

Corporate Recruiters Survey

SURVEY REPORT

2007



The **Corporate Recruiters 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.

This year, GMAC® partnered with the MBA Career Services Council (MBA CSC) in developing questions for the survey and enhancing the distribution of the survey to corporate recruiters. The MBA CSC is the international professional association representing individuals in the field of MBA career services and recruiting. The MBA CSC provides a forum for the exchange of ideas and information and addresses issues unique to the needs of MBA career services and recruiting professionals. They also provide professional development and networking opportunities for their members and develop and promote their *Standards for Reporting MBA Employment Statistics*.

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Graduate business students are in demand, according to the 2007 Corporate Recruiters Survey conducted by the Graduate Management Admission Council® (GMAC®). This sixth annual survey of employers of graduate business students includes the responses of 1,382 participants representing 1,029 companies worldwide, including 149 of the U.S. Fortune 500 companies and 109 of the global Fortune 500 companies. Ninety-two business schools, including 17 located outside of the United States, facilitated the administration of the survey.

The objective of this annual study is to obtain a picture of the current employment landscape and to gauge the demand for MBA and other business graduates; to better understand employer expectations for graduate business schools and students; and to help educate graduate business students in their job search. This year, the scope of the study was broadened to include employers that hire business graduates with management degrees other than MBAs—e.g., Master’s in Accounting or Master’s in Finance. The results of this research may be of interest to graduate business school career management professionals and program administrators, graduate business students and prospective students, and companies that hire or consider hiring MBAs or other business graduates to benchmark their practices and expectations against the comprehensive data.

Key Findings

- Hiring companies plan to increase their numbers of new graduate business student hires by 18%. This promising job outlook and opportunities for MBAs and other graduate business students worldwide are supported by the continued growth of the world economy.
- Over the five-year period, the average expected starting annual salary of graduate business students exceeds that of other graduate school students by 27% and that of undergraduate or first university students by 76%, according to the estimates of executives and managers surveyed.
- In every industry and among companies of different scopes and sizes there are those that actively recruit graduate business students (40%) and those that consider but do not actively recruit MBAs or other graduate business students (60%). All companies that actively recruit graduate business students sustain formal recruiting programs (100%), are most likely to recruit on campus (70%) and are likely to employ graduate business students as interns (58%).
- Regardless of their companies’ sizes, employers that actively recruit graduate business students expect to offer starting salaries that are 24% higher on average than salaries offered by those that do not actively recruit.
- Three main factors appear to determine an employer’s choice of a graduate business student—the candidate’s leadership potential, prior work experience, and academic achievements. On the other hand, students’ unrealistic expectations and poor job-hunting skills can present major barriers in the hiring process.
- According to the employers, to be successful managers, graduate business students should further develop their conscientiousness and interpersonal skills and focus on human capital management.
- Overall, 80% of employers are satisfied with business school career services offices.

Methodology

To develop the survey sample, all GMAC® and MBA Career Services Council (MBA CSC) member schools and a number of nonmember institutions representing a cross-section of the graduate management industry worldwide were invited to provide contact information for employers that hired their MBAs and other graduate business students, either on or off campus, during the past recruiting year. Ninety-two business schools provided GMAC® with data to administer the survey, for an overall response rate of 24%, and a total of 1,382 employers completed the online survey for an individual response rate of 9%. These respondents represent 1,029 companies that participated at a 15% institutional response rate.

Special care was taken with employer contact information. After completion of the project, all contact information of nonresponding employers was deleted from GMAC® systems. To ensure the confidentiality of respondents, contact information was separated from the survey responses and encrypted using specialized software. In addition, GMAC® does not share individual-level respondent information with any other institutions, companies, or individuals.

Findings reported are based on survey responses, which represent a sampling of data from the responding employers and not a census of all employers of graduate business students.

The growth in the number of new graduate business student hires and the expanding share of graduate business students in the overall company hiring mix confirm that these individuals are in demand. Although the majority of new company hires are coming from the experienced direct-from-industry pool of candidates and from undergraduate students, graduating MBAs and other

graduate business students are the third major source of staffing for open positions in companies (Figure 1). In the overall hiring mix, the graduate business students' share is expected to increase by five percentage points from 2006 to 2007.

Projecting the overall increase in college hiring, Bizjournals.com states that at the master's degree level, MBA graduates will be in the most demand¹. Results from the Job Outlook 2007 survey referenced by Bizjournals.com showed that more than half of employers that plan to hire candidates with master's degrees in 2006–2007 will target MBAs (56%)². Moreover, the hiring companies will employ 22% more MBA graduates than they did in 2005–2006, according to the study.

• • • • •
 In the overall hiring mix, the graduate business students' share is expected to increase by five percentage points from 2006 to 2007.
 • • • • •

- Experienced direct-from-industry
- Graduating MBAs or other business graduates
- Undergraduate school or first university students
- Other graduate school students

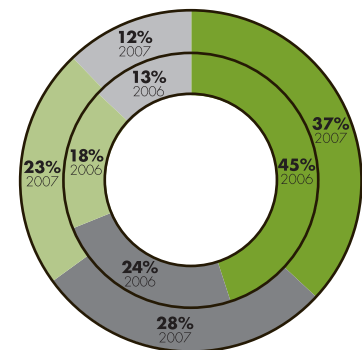


Figure 1. Hiring Mix, 2006 (Actual)–2007 (Expected)

¹Thomas, G. Scott. (April 10, 2007). College grad job outlook stronger this year: For the best money and the best work it's wise to head west. *Bizjournals.com*. Retrieved April 11, 2007, from www.msnbc.msn.com/id/18027094/from/ET/print/1/displaymode/1098/.
²NACE. (2006). *Job Outlook 2007*. Bethlehem, PA: Author.

Confirming Bizjournals' projections, this Corporate Recruiters Survey revealed that hiring companies plan to increase the number of new graduate business student hires by 18% on average in 2007 compared with 2006—a higher rate of increase than for other hires (Figure 2).

By industry, healthcare and pharmaceutical companies followed by consulting firms plan to hire significantly more graduating MBAs or other graduate business students in 2007 than they did in 2006 (Figure 3). Finance and accounting companies and high-technology firms reported a potential moderate increase in graduate business student hires in 2007. Energy and utilities companies as well as those in the products and services industry expect a slight increase; and in manufacturing, the number of new graduate business student hires will remain little changed.

