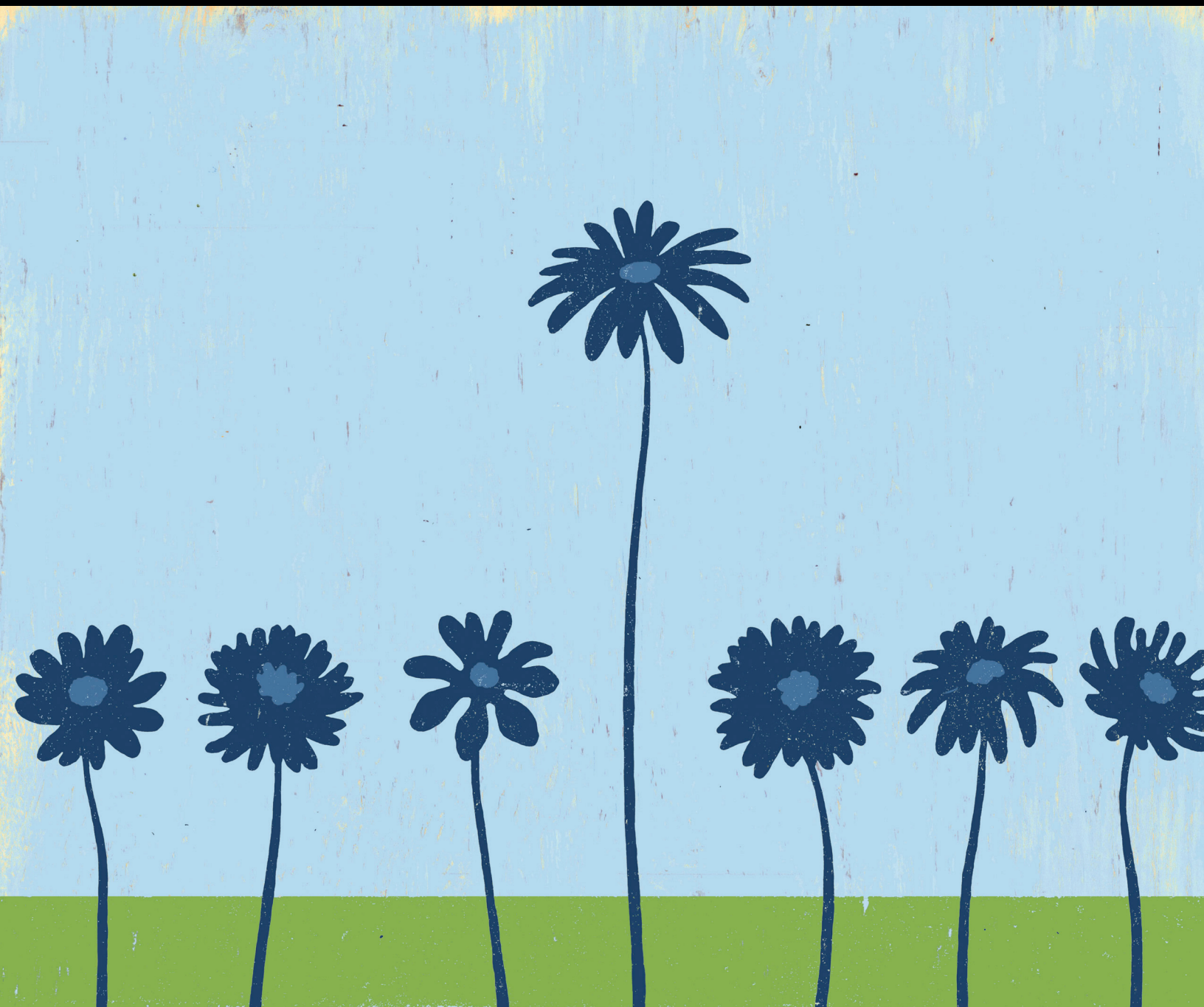


2010



Corporate Recruiters Survey

SURVEY REPORT



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 4,800 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. GMAC partnered with the European Foundation for Management Development (EFMD) and MBA Career Services Council (MBA CSC) to develop questions for the survey and to increase business school participation worldwide.

EFMD is an international membership organization based in Brussels, Belgium. With more than 650 member organizations from academia, business, public service, and consultancy in 75 countries, EFMD provides a unique forum for information, research, networking, and debate on innovation and best practices in management development. EFMD is recognized globally as an accreditation body of quality in management education and has established accreditation services for business schools and business school programs, corporate universities, and technology-enhanced learning programs.

The MBA CSC is an 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. It also provides professional development and networking opportunities for its members and develops and promotes the *Standards for Reporting MBA Employment Statistics*.

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The Graduate Management Admission Council® (GMAC®) is pleased to bring you the results from the 2010 Corporate Recruiters Survey. Conducted annually since 2002, this survey examines the job market for graduate business students as well as employer needs and expectations. GMAC once again partnered with the European Foundation for Management Development (EFMD) and the MBA Career Services Council (MBA CSC) in designing the survey and in soliciting survey partnerships.

