

2008

Graduate
Management
Admission
Council®

Global MBA® Graduate Survey

SURVEY REPORT



The **Global MBA® Graduate Survey**

is a product of the Graduate Management Admission Council® (GMAC®), a global nonprofit education organization of leading graduate business schools and the owner of the Graduate Management Admission Test® (GMAT®). The GMAT exam is an important part of the admissions process for more than 4,000 graduate management programs around the world. GMAC is dedicated to creating access to and disseminating information about graduate management education; these schools and others rely on the Council as the premier provider of reliable data about the graduate management education industry.

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The Graduate Management Admission Council® (GMAC®) has conducted the Global MBA® Graduate Survey annually for nine years. Graduate business school students in their final year at participating business schools receive the survey a few months before graduation. The survey allows students to express their opinions about their education, the value of their degrees, and what they intend to do with their degrees after graduation, among other topics. GMAC also ascertains some post-graduation employment information through the survey, though not a complete picture; many of the survey respondents are not yet involved in job searches at the time of the survey.

Key Findings

- Schools are meeting the expectations of students and students are learning the skills they had hoped to develop in the program. Thus, the overall value of a graduate business degree remains high and the value proposition for business schools is positive.
- The main drivers of overall value are the school's ability to meet student expectations and the quality of the curriculum. In addition, quality of the faculty, program management, and student skill development are key drivers of overall value. These intrinsic and systematic values drive overall value while extrinsic values, such as increases in salary and job level, do not play a significant role.
- There is a strong correlation between a graduate's propensity to recommend their school and their rating of overall value. In 2008, 63% of business school graduates would definitely recommend their school and 28% would probably recommend their school.
- Even in the midst of the world credit crisis, a greater percentage of job seekers had received or accepted an offer of employment at the time of the 2008 survey compared with job seekers the previous six years.
- Salary expectations among graduates continue to rise compared with previous years. Full-time MBA graduates expect a 67% increase.

Responses from 5,312 students at 149 schools worldwide form the basis of this report. There were 1,618 (32%) respondents from countries other than the United States, and 17% of the respondents attended schools outside the United States. The vast majority of respondents (95%) were enrolled in MBA programs. Of this majority, 59% were enrolled in full-time programs, 35% were enrolled in part-time programs, and 6% were enrolled in executive programs. The 5% of non-MBA program respondents enrolled in other types of master's of business programs, including finance, accounting, MSc in business, post-graduate, and PhD/DBA programs.

GMAC hopes that school administrators will use the information gathered here to gauge what student needs are being met, what services students most value, and which services might yet present challenges and require market-wide improvements. The hope is that the wide-spanning information presented here will serve administrators by helping them improve their services, tailor programs to student needs, and foster learning environments that allow students to make the most of their MBA experiences. Graduates can review these survey results to see how their opinions, preferences, and personal experiences with MBA programs and the job market compare with those of their peers.

To develop the survey sample, all GMAC member schools and a number of other schools representing a cross-section of the graduate management industry worldwide received e-mail invitations to participate in the study. Schools could participate by providing GMAC with the names and e-mail addresses of their graduating class of 2008 or by forwarding the invitation to their students directly. Overall, the response rate for programs was 46%, and the response rate for students was 21%. Frequency distributions were examined for both topical and classification questions, and response categories for some questions were collapsed to make final analysis more robust. Tests of statistical significance are used throughout the report, and a 95% confidence interval is used as the cutoff point for significance.

The results of this survey do not necessarily reflect a statistically representative sample of graduating students. Because of this limitation, the results of this research study should not be used to generalize about the student population but can be used as a reflection of the sample frame under consideration. Nevertheless, several clear trends emerge from the data.

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The overall value of a graduate business degree remains high and the value proposition for business school is positive.

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The value proposition—a derivation of social-exchange theory—is an important construct for educational administrators and other organizational leaders. In short, the value proposition states that an individual will pursue a course of action if that action has the potential to deliver a worthy reward¹. Education, unlike other services, such as counseling, depends on the value proposition for its perpetuity since the pursuit of a particular degree tends to be a once-in-a-lifetime occurrence. Counseling, which can be repeated throughout a lifetime, more often depends on the success proposition for much of its perpetuity—a person’s successful outcome in counseling tends to cause the individual to seek counseling again in the future. Educational institutions, however, also produce successful outcomes. By expounding the successes of others and the potential possibilities available to future students, schools create their own value proposition.

The value proposition is instrumental to the perpetuity of graduate business education because an individual’s action predicates the seeking of added value², whether intrinsic, systematic, or extrinsic³. Intrinsic value in graduate business education is the success derived from completing a course of study, namely the individual’s personal and intellectual growth and satisfaction. Extrinsic—utilitarian—value is the success derived from extra-educational endeavors related to completing a course of study, such as employment opportunities. Systematic value pertains to the structural elements of the program, such as a school’s culture. A caveat of the value proposition is that value estimations are subject to personal perception⁴ and, thus, vary among individuals⁵. The Global MBA Graduate Survey seeks to understand the value of a graduate business education from the student’s perspective and provide schools of business with information useful in the development of their value proposition.

¹ Marshall, G. (1998). *Success Proposition. A Dictionary of Sociology*. Oxford University Press. Retrieved on April 7, 2008, from www.encyclopedia.com/doc/1O88-SuccessProposition.html.

² Molm, L.D. (2003). Theoretical Comparisons of Forms of Exchange. *Sociological Theory*, 21(1), 1–17.

³ Presno, C. (1998). Assessing the Value of General Education Programs: The Addition of Meaning-Making to the E-Value-Action Process. *Education*, 118(4), 573–578.

⁴ Ledden, L., Kalafatis, S.P., & Samouel, P. (2007). The relationship between personal values and perceived value of education. *Journal of Business Research*, 60, 965–974.

⁵ Ford, M.P. (2002). *Beyond the Modern University: Toward a Constructive Postmodern University*. Westport, CT: Praeger Publishers.

Student Expectations

Prospective students are attracted to graduate business education for the potential it offers in meeting their varied expectations. “Expectations are an important determinant of attraction”⁶ and an important determinant of success is the fulfillment of expectations, which is indicative of a valuable outcome. The 2008 survey asked graduating business students to indicate their satisfaction with whether the graduate business degree fulfilled various expectations (Figure 1).

News organizations, the popular press, and other information sources focus almost entirely on the extrinsic value of the degree, such as salary, when evaluating the worth of an education. However, recent graduates of full-time, part-time, and executive MBA programs were most satisfied with the sense of personal satisfaction and achievement attained from completing a graduate business degree—its intrinsic value. Graduates from other graduate business degree programs were

most satisfied that their education provided them with the ability to remain marketable and competitive, the expectation listed second in terms of fulfillment satisfaction by graduates of part-time and executive MBA programs. Graduates of full-time MBA programs rated their satisfaction with the opportunity for more challenging and interesting work in the future second. These are representations of extrinsic value. Rounding out the top three, graduates of