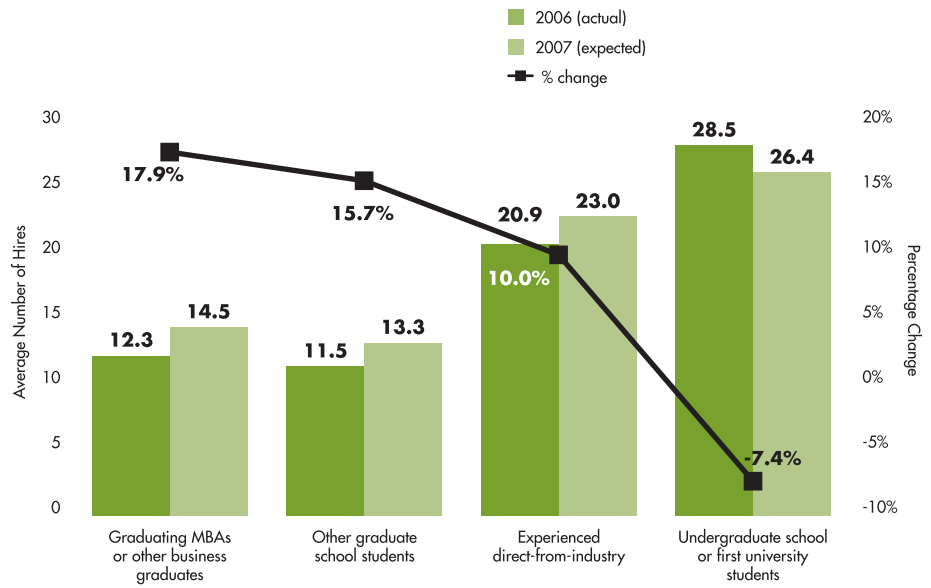
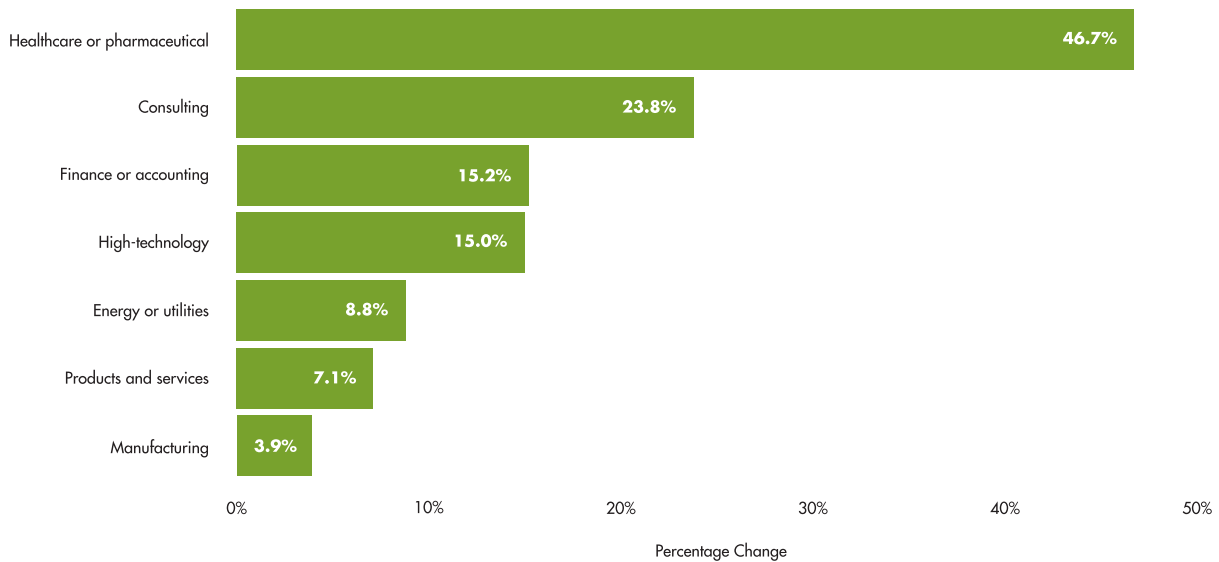


Figure 2.
Average Number of New Hires per Hiring Company



a. Statistics are not available for the nonprofit or government sector because of an insufficient number of observations.

Figure 3.
Percentage Change in the Number of New Graduate Business Student Hires, by Industry^a, 2006–2007

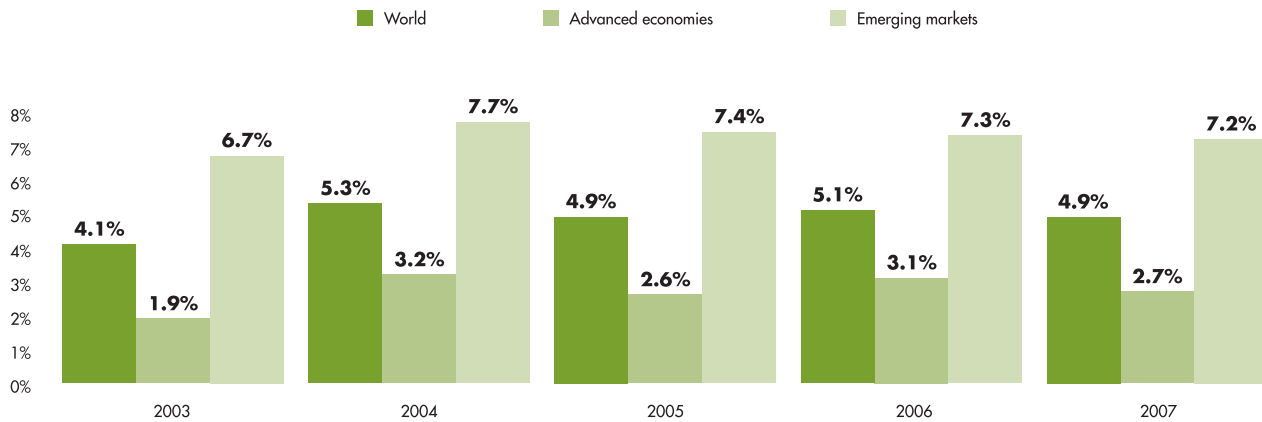
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Global growth lays out a solid foundation to a promising job outlook and opportunities for MBAs and other graduate business students.
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Current Economic Conditions and Job Outlook

Global growth lays out a solid foundation to a promising job outlook and opportunities for MBAs and other graduate business students. According to the International Monetary Fund (IMF), the world economy continues to be strong (Figure 4)³. Global prosperity is fueled by the remarkable growth of the emerging markets in developing countries, as well as a strong global productivity growth in the last three years enhanced by technological advances and information technology. In the United States, economic growth slowed starting from the second quarter of 2006, primarily owing to a further deceleration in the housing market and homebuilding contraction, as well as high fuel costs. However,

growth is expected to remain relatively strong in 2007 with contained inflation and a low unemployment rate. Other advanced economies, especially the European Union, will sustain the moderate growth with strong corporate balance sheets, higher investment, and rising employment. Meanwhile, economic expansions in China and India will continue to top the growth of the newly industrialized economies.

Strong global growth may positively affect the U.S. economy. According to the forecast of the American Bankers Association Economic Advisory Committee (EAC), energy prices will remain a wild card, but the business sector is expected to have a good year⁴. In addition, tight labor markets should contribute to higher wage growth in the near term (Figure 5).

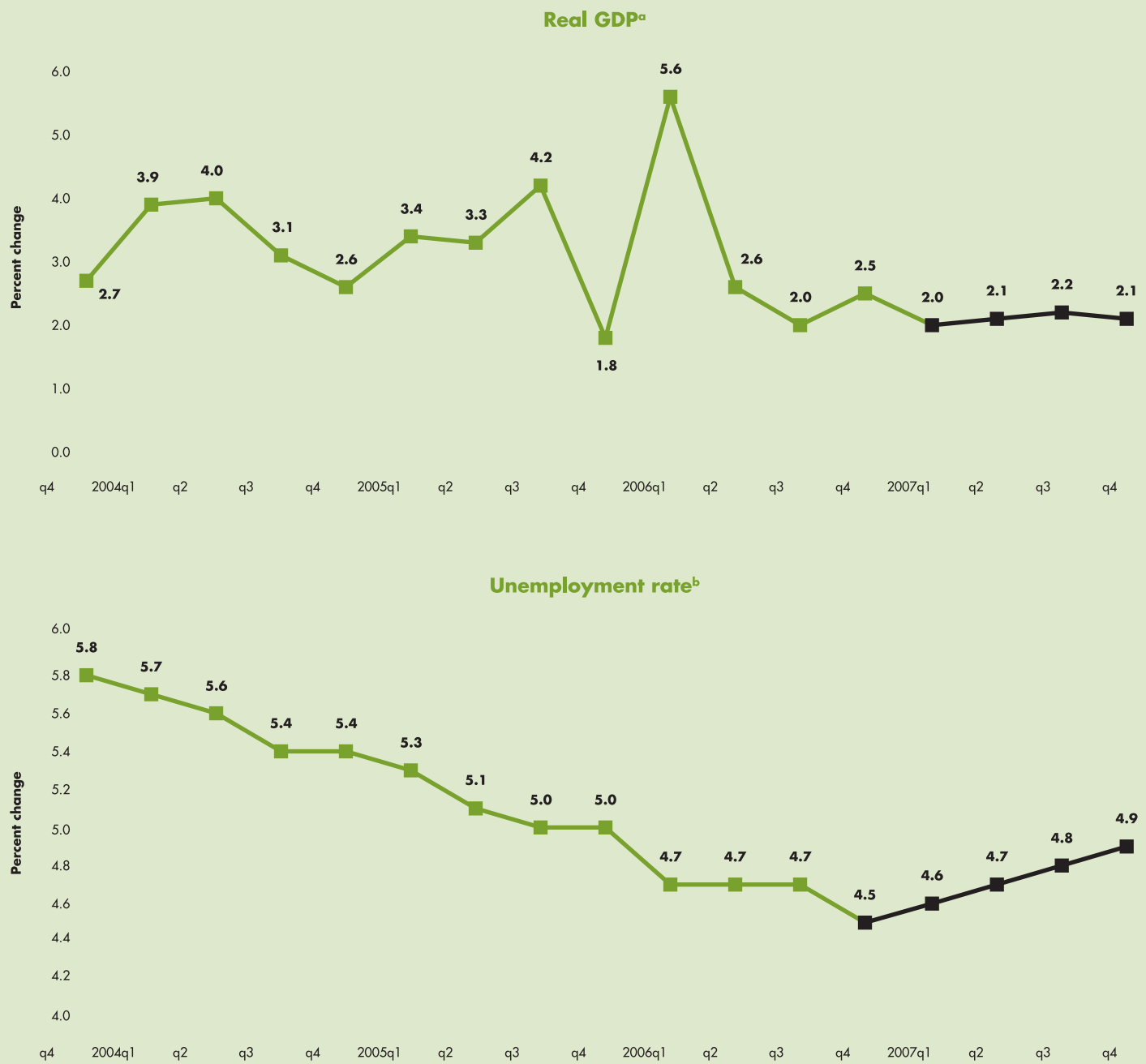


Source: World Economic Outlook, September 2006, Table 1. Summary of World Output.