The objectives of this annual study are to obtain a picture of the current employment landscape, gauge the demand for master's-level business graduates, better understand employer needs, and provide insight into hiring practices. The survey examines hiring trends for graduates from MBA, Master in Management, and specialized master's programs (such as master's in accounting, business information technology, finance, and financial engineering).

Responses to this ninth annual survey of graduate business student employers were collected from mid-February to mid-March 2010. Data reflect the responses of 2,367 participants representing 1,960 companies in 57 countries worldwide; 129 of the global Fortune 500 companies participated. Respondents in the United States represent firms in 43 states and the District of Columbia and include 171 of the US Fortune 500 companies. This broad representation of the employer spectrum was possible due to the 168 business schools in 37 countries worldwide that facilitated the survey administration.

Key Findings

The global economy is slowly recovering after two-and-a-half years of one of the worst economic crises since the Great Depression, with significant cuts in production and payrolls, slowed international trade, and the loss of millions of jobs. "A little more than one year ago, the economy seemed on the verge of a second Great Depression," testified Timothy Geithner,

US Secretary of the Treasury.¹ Although the worst of the global crisis appears to be behind us, the rise of consumer confidence² has not yet matched that of consumer spending. Similarly, the optimism of survey respondents, most of whom expected that their businesses would improve in 2010, has not translated into the immediate recovery of all lost jobs. Nevertheless, according to the survey data, the 2010 job market for business school graduates has improved compared with last year.

¹ US Department of the Treasury (2010, March 16). Joint statement of Timothy F. Geithner, Peter R. Orszag, and Christina D. Romer before the Committee on the Appropriations, US House of Representatives (tg-589). Retrieved on April 10, 2010 from <http://www.treas.gov/press/releases/tg589.htm>

² The Conference Board (2010). *Consumer confidence survey*[®]. Press Release (March 30, 2010). Retrieved on April 10, 2010 from <http://www.conference-board.org/economics/ConsumerConfidence.cfm>

Survey findings also showed the following:

- The 2010 job outlook overall was expected to be slightly better than the 2009 outlook for all types of candidates, especially for recent specialized master's in business graduates and MBA graduates.
- Many companies are taking proactive measures—60 percent of participating companies, up from 48 percent in 2009, plan to expand their customer base in 2010.
- While 2009 was a difficult year for MBA graduates' job searches, the MBA class of 2010 can expect to see a somewhat improved job market. Slightly more companies plan to hire (5% more), and no drastic reductions are expected in the number of vacancies (down by 10%). In comparison, in early 2009, companies planned to reduce the number of available positions by half (down by 50%).
- Overall, two-thirds of participating companies (66%)—and the majority of health care and pharmaceutical (80%) and consulting (73%) firms—planned to hire MBA graduates for mid-level positions and slightly more than half (52%) planned to offer entry-level jobs.
- While on-campus recruitment appeared to be a preferred strategy for obtaining graduate management talent for large companies (87%) and for companies recruiting at highly selective schools (79%), the average number of schools visited in 2009 (8.0) is significantly lower than the average number visited precession in 2007 (12.6).
- Satisfaction with MBA employees and the skills they bring to the company remain high. Almost all employers (99%) report satisfaction with their MBA employees, including 76 percent who are very or extremely satisfied. The vast majority of employers (82% or more) report that employees with an MBA degree demonstrate higher or much higher abilities in managing strategy and innovation, strategic and system skills, and knowledge of general business functions compared with other employees at the same job level.

Methodology³

To develop the survey frame, all GMAC, EFMD, and MBA CSC member schools, plus several nonmember institutions representing a cross section of the graduate management industry worldwide, were invited either to provide GMAC with contact information for employers who worked with their career services offices last year to recruit MBAs or other graduate business students⁴ or to invite employers directly to participate in the survey. One hundred sixty-eight business schools in 37 countries chose to facilitate the survey administration. The joint effort of participating schools contributed to a universe of nearly 23,000 invited employers, of which 2,367 (10%) completed the online questionnaire. The survey was available in both English and Spanish. The reader should note that terms “respondent,” “employer,” and “company” are used interchangeably in this report and refer to the survey respondents. On average, 1.2 respondents per company reported to the survey.

The findings reported here are based on responses of employers who work with participating business schools;⁵ thus, all conclusions should be generalized only to this population of employers, of which respondents are representative in terms of industry, company size, and geographic location. This study, however, does not represent a census of all employers of graduate business students worldwide, nor is it necessarily a representative sample of such employers.