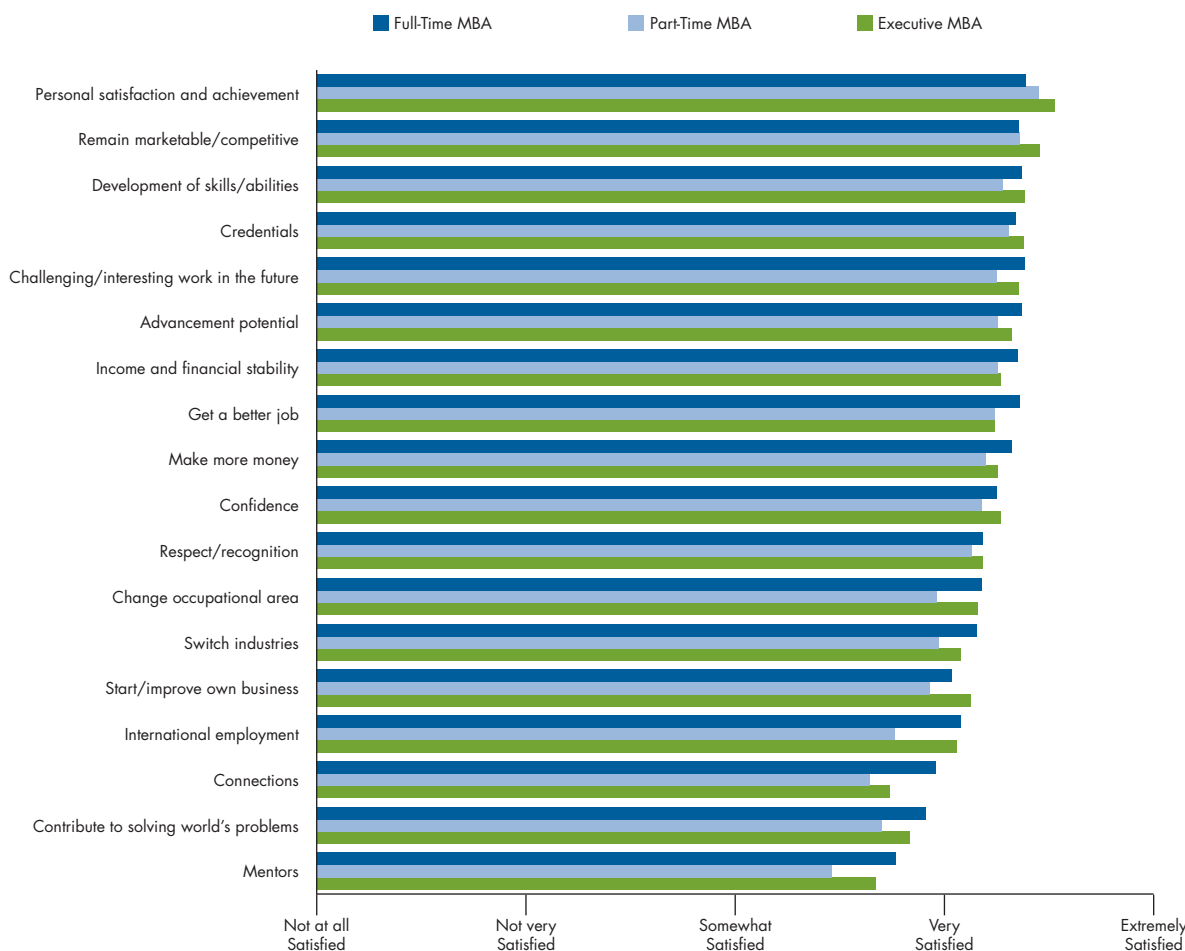


Figure 1.
Student Satisfaction that Expectations Were Met, by Program Type

⁶Ellegaard, C., & Ritter, T. (2006). *The Concept of Attraction—its Purchasing Potential* (Working Paper ID#23). Presented at the 4th Annual Supply Chain Management Research Symposium, San Diego, CA. April 6-8, 2006, p. 8. Retrieved on April 3, 2008, from www.ht2.org/conference/.

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full-time and executive MBA programs were satisfied with their development of skills and abilities, and graduates of part-time MBA and other graduate business programs were most satisfied with the credential needed to increase career options. These data show that graduates of business schools rarely rely solely on the popular notions of success as they relate to extrinsic value, but distribute the value of their education between their personal development as individuals and how that development can be used to accomplish their careers goals.

Overall, graduates of business school were very satisfied⁷ that their degree met their expectations, but statistically, graduates of part-time MBA programs were slightly less satisfied than graduates of full-time and executive MBA programs. A similar pattern exists in the data by gender: Men from full-time and executive MBA programs were slightly more satisfied that their education met their expectations

compared with women from these program types. There were no meaningful differences by gender for graduates of part-time MBA and other business degree programs. Overall, men and women were very satisfied that their education met their expectations, regardless of the program from which they graduated (Figure 2).

The data show that graduate business programs undeniably met expectations. Thus, when schools engage in their efforts to recruit new students by emphasizing the value proposition, they can stimulate demand by attesting to the fact that schools add value for students in various ways, both intrinsic and extrinsic. To determine the full value proposition of education, however, we also delve into the fundamentals of education—the process of transmitting knowledge and skills.

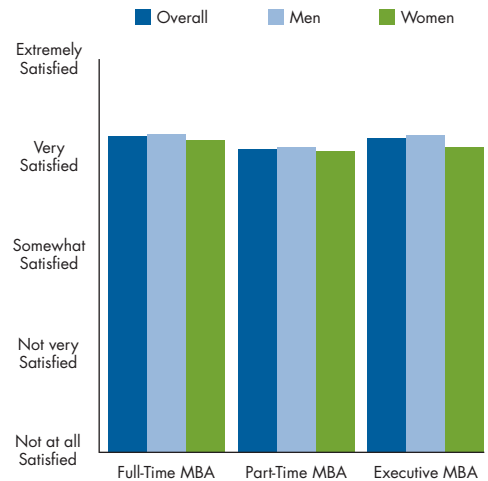


Figure 2.
Average Satisfaction that All Expectations Were Met, by Program Type and Gender

⁷ \bar{x} = 3.96 on a 5-point scale, where 5 = extremely satisfied, 4 = very satisfied, 3 = somewhat satisfied, 2 = not very satisfied, and 1 = not at all satisfied.

Development of Knowledge and Skills

The development of knowledge, skills, and abilities (KSAs) can represent both an intrinsic and extrinsic value. Intrinsically, the development of KSAs is inextricably linked to personal development. Extrinsically, a list of KSAs is often associated with job descriptions and functions as a filter that employers use in the application process to evaluate potential employees. The development of KSAs, consequently, provides additional variables in deriving the value proposition.

Overall, 99.5% of the graduates indicated they had expectations that their business degree would increase their long-term potential through the development of skills and abilities, and 83% of the graduates were extremely or very satisfied that their degree fulfilled these expectations. The 2008 survey asked graduating business school students to evaluate their development of individual KSAs in graduate business school.

Knowledge of general business functions, managing strategy and innovation, managing the decision-making process, and strategic and system skills were KSAs that three-quarters or more of respondents indicated had improved by a great deal or a good amount in their program. Additionally, more than 70% of graduates improved their generative thinking abilities (e.g., innovation, analytical thinking, independence), interpersonal skills, and foundation skills (e.g., reading comprehension, writing, mathematics, science). The KSAs with the least improvement were knowledge of media communications and delivery and knowledge of technology, design, and production—about 50% of the respondents indicated a great deal or a good amount of improvement in these two areas.



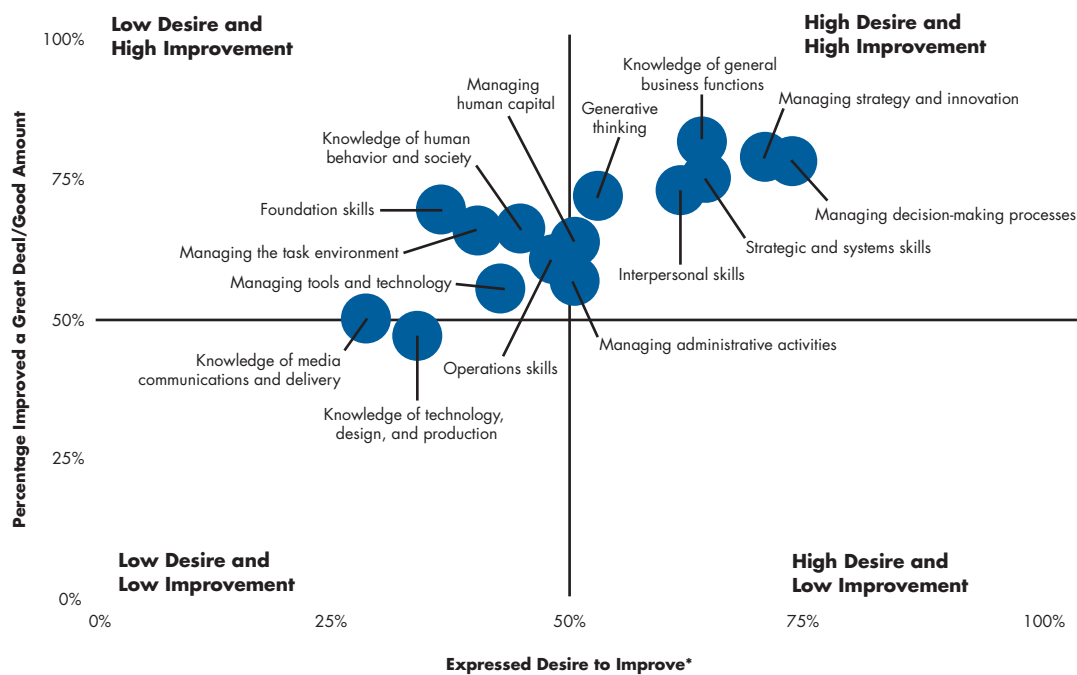
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Analysis of an individual's development in a variety of KSAs using Global MBA survey data yields useful information, but neglects to account for the needs of the student prior to entering graduate business school. To alleviate this problem, data from the 2007 mba.com Registrants Survey⁸ of prospective graduate business students was compared with current Global MBA data regarding the improvements made in a graduate business program. Figure 3 shows this comparison and divides the chart into four quadrants by desire for improvement and actual improvement.