Figure 4.
 World Output—Annual Percentage Change in the Real GDP

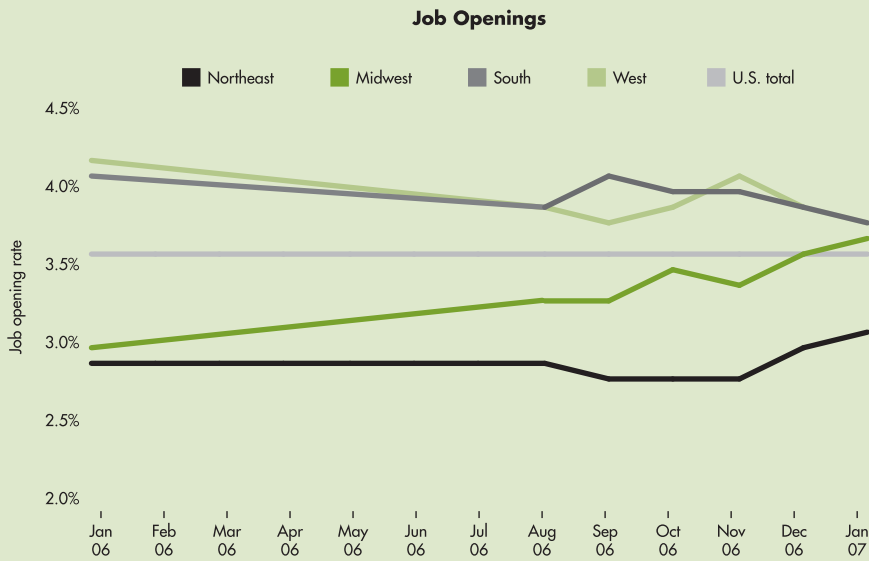
³International Monetary Fund. (2006). *World Economic Outlook—Financial Systems and Economic Cycles, September 2006*. Washington, D.C.: Author.

⁴American Bankers Association. (2007, January 19). *Bank Economists Expect Solid Growth in 2007, Despite Housing Drag* (Press Release). Washington, D.C.: Author.

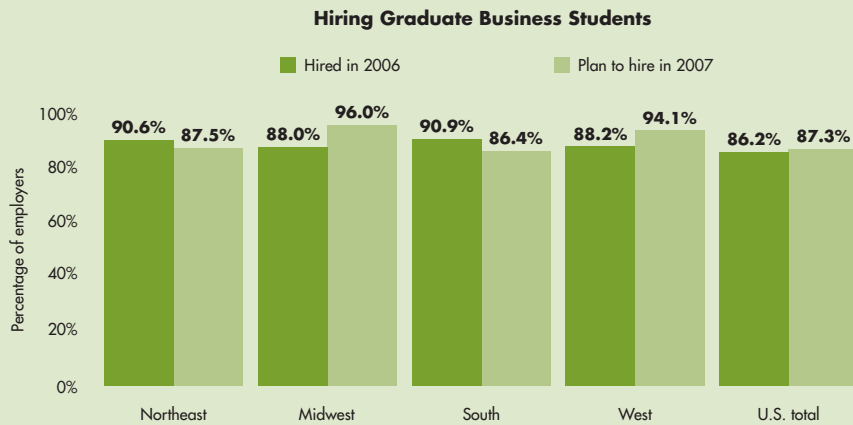


a. Seasonally adjusted
 b. Non-farm sector
 c. Quarterly percentage change
 Source: 2003–2006 (final)—Bureau of Labor Statistics; 2007 (projected)—Economic Advisory Committee of the American Bankers Association.

Figure 5.
 Selected U.S. Economic Indicators^c



Source: Bureau of Labor Statistics.



Source: 2007 GMAC® Corporate Recruiters Survey

Figure 6.

Job Openings Rate and Hiring Graduate Business Students, 2006 (actual)–2007 (projected), by U.S. Region

As of January 31, 2007, there were 4.4 million job openings in the United States as reported to the Bureau of Labor Statistics. The job openings rate—a proportion of job openings to total jobs available (job openings plus current employment)—was the highest in the West and the lowest in the Midwest (Figure 6). Notably, as the job openings rate remained essentially unchanged during the past year in the United States overall, so did the trend in hiring recent business school graduates: 86% of respondents hired at least one graduating MBA or other graduate business student in 2006, and 87% plan to hire at least one graduate business student in 2007. Trends in employers' plans to hire graduate business students echo trends in the job openings rate, which is heading upward in the Midwest and downward in the South.

Recruiting Strategies

Undoubtedly, companies employ a variety of recruiting methods to obtain the talent of graduate business students. However, the survey data revealed two distinct groups of employers based on their approaches to hiring MBAs or other graduate business students—those who actively recruit graduate business students (40%) and those who consider, but do not actively recruit them (60%). All companies that actively recruit graduate business students sustain formal recruiting programs (100%), and a majority of these companies are likely to recruit on campus (70%) and to employ graduate business students as interns (58%) (Figure 7).

Not surprisingly, companies that sustain formal programs to recruit graduating MBAs or other graduate business students are mainly global (82%), large (57%) firms, whereas those that do not actively recruit graduate business students are more likely to be small (47%) companies that are involved in national or regional business (42%).

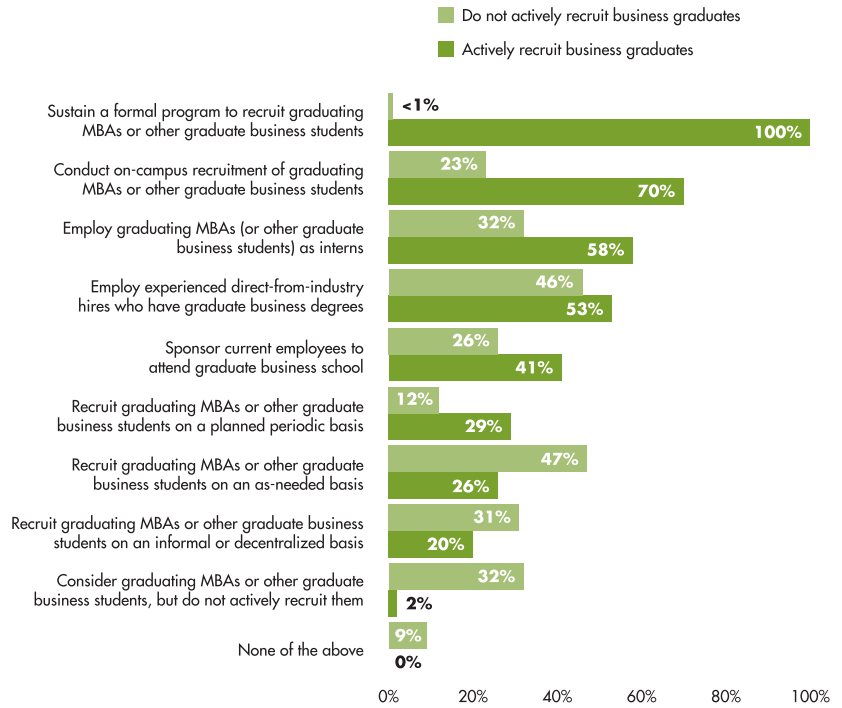


Figure 7. Recruiting Strategies for Hiring Graduate Business Students, by Strategy Cluster

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 Regardless of company size,
 employers that actively recruit
 graduate business students expect
 to offer them 24% higher
 starting salaries on average than
 will other employers.
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By industry, half of the respondents from consulting (50%) and nearly half of manufacturing (49%) firms actively look for graduate business students, whereas only one in 10 nonprofit or government organizations do so (9%) (Figure 8).

