

C O R P O R A T E  
**Recruiters Survey**

## 2010 Corporate Recruiters Survey: UK Regional Outlook

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### Introduction

This paper is derived from the Graduate Management Admission Council® 2010 *Corporate Recruiters Survey Report* series,<sup>1</sup> which focuses on the employment prospects of graduate business students and the recruitment strategies and goals of employers that hire them. Data summarised in this publication represent responses from 41 companies located in the United Kingdom (UK) that participated in our *Corporate Recruiters Survey*. These employers recruit graduating students from MBA and other master's-level programmes in business or management and represent a small fraction of this year's 2,367 survey respondents. It should be noted therefore that the UK employers surveyed might not be representative of all UK employers hiring graduating business students. In conjunction with the overall conclusions found in the main report series, this paper offers local-level information that is best interpreted with the knowledge of local UK markets. For the purposes of this paper, European countries include only European Union members<sup>2</sup> and Switzerland.

### Key Findings

- During the recent economic crisis, the United Kingdom invested in MBAs—proportionally more UK companies than those in other European countries or the United States hired recent MBA graduates in 2009 and planned to hire them in 2010. Moreover, UK firms expect to have nearly twice as many MBA vacancies in 2010 (13.7) than they did in 2009 (7.7).
- According to employer projections, the 2010 average annual starting salary for MBA graduate hires will be about £60,000. In addition, more than one-third of companies (36%) planned to offer an average signing bonus of more than £16,000.
- According to UK respondents, employees with an MBA demonstrate higher abilities than other employees at the same level in the following areas: managing strategy and innovation; knowledge of general business functions; strategic and systems skills; and learning, motivation, and leadership.
- UK employers rated MBA interpersonal skills higher than did employers in other European countries or in the United States.

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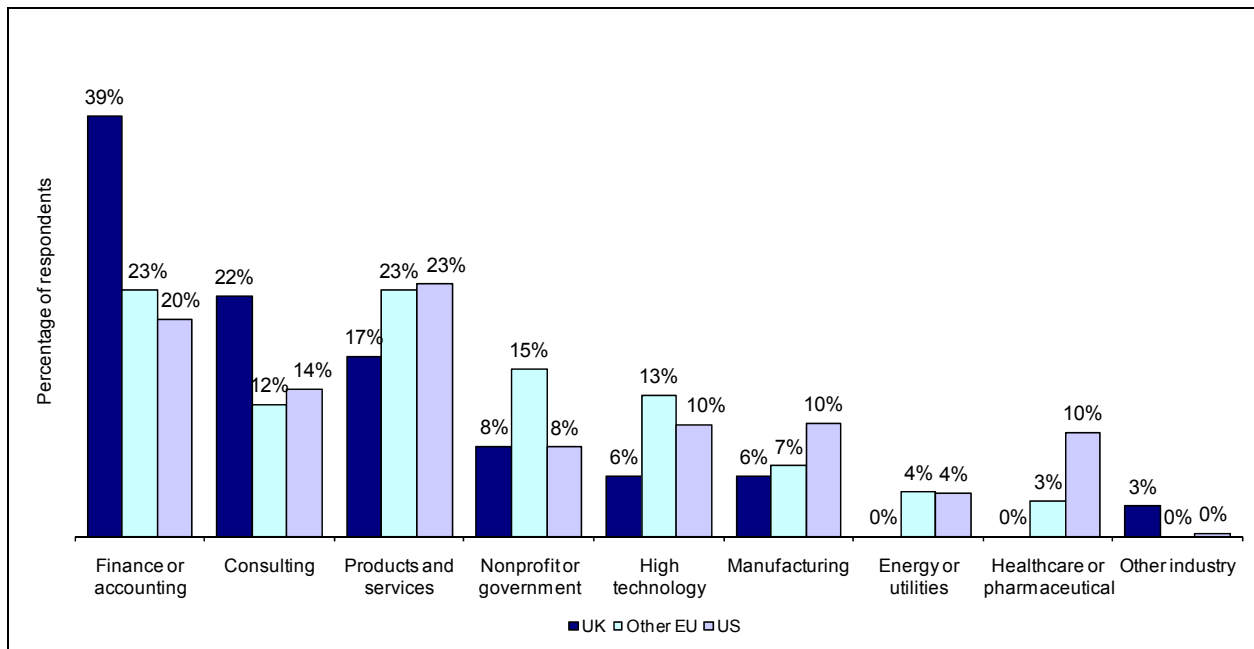
<sup>1</sup> 2010 *Corporate Recruiters Survey Report* and 2010 *Corporate Recruiters General Data Report* are available at [www.gmac.com/CorporateRecruiters](http://www.gmac.com/CorporateRecruiters).

