaining the credentials desired;
- opportunity to improve personally; and,
- opportunity to network and to form relationships of long-term value.

And one predictor of the willingness to recommend one's school comes from the list of 12 skills and abilities in which respondents were asked to rate their improvement:

- improvement in the ability to think strategically.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

Additional Remarks:

There is some overlap between the predictors of the willingness to recommend one's school and the predictors of overall value ratings of the MBA. This overlap is in part a result of the strong correlation between ratings of overall value of the degree and the willingness to recommend one's school.

Four factors that predict the willingness to recommend one's school do not predict ratings of overall value of the MBA degree:

- satisfaction with program management;
- satisfaction that the MBA gives the credentials desired;
- opportunity to network and form relationships of long-term value; and,
- opportunity to improve personally.

Implications:

In these survey results, graduates show both career-mindedness and an interest in self-improvement. Their rating of their preparation to get a good job is a predictor of willingness to recommend their schools. Likewise, the opportunity graduates feel they have to improve themselves personally while earning their MBAs drives their willingness to recommend their schools. Thus, while the inclination to recommend one's school is driven by practical job-success factors, it is also driven by graduates' satisfaction with developmental factors that are primarily *personal*.

It is important to note the sensitivity of graduates to the quality of program management and administration. Both these aspects of program quality are key drivers of graduates' willingness to recommend their schools. So, too, is the quality of curriculum. As satisfaction with a particular aspect of the MBA education increases, the willingness of students to recommend their schools is apt to increase.

Although satisfaction with the career services offered by a school is a predictor of ratings of overall value of the MBA degree, satisfaction with career services does not make one more likely to recommend one's school to someone else. Satisfaction with program management is more influential in this regard.

Additionally, the opportunity to network and to form relationships of long-term value can influence the willingness of students to recommend their schools to others. Efforts of administrators and faculty to increase networking opportunities with current students, alumni, and potential employers should enhance graduates' willingness to recommend their schools.

Satisfaction with fellow students is an important predictor of the willingness to recommend one's school, just as it is as a predictor of ratings of the overall value of the MBA degree. These results confirm the importance of the admissions function's skill in assembling classes that make learning from fellow students a possibility.

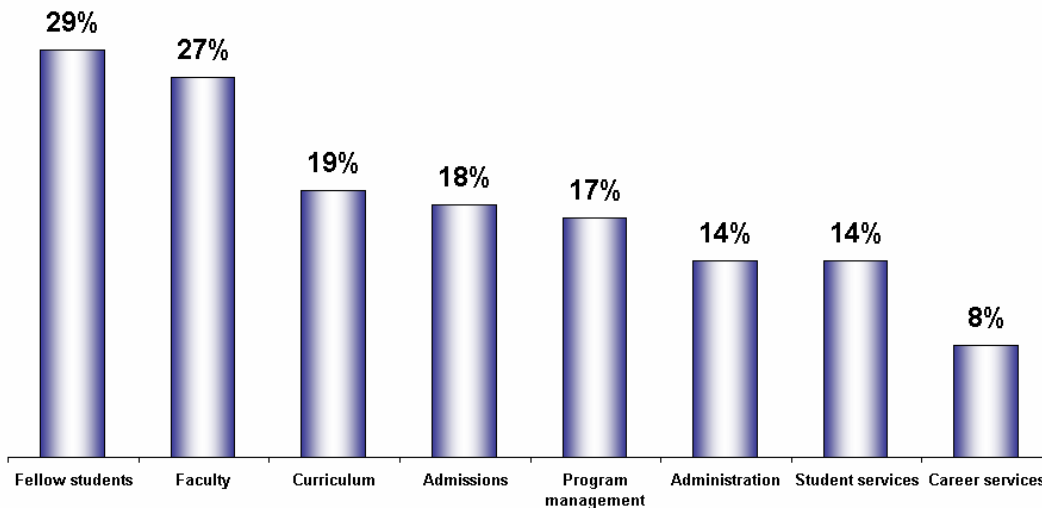
In light of the importance of the quality of various aspects of the MBA program, satisfaction with the MBA degree, and improvements in skills and abilities in predicting respondents' ratings of the overall value of the degree, it is important to see how graduates feel about these factors.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

QUALITY OF MBA PROGRAM

The graduating MBA class of 2003 was asked to rate the quality of certain aspects of their programs on the basis of their entire educational experience as a graduate business school student. Respondents who indicated they had experience with the different aspects of their program rated the quality on a five-point scale (from outstanding to poor). The following chart shows the aspects of the program that were rated *outstanding*. The top-rated areas are those related to classroom experience—faculty and fellow students. The lowest rated are those related to career services.

QUALITY OF PROGRAM ASPECTS: OUTSTANDING RATING



Additional Remark:

Ratings of various aspects of the MBA program make independent contributions to the drivers of the overall rating of the value of the MBA degree and respondents' willingness to recommend their schools. However, a respondent's ratings of various aspects of the MBA program do not seem to vary much from one aspect to another; if a respondent expresses satisfaction or dissatisfaction with one aspect of the program, the same level of satisfaction is assigned to the other aspects of the program.

Implications:

Perceptions of quality of the curriculum, fellow students, and administration influence ratings of the overall value of the MBA as well as graduates' willingness to recommend their schools. Schools that try to ensure satisfaction in these areas will go far in attracting prospective students to their program.