Companies' propensity for hiring MBAs or other graduate business students appears to translate into better compensation and perks for candidates. For example, regardless of the companies' sizes, employers that actively recruit graduate business students expect to offer them 24% higher starting salaries on average than will other employers (Figure 9). Furthermore, candidates with graduate business degrees are more likely to receive moving allowances (67%) and signing or starting bonuses (63%) when they work for companies that actively recruit graduate business students than they would by working for companies that do not actively recruit business graduates.

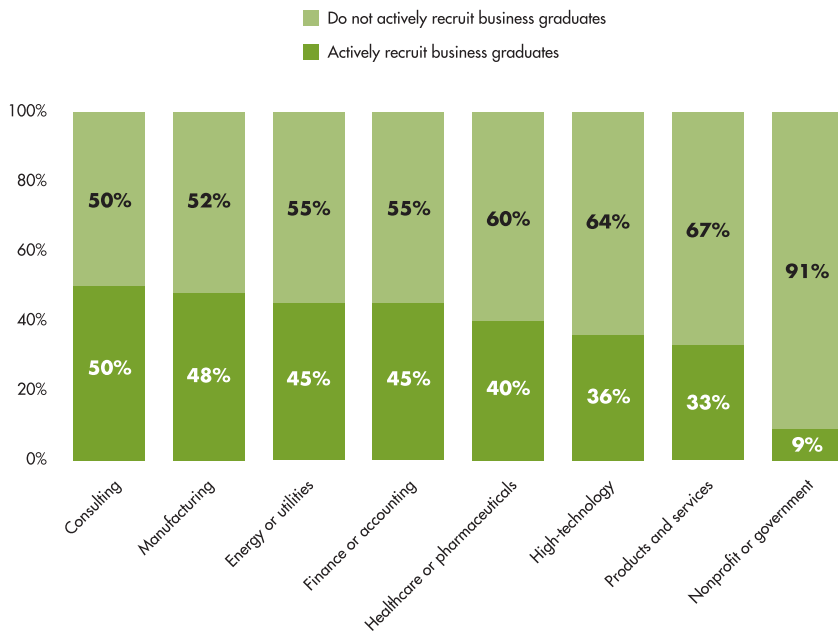


Figure 8.
 Recruiting Strategies for Hiring Graduate Business Students, by Industry



Figure 9.
 Estimated Average Starting Annual Salary for 2007 New Graduate Business Student Hires, by Company Size and Strategy Cluster

Overall, on-campus recruitment accounts for one-fifth of companies' recruitment efforts (22%) (Figure 10). As expected, this proportion is significantly larger for companies where on-campus recruitment is part of their formal talent search strategies (62%).

Companies that recruit off campus are more likely to hire for senior-level positions (Figure 11). However, given the high proportion of large (49%), global (74%) firms that recruit on campus, candidates

are more likely to get better salary offers and signing bonuses from on-campus recruiters. On the other hand, there may be more opportunities for advancement in firms that do not recruit on campus, as such companies report higher percentage increases in annual base salaries for graduating MBAs or other graduate business students and are more likely to offer year-end bonuses.

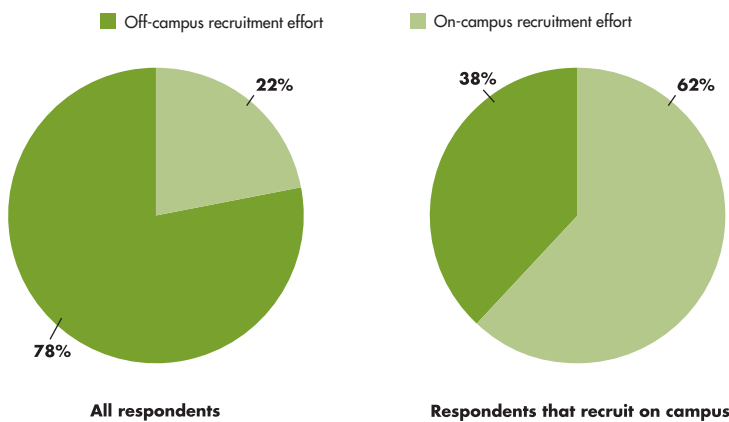


Figure 10.
Proportion of Recruitment Conducted On and Off Campus

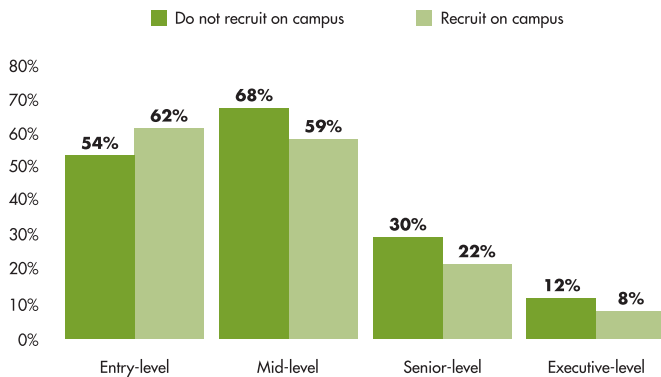


Figure 11.
Position Levels for which Employers Plan to Hire Graduate Business Students in 2007, by Campus Recruiting Strategy

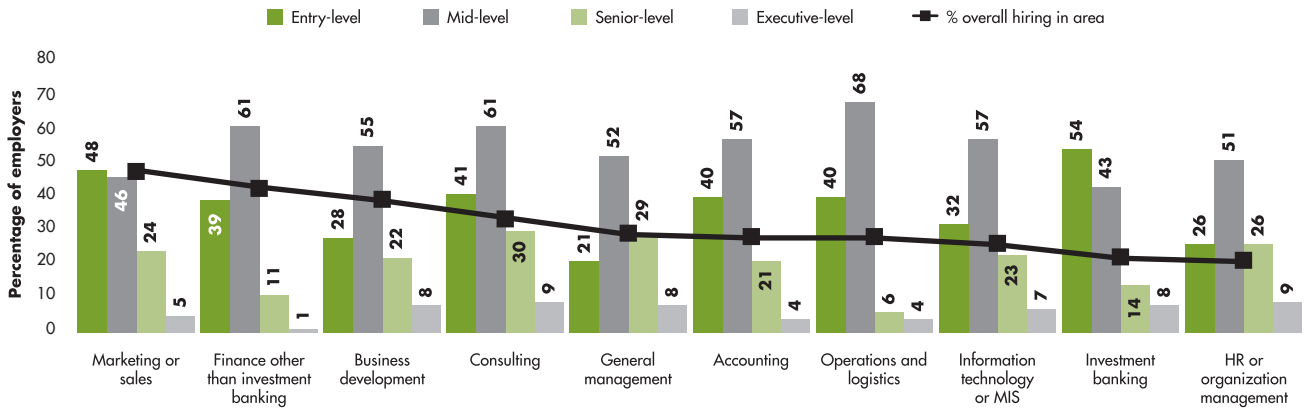


Figure 12.
Job Areas and Levels for which Employers Plan to Recruit Graduate Business Students in 2007

Demand for Graduate Business Students in Specific Job Areas

In 2007, graduating MBAs and other graduate business students have the highest chances of finding jobs in marketing or sales—almost half of the respondents will hire in this area (48%) (Figure 12). On the other hand, graduate business students have significantly lower chances of finding jobs in investment banking or in HR and organizational management, with only one-fifth of participating employers planning to recruit for positions in these fields (22% and 21%, respectively).

Overall, the majority of employers will need to fill mid-level (64%) or entry-level (58%) positions in 2007. However, the position levels for which companies plan to hire graduate business students vary by industry (Figure 12). For example, in investment banking, where demand for MBAs and other graduate business students is not high, the majority of job openings will be for entry-level positions (54%). Proportionally more mid-level positions will be available for graduate business students in operations and logistics (68%) than in other industries. In consulting (30%), followed by general management functions (29%), there will be a better chance than in other industries of finding senior-level jobs. Financial firms other than investment banking companies will have almost no demand for executive-level positions (1%).