<sup>2</sup> A complete list of the European Union member countries can be found at [http://europa.eu/index\\_en.htm](http://europa.eu/index_en.htm).

## Employer Profile

Nearly two-thirds of UK respondents (61%) were from two industries: finance or accounting (39%) and consulting (22%). Unlike other European and US respondents, no UK respondents from energy or utilities, or the healthcare or pharmaceutical sectors participated (Figure 1).

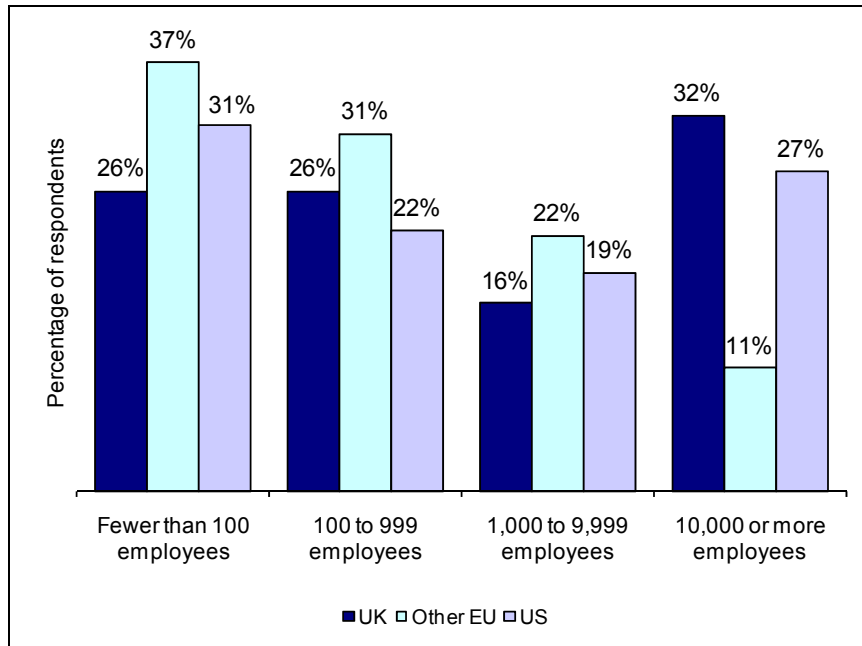
**Figure 1. Industries Represented—UK, Other European Union Countries, and US**



Companies from the United Kingdom and the United States that participated in the 2010 survey were larger in size than those from other European countries: Approximately half (48%) of UK and 46 percent of US firms had more than 1,000 employees compared to one-third of companies from other European countries (Figure 2).

Defined by job responsibility, the largest group of UK respondents included executives and line managers with hiring authority (24%), followed by full-time campus recruiters (22%), and human resources executives or managers (17%).