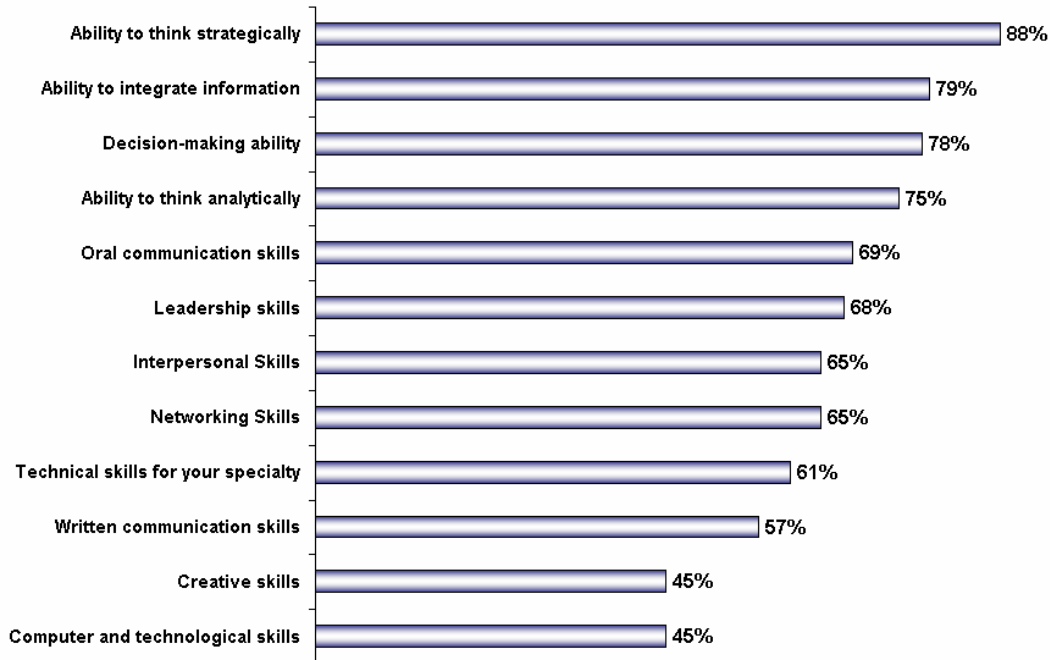
Although the quality/reputation of faculty has a strong influence on prospective students' choice of schools, satisfaction with faculty does not influence their ratings of the overall value of the degree or their willingness to recommend their schools to others. This could be because by the time the students graduate, they are most focused on developmental factors that are primarily personal.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

IMPROVEMENT IN SKILLS/ABILITIES

Respondents were asked how much they felt their education will improve (or has improved) their skills and abilities, compared with before they entered the MBA program. Respondents say their ability to think strategically has improved the most.

A GREAT DEAL OR A GOOD AMOUNT OF IMPROVEMENT IN SKILLS/ABILITIES



Factor analysis of all 12 skills/abilities items show that the items fall neatly into two factors: interpersonal skills and cognitive skills.

Additional Remarks:

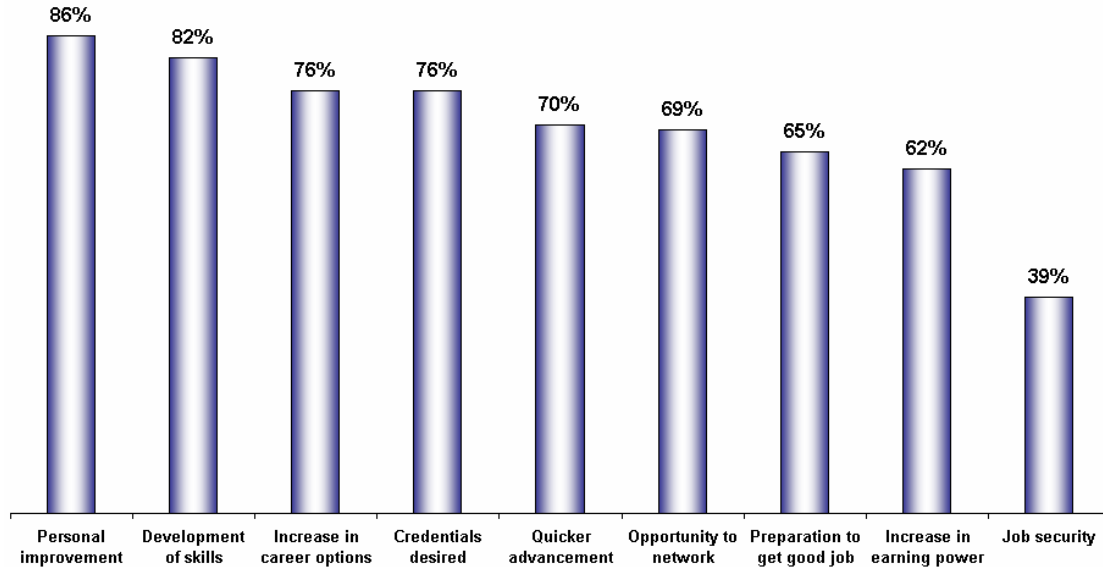
Some differences in the amount of improvement can be attributed to the level of skills respondents had upon entering their programs. For example, the level of improvement in computer skills has consistently decreased in year-to-year comparisons since GMAC began surveying MBA graduating classes in 2000, suggesting that the graduating class of 2003 may have arrived at business school more technologically savvy than the class of 2000 did when they enrolled.

MBA DEGREE SATISFACTION

Respondents were asked to rate how satisfied they are that their MBA degree will give them the following potential benefits (see following chart). More than three-quarters of the graduates said they were extremely or very satisfied with the opportunity to improve personally, development of skills, increase in career options, and credentials gained.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

EXTREMELY OR VERY SATISFIED IN BENEFITS GAINED IN RECEIVING MBA DEGREE



Students' level of satisfaction can be affected by changes in either their expectations or the ability of the MBA credential to provide the expected benefits.

Satisfaction with the benefits of the degree has decreased each year since 2000. When the graduating class of 2003 entered their programs, they had high expectations of fielding multiple job offers and commanding high salaries when they graduated. Instead, as they approach graduation, the economy has weakened to the point that the job market is now a buyer's (employer's) market. The fact that satisfaction levels have not negatively affected ratings of the overall value of the degree or the graduates' willingness to recommend their schools suggests that the class of 2003 has made the adjustment from viewing the MBA degree as a ticket to immediate returns to viewing it as a long-term investment in their futures. The following section of this report gives more evidence that graduates in the class of 2003 view the MBA in terms of its long-term effect on their careers and lives.

Determining Motivations and Expectations:

In 1985, GMAC conducted the New Matriculants Survey to determine what students want and expect from their schools and post-MBA employment experiences. Virtually all respondents (94%) mentioned career factors as reasons for seeking an MBA, with "an increase in career options" cited most. Fifteen years later, GMAC surveyed the graduating MBA class of 2000 and found that "an increase in career options" remained the number-one reason students pursued an MBA. In 2003, we asked those who were extremely/very satisfied that the degree was increasing their career options exactly how it was doing so. The following chart shows their responses.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

WAYS THE MBA INCREASES CAREER OPTIONS



As the chart shows, most graduates felt the MBA would increase their career options by increasing their long-term potential through the development of management knowledge and technical skills.

Career Enhancers and Career Switchers:

Detailed factor analysis of the ways the MBA increases career options revealed that MBA students are using the MBA degree either to enhance their opportunities in their current occupation or industry (these students are known as career enhancers) or to move to a different occupation or industry (these students are career switchers). We are able to determine the rate of switching and enhancing by industry because we asked graduates in the class of 2003 to identify the specific industry in which they worked prior to pursuing their MBAs, as well as whether they would continue to work in this industry after they earn an MBA. Their answers show that 59 percent are career switchers, while 41 percent are career enhancers. Some graduates, of course, may be switching within the same industry group (say, from advertising to marketing services). When adjustments are made for this possibility, 49 percent of graduates are career switchers and 51 percent are career enhancers. By comparing these two groups in terms of how the MBA increases career options, we can understand MBA students' motivations for pursuing the degree.