Generally, the larger the hiring company, the fewer senior-level positions available for recent graduate business students. For example, two in five small companies (those with fewer than 500 employees) plan to recruit graduating MBAs or other graduate business students for senior-level positions (40%), whereas only one in 10 large companies (those with 10,000 or more employees) have such plans (11%) (Figure 13).

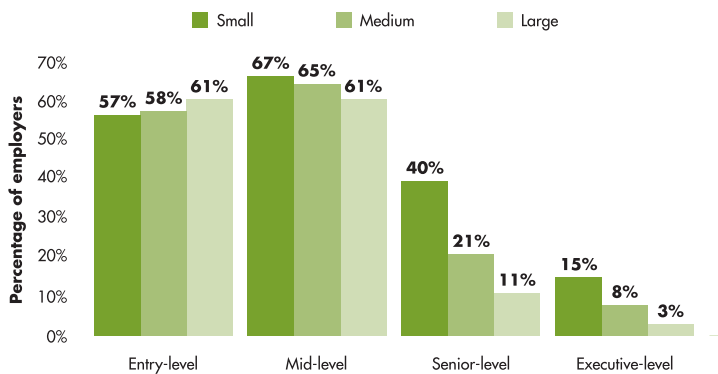


Figure 13.
Job Levels for which Employers Plan to Recruit Graduate Business Students in 2007, by Company Size

Compensation

According to the surveyed executives and managers, including HR executives and managers, the 2007 average expected salary of business graduates is almost 30% higher than that of other graduate school students and almost double the average starting salary of undergraduate school students (Figure 14). Executives and managers project that in 2007 the average starting salary for graduating MBAs or other graduate business students will be \$80,452—essentially unchanged compared with 2006 projections. Over the five-year period, the average expected starting annual salary of graduate business students exceeds that of other graduate school students by an average of 27% and that of undergraduate or first university students by an average of 76%.

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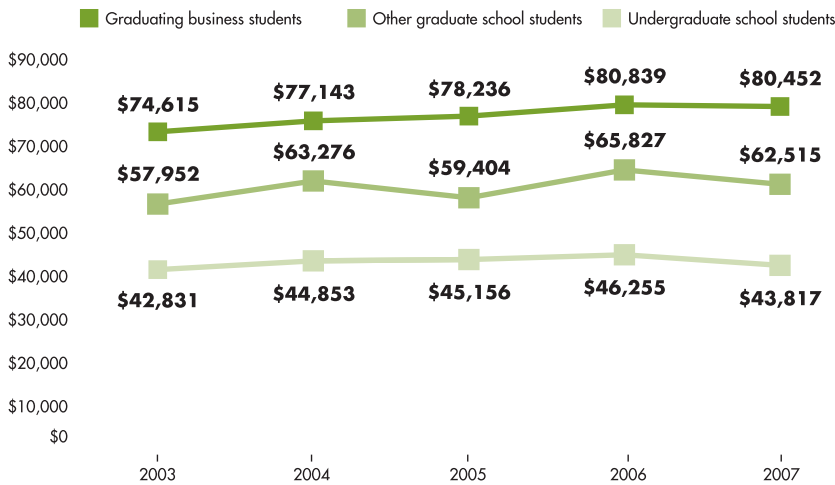


Figure 14.
 Estimated 2007 Starting Annual Base Salary for New Professional Hires as Reported by Executives, Line Managers with Hiring Authority, and HR Executives and Managers, 2003–2007

On top of the base salary, almost all companies (99%) plan to offer graduate business students additional compensation or benefits. “Companies needing to hire skilled workers are finding that more generous benefits can help lure applicants,” says M.P. McQueen of *The Wall Street Journal*⁵. Consequently, nearly nine in 10 companies (87%)—the largest proportion since 2004—will extend benefits packages that typically include health benefits or company-sponsored retirement savings plans. In more than half the hiring companies, recent business school graduates may be eligible for a performance-based bonus (61%) or moving allowance (54%).

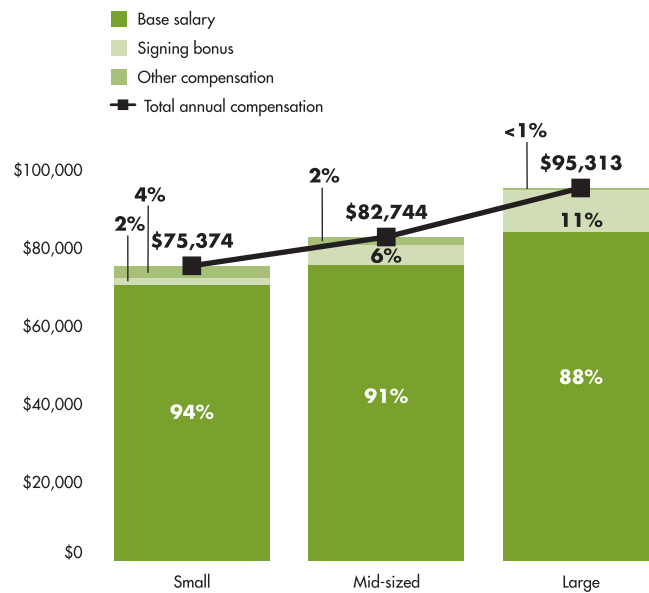


Figure 15. Total Expected 2007 Annual Compensation for Graduate Business Students, by Company Size

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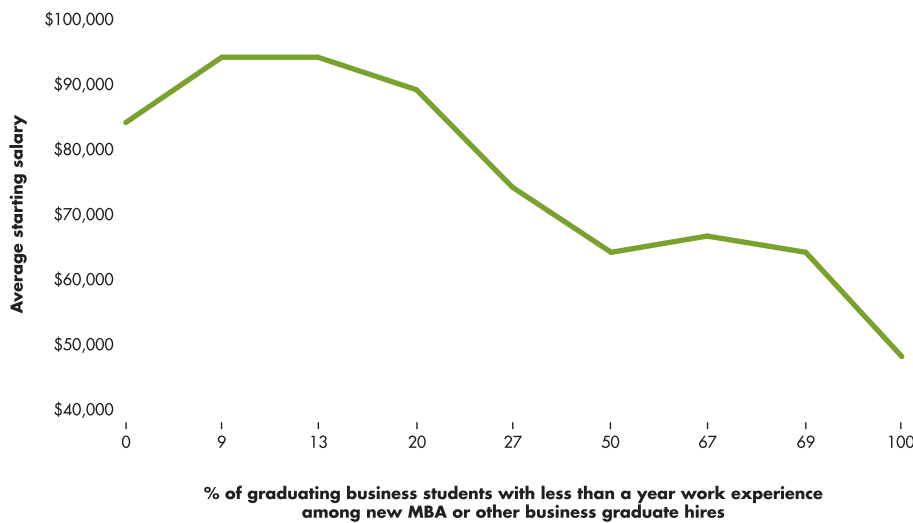
Nearly nine in 10 companies—the largest proportion since 2004—will extend benefits packages that are likely to include health benefits or company-sponsored retirement savings plans.

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⁵ McQueen, M.P. (2006, October 24). The Boss Taketh Away and the Boss Giveth. *The Wall Street Journal*, p. D1.

As expected, many factors contribute to the final amounts on paychecks. Though graduate business students have little or no influence on some factors (such as regional economic conditions or their hiring companies' balance sheets), other factors (such as previous work experience or acquired skills) are completely in their hands. Furthermore, the sizes of the hiring companies (Figure 15) as well as previous work experience (Figure 16) may have significant effects on the amounts and structures of their overall compensation.

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Pearson's R = -0.588; p < .05.

Figure 16.
 Average Expected Starting Salary, by Percentage of New Business Graduate Hires Who Each Have Less than One Year of Work Experience

Working with Business School Career Management Offices

Despite a perception that career management or career services offices are only concerned with on-campus recruitment, career services professionals deliberately work with both students and employers—on campus and off campus alike—offering help with large-scale career or hiring goals, as well as with ad-hoc requests such as preparing for upcoming interviews or online job postings. By maintaining contacts with alumni, career services specialists can both provide students looking for jobs with great networking opportunities and give corporate partners access to “seasoned” workforces. Working closely with admissions and faculty, career management staff can help hiring companies “grow” candidates who fit their specific needs—for example, by advising students to enroll in particular courses or apply for internships with hiring companies. Reflecting recent demand, business school career services personnel even work with parents of “millennials.” As expected, the dedication and broad variety of offerings of career services offices bring encouraging results—80% of employers are satisfied with the career services offices of the graduate business schools with which they work.