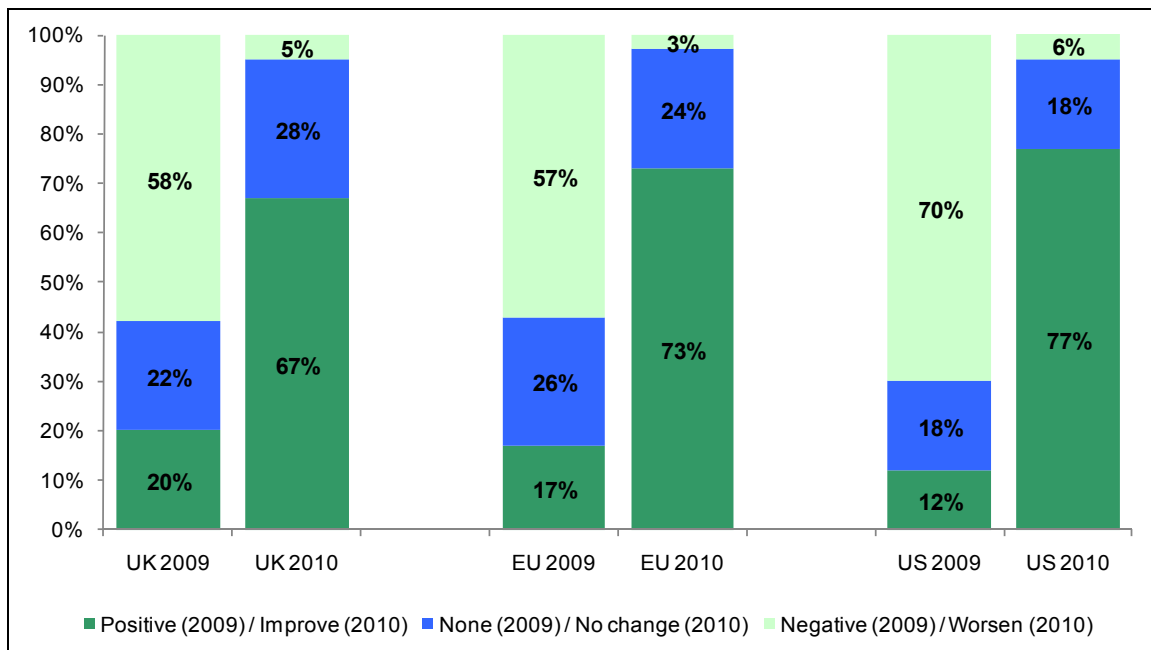
**Figure 2. Company Size Represented—UK, Other European Union Countries, and US**



## Economic Environment and Overall Company Goals

More than half of UK respondents (58%) indicated that their companies were negatively affected by the economic recession in 2009, but two-thirds of UK participants (67%) were optimistic about 2010 (Figure 3).

**Figure 3. Impact of 2009 Economic Crisis on Companies and Expected Change in 2010—UK, Other European Union Countries, and US**



Cost reduction was an organisational priority for 68 percent of participating UK firms in 2009 while focus on stronger performance and higher productivity (68%) topped the list of 2010 company goals (Table 1).

Between 2009 and 2010, UK companies placed more emphasis on geographic expansion (+15%), expanding their customer base (+12%), and performance and/or productivity improvement (+10%). Areas of de-emphasis include cost reduction (-18%) and overcoming economic challenges (-18%). This would seem to indicate a general shift towards growth and a better use of firms' resources.

**Table 1. Overall Company Organisational Goals, 2009 and 2010—  
UK, Other European Union Countries, and US**

	UK (n = 40)		Other EU countries (n = 121)		US (n = 1,217)	
	2009	2010	2009	2010	2009	2010
Improve performance or productivity	58%	68%	72%	75%	70%	76%
Reduce costs	68%	50%	54%	49%	68%	60%
Expand customer base	33%	45%	44%	57%	53%	65%
Improve customer service	35%	43%	44%	50%	39%	44%
Overcome economic challenges	58%	40%	51%	46%	63%	53%
Expand geographically	23%	38%	16%	33%	23%	32%
Complete or integrate a merger	15%	15%	12%	8%	17%	16%
Diversify the organisation	5%	10%	19%	27%	28%	32%
Other goals	5%	8%	8%	12%	6%	6%

## Recruitment Strategies, Hiring Plans, and Promotion Opportunities

In common with firms in other world regions, the majority of UK companies use internal resources—employee referrals and their own websites—to source and select job candidates (Table 2). Consistent with 2009 findings, proportionally more UK companies (56%) recruit graduate business school students on campus compared to firms in other European countries (44%); yet, none recruits on campus at the level of US companies (67%).