Significantly more career switchers than career enhancers say the MBA degree increases career options because it allows them to—

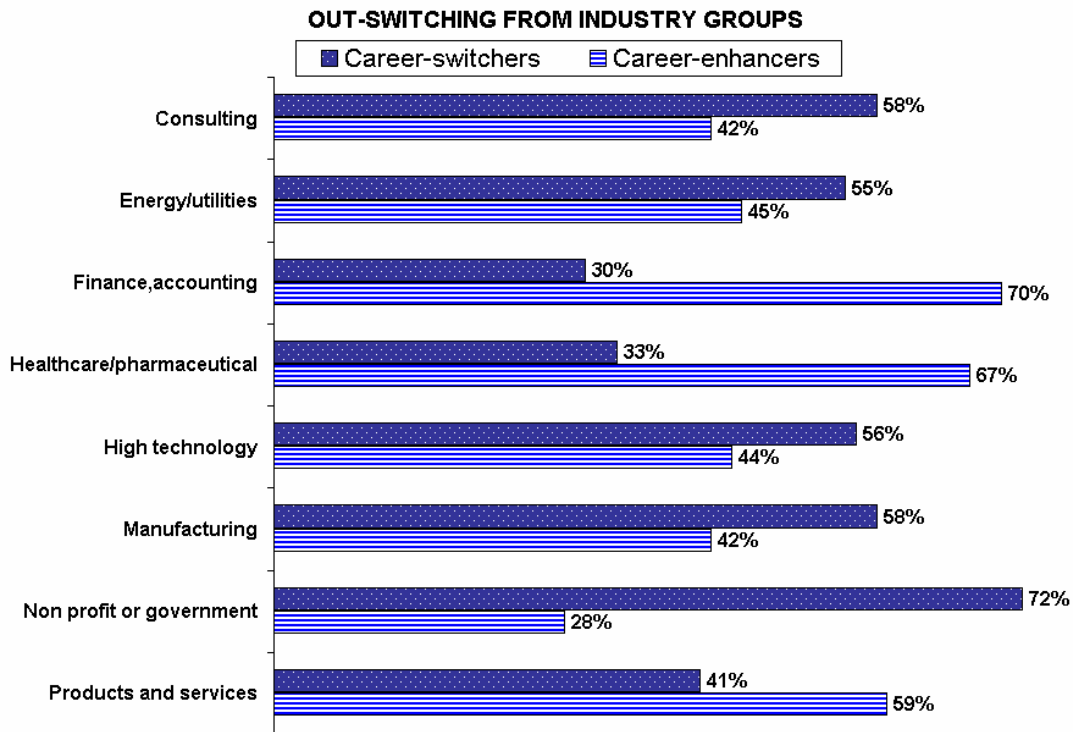
- make a transition from a nonbusiness undergraduate degree;
- make a career transition (to change occupational areas); and,
- switch industries or to diversify the types of organizations where they can seek employment.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

Significantly more career enhancers than career switchers say the MBA increases career options by—

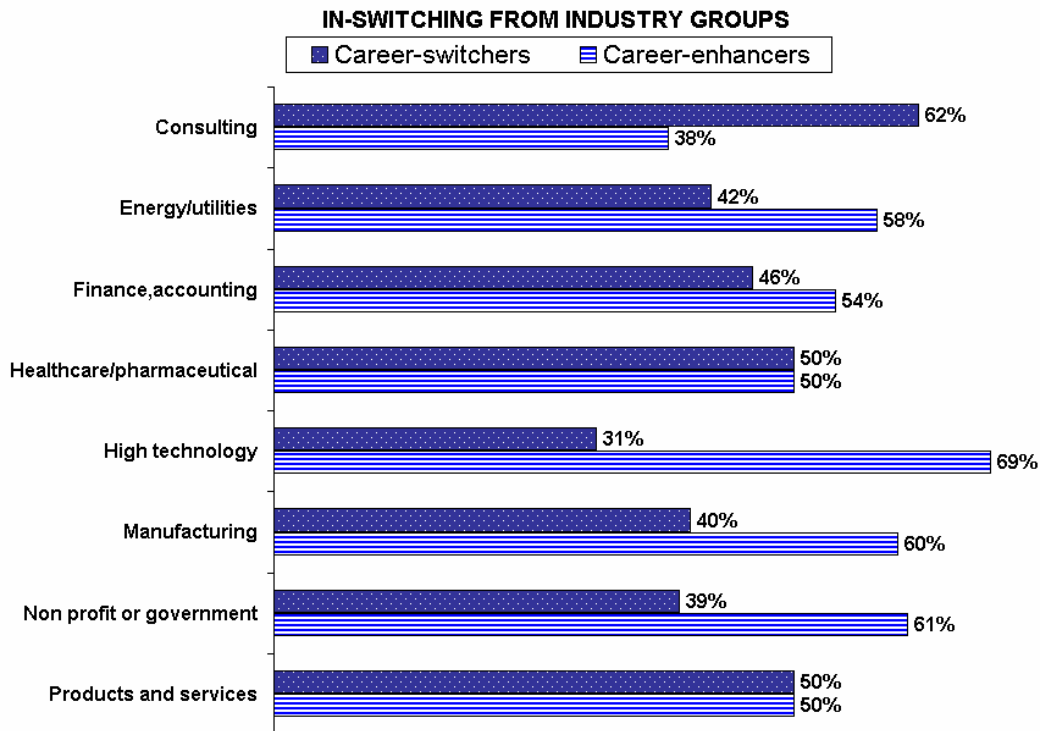
- increasing long-term potential through the development of management knowledge/technical skills;
- increasing chances of promotion where they currently work; and,
- allowing them to remain marketable or competitive.

As discussed above, 49 percent of graduates overall are switching from their pre-MBA industry group in 2003. Five of eight industry groups have a greater-than-average percentage of MBA graduates switching out: consulting, energy/utilities, high technology, manufacturing, and nonprofit or government. And while 51 percent of graduates overall are career enhancers, in three of the eight industry groups a greater-than-average percentage of graduates are career enhancers: finance/accounting, healthcare/pharmaceuticals, and products and services.