Consistent with 2004–2006 findings, online services (e.g., résumé searches, job postings, online interview scheduling) are the most important services to employers (63%) (Figure 17), closely followed by the ability to preselect candidates for interview schedules (62%). Notably, “access to seasoned MBA or other graduate management alumni seeking new employment” lost much attractiveness to hiring companies from 2006 to 2007, moving from third to seventh on their list. This may be primarily attributed to the change in the companies’ overall hiring mix, where the share of experienced direct-from-industry hires is expected to decrease by eight percentage points in 2007 (Figure I). In addition, more employment networks are currently available through various MBA associations, e.g., National Black MBA Association (NBMBA) or the National Society of Hispanic MBAs (NSHMBA), and through online recruitment services providers. On the other hand, employers are building a need for career services staff that know their company requirements and industry requirements—the third most important service that companies would like to receive from business school career management centers in 2007.

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	#1	#2	#3	#4	#5	#6	#7
2007	Online services	Ability to preselect candidates	Company and industry requirements	Designated point of contact	Recruiting from company perspective	Responsive staff	Access to seasoned MBAs
2006	Online services	Ability to preselect candidates	Access to seasoned MBAs	Recruiting from company perspective	Designated point of contact	Responsive staff	Company and industry requirements

Figure 17. Important Services that Companies Would Like to Receive from Career Management Offices

Barriers to Effective Selection and Hiring of Graduate Business Students

Although the vast majority of respondents (86%) reported that their companies had hired one or more MBAs or other graduate business students in 2006, barriers to effective recruiting and selection still exist. According to the Employee Relocation Council (ERC)⁶, competition with other companies is the biggest challenge to employers in recruiting new hires (59%), followed by the lack of qualified candidates (50%). Similarly, employers of graduate business students cite aggressive competition with other organizations for the MBA talent as the major barrier to recruiting graduate business students (45%) (Figure 18).

Factor analysis using principal component analysis with varimax rotation revealed four main factors underlying perceived constraints to effective recruitment of graduate business students—unrealistic candidate expectations, limited supply of candidates with relevant experience, competition for the same candidate pool, and candidates' poor job.

Consistent with 2004–2006 findings, for nearly half of those that recruit on campus (47%), limited time and resources are the number one barrier to effective recruiting of MBAs and other graduate business students. Fewer than two in five on-campus recruiters (37%) referenced inconsistent quality of students within a school—the number two challenge to effective on-campus recruitment.

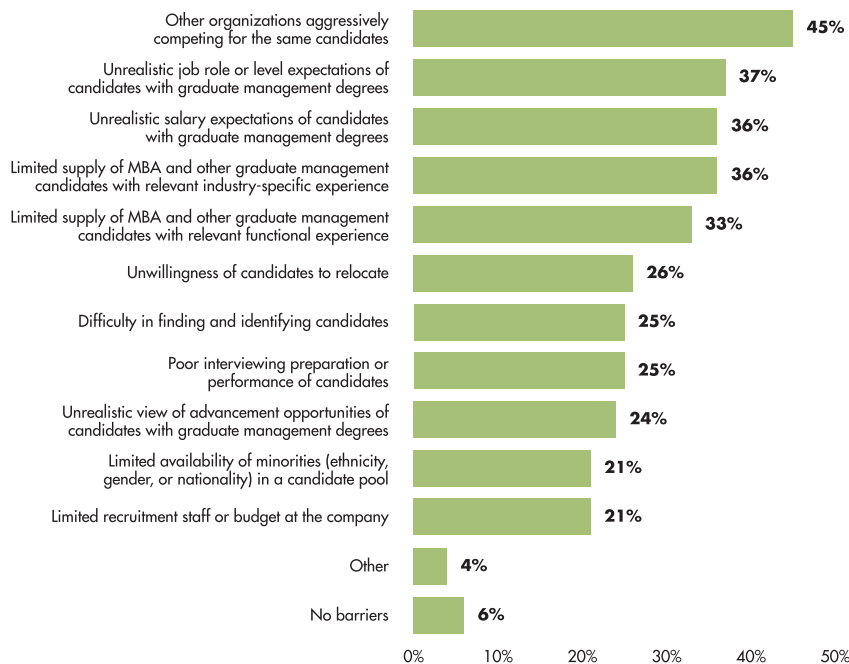


Figure 18.
Barriers to Effective Recruiting of Graduate Business Students

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Employers of graduate business students cite aggressive competition with other organizations for MBA talent as the major barrier to recruiting graduate business students (45%).
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⁶The Employer Relocation Council/Worldwide ERC. (2007, March 5). *Recruiting New Hires: Relocation Policies Play a Part* (News Release). Washington, D.C.: Author.

Candidate Selection and Hiring Criteria

Consistent with previous years, interpersonal skills, are the top criterion for employers in selecting and hiring graduate business student candidates (Figure 19), closely followed by the cultural fit with the company.

Factor analysis using principal component analysis with varimax rotation shows that there are three main factors that could explain how employers decide to hire MBA and other graduate business candidates. One factor is leadership potential, as determined by: the applicants' years of work experience; their histories of taking on increased job responsibilities, leading teams, and managing people; and the applicants' general business management skills. Another factor is prior work experience—prior industries and occupations,

in particular. A third factor is candidate academic achievements, primarily, acquired technical or quantitative skills, strong academic success, and specializations or concentrations of study.

As expected, different types of businesses and companies assign different levels of importance to candidate selection and hiring criteria. For example, compared to larger companies, smaller companies are more likely to seek to fill senior- and executive-level positions within their company, therefore they are less likely recruit graduating MBAs on campus and instead seek access to seasoned MBAs, such as alumni or part-time and executive students seeking new employment. However, when smaller companies do hire graduating business students, years of experience are not as important for them as they are for larger companies. Consequently, although recent

business graduates are only a small proportion of their hiring mix, smaller companies are more likely to employ those with limited or no work experience. This behavior pattern is also true of firms outside of the United States.

In addition, a candidate's proven ability to perform is more important for those in finance and accounting or manufacturing than it is for companies in other industries. Nonprofit or government organizations give more consideration to technical or quantitative skills than do companies in other sectors.

How do companies select schools from which to recruit candidates that will match their hiring criteria? In choosing schools, companies look primarily at the quality of students, their past experience at the school, and the depth of the talent pool.