**Table 2. Employer Recruitment Strategies—UK, Other European Union Countries, and US**

	UK (n = 40)	Other EU countries (n = 121)	US (n = 1,254)
Employee referrals	73%	76%	79%
Company website for job postings and/or CV submissions	70%	80%	76%
Organise or participate in career fairs	58%	48%	57%
Recruit graduate business school students on campus:	56%	44%	67%
<i>For full-time job opportunities</i>	86%	94%	83%
<i>For internships</i>	77%	61%	84%
Recruitment agencies or executive recruiters	55%	45%	38%
Online job search engines or online job boards	53%	71%	63%
Networking events	45%	56%	50%
Job announcements in print	38%	39%	22%
Social media including sourcing and advertising	33%	31%	31%
Sponsor current employees to attend graduate business school	23%	22%	33%
Employ graduate business school students as interns without actively recruiting current students to be interns	15%	11%	15%
Work with professional associations to create access to their candidate database	10%	23%	25%
Other recruitment strategies	5%	2%	5%

The proportion of UK firms planning to hire graduating MBAs stayed remarkably constant between 2009 (66%) and 2010 (63%) and is significantly greater than for other European countries and the United States. Moreover, compared to both the United States and the rest of Europe, the number of MBA graduate hires in the United Kingdom has nearly doubled in 2010 to an average of 14.

The proportion of companies hiring Master in Management graduates in 2009 was relatively small across the examined regions (11% to 13%), yet increased in 2010 (15% to 19%).

The prospects for graduates from other specialised master's programmes in business are strong overall, especially in the United Kingdom where 11 percent more companies expected to hire specialised master's in business graduates in 2010 compared to 2009.

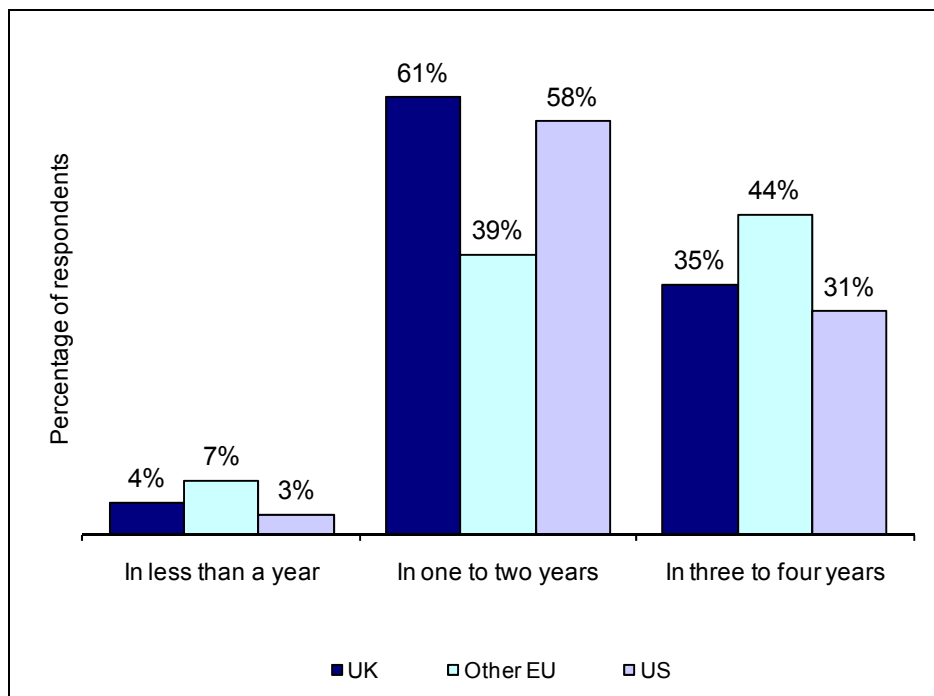
Among UK firms, however, proportionally more companies (16%) than in other world regions (9%) did not plan to hire any candidates in 2010.