It is apparent from Figure 3 that graduate business schools are fulfilling the needs of prospective students—no skills appear in the lower right quadrant, the quadrant designated for areas in which prospective students seek great improvement and graduates report low improvement. KSAs in which a greater percentage of prospective students expressed a desire for improvement also show a greater percentage of students reporting improvements. The proclivity for graduate business schools to fulfill expectations in the area of desired KSA development adds evidence to the value proposition.

There were essentially no correlations between number of years of full-time work experience prior to entering the graduate business program and improvement in each of the KSAs. This finding holds true when controlling for the type of graduate business program, be it full-time MBA, part-time MBA, executive MBA, or other graduate business program. As a part of the value proposition, this finding suggests that graduate business school is suitable for most individuals—whether they have no prior work experience or more than 10 years of work experience, each group will find they can make improvements in their KSAs.



⁸Data for an expressed desire to improve KSAs from the 2007 mba.com Registrants Survey. GMAC[®].

Figure 3.
Comparison Between the Desire for KSA Improvement among Prospective Students and the Level of Improvement Among Graduating Students

⁸GMAC. (2008). *mba.com Registrants Survey*. McLean, VA: Graduate Management Admission Council[®]. Available at www.gmac.com/gmac/ResearchandTrends/SurveyReports/RegistrantsSurvey.htm.

Overall Value

The value proposition is rooted in social-exchange theory—an exchange of rewards and costs⁶. The 2008 survey asked graduating business school students to rate the overall value of their graduate business degree by comparing the total monetary cost of their program to the quality of their education. Overall, graduates of business school programs rated the value of their education as excellent, but graduates of full-time MBA programs rated the value slightly, yet significantly, higher than did graduates of part-time MBA programs⁹.

Figure 4 shows the average rating of overall value from respondents of the past six years. There have been minimal differences among graduates in perceived overall value of the graduate business degree over

time. Full-time MBA and executive MBA programs maintain higher ratings than part-time MBA programs. In general, graduates of all program types have consistently rated their MBA degrees highly.

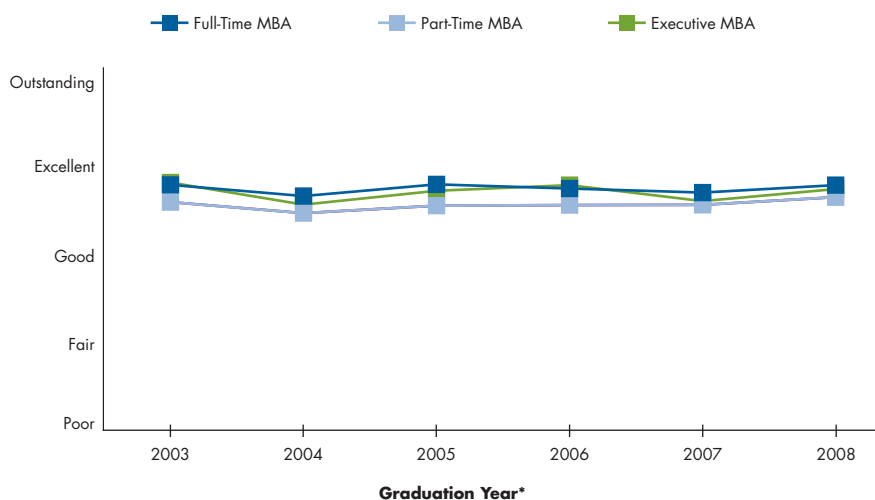
The following were some critical differences in student assessments of overall value:

- Men in each MBA program type rated overall value slightly higher than women did.
- Graduates age 28 to 34 rated overall value higher than did graduates 27 and younger among full-time MBA programs. Graduates age 35 and older rated overall value higher than did younger respondents among part-time MBA programs. There were no differences by age among respondents of executive and other graduate business programs.

- Graduates who attended full-time MBA programs outside their country of citizenship rated overall value lower compared with graduates who attended these programs in their home country.
- There were no statistical differences by undergraduate major in overall value ratings among graduates of each MBA program. Graduates with prior studies in science, business and commerce, the humanities, and social sciences rated their degree an excellent value.
- Graduates with majors in science rated the value of other graduate business programs higher than did graduates with majors in social science.

A key-driver analysis of overall value was conducted using multiple regression analysis. The ability of a business program to meet the expectations of students, to deliver improvements in student KSAs, and to increase the career level and earnings¹⁰ of graduates is hypothesized to drive student assessment of overall value. The model of key drivers showed that changes in career level and earnings do not play a significant role in the student’s assessment of overall value. The ability of the graduate business school to meet student expectations and improve student skill sets, however, did have a marked degree of success in driving student assessment of overall value¹¹.

In summary, schools are consistently meeting the expectations of students, and students are learning the skills they hoped to develop in the program. Overall value of a graduate business degree remains high, which makes the value proposition for schools of business positive.



*Data for 2003 through 2007 are from the associated years’ Global MBA® Graduate Surveys.

Figure 4. Overall Value of the Degree, by Graduation Class

⁹Full-Time MBA ($\bar{x} = 3.90$) and Part-Time MBA ($\bar{x} = 3.71$) on a 5-point scale, where 5 = outstanding, 4 = excellent, 3 = good, 2 = fair, and 1 = poor.

¹⁰Career level and earnings are explored in the *Job Searches and Salary Expectations* section of this report.

¹¹Multiple R = .61; F = 971.601, df = 2,3286, p < .05; Standardized β (Expectations = .382) & (Development = .288).

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A principal outcome of the Global MBA Graduate Survey is to give voice to the student. At the secondary level of education, “most of the research on how to . . . foster student voice within school and classroom contexts has involved teachers or researchers, rather than administrators . . . who are in a position to support promising efforts.¹²” The current research provides graduate business program administrators the opportunity to hear the voice of their students.

Given that one in four prospective students consulted school alumni when making their decision to apply to a graduate business program^[8], school professionals may benefit from listening to their students. Knowing the areas that are meeting student expectations and understanding where pain points exist within the program provides school professionals with some building blocks toward continued improvements. Therefore, the characteristics of the program and student assessments of the program are vital elements for schools to consider when constructing the value proposition.

Quality of the Program

Educational institutions comprise a vast and diverse set of structures and functions that, when integrated effectively, form a cohesive and efficient system that students navigate as they seek to achieve their goals. From admissions to student and career services and program management to curriculum, schools offer services to assist students in their development. The 2008 survey asked graduating business school students to rate the quality of various aspects of the program. Figure 5 shows the trend in the percentage of graduating students for each MBA program type who indicated the quality of each aspect—admissions, program management, student services, career services, faculty, curriculum, and fellow students—was outstanding or excellent.

¹² Cook-Sather, A. (2007). *What Would Happen If We Treated Students as Those with Opinions That Matter?* National Association of Secondary School Principals. *NASSP Bulletin*, 91(4), p. 344.