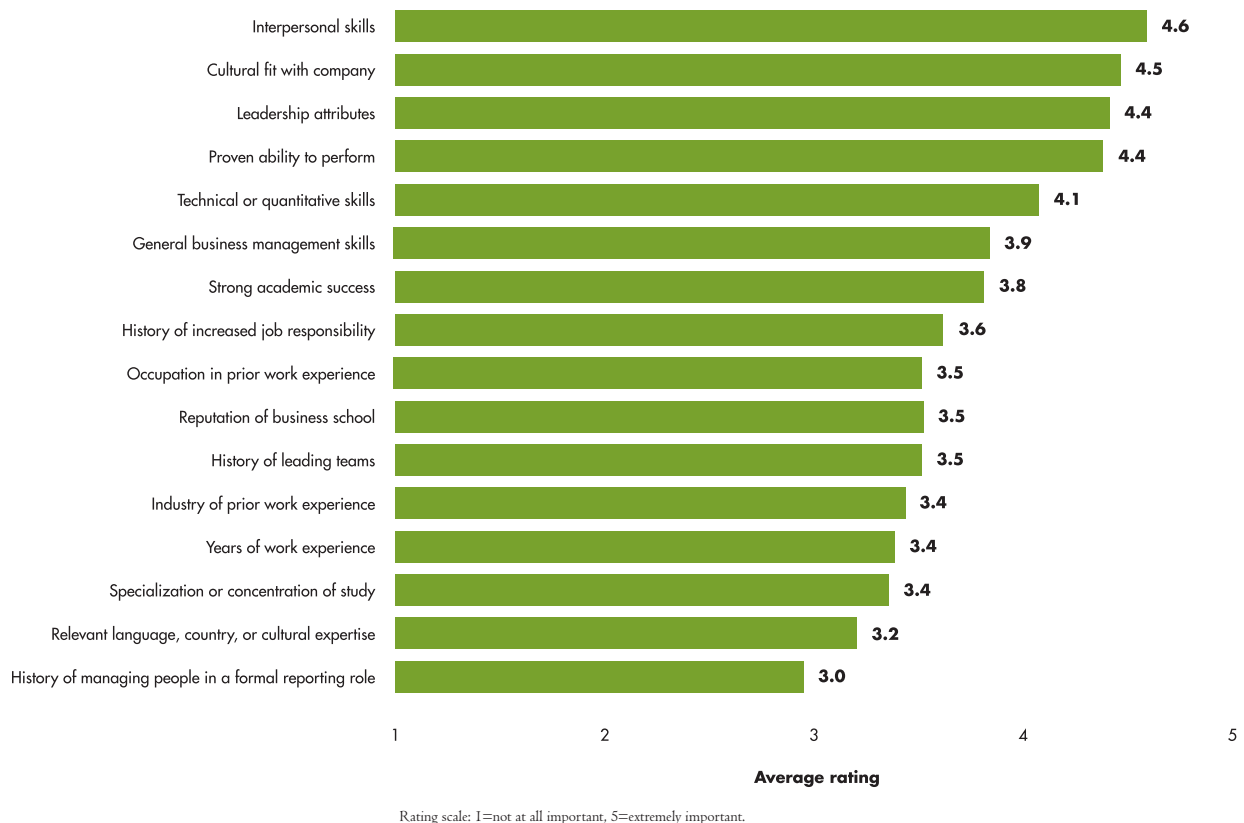


Figure 19.
Importance of Graduate Business Student Selection Criteria

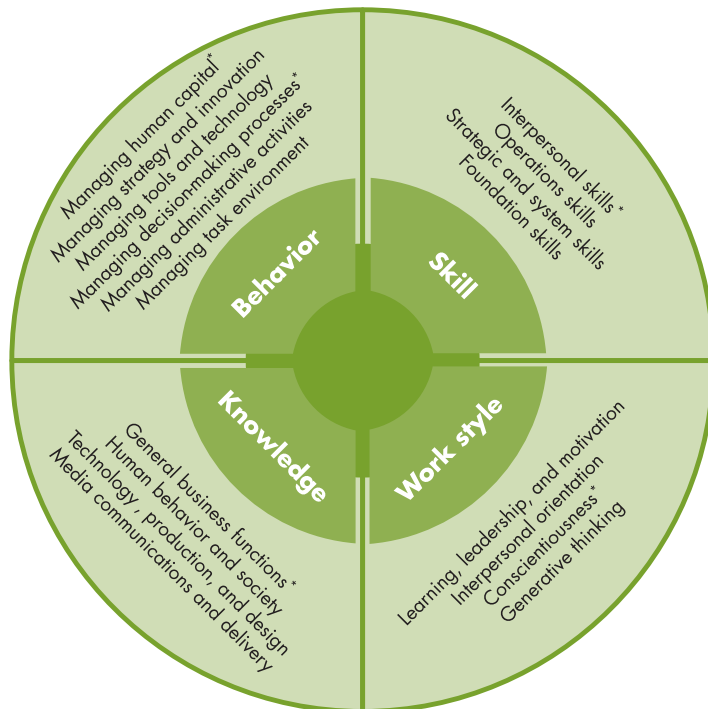
Managerial Competencies

Erich Dierdorff and Robert Rubin developed a comprehensive model of managerial competencies that are central to enacting managerial roles⁷. They distinguish among 18 factors representing broad competencies across four work domains—behavioral, skills, knowledge, and work style (Figure 20). Having conducted the study across 52 managerial occupations from CEO to line supervisors, Dierdorff and Rubin identified relative importance of competencies in each domain. For example, for the managerial work overall, managing decision-making processes and managing human capital are the most important behavioral competencies; interpersonal skills are the most important skills-based competency; knowledge of general business functions—the only

knowledge-based competency that is rated important to managerial work—is the most important in the knowledge domain; and conscientiousness is the most important among work style competencies.

Surveyed executives and managers evaluated their employees with MBAs or other graduate management degrees in each of the managerial competencies, comparing whether they demonstrated higher, lower, or equal abilities with other non-MBA employees at the same job levels. Across all competencies, very few respondents (1%–9%) indicated lower levels of abilities for graduate business degree holders than for their peers. However, we assume that to be a successful manager, a graduate business student should rise above the level of peers and prove higher or even much higher abilities in the competencies critical to managerial work.

.....
Compared to larger companies, small companies are more likely to seek to fill senior- and executive-level positions within their company.



* Most important within domain.

Figure 20.
 Comprehensive Model of Managerial Competencies

Recreated from *Toward a Comprehensive Empirical Model of Managerial Competencies: Implications for Management Education*, December 2006, with permission.

⁷Dierdorff, Erich C., & Rubin, Robert S. (2006, December). *Toward a Comprehensive Empirical Model of Managerial Competencies: Implications for Management Education*. McLean, VA: Report for Management Education Research Institute (MERInstitute).

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MBAs show better knowledge of general business functions than their non-MBA peers but appear to be at the same level as their colleagues in managing human capital.

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Figure 2I examines the relationship between the competency importance and business degree holders' abilities in each work domain. Each competency chart is divided into four quadrants. The upper-right quadrant indicates competencies that are highly important within their respective domains and in which MBAs or other business degree holders demonstrate higher or much higher abilities than other non-MBA employees. The opposite lower-left quadrant shows competencies that are not critical to managerial work and in which business degree holders have the same abilities as their peers at the same job levels.

Interestingly, in all four work domains—behavior, knowledge, skill, and work style—none of the competencies appear in the upper left quadrant—low importance and high ability. This indicates that focus in developing managerial competencies corresponds to the real workplace requirements—there were no “unnecessary skills” in which professional managers would be highly prepared.

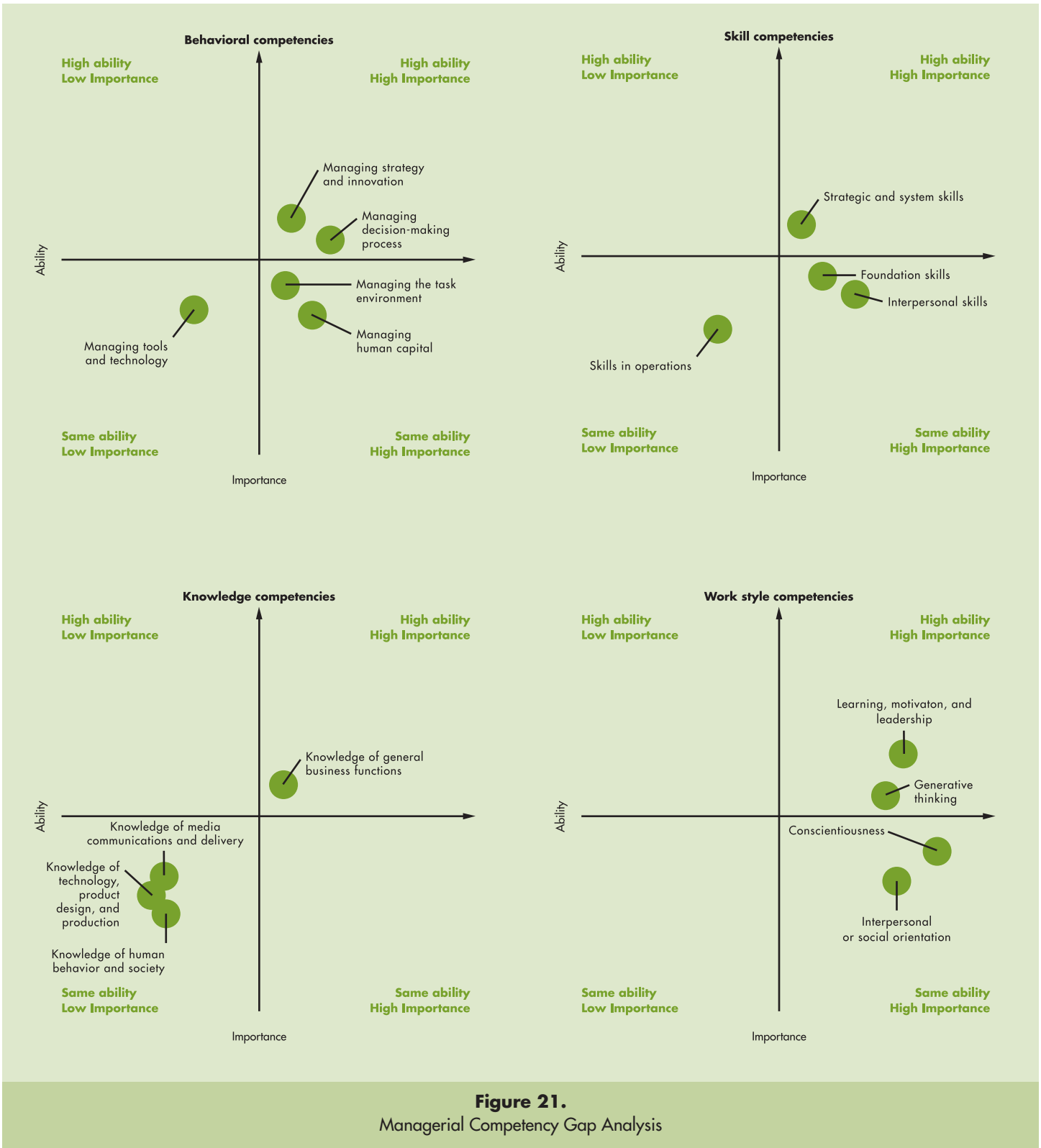
To identify MBAs' managerial strengths and uncover opportunities, we will focus on the right quadrants of Figure 2I—highly important managerial competencies. It appears that there is no gap between the knowledge-related, manager-role requirements and competencies demonstrated at work by graduate management degree holders. As expected, MBAs show better knowledge of general business functions—the only important competency for the knowledge domain—than their non-MBA peers. However, according to Dierdorff and Rubin, in the real work environment, the premium is placed on “doing” rather than “knowing.”