However, the percentage of MBA graduates switching out of their pre-MBA industry group does not show the whole picture, as there are also MBA graduates switching into these same industry groups (in-switching).

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT



This chart shows, for example, that of those who expect to work in finance/accounting post-MBA, 54 percent are career-enhancers (continuing from pre-MBA employment in finance/accounting), while 46 percent are switching-in from another industry group.

Implications:

Results from GMAC's Corporate Recruiters Surveys show that employers seek to reduce risk in a weak economy. One way this behavior is manifested is through the criteria they use to pick candidates for hire—they are seeking candidates who have proven themselves and will be able to contribute immediately. According to MBA employers who responded to the Corporate Recruiters Survey 2001–02, when considering who to hire, the following were considered the most important criteria (extremely/very):

- internship and/or work experience related to job requirements (70%)
- history of increased job responsibility (66%);
- internship and/or work experience related to their industry (61%)
- MBA functional area/concentration of study (61%)

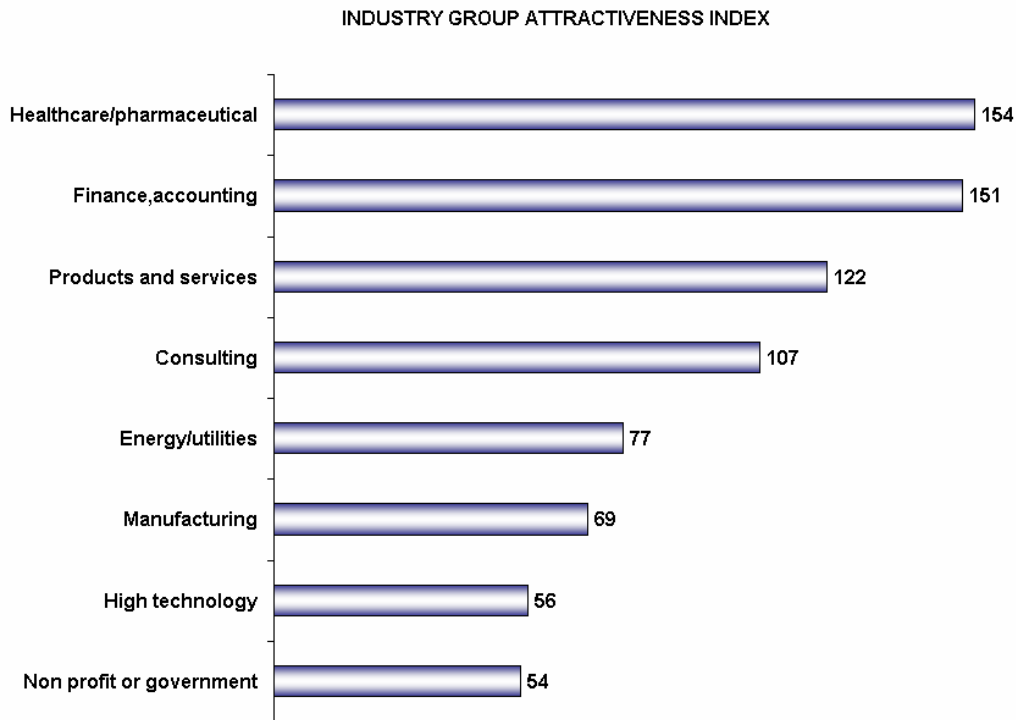
Career-switchers enter the pipeline with some risk as to what the economic environment will be like when they come out. Schools will need to manage their expectations as well as implement strategies to provide students with the tools they will need for successful placement.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

Industry Attractiveness Index for Career Switchers:

If the percent switching into an industry is divided by the percent switching out (and the result is multiplied by 100), we can develop an index that shows whether an industry is above or below average in overall attractiveness to career switchers.

As shown in the following chart, healthcare and the finance/accounting industry are the most attractive choices for post-MBA employment opportunities among those who are switching industries.



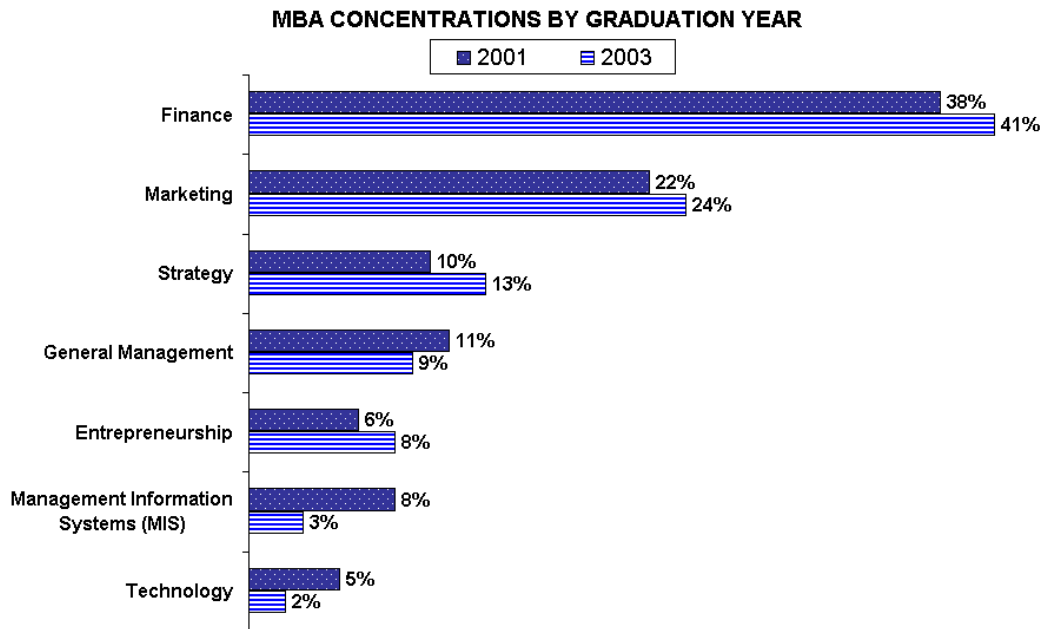
Implications:

Industry attractiveness can provide concrete information to schools in identifying the fields they might target when seeking to recruit prospective students, when developing program content and direction, and when developing business contacts for employment recruitment.