There were differences in the assessed quality of various program aspects by MBA program type. In general, graduates of executive programs tended to give higher quality ratings to program components than graduates of full-time and part-time MBA programs did, except in the area of career services. Full-time MBA graduates also tended to give higher quality ratings to each program aspect than did graduates of part-time MBA programs. There have been large increases within part-time MBA programs, however, in student assessments of quality for admissions (a 33% overall increase in outstanding or excellent ratings between 2003 and 2008 and a 6% annualized rate of increase), student services (a 38% increase and 7% annualized rate of increase), and

career services (a 76% increase and 13% annualized rate of increase). Similarly, there have been increases in the perceived quality of various aspects of full-time MBA programs, but these increases have been more modest. Although executive programs have experienced consistently higher ratings for perceived quality among the different program types in most areas, those ratings have remained relatively flat or have declined over the years. If these patterns continue, the differences between the perceived qualities of executive, part-time, and full-time programs will continue to diminish.

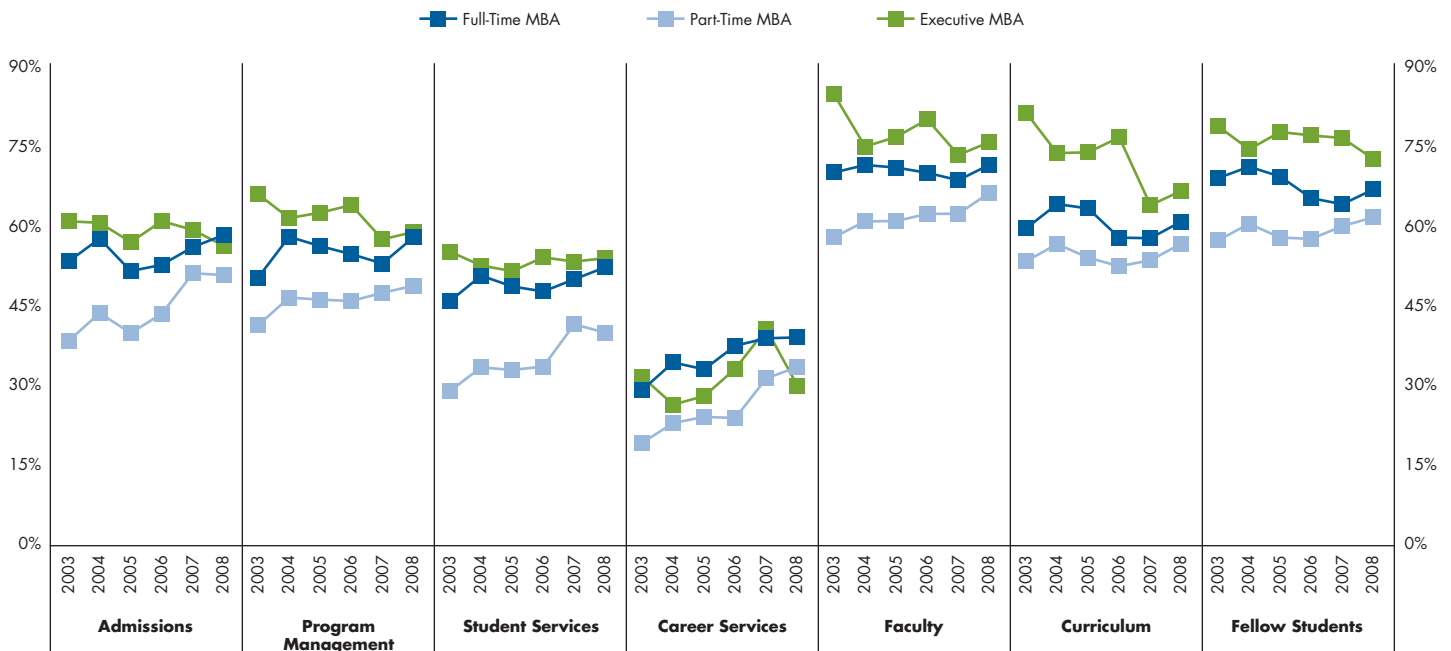
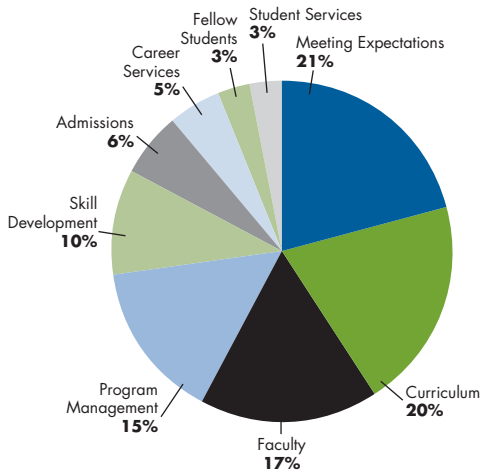


Figure 5. Quality of Program Components, by MBA Program Type and Graduating Class (Percentage Outstanding/Excellent)

In previous Global MBA Graduate Survey reports, the quality of various aspects of the graduate business program was used to determine the drivers of overall value of the degree. Earlier in the report, meeting student expectations and improving their skill set were shown to affect overall value ratings. The following analysis includes these two drivers and adds student ratings of quality. Meeting a student's expectations continues to be the key driver of overall value, but the quality of the curriculum is nearly equal in its contribution to the student's assessment of overall value—accounting for two-fifths of the explanatory power of the model combined (Figure 6). Four-fifths of the explanatory power of the model was accounted for with the addition of the quality of faculty, the program management, and a student's skill development.

The quality of the curriculum has a significant impact on a student's perception of value. Driving student ratings for quality of the curriculum were the relevance, comprehensiveness, and integration of the curriculum, in rank order according to their relative explanatory power¹³. Additionally, the 2008 survey asked graduating business school students to rate their satisfaction with various core courses in relation to the KSAs developed. On average, graduates of business schools were very satisfied with each of their core courses (Figure 7), and business policy/strategy, finance, and management/organizational behavior rated the highest.



Multiple R = .71; F = 499.97; df = 7,3926; p ≤ .05

Figure 6.
Drivers of Overall Value of a Graduate Business Degree (Pratt Index)

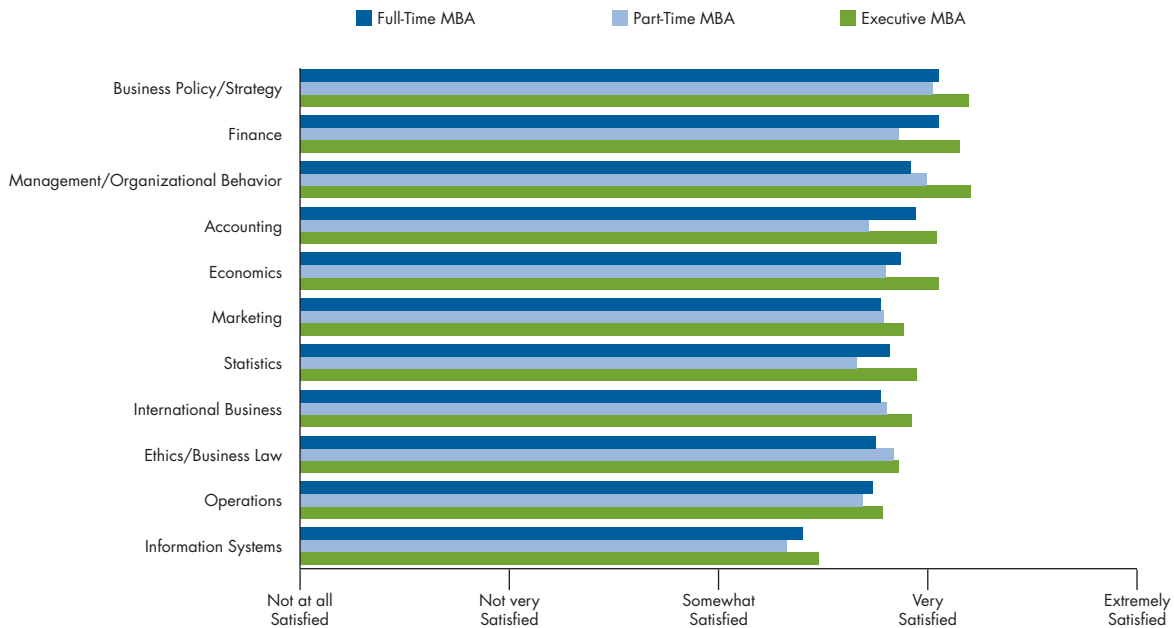


Figure 7.
Satisfaction with Core Courses, by Program Type

¹³ Multiple R = .72; F = 1619.49; df = 3,4640; p ≤ .05.