**Table 3. Job Candidates That Companies Hired in 2009 and Plan to Hire in 2010—UK, Other European Union Countries, and US (Percentage of Respondents)**

	UK (n = 38)		Other EU countries (n = 111)		US (n = 1,138)	
	2009	2010	2009	2010	2009	2010
Recent MBA graduates	66%	63%	37%	45%	51%	56%
Average number of recent MBA graduate hires per company (#)	7.7	13.7	2.7	1.8	8.8	7.9
Recent Master in Management graduates	13%	16%	11%	19%	12%	15%
Other specialised master's in business graduates	34%	45%	30%	37%	35%	41%
Graduates from disciplines other than business	40%	42%	24%	25%	30%	33%
Recent graduates with a bachelor's degree	55%	58%	69%	72%	53%	57%
Experienced direct-from-industry hires	61%	66%	59%	60%	57%	64%
Did not hire or plan to hire any of the above candidates	18%	16%	14%	9%	14%	9%

Similar to US employers, six in 10 UK respondents (61%) indicated that business school graduate hires typically receive their first promotion one to two years after being hired (Figure 4).

**Figure 4. Typical Timeline for Business School Graduate Hires to Receive Their First Promotion—UK, Other European Union Countries, and US\***



\*The chart does not include the following categories: “in five years or more” (1%), “other” (5%), and “no room for promotion” (2%).

## MBA Graduate Hires

Employers in the United Kingdom were significantly more likely to actively recruit and employ graduates from full-time MBA programmes than from other types of MBA programmes (Table 4). None reported actively recruiting online MBA programme graduates or sponsoring current employees to get an MBA degree online.

As expected, the penetration of company sponsorship during the current economic downturn has declined from the levels seen in early 2009. For example, 30 percent of participating employers reported sponsoring current employees to attend full-time MBA programmes in 2009, whereas only 18 percent did so in 2010.

**Table 4. MBA Programmes That UK Employers Target for Graduate Recruitment, Employment, or Employee Sponsorship**

	Full-time (n = 28)	Part-time (n = 28)	Executive (n = 28)	Online (n = 28)
Actively recruit	68%	7%	4%	—
Employ	79%	32%	32%	4%
Sponsor current employees to attend	18%	11%	11%	—
None of the above	11%	64%	64%	96%

Similar to companies in other world regions, UK employers were more likely to offer mid-level positions to MBA graduates (68%) than to graduates with other business degrees (Table 5). Notably, UK employers were more likely than those in other regions to offer MBA graduates senior (27%) or executive-level (14%) positions.

The percentage of recent MBA graduates hired to mid-level positions in 2010 was remarkably consistent across world regions.

**Table 5. Job Levels for Which Employers Plan to Hire Recent MBA Graduates in 2010—UK, Other European Union Countries, and US**

	UK (n = 22)	Other EU countries (n = 51)	US (n = 635)
Entry level	41%	63%	56%
Mid-level	68%	67%	66%
Senior level	27%	18%	14%
Executive level	14%	10%	6%

## MBA Managerial Competencies in UK Firms

Across four groups of managerial competencies (Figure 5), MBA hires were assessed as being at a higher or much higher ability level than other employees at the same job level in the following areas:

- Behavioural<sup>3</sup>: managing strategy and innovation (83%), managing decision-making processes (66%), managing the task environment (62%)
- Knowledge-based<sup>4</sup>: general business functions (76%), media communication and delivery (52%)
- Skill-based<sup>5</sup>: strategic and systems skills (72%), interpersonal skills (61%), foundation skills (61%)
- Work-style<sup>6</sup>: learning, motivation, and leadership (68%); generative thinking (54%)

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<sup>3</sup> Managing strategy and innovation includes analysing data or information, thinking creatively, and developing objectives and strategies. Managing decision-making processes includes obtaining and processing information; making decisions and solving problems; judging the qualities of things, services, or people; and identifying objects, actions, and events. Managing the task environment includes communicating with persons outside the organisation, establishing and maintaining interpersonal relationships, and selling or influencing others.