MBA CONCENTRATION

Tracking specific concentrations in graduates' MBA education sheds light on which jobs are more attractive to MBA graduates. There are significant differences in the MBA concentrations of the class of 2002 and the class of 2003. While interest in finance, marketing, strategy, and entrepreneurship has increased significantly, interest in general management, management information systems (MIS), technology, and e-commerce has decreased significantly.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT



Implications:

For business school education to remain relevant and essential to those looking to develop on a career and personal level, it must respond to the demands of the market as well as provide core managerial skill development. A couple of years ago, for example, e-commerce and other related technological advances were introduced to the business community, and there was demand from the marketplace for individuals and businesses to learn and harness the power and potential of these technological advances; business schools responded by providing courses and even programs focused on technology. Once more companies and individuals have ascended the learning curve, technology was integrated in all aspects of business and business school curriculum; there was no longer a need to treat it as a separate specialization.

THE JOB SEARCH

Growing Trend in Executive Programs:

The Global MBA Graduate Surveys over the last few years show a growing trend of graduates from executive programs searching for jobs. In 2002, 17 percent were involved in a job search compared to 25 percent in 2003. There is speculation that there is an increasingly younger student cohort found in Executive programs and that this may be causing this trend. But, in 2002, 54 percent of respondents in Executive programs were 35 years old or older compared to 62 percent in 2003. What could be happening is that graduates are beginning to use the EMBA program as a part of a corporate outplacement strategy. This finding has implications for admissions, program, and career services professionals.

Admissions professionals have long had responsibility for assembling classes that make it possible for students to learn from one another. The lack of potential competition for job placement and the experience base of the typical executive MBA student have allowed executive programs to focus on collaborative learning. The shift in the executive student mix toward people who seek new jobs could increase competitive behavior and change the focus of the curriculum from personal development to the development of marketable skills.

2003 GLOBAL MBA® GRADUATE SURVEY SUMMARY REPORT

Additionally, in the past, EMBA directors could rely on companies to sponsor executive students financially and give them time off from work to attend classes and do their school work. The increase in the percentage of executive students seeking work could indicate decreased company sponsorship, which could result in a demand for lower tuitions and more accommodating class schedules in executive programs.

For career services professionals who have developed the relationships and contacts necessary to place traditional MBA graduates, the need to place executive program graduates, who would expect higher-level positions, could severely tax already-limited resources.

Source of Job Offers:

In the 2002 Global MBA Graduate Survey, the most common source of job offers to graduates was organizations in which the graduates had served internships (accounting for 49% of job offers), followed by on-campus recruiters (accounting for 43%). In 2003, the most common source of job offers was on-campus recruiters (58% of job offers), followed by organizations in which the graduates had served internships (46% of offers). These findings reflect the increased optimism expressed by MBA employers in the Corporate Recruiters Survey 2002–03, which has resulted in larger numbers of on-campus visits and new MBA hires in the 2002-03 recruiting cycle.

Annual Base Salary

The typical MBA graduate made U.S. \$50,000 before receiving his or her MBA degree and expects to receive U.S. \$75,000 after graduation—a 50 percent increase in annual salary. Post-MBA salaries for 2003 have not changed significantly from post-MBA salaries reported by the class of 2002.

The typical MBA graduates who have accepted job offers expect a higher post-MBA annual salary (U.S. \$83,250) than those who have not accepted offers, even though their pre-MBA salaries do not differ from those of all other graduates. Possible explanations for these findings are that the graduates who have accepted offers may be at the top of their MBA classes and would therefore be better compensated upon graduation, or that the graduates have accepted job offers because of the high salaries they provide.

MEDIAN ANNUAL BASE SALARIES IN U.S. DOLLARS: PRE- AND POST-MBA



2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

Factors that can affect post-MBA salary are:

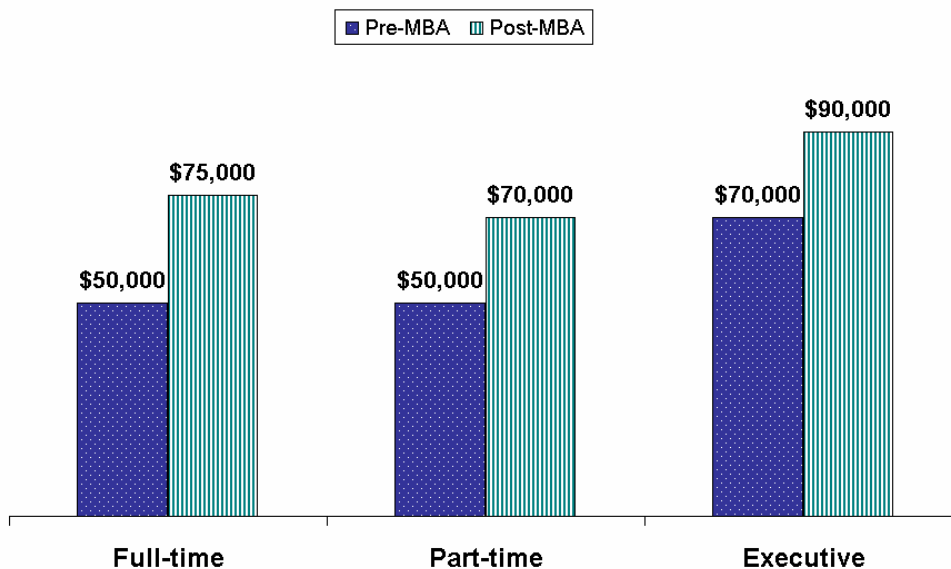
- Professional Function
- Industry
- Geographic Region
- Undergraduate Major
- Years of Professional Experience

Any discussion about salary should be based on MBA Career Services Council's standards to ensure these factors are taken into account (www.mbacsc.org).

By Program Type

Graduates of executive programs cited significantly higher pre-MBA salaries and expect significantly higher post-MBA salaries than graduates of other types of programs. Graduates of full-time programs expect to see a 50 percent increase in their salaries post-MBA; graduates of part-time programs expect to see a 40 percent increase; and graduates of executive programs expect to see a 29 percent increase.