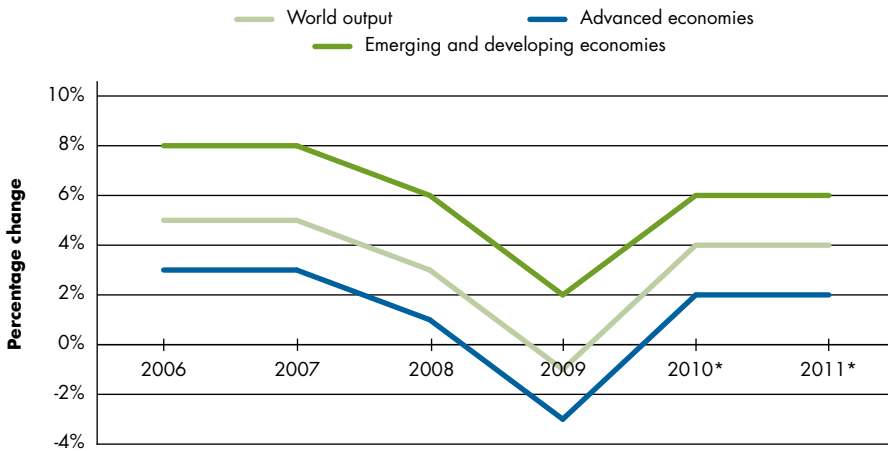
Overall, two-thirds of participating companies planned to hire MBA graduates for mid-level positions and slightly more than half planned to offer entry-level jobs.



³ A detailed methodology of this survey research study, including the participant profile, is available in the *2010 Corporate Recruiters Survey General Data Report* at gmac.com/corporaterecruiters.

⁴ Special care was taken with employer contact information to ensure confidentiality throughout the project. Contact information was separated from the survey responses and encrypted using specialized software. After completion of the project, all contact information from nonresponding employers was deleted from GMAC systems. GMAC does not share individual-level respondent information with any other institutions, companies, or individuals.

⁵ A complete list of participating business schools can be found at gmac.com/corporaterecruiters.



* 2010 and 2011 are projected values.
 Source: Data for 2006 through 2009 from *World economic outlook: Sustaining the Recovery*, October 2009, © International Monetary Fund, Washington, DC. Data for 2010 and 2011 from: *World economic outlook update*, January 26, 2010.

Figure 1.
 World Output—Annual Percentage Change in the Real GDP

After one of the deepest global downturns, the world economy is on an upward trajectory, on pace toward recovery. The restoration of global growth will lay a foundation for a better 2010 job outlook and opportunities for MBAs and other graduate business students (Figure 1). According to the International Monetary Fund (IMF), the overall recovery is stronger than initially anticipated, driven primarily by increased internal demand and economic activity in many emerging and developing countries.⁶

When participating employers were asked to evaluate the impact of the global recession on their companies in 2009, nearly two-thirds (65%) stated it was negative. Nevertheless, the majority of respondents (76%) expected that their company business would improve in 2010 (Figure 2).

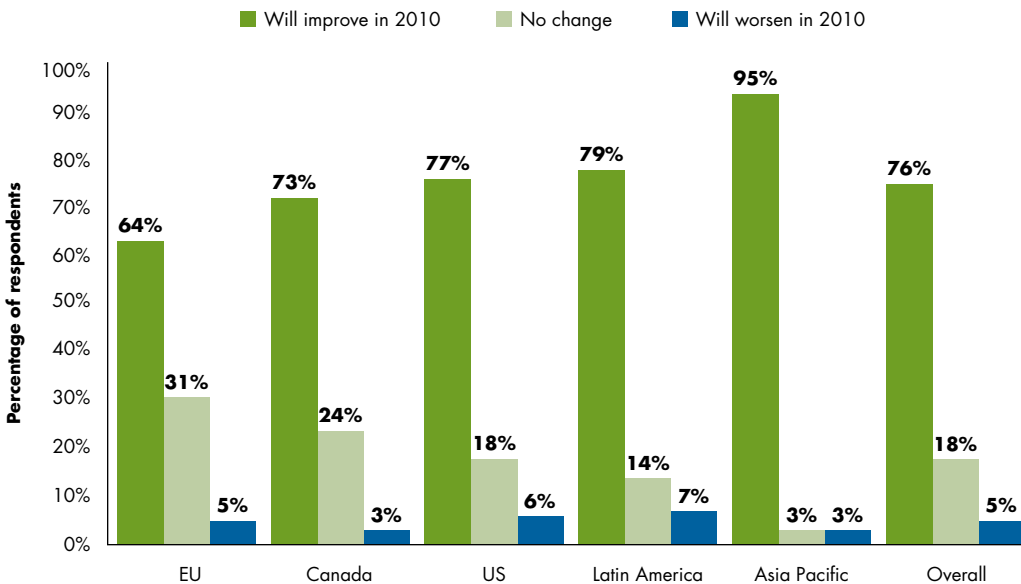


Figure 2.
 Expected Change in Companies' Business in 2010

⁶International Monetary Fund. (2010). *World economic outlook update—A policy-driven, multispeed recovery*. Washington, DC: Author. Retrieved April 10, 2010 from <http://www.imf.org/external/pubs/ft/weo/2010/update/01/index.htm#fig2>

As financial conditions around the world differed by geographic location before and during the recession, so too did expectations for economic improvements this year. For example, 69 percent of companies in the European Union reported that the recession had a negative impact on their business; consequently, only 64 percent—proportionally fewer than in other world regions—expected economic improvement in 2010 (Figure 2). On the other hand, for half of the respondents from the Asia-Pacific region (51%), the economic crisis in 2009 had either no effect or had a positive impact on their businesses. As a result, 95 percent of employers in that region expected their businesses to improve (67%) or improve significantly (28%) in 2010.