The following were some significant differences in student satisfaction with core courses:

- Graduates of full-time MBA programs were more satisfied than graduates of part-time MBA programs with their development in finance and statistics.
- Graduates of part-time MBA programs were less satisfied than all other graduates with their development in accounting.
- Graduates of executive MBA programs were more satisfied than all other graduates with their development in economics and management/organizational behavior.
- Graduates of executive MBA programs were more satisfied than graduates of part-time MBA and other programs with their development in business policy/strategy, finance, and statistics.
- Graduates tended to report greater satisfaction with associated courses related to their intended job position after graduation.
 - For instance, graduates intending employment in a finance/accounting position were more satisfied than other graduates with their development in accounting, economics, finance, and statistics courses.
 - Graduates intending employment in a marketing/sales position were more satisfied than other graduates with their development in marketing courses.
 - Graduates intending employment in consulting or operations/logistics were more satisfied than other graduates with their operations courses.

School Culture

Exchange theory, of which the value proposition is a construct, has at its foundation the relationship between two actors^[2]. In education, the two actors include the university and the student, and “the relationship between a university and its students is becoming increasingly important.¹⁴” A principal reflection of this relationship is the school’s culture, and culture “cannot be understood unless one looks...at the [student’s] interpretation of the [institution].¹⁵” Thus the 2008 survey asked graduating business school students to describe their school’s culture (Figure 8).

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Meeting student expectations is a key driver of overall value, as is the quality of the curriculum.
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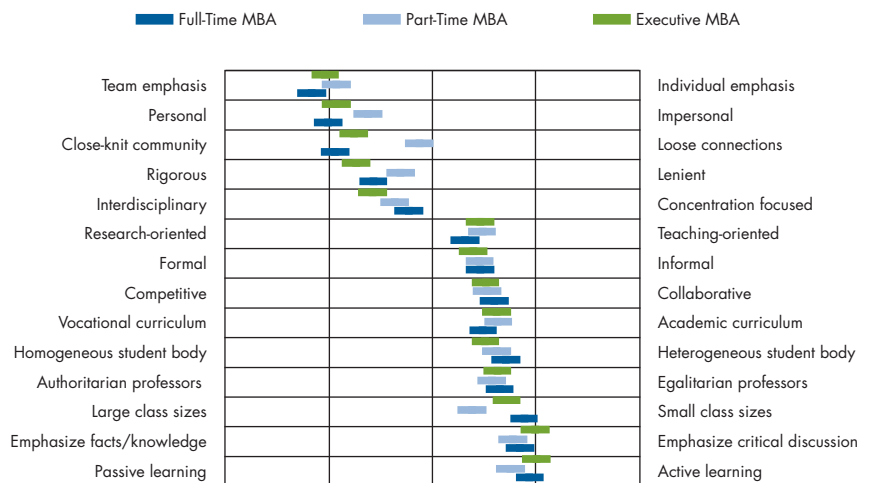


Figure 8.
Cultural Description of Schools

¹⁴ Whipple, T.W., & Moberg, C. (2000). How Expectations of Relationships with Faculty Vary by Students’ Learning Styles. *Journal of Business Education*, Proceedings 2000, Volume 1.

¹⁵ Tierney, W.G. (1998). Organizational Culture in Higher Education: Defining the Essentials. *The Journal of Higher Education*, 59(1)2–21.

On the whole, graduates of business school believe their programs had a close-knit community that was personal with small class sizes and a team emphasis. There was an evident leaning among graduates toward the opinion that their programs had a heterogeneous student body, egalitarian professors, an emphasis on critical discussion, and active learning. In essence, graduate business programs encouraged communication, experimentation, and risk-taking, which are shown among organizational culture research to “achieve a favorable working atmosphere for the development of their capacity to learn¹⁶.” Additionally, graduates described their school’s culture as being informal, collaborative, rigorous, teaching-oriented, academic, and interdisciplinary. These were the primary leanings of the graduates’ perception of their school’s culture among each of the program types.

There were statistically significant differences in the cultural description of the schools by program type.

- Graduates of full-time and executive MBA programs were slightly more likely compared with graduates of part-time MBA programs to describe their schools as competitive, personal, academic, research-oriented, rigorous, and emphasizing critical discussion and active learning.
- Graduates of full-time and executive MBA programs were more likely than graduates of part-time MBA programs to describe their school as having small class sizes and a close-knit community.
- Graduates of full-time MBA programs were slightly more likely than graduates of part-time and executive programs to describe their school as concentration-focused with a team emphasis.

Knowledge of student perceptions of school culture adds minimally, yet significantly, to the model of key drivers of overall value. The main drivers of overall value among cultural aspects of the school were close-knit community, personal atmosphere, small class sizes, an individual emphasis, egalitarian professors, emphasis on critical discussion, active learning, and a rigorous program. This suggests that these cultural attributes were considered valuable among the graduate business students.

Graduates were also asked to indicate which elements of the program best created an environment at their school in which they could express their ideas, feel included, obtain full benefits, and realize their potential. Table I presents the results. The school staff and faculty were the most-cited sources of positive influence within the school for each of the program types. The second most-cited

Response Category	Full-Time MBA	Part-Time MBA	Executive MBA
Professors, staff, faculty, and administration are encouraging, supportive, approachable, and easily accessible.	19%	32%	38%
Class discussion/student participation was encouraged/supported.	12%	22%	28%
The environment was conducive to friendly interaction.	13%	13%	10%
Working in teams, progressing through a cohort, or learning from collaborative experiences creates a positive environment.	14%	11%	16%
The small class size made the experience more personal.	16%	8%	8%
Diversity of the students and faculty added to the learning experience.	12%	5%	4%
A sense of community was achieved through various opportunities and events outside of the classroom.	9%	5%	5%
The case study method or the curriculum added to the learning experience.	5%	5%	1%

Table 1.
Creation of a Positive Environment

¹⁶ Lopez, S.P., Peon, J.M.M., & Ordas, C.J.V. (2004). Managing knowledge: the link between culture and organizational learning. *Journal of Knowledge Management*, 8(6), 93–104.

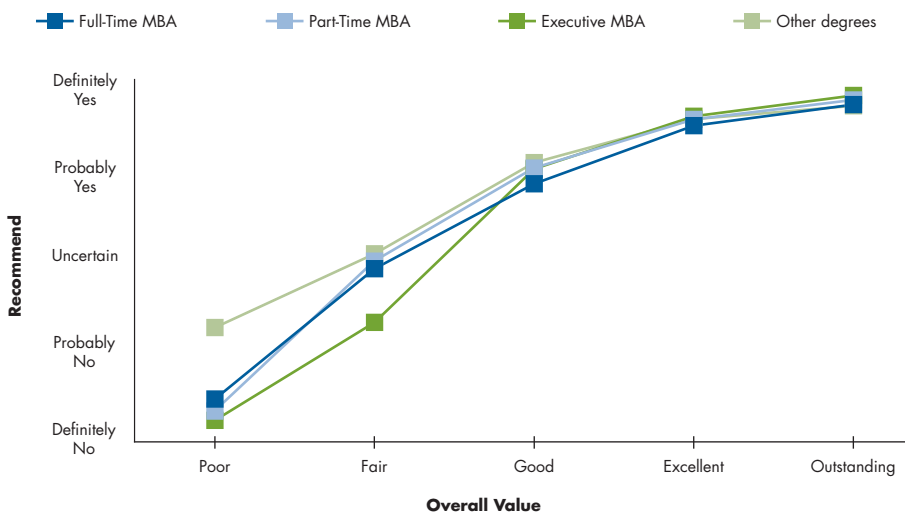
response among full-time MBA students was small class sizes; class discussion was second among all other program types. Additionally, teamwork and collaborative experiences were cited as important contributors toward a positive environment. Interestingly, these responses provided by graduates align with the previous analysis, which suggests their true importance in the educational context.