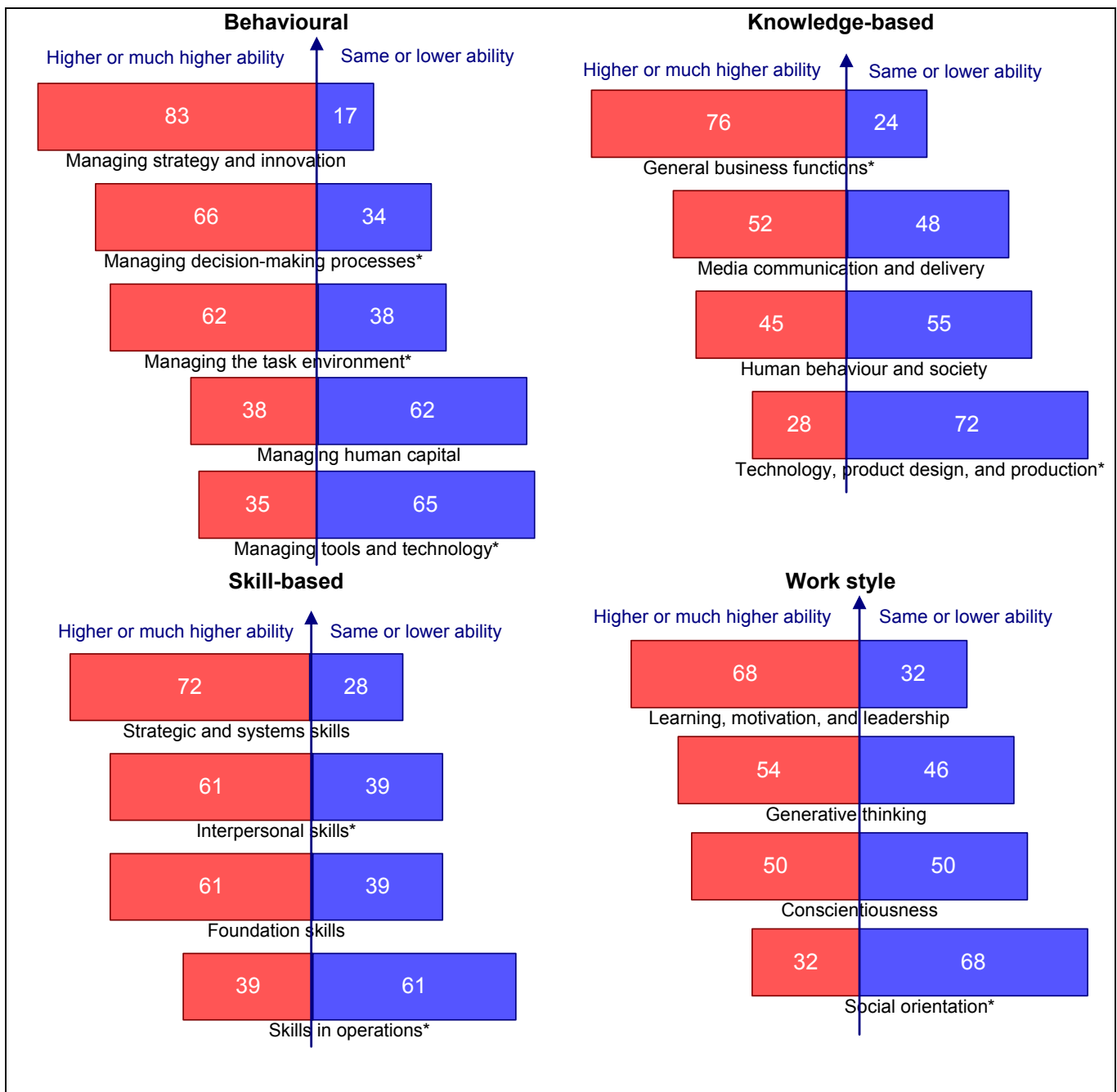
<sup>4</sup> General business functions include administration and management, economics and accounting, sales and marketing, customer and personal service, and personnel and human resources. Media communication and delivery includes media communications, computers and electronics, and English language.

<sup>5</sup> Strategic and systems skills include complex problem solving, judgement and decision making, systems analysis and evaluation, management of financial resources, and management of material resources. Interpersonal skills include active listening, social perceptiveness, coordination, persuasion and negotiation, time management, and management of personnel resources. Foundation skills include reading comprehension, writing, mathematics, and science.