Impact of Recession on Companies

Survey data reflected a postrecession shift in overall company goals. More companies were planning to grow and diversify their businesses (Figure 3). Improving performance and productivity in 2010 remained the number one organizational goal for the majority of firms across industries and geographic locations; overcoming economic challenges and reducing costs were lower priorities than the year before.

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For half of the respondents from the Asia-Pacific region (51%), the economic crisis in 2009 had either no effect or had a positive impact on their businesses.

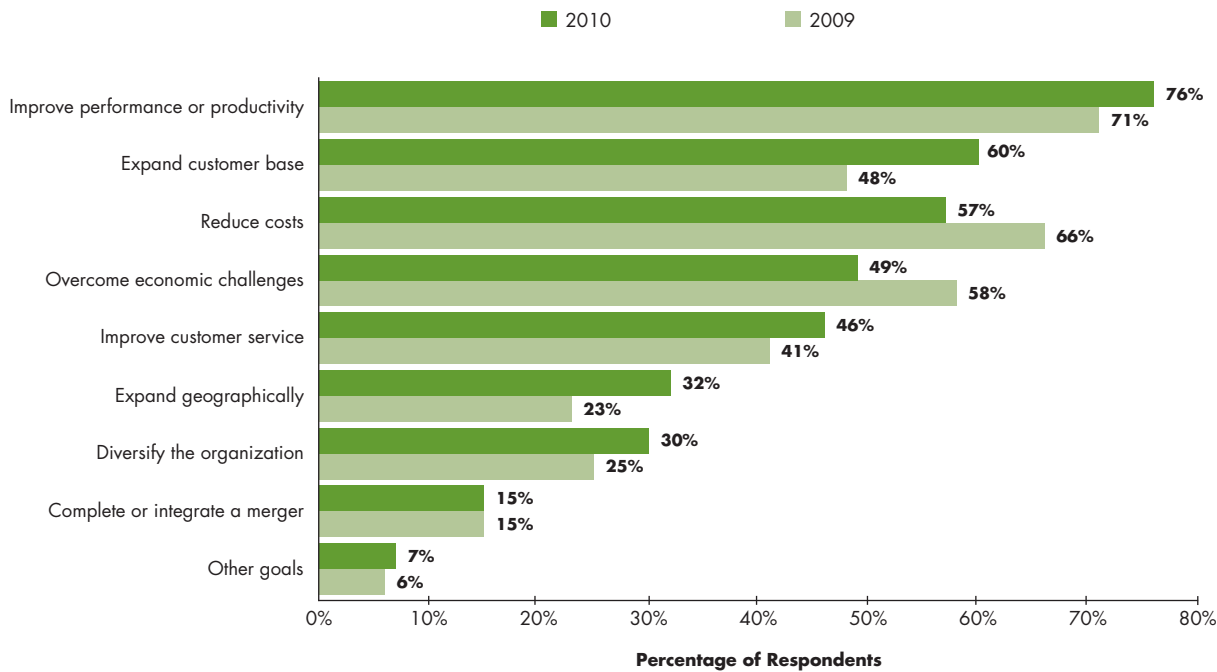


Figure 3.
 Overall Company Organizational Goals, 2009 and 2010

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On average, a company planning for growth sought to hire 11 MBA graduates in 2010 while a conservative company planned to hire nine MBA graduates, and a recovering company five MBA graduates.

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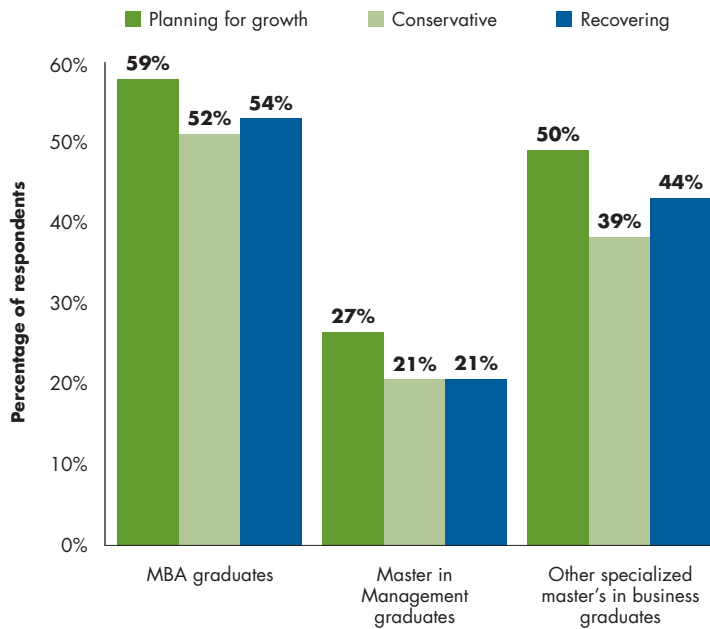
Cluster analysis using a *k*-means algorithm grouped companies into three distinct categories, based on their combined 2009–2010 organizational goals:

1. “Planning for growth” companies that planned for market expansion and diversification (34%)
2. “Conservative” businesses that have resources but choose not to pursue aggressive goals (33%)
3. “Recovering” companies that are still dealing with the consequences of the recession and trying to stay afloat (33%)

By industry, more than half of energy and utilities firms (56%) and nearly half of manufacturing companies (48%) were recovering, whereas half of consulting firms (50%) and 43 percent of government and

nonprofit organizations took a conservative goal approach. Of companies planning for growth, proportionally more were in health care and pharmaceutical (38%), products and services (38%), and high technology (37%) than in other sectors.

As would be expected, the direction of overall organizational goals had a direct impact on companies’ hiring plans. Companies planning for growth were more likely to hire all types of candidates, including recent business school graduates (Figure 4). In addition, these companies were seeking to fill more positions. For example, on average, a company planning for growth sought to hire 11 MBA graduates in 2010 while a conservative company planned to hire nine MBA graduates, and a recovering company five MBA graduates.



a. Based on *k*-means cluster analysis.

Figure 4. Propensity to Hire Recent Business School Graduates, by Company Goals^a

Impact of Recession on Business Schools

The economic crisis has affected business schools in multiple ways, from an influx of applicants and a rise in full-time program enrollments to curriculum changes reflecting analysis and response to the recession, the emergence of disciplines such as social corporate responsibility and sustainability, and unfriendly publicity painting business schools as breweries of economic troubles.

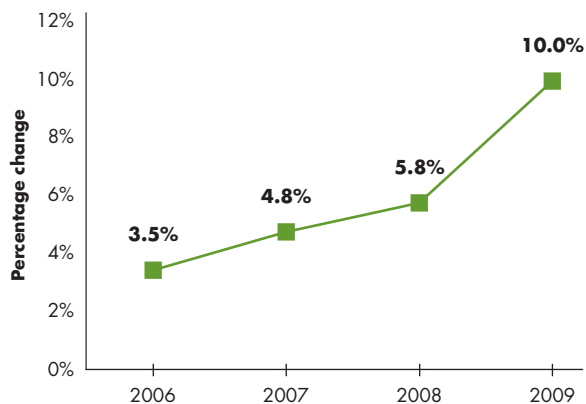
To address the increased demand for graduate business education observed during economic recessions, business schools typically opt either to become more selective or to increase the number of places in the class. According to GMAC Application Trends Survey data, full-time MBA programs planned to increase their incoming class size by 10 percent more

seats in 2009 compared with 2008, a far greater increase than the 3.5 percent seen just three years prior (Figure 5). Larger class size and a down economy together with high unemployment generally mean that more graduates will compete for fewer available positions.

According to respondents' comments, graduates who are looking to switch careers, receive better compensation, or get a job in a foreign country are likely to face more challenges than in the past. In addition, the job competition among graduates may be fierce in the traditional sectors of finance and consulting that were hit hardest by the recession. Moreover, international students seeking jobs should take into consideration the impact of government stimulus spending and related policies on the job market, including visa restrictions.

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 According to respondents' comments, graduates who are looking to switch careers, receive better compensation, or get a job in a foreign country are likely to face more challenges than in the past.

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Source: GMAC® Application Trends Survey, 2006 to 2009.

Figure 5.

Change in Average Full-Time MBA Program Incoming Class Size, 2006 to 2009

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The 2010 demand for specialized master's graduates will remain strong. More companies plan to hire (7% more) with an expected slight reduction in the new-hire head count per company (down by 9%).

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According to the US Bureau of Labor Statistics, “the college class of 2010 can be a little more hopeful about the job market.”⁷ Corporate Recruiters Survey data that examined the 2009 job market and the expected 2010 job market for business school graduates confirmed that the job outlook this year should improve compared with last year.

The job market in 2009 was very challenging for MBA graduates. As shown in Figures 6 and 7, fewer companies hired (50% in 2009, down from 59% in 2008), and fewer vacancies were available (down by 23% compared with 2008). Market demand for newly graduated MBAs is expected to remain stable in 2010—more companies plan to hire (55%), and no drastic reductions are expected in the number of vacancies (down by 10%). In early 2009, by comparison, companies

planned to reduce the number of available positions by half (down by 50%).