School Recommendation

“Social exchange emphasizes the rewards and costs individuals gain through interaction and the effects of these cost/reward outcomes on the relationship.^[6]” So far, student rewards from the relationship have been discussed. A reward for the school’s efforts at educating the student would be positive word of mouth.

The 2008 survey asked graduating business school students to indicate whether they would recommend their school to someone who has decided to pursue a graduate business degree. Overall, 63% of graduates of business students would definitely recommend their school and 28% would probably recommend their school. There is a strong correlation between a graduate’s propensity to recommend their school and their rating of overall value. Figure 9 shows this relationship existed for each program type and indicates that a minimum of a good value is necessary for a graduate to recommend their school to others seeking a graduate business degree. Considering that word of mouth was a primary source of information sought by prospective students when determining whether to pursue a graduate business degree^[8], schools undoubtedly profit from providing high levels of value to their students through positive word of mouth.

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School staff and faculty were the most-cited sources of influence in creating a positive environment within each school.
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*All Programs Combined: Pearson r = .593, p ≤ .05; n = 4652.

Figure 9.
 The Propensity to Recommend School, by Overall Value*

Extrinsic value of an education is generally linked to the utilitarian outcomes of becoming educated^[3]. In addition to the development of their KSAs, prospective students were motivated to pursue a graduate business degree as a means to improve their employment opportunities^[8]. This section of the report explores the employability of graduate business students and related employment outcomes.

Job Search

Overall, a total of 61% of graduate business students were searching for a job at the time of the 2008 survey. A statistically greater percentage of graduates from Asian (75%), Canadian (72%), and European (67%) schools compared with graduates of U.S. schools (60%) were seeking employment. However, among those seeking jobs there were no significant differences by school location in the percentage of graduates receiving job offers.

Figure 10 presents job search status among graduates who were seeking employment. Even in the midst of the world credit crisis at the time of the 2008 survey, a greater percentage of job seekers had received or accepted offers of employment compared with the previous six years. Although there were no differences in the percentage of job seekers who had received or accepted an offer of employment by school location, there was an impressive difference in the average number of job offers received. Graduates from European schools (3.2) received significantly more job offers compared with graduates from Asian (2.2), U.S. (2.3), and Canadian (2.0) schools.

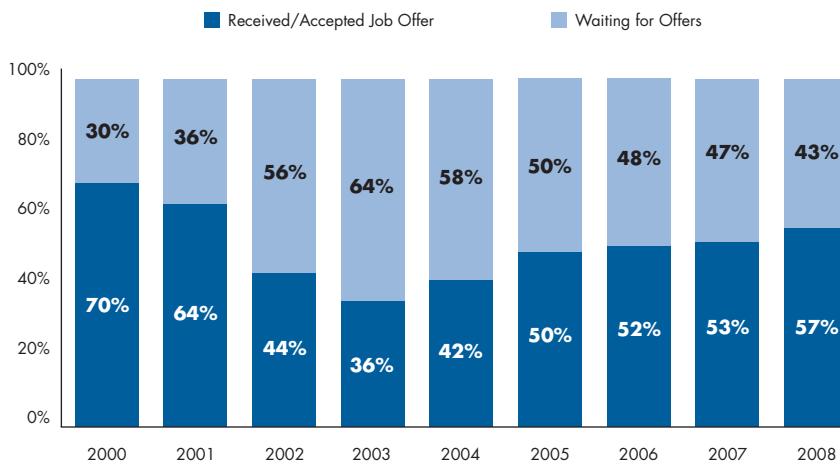


Figure 10.
Job Offer Status, by Graduating Class

There were differences in job offer status by industry. Among respondents searching for a job, those seeking employment in the nonprofit/government (50%) and products/services (51%) industries were less likely to have received or accepted a job offer compared with those seeking employment in the energy/utilities (69%), manufacturing (65%), and technology (64%) industries. Additionally, 61% of graduates seeking jobs in consulting, 60% in healthcare, and 58% in finance/accounting industries had received or accepted an offer of employment at the time of the survey. This pattern is likely due to company recruitment structure.

For example, according to the GMAC[®] Corporate Recruiters Survey¹⁷, companies in the nonprofit/government industry are significantly more likely to hire MBA graduates on an as-needed basis, and those in consulting and finance are significantly more likely to hire on a planned, periodic basis.

Nearly two-fifths (39%) of the graduates were not searching for a job at the time of the current survey. Among these respondents, 58% were staying with their current employer, 33% were postponing their job search, and 8% were planning to start their own business.

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**In 2008, a greater percentage of
job seekers had received or accepted
offers of employment compared with
the previous six years.**

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¹⁷ GMAC. (2008). Corporate Recruiters Survey. McLean, VA: Graduate Management Admission Council[®].

Career Changes and Industry of Employment

Figure II shows the career-changing status of graduates by school location. The overall percentage of graduates who planned to switch industries after graduation was 48%. Graduates from Canadian schools were the most likely of the graduates to indicate plans to change both industry and job function. Graduates of European schools were more likely than graduates from schools in the United States and Canada to indicate plans to switch job function, but not industry, after graduation. Additionally, graduates from U.S. schools were slightly more likely than all other graduates to indicate plans to switch industries, but not job function.

Figure 12 shows the attractiveness index¹⁸ for various industries among graduates who indicated plans to change industries after graduation. The finance/accounting and consulting industries continue to attract increasing numbers of graduating business students. After a drop in the attractiveness of the energy/utility industry in 2007, graduates in 2008 were flocking to the sector, slightly surpassing the high seen in 2006. Until this year, the healthcare sector had seen continuous erosion in their attractiveness since the initiation of the attractiveness index in 2003. In 2008, more graduates were entering the healthcare industry than were leaving it. Although relatively flat compared with 2007, the products/services industry

•••••
48% of graduates planned to switch industries after graduation.
 •••••

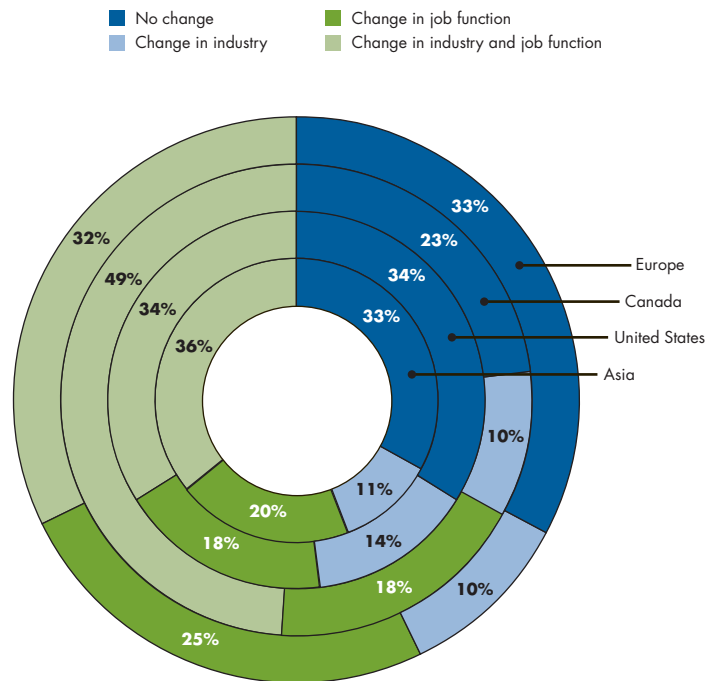


Figure 11.
 Career-Switching Behavior, by School Location

¹⁸ The attractiveness index is calculated by dividing the percentage of respondents changing into an industry group by the percentage of those changing out and multiplying the results by 100. An index score that is greater than 100 indicates more respondents are changing into the industry than are changing out of the industry. A score that is less than 100 indicates that more respondents are changing out of a given industry than are switching into that industry.

continues to experience some attrition among graduate business students. The remaining industries of manufacturing, technology, and nonprofit/government have been the least attractive industries among graduates of business schools since the inception of this index.