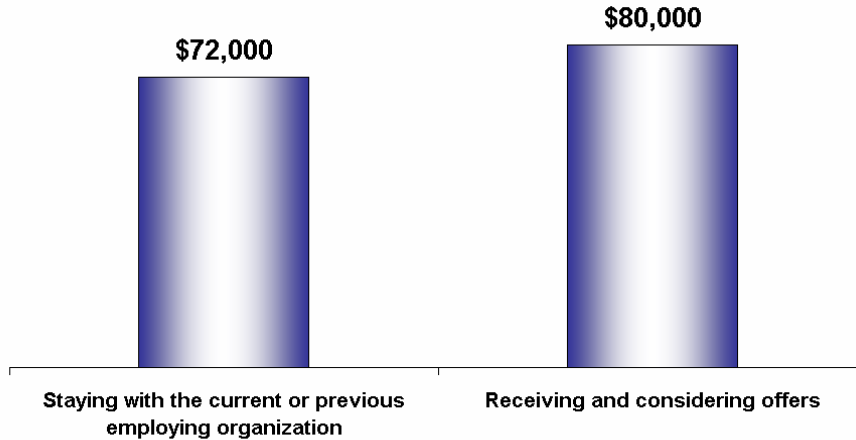
SALARIES IN U.S. DOLLARS, BY PROGRAM TYPE



Differences in salary by program type can be attributed in part to whether the graduate is planning to stay with his or her current or previous employer and whether he or she is receiving and accepting job offers. Forty-six percent of graduates of part-time programs plan to stay with their current or previous employers, compared to six percent of graduates of full-time programs.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

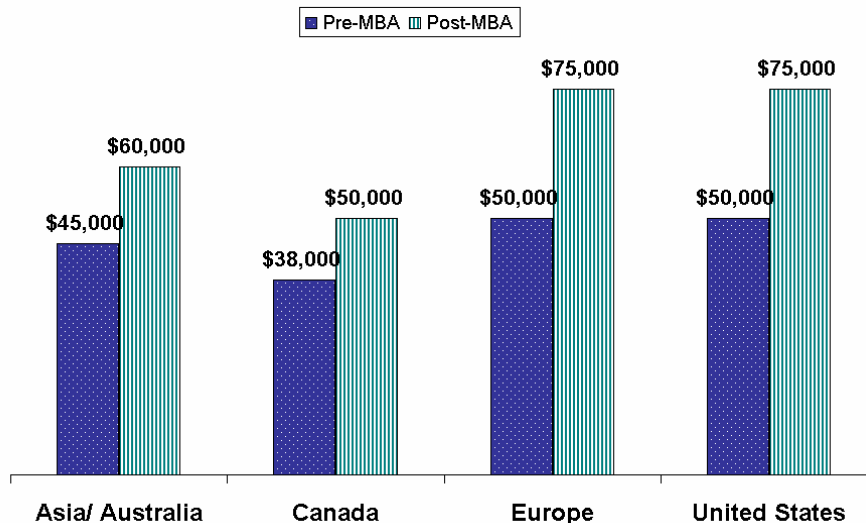
MEDIAN POST-MBA ANNUAL BASE SALARIES IN U.S. DOLLARS: BY STAGE IN JOB SEARCH



By School Location

Among graduates who have accepted job offers and those who have not, those studying at Canadian and Asian schools report lower pre-MBA base salaries than those studying at European and U.S. schools. Graduates of Canadian schools expect to receive significantly lower base salaries after graduation than graduates in all other regions.

MEDIAN ANNUAL BASE SALARIES IN U.S. DOLLARS, BY SCHOOL LOCATION

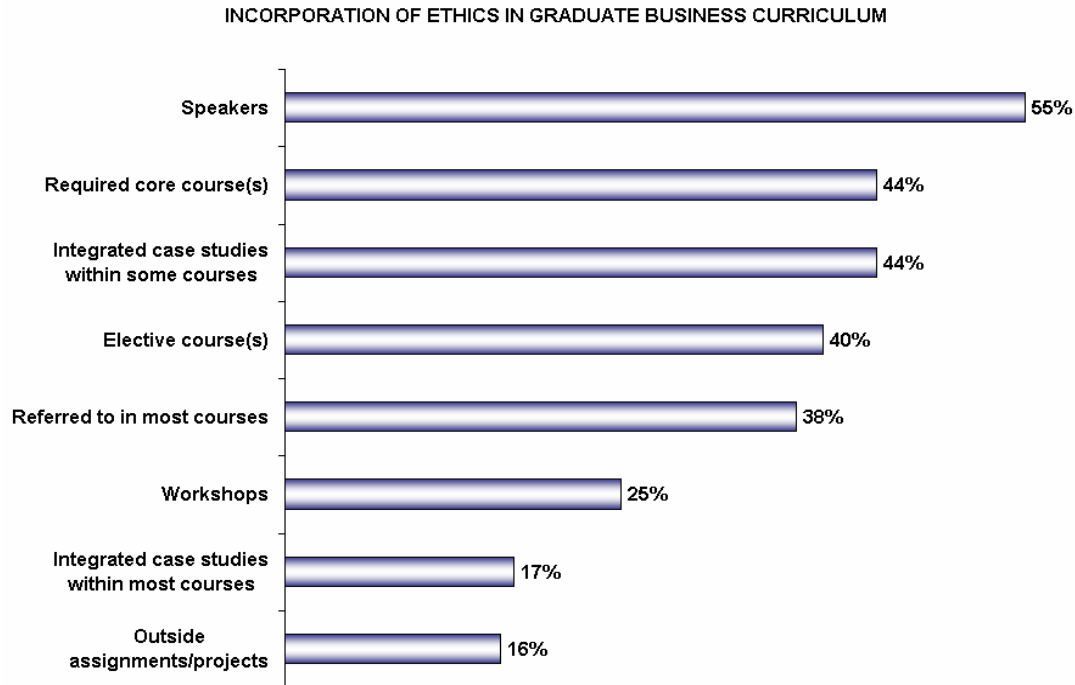


The differences in salaries may be attributed to in part, to the cost of living in the area where the job is located. For instance, in New York, New York, a marketing manager might expect an annual salary of U.S. \$73,991, while a marketing manager in Toronto, Ontario, would expect an annual salary of U.S. \$47,834. The annual cost of living (COL) in New York, New York, however, is \$79,098, whereas in Toronto, Ontario, the annual cost of living (COL) is U.S. \$47,920. (Source: Occupational Employment Statistics (OES) Salary Survey; U.S. Department of Labor, Bureau of Labor Statistics).

2003 GLOBAL MBA® GRADUATE SURVEY SUMMARY REPORT

INCORPORATION OF ETHICS IN CURRICULUM

The following chart lists the ways graduates reported how ethics is incorporated in their graduate business curriculum.