For recent graduates from specialized master's in business programs, the 2009 demand appeared to decrease only slightly compared with 2008, as fewer companies hired in 2009 (37% than did in 2008 (41%; Figure 6). Companies that were hiring, however, especially large firms, filled nearly three times more vacancies in 2009 than they did a year before (Figure 7). The 2010 demand for specialized master's graduates will remain strong. More companies plan to hire (7% more) with an expected slight reduction in the new-hire head count per company (down by 9%).

Although Master in Management graduates are typically the least sought by participating employers compared with other master's-level business school graduates, more companies reported plans

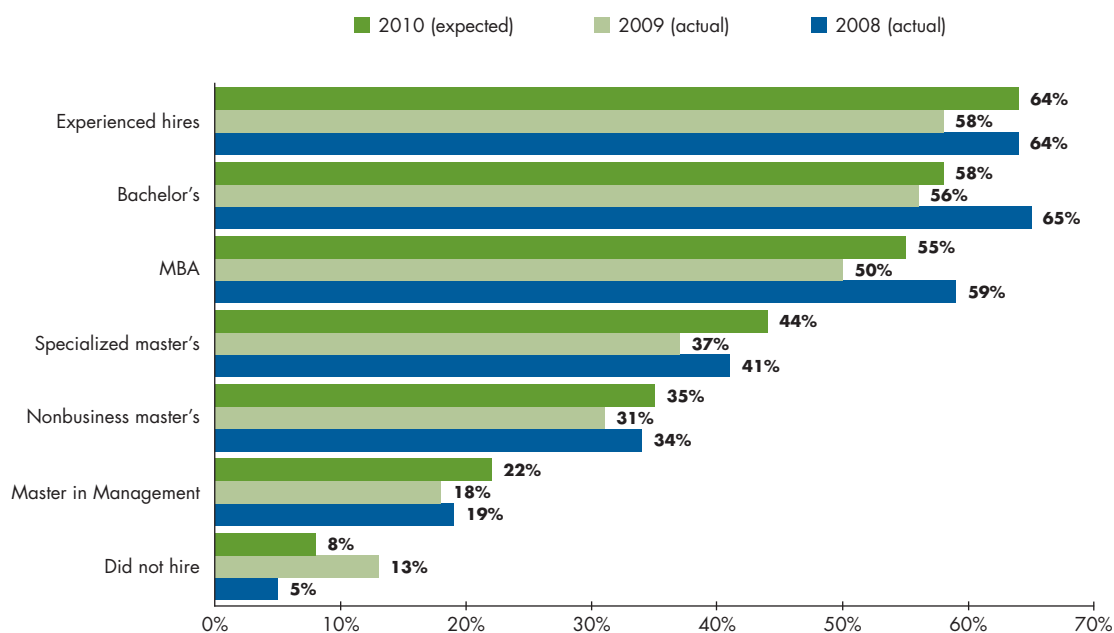
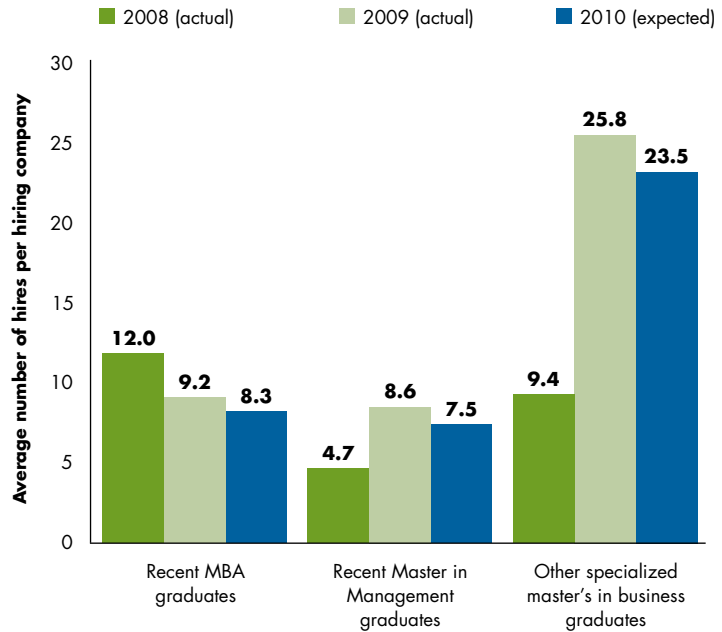


Figure 6.
Companies That Hired and Planned to Hire
New Employees 2008 to 2010, by Candidate Type

⁷ US Bureau of Labor Statistics (2010). *Occupational outlook quarterly online spring 2010*, 54(1). Washington, DC: US Department of Labor. Retrieved April 10, 2010 from <http://www.bls.gov/opub/ooq/2010/spring/grabbag.htm#C>

to hire such graduates in 2010 (4% more) than they did in 2009 (Figure 6). Hiring companies, however, are expected to have slightly fewer vacancies this year for Master in Management candidates than they did in 2009 (down by 13%). Yet, the average expected number of 2010 vacancies per company surpassed the actual number of 2008 Master in Management hires by more than half (up by 60%; Figure 7).