Figure 13 displays the percentage of graduates employed in the various industries before and after graduate business school. Finance/accounting is the industry where the greatest percentage of graduates

intended employment after graduation. According to the 2008 GMAC Corporate Recruiters Survey^[17], 2% more companies in the finance and accounting industry plan to hire MBA graduates in 2008 compared with 2007. Although Figure 12 may show a lackluster attractiveness score for the products/services industry, 23% of graduates intend to work within this industry—the second largest percentage among graduates.

On a similar note, although the energy/utility industry has a relatively high

attractiveness score, very few graduates have plans to work within this industry. This corresponds to findings from the GMAC Corporate Recruiters Survey—70% of companies in the energy/utilities industry report plans to hire MBA graduates in 2008, but the proportion of their new MBA hires is much lower than the proportion hired by consulting and finance firms^[17].

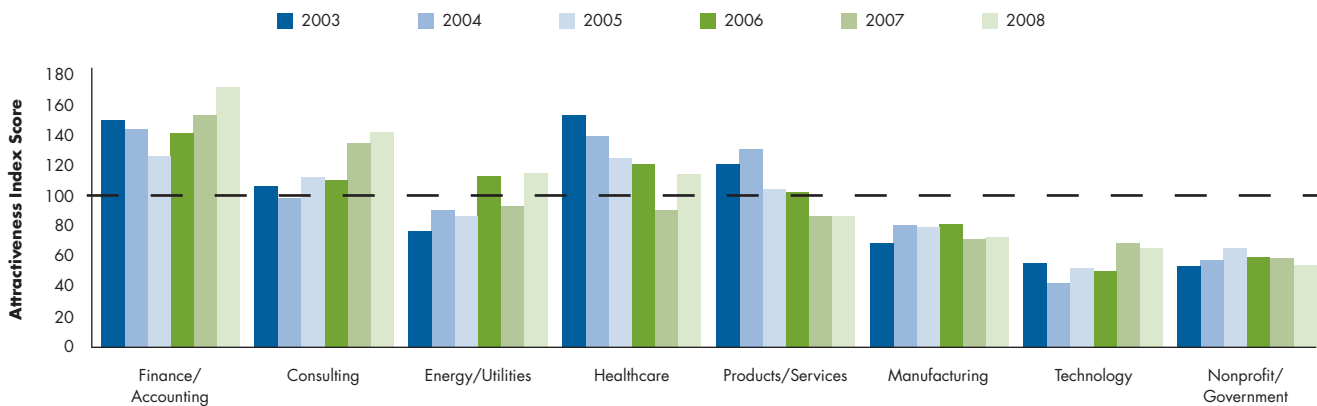


Figure 12.
Industry Attractiveness Index, by Graduating Class

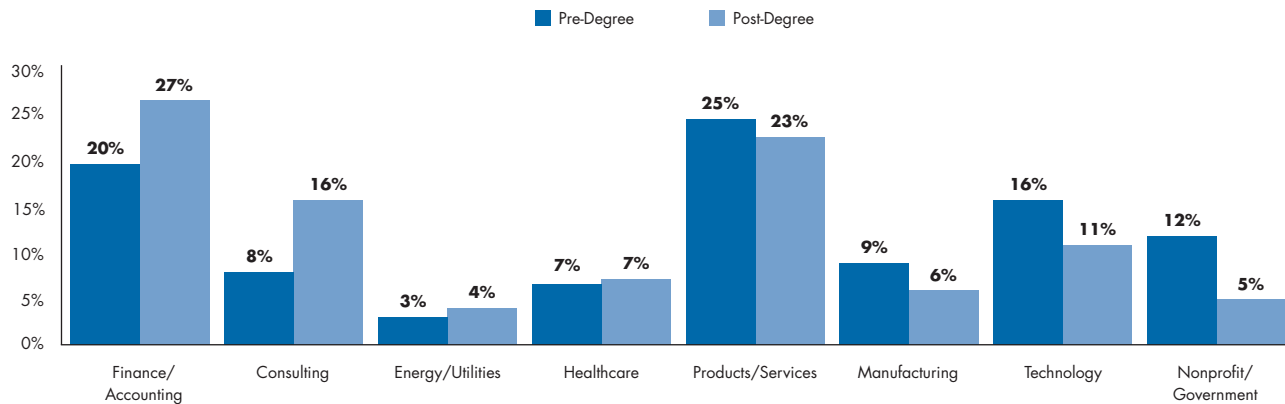


Figure 13.
Pre- and Post-Degree Industry of Employment

Figure 14 shows the percentage change—from pre-degree to post-degree—in the industry of employment of graduates by school location. The greatest movement into the finance/accounting industry comes from graduates of Canadian and Asian schools, although there is positive movement into this industry from graduates of schools in Europe and the United States. There has also been more than a 100% increase in the percentage of graduates from Asian and Canadian schools moving into the consulting industry from other industries. There

is growth in the energy/utilities industry among graduates from U.S., Canadian, and European schools, but a decline among graduates at Asian schools. Similar to the attractiveness index, each of the other industries have net losses among graduates at the various school locations, except products/services—for which there was growth among graduates at Canadian schools.

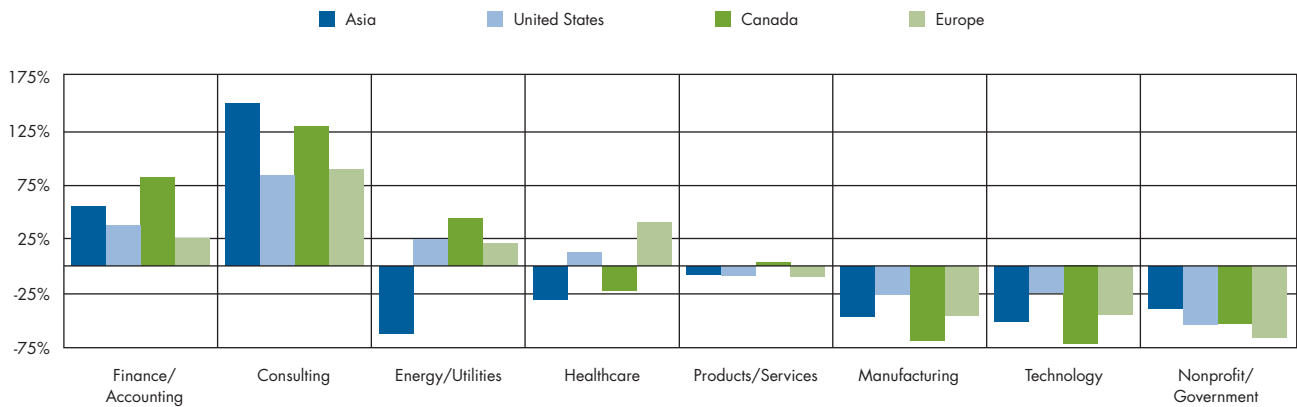


Figure 14.
Percentage Change in Industry of Employment, by School Location

Expected Changes in Salary

The following section examines the change from pre- to post-degree annual base salary. Rather than reporting the actual salary figure, the percent change provides a value that is more useful in terms of comparability because salary is a function of various factors, including years of work experience, pre-degree salary, and regional cost of living differences. Figure 15 shows the expected percentage changes in annual salaries by program type and graduation year. Full-time MBA graduates expect a 67% increase over their pre-degree salary, part-time MBA graduates expect a 48% increase, and executive MBA graduates expect a 35% increase over their pre-degree salary. Graduates from other degree programs, although not shown in the chart because of missing historical information, expected to receive a 40% increase over their pre-degree salary.