In the realm of behavioral competencies that reflect “doing,” managing decision-making processes is a strong advantage in graduate business students' managerial role within the organization. On the other

hand, graduate business students appear to be at the same level as their colleagues in managing human capital—the second-most important competency of the behavioral domain. The gap between the importance level and the MBAs' performance level for this competency may exist because managing human capital—which includes coordinating the work of others, guiding, directing, and motivating subordinates, coaching and developing others, organizing, planning and prioritizing work—is not currently emphasized in MBA curricula, according to Dierdorff and Rubin's findings.

Analysis of skill competencies (another “doing” domain) reveals that MBAs do not demonstrate better interpersonal skills—i.e., active listening, social perceptiveness, coordination, persuasion and negotiation, time management, and management of personnel resources—than their non-MBA peers, despite the fact that surveyed executives and managers rated such skills as being the most important in managerial work. Not surprisingly, MBA program administrators who participated in Dierdorff and Rubin's study reported that interpersonal skills do not receive strong emphasis in MBA curricula.

Although conscientiousness is rated as being the most important competency in managerial work style, it is also one of the least developed among MBAs and other business degree holders. Given that conscientiousness (i.e., dependability, attention to detail, integrity) reflects personal traits rather than “taught” skills, there is no true opportunity in the identified gap. Graduate business students should be aware of such employer assessments, but it is impossible to incorporate conscientiousness into the MBA curricula.



The second Commission on the Skills of the American Workforce projected that with the globalization of the world economy, “the best employers the world over will be looking for the most competent, most creative and most innovative people on the face of the earth and will be willing to pay them top dollar for their services.”⁸ This projection creates enormous opportunities for the young business professionals but brings with it the pressure of competition. “Candidates will have to be comfortable with ideas and abstractions, good at both analysis and synthesis, creative and innova-

tive, self-disciplined and well-organized, able to learn very quickly and work well as a member of a team, and have flexibility to adapt quickly to frequent changes in the labor market as the shifts in the economy become ever faster and more dramatic,” continues the Commission.

The projections of the Commission—which includes business and civic leaders, federal and state education officials, and former Cabinet secretaries and governors—are well aligned with the feedback of graduate business students’ employers who identified various ways that graduate business schools and their students can help meet their workplace needs in 5–10 years. In addition to high-level academic achievement—which includes solid writing, analytical, quantitative, and technological skills—the most common expectations respondents have of job candidates are that they have real-world experience, in-depth knowledge of the business, skills to implement and execute decisions, and the abilities: to navigate in ever-changing work environments and adapt to changes, to see long-term goals and link strategy and tactics, and to keep a shareholder perspective in mind.



The most common expectations respondents have of job candidates are real-world experience; in-depth knowledge of business, skills to implement and executive decisions; and the abilities to navigate in ever-changing work environments and adapt to changes, see long-term goals and link strategy and tactics, and keep a shareholder perspective in mind.



⁸National Center on Education and the Economy. (2007). *Tough Choices or Tough Times: The Report of the New Commission on the Skills of the American Workforce*, p. xix. San Francisco, CA: John Wiley & Sons, Inc.

Opportunities for Graduate Business Students

As mentioned by one of the survey participants, 2007 is a very good time to be in school. Because world populations—especially in industrialized nations—are aging, most people who are in today’s workforce will be working for another 10 or 20 years. Therefore, the current students have a competitive advantage to get the cutting-edge education and experience at the levels that will satisfy the business world now and 10 years from now.

Based on the employers’ feedback, an “ideal” hire with a graduate business degree should have on average five years of work experience, be ready to accept an entry-level position, and grow their way up in the company through deepening their understanding of the business and proving managerial competency. An MBA or other graduate business student should be prepared with the knowledge that “not everyone who earns a graduate degree will have a three-room office with a staff of 10 and a salary of 100K+” right after the graduation ceremony. The dream job might better serve as a long-term goal to be reached little by little, through such “mundane” functions as making and implementing daily decisions (rather than throwing out big ideas); effectively managing a small team (rather than developing

company-wide principles of workforce management); and, finally, through getting the work done and positively affecting the company’s bottom line.

In addition, employers look forward to meeting candidates with sharpened job-hunting skills. MBA degrees do not exempt applicants from proper résumé preparation, e-mail follow-ups using perfect grammar, and thorough research about the hiring companies before their interviews. Besides the general interview skills and appropriate attire, an emphasis on how applicants will benefit companies may help open corporate doors.

In conclusion, an MBA or other graduate business degree is a great foundation for individuals who go directly to the graduate business program regardless of whether they lack the five “golden” years of experience sought by hiring companies. Such students can demonstrate their achievements and allow employers to evaluate their potential by leveraging their undergraduate majors, taking internship opportunities, and getting involved in real (versus academic) projects with businesses or companies that interest them while they are in school.

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Three-fifths (60%) of employed respondents are extremely or very satisfied with the organization by which they are employed.



Findings presented in this publication are based on analysis of the survey data found in the 2007 Corporate Recruiters Comprehensive Data Report. The Comprehensive Data Report, which is available exclusively to participating business schools and employers, contains detailed data tables and overall analysis of the survey responses by industry group, company size, world region, U.S. region, recruiting strategy, and school characteristics. The Comprehensive Data Report also provides a list of the 92 participating schools and 1,029 participating companies, which is also publicly available.

In addition to receiving copies of this report and the Comprehensive Data Report, participating business schools receive individualized benchmarking reports that compare aggregate responses from employers that work with their school with the responses of employers that work with other schools. A two-page high-level summary of survey results is also available to participating schools and employers as well as to the general public.

Findings reported are based on survey responses, which represent data from the responding employers and not a census of all employers of graduate business 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.

Authorship

The following individual(s) made significant contributions to the concept and design or analysis and interpretation of data and the drafting/revising of the manuscript for intellectual content: Marina Murray, Manager, Applied Research, Graduate Management Admission Council® (GMAC®).

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The **Corporate Recruiters 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 at 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.

Global MBA® Graduate Survey

What do students think about the MBA experience as they prepare to graduate? Launched in 2000, this annual survey is conducted every February to provide a comprehensive picture of who MBAs are and where they are headed after they graduate, as well as how they chose their schools and how satisfied they are with their MBA education.

MBA Alumni Perspectives Survey

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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