In addition to the expected strong correlation between the company size and the number of hires, the survey data revealed that the larger the company, the more likely it is to hire graduate business students (Figure 8). For example, although nearly one-third (31%) of respondents from small firms (fewer than 100 employees) planned to hire recent MBA graduates in 2010, nearly eight in 10 (79%) large companies (10,000 or more employees) planned to do so.



a. Data analysis using averages weighted by company size yielded the same results.

Figure 7.
Average Number of New Graduate Business Hires, 2008–2010^a

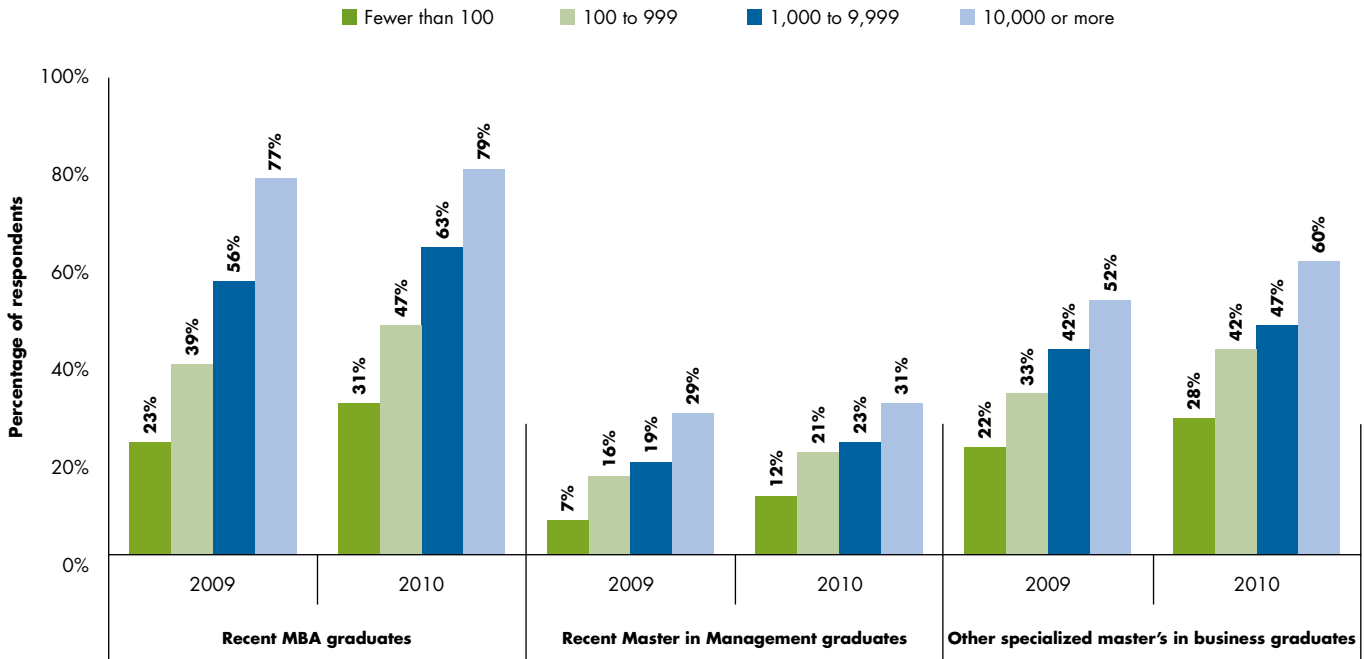


Figure 8.
Companies Hiring Recent Business School Graduates in 2009 (Actual) and 2010 (Expected), by Company Size (Number of Employees)

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Overall, in 2010, graduating MBAs had the greatest chances of finding jobs in marketing or sales—almost half of the respondents will hire in this area (45%)—followed by financial areas other than investment banking (42%).

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Changes in the company hiring mix suggest a lower level of mobility among experienced professionals. In 2008 nearly half (47%) of overall hires were experienced professionals hired directly from industry (Figure 9). In 2009, there was a nearly 10 percent reduction in the proportion of direct-industry hires (38%). A further reduction in the proportion of direct-industry hires is anticipated in 2010 (28%).

Although the proportion of experienced hires has declined in the company hiring mix, the proportion of hires with recent bachelor's degrees has been expanding at a similar pace—from 36 percent of new hires in 2008 to a projected 41 percent in 2010. The proportion of recent MBA (between 8% and 10%) and Master in Management (1% to 2%) graduates in the company hiring mix remained stable. An increase was noted in the share of new hires graduating from specialized master's programs—from 4 percent in 2008 to 12 percent in 2009 and an expected 15 percent in 2010.