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 The percentage of graduates from Asian and Canadian schools moving into the consulting industry has increased by more than 100%.
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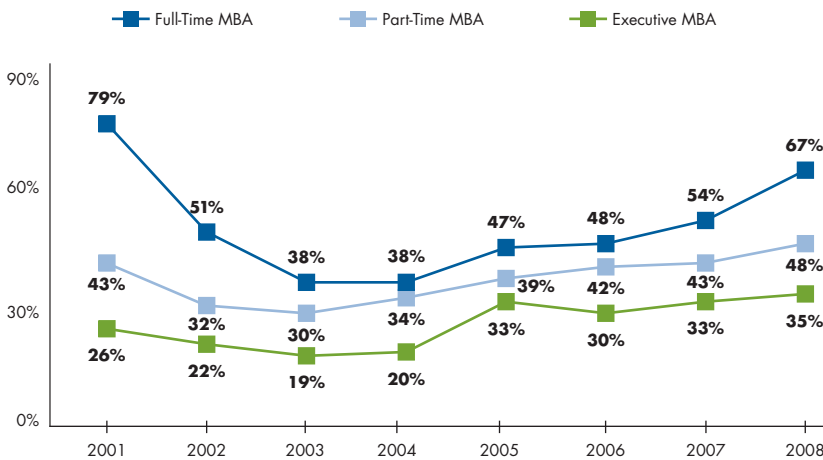


Figure 15.
 Expected Percentage Change in Annual Base Salary,
 by Program Type and Graduating Class

•••••

Graduates with three or more years of work experience tended to experience a similar rate of increase in salary whether they planned to change their careers or not.

•••••

Pre-degree work experience has an impact on post-degree salary expectations. Graduates with less than three years work experience expected an 87% increase over their pre-degree salary. Those with three but less than six years work experience expected a 74% increase, and graduates with six or more years work experience expected a 42% increase. Although graduates with less experience had greater expectations for percentage increases in salary, graduates with three but less than six years work experience expected a post-degree salary that was 24% greater than those with less than three years of work experience. Additionally, graduates with six or more years of work experience expected a post-degree salary that was 20% greater than that of graduates with three but less than six years work experience and 50% greater than that of graduates with less than three years work experience.

In Figure 16, graduates with less than three years of work experience who planned to change industry or planned to change industry and job function expected greater increases in their salary compared with those graduates who did not plan a career change or who only planned a change in job function. However, this pattern does not hold true for graduates with three or more years work experience. These graduates tended to experience a similar rate of increase in salary whether or not they planned to change their careers.

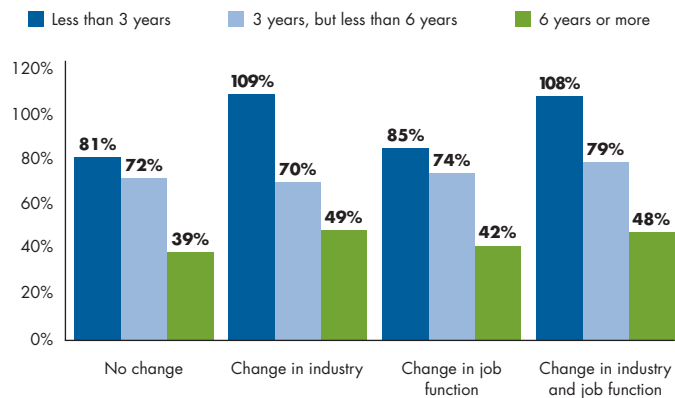


Figure 16.
Expected Percentage Change in Annual Base Salary,
by Years of Work Experience and Career Change Status

Overall, graduates entering the consulting industry had the highest rate of increase, followed by the finance/accounting industry. Figure 17 shows the percent change in salary by career change status and industry of employment. Consulting remains the industry with the highest rate of salary increase among career switchers, and finance/accounting had the highest rate among career enhancers—graduates who were remaining in the same industry they worked in prior to entering graduate business school. For career enhancers, the next-highest returns in terms of salary increases were in the consulting industry, followed by products/services, technology, and healthcare. Among career switchers, the next-highest returns after the consulting industry were in the manufacturing, healthcare, finance/accounting, and energy/utilities industries.

Overall, graduates from Asia (106%) and Latin America (93%) expected much higher increases in salary compared with graduates from the United States (46%), Canada (54%), and Europe (42%). Furthermore, graduates who intended to remain in their country of citizenship for employment expected a 47% increase, compared with a 97% increase among graduates who planned to work outside their country of citizenship and seek permanent residency and an 85% increase among graduates who planned to work outside their country for a time before returning home. Changes in salary were dependent upon various factors, including pre-degree work experience, industry, career-changing status, citizenship, and location of employment.

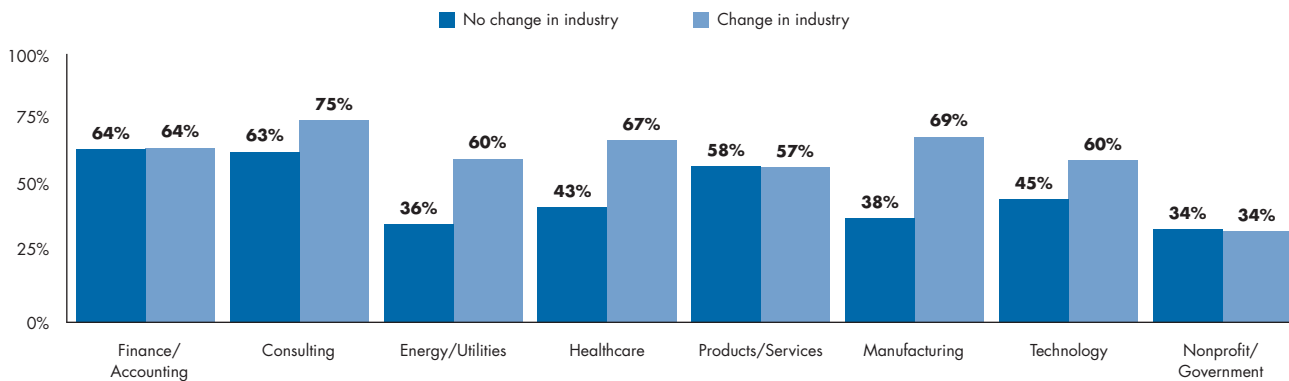


Figure 17.
Expected Percentage Change in Annual Base Salary, by Career Change and Industry of Employment

Findings in this report are based on additional analysis of data found in the Comprehensive Data Reports for full-time, part-time, and executive MBA programs. The Comprehensive Data Reports provide in-depth data tables and general analysis of the survey. In addition to receiving copies of this report and the Comprehensive Data Reports, participating schools receive an individualized benchmarking report that compares the aggregated responses from their students with the aggregated responses from students at their top competitors, as well as those of all other participating students.

Contact Information

For questions or comments regarding the study findings, methodology, or data, please contact the GMAC Research and Development department at research@gmac.com.

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Participating schools receive free, individualized benchmarking reports that compare their students against students at their top competitors, as well as all other participating students.



The **Global MBA® Graduate Survey** is one in a series of five annual or biannual surveys produced by the Graduate Management Admission Council®. The surveys are designed to explore relevant issues, offering data at various depths, depending on the desire of the user and the participation of the school. Survey reports provide an overview of the data in addition to giving context for and implications of the research. They are frequently used to help drive strategic decision-making processes in graduate business schools. All survey reports are available on the Web (www.gmac.com/surveys). Print copies (while supplies last) are free upon request from the GMAC® Research and Development department, research@gmac.com.

Other surveys include—

mba.com Registrants Survey

Who is in the pipeline for a degree? What makes them decide to apply now or wait? Launched in 2003, this annual survey tells who prospective students are (including detailed profiles), how and why they move through the pipeline, and what motivates them and gets their attention.

Application Trends Survey

How does a school's application volume compare with that of other schools? Since 1999, this annual survey has gathered comparative application data for the current and previous year from business school programs worldwide.

Corporate Recruiters Survey

Who hires MBAs and why? What are the hiring plans in various industries? How do companies decide where to recruit? Launched in 2001–2002, this annual survey helps schools better understand the job market, clarify employer expectations, and benchmark their career services practices. Employers use the survey results to benchmark the MBA recruitment activities of their companies.

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What happens to MBAs after they graduate and begin to evaluate the value of their degrees? Launched in 2001, these biannual surveys follow MBA graduates long-term to understand their career progression, their expectations, their attitudes about work, their assessment of their education, and general market trends.

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