When schools use multiple ways to incorporate ethics in their curriculum, there are three primary combinations schools use:

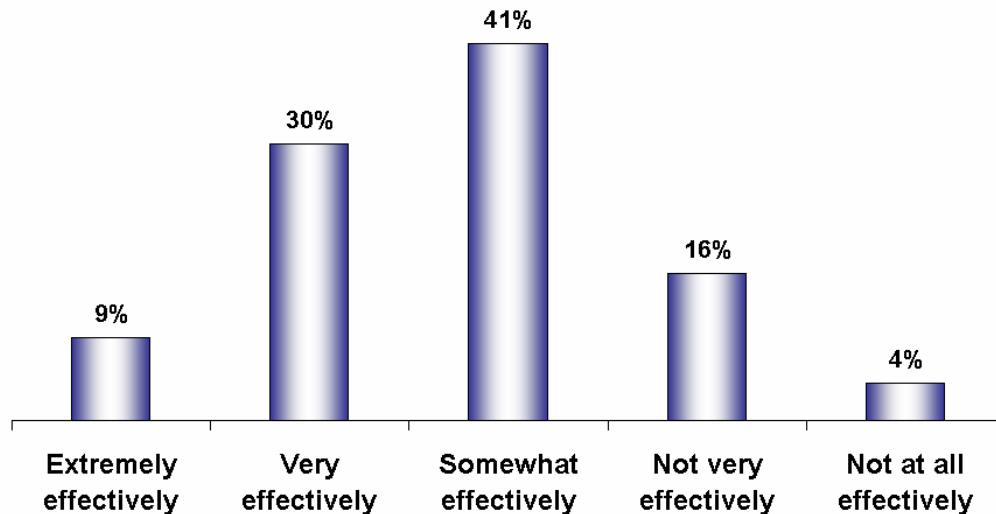
1. integrated case studies in most courses, references to ethics in most courses, and outside assignments/projects;
2. integrated case studies in some courses, speakers, and workshops; and,
3. required core course(s).

EFFECTIVENESS OF INCORPORATION OF ETHICS IN CURRICULUM

Respondents were asked how effectively ethics is incorporated in their graduate business curriculum. The following chart shows that only nine percent feel ethics is incorporated extremely effectively. Thirty percent felt ethics is incorporated very effectively; 41 percent feel it is incorporated somewhat effectively; and 20 percent feel it is not very or not at all effectively incorporated.

2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

EFFECTIVENESS OF INCORPORATION OF ETHICS IN GRADUATE BUSINESS CURRICULUM



Regression analysis shows that graduates rated the effectiveness of the incorporation of ethics the highest when the school integrated case studies in most courses and/or referred to ethics in most courses; they rated the incorporation of ethics somewhat less successful when the school only offered speakers and workshops. However, the way ethics is incorporated in the curriculum does not explain fully how graduates rate the effectiveness of the incorporation. Other variables concerning the respondents, such as years of work experience, gender, nationality, etc., may affect their perception of how much discussion of ethics is needed for effectiveness.

By Program Type

Full-time programs offered the greatest exposure to ethics through speakers (60%), followed by required core course(s) (47%), integrated case studies in some courses (43%), and references to ethics in most courses (43%).

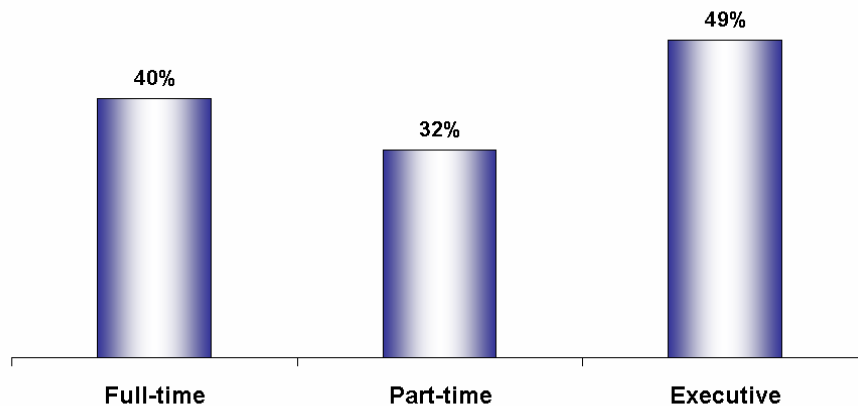
Part-time programs offered the greatest exposure to ethics through integrated case studies in some courses (43%), followed by references to ethics in most courses (38%), and elective course(s) (37%).

Executive programs offered the greatest exposure to ethics through integrated case studies in some courses (54%), followed by speakers (48%), and references in most courses (45%).

Graduates of executive programs rate the effectiveness of the incorporation of ethics significantly higher than graduates of full-time and part-time programs; graduates of full-time programs rated the effectiveness significantly higher than those from part-time programs.

2003 GLOBAL MBA® GRADUATE SURVEY SUMMARY REPORT

EXTREMELY OR VERY EFFECTIVE RATING OF INCORPORATION OF ETHICS IN GRADUATE BUSINESS CURRICULUM BY PROGRAM TYPE



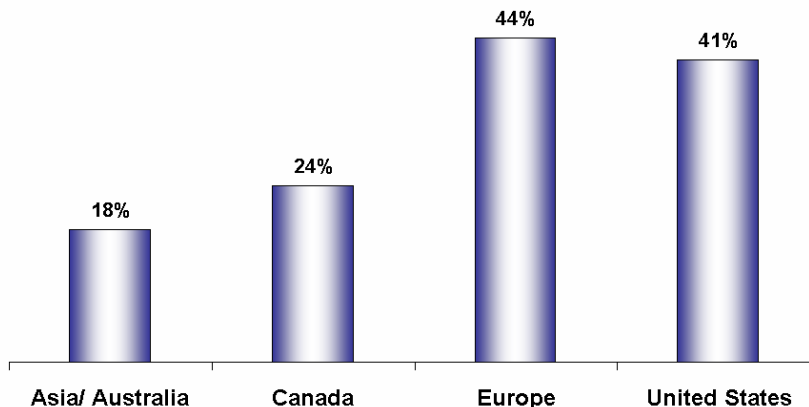
By School Location

Asian/Australian schools incorporated ethics mostly through elective course(s) (51%) and speakers (47%). Canadian schools incorporated ethics primarily through references in most courses (49%), speakers (45%), required core course(s) (43%), and elective course(s) (43%).

The primary ways European schools incorporated ethics was speakers (58%) and required core course(s) (51%). The primary ways U.S. schools incorporated ethics was speakers (56%), required core course(s) (46%), and integrated case studies in some courses (44%).

Respondents from U.S. and European schools are significantly more likely than those from Asian/Australian and Canadian schools to rate the effectiveness of the incorporation of ethics extremely or very effective.