<sup>6</sup> Learning, motivation, and leadership include achievement/effort, persistence, initiative, and adaptability/flexibility. Generative thinking includes innovation, analytical thinking, and independence.



**Figure 5. Assessment of MBA Managerial Competencies Compared to Other Employees at Same Job Level—UK (Percentage of Respondents)**



\* Based on average ratings, differences between the United Kingdom, other European countries, and the United States are statistically significant.

Nearly all UK respondents (99%) reported satisfaction with their MBA employees, including 60 percent who were very satisfied. Last year, 70 percent of UK employers stated they were very satisfied.

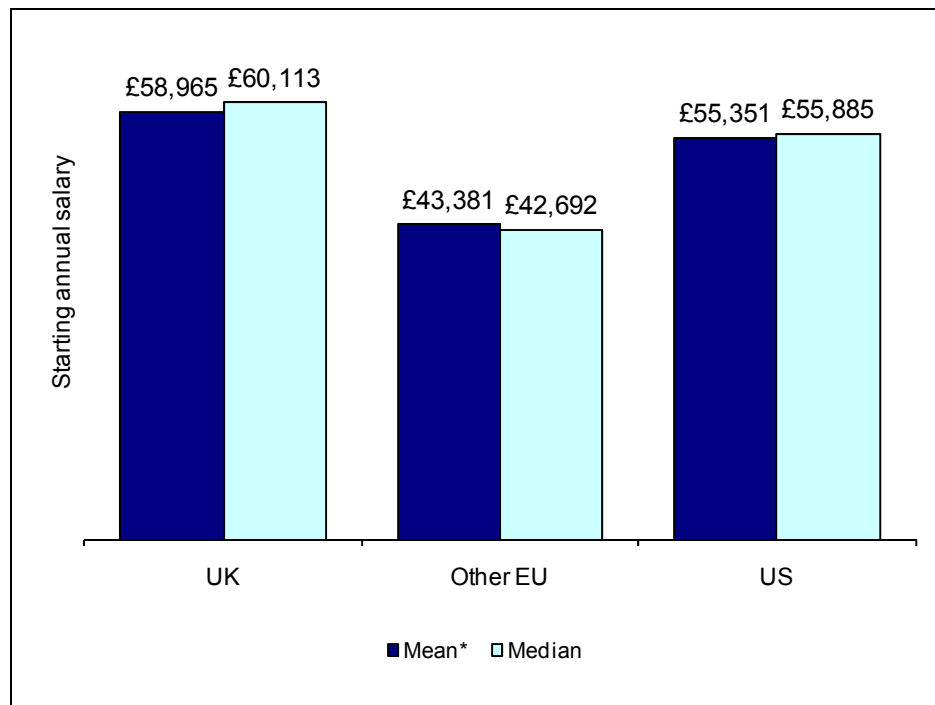
## Expected Compensation for 2010 MBA Graduate Hires

Six in 10 participating UK employers (61%) said 2010 salaries for recent MBA graduate hires would remain at the 2009 level. On average, MBA graduate hires in the United Kingdom may expect to earn about £60,000 annually—more than their counterparts accepting job offers in other European countries or in the United States (Figure 6). In addition, more than one-third of companies (36%) planned to offer signing bonuses of more than £16,000, on average.

The observed average salary differential between UK hires and other world regions is likely to be affected by two characteristics of the UK MBA hiring market:

- Type of role for which UK companies sought MBA graduates (Table 5)
- Profile of UK respondents (Figures 1 and 2)

**Figure 6. 2010 Expected Average Starting Annual Salary for MBA Graduate Hires—UK, Other European Countries, and US**



\*Mean differences between subgroups are statistically significant,  $p < .05$ .

Aside from annual base salaries, all responding UK companies (100%) planned to offer graduating MBAs additional compensation or benefits. Most common were a healthcare and pension package (73%), a performance-based bonus (64%), and moving allowance (46%).

## Conclusion

Findings presented in this paper are based on analysis of the GMAC<sup>®</sup> 2010 *Corporate Recruiters Survey* data. Overall, our survey data show that the 2010 job market for MBA graduates in the UK is expected to be stronger than in other European countries.

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## 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](mailto:research@gmac.com).

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