EXTREMELY OR VERY EFFECTIVE RATING OF INCORPORATION OF ETHICS IN GRADUATE BUSINESS CURRICULUM BY SCHOOL LOCATION

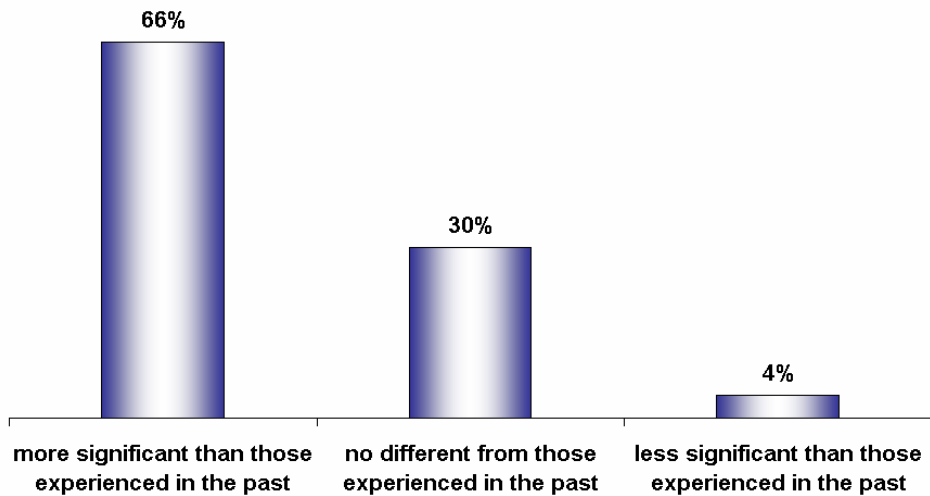


2003 GLOBAL MBA[®] GRADUATE SURVEY SUMMARY REPORT

REACTION TO CORPORATE SCANDALS

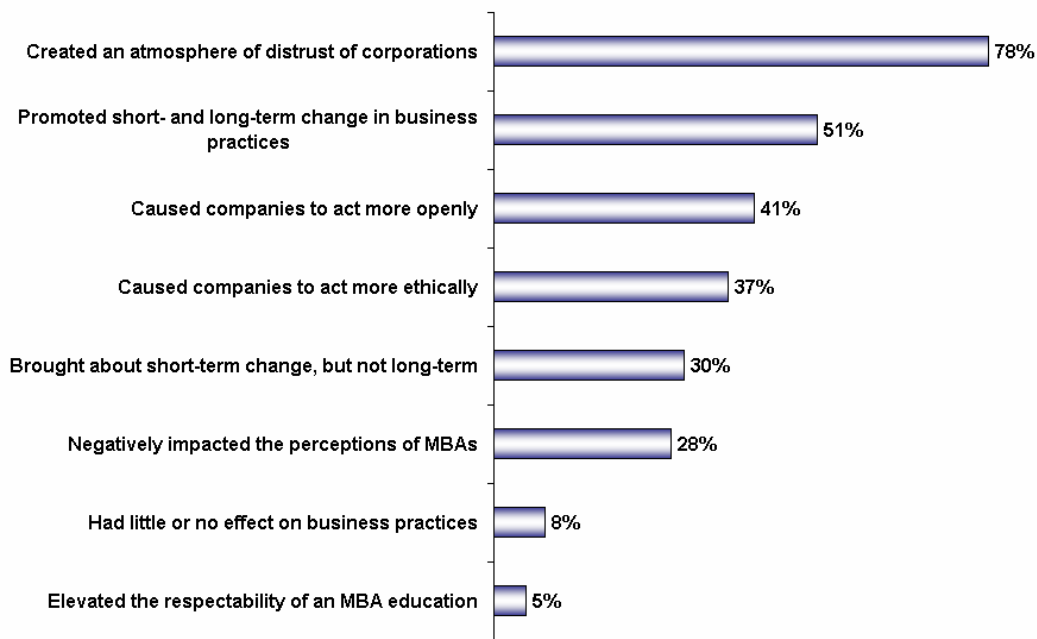
Graduates were asked to assess the recent corporate scandals. The majority feel these scandals are more significant than those experienced in the past.

ASSESSMENT OF RECENT CORPORATE SCANDALS



Graduates feel that the scandals have created an atmosphere of distrust of corporations (78%) and promoted short- and long-term change in business practices (51%).

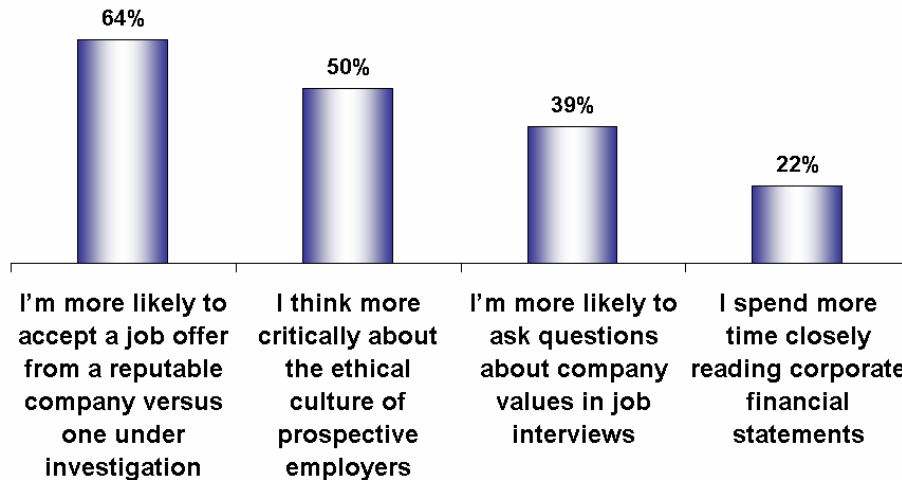
EFFECTS OF RECENT CORPORATE SCANDALS



2003 GLOBAL MBA® GRADUATE SURVEY SUMMARY REPORT

Graduates in a job search say that as a result of the recent corporate scandals, they are more likely to accept a job offer from a reputable company than from one under investigation (64%).

EFFECTS OF CORPORATE SCANDALS ON JOB SEARCH



Implications:

Perceptions of the corporate scandals are affected by the impact they have had on individual graduates because of their intended post-MBA industries, world region they intend to work in, and cultural influences (respondents' gender and nationality). Graduates of full-time programs are significantly more likely to feel that the scandals have had a negative impact on people's perceptions of those who hold MBAs; these graduates are also significantly more likely than those in other programs to seek post-MBA employment in the finance/accounting industry, the industry most affected by scandal.

Females are significantly more likely than males to feel that the scandals are more significant than those experienced in the past and that they have promoted short- and long-term change in business practices. Females are also significantly more likely to say that the scandals have caused them to ask questions about company values in job interviews and to think more critically about the ethical culture of prospective employers.