Job Areas and Position Levels

Overall, in 2010, graduating MBAs had the greatest chances of finding jobs in marketing or sales—almost half of the respondents will hire in this area (45%)—followed by financial areas other than investment banking (42%). Two-thirds of participating companies (66%) planned to offer recent MBA graduates mid-level positions, and slightly more than half (52%) expected to hire new MBAs for entry-level jobs. In terms of job areas and position levels, demand for MBA graduates varied by industry (Figure 10). For example, the vast majority of consulting firms (81%) planned to hire MBA graduates to work in their main business, consulting. The majority of health care and pharmaceutical (80%) and consulting (73%) firms planned to hire MBA graduates for mid-level positions.

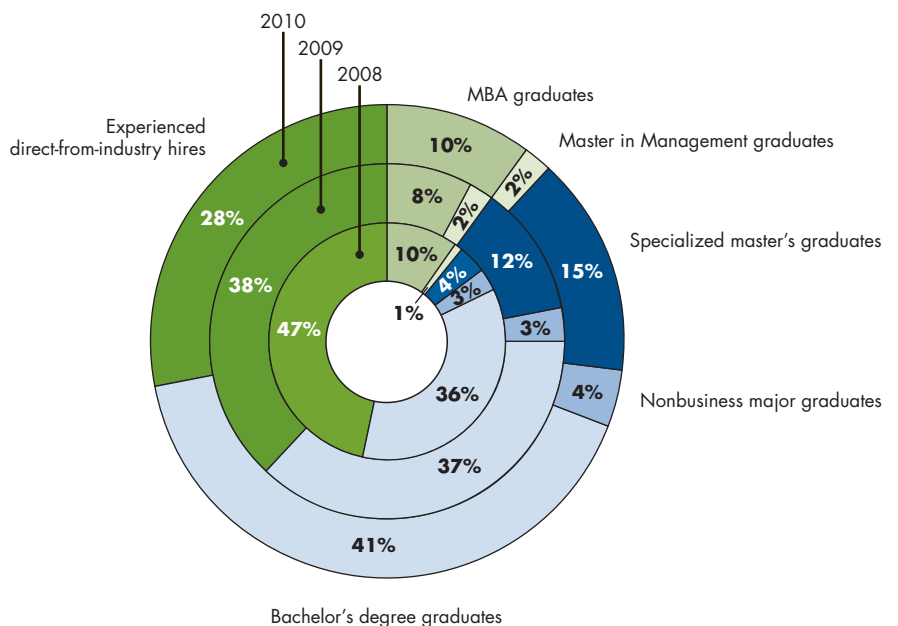


Figure 9.
Proportion of New Hires in Company Hiring Mix, 2008 to 2009 (Actual) and 2010 (Expected)

More than half of respondents planned to hire recent Master in Management graduates for entry (55%) or mid-level (55%) positions. More than one-third of respondents (36%) planned to hire recent Master in Management graduates for marketing and sales positions. On the other hand, many consulting firms (69%) were seeking Master in Management graduates to work in consulting, and more than six in

10 government and nonprofit organizations (61%) sought this type of graduate for general management positions (Figure 10).

Overall, in 2010, specialized masters in business graduates were expected to be in higher demand in accounting (34%) and finance other than investment banking (31%) compared with other job areas. More than one-third of health care and pharmaceutical companies (34%) and high

technology (42%) businesses, however, also planned to hire recent graduates from specialized master's in business programs for positions in information technology or MIS. These degree candidates include many applicable majors such as accounting, business information technology, finance, financial engineering, etc. (Figure 10).

		C	E/U	F/A	H/P	HT	M	N/G	P/S
MBA	Area ^b	C (81%)	M/S (58%)	F (51%)	M/S (64%)	BD (51%) F (51%)	M/S (55%)	F (63%)	M/S (67%)
	Level	Mid- (73%)	Entry (67%)	Mid- (62%)	Mid- (80%)	Mid- (67%)	Mid- (66%)	Mid- (66%)	Mid- (61%)
Master in Management	Area ^b	C (69%)	A (45%)	F (45%)	M/S (42%)	M/S (44%)	M/S (45%)	GM (61%)	M/S (52%)
	Level	Entry (54%)	Entry (74%)	Entry (68%)	Mid- (81%)	Mid- (66%)	Mid- (63%)	Entry (72%)	Mid- (51%)
Specialized master's	Area ^b	C (66%)	A (53%)	A (42%)	MIS (34%)	MIS (42%)	F (40%) OL (40%)	A (38%)	M/S (46%)
	Level	Mid- (60%)	Entry (69%)	Entry (64%)	Mid- (63%)	Mid- (64%)	Mid- (59%)	Entry (62%)	Mid- (62%)

a. C stands for Consulting, E/U for Energy or Utilities, F/A for Finance or Accounting, H/P for Health care or Pharmaceutical, HT for High Technology, M for Manufacturing, N/G for Nonprofit or Government, and P/S for Products and Services.

b. C stands for Consulting, A for Accounting, F for Finance other than investment banking, M/S for Marketing or Sales, BD for Business Development, GM for General Management, MIS for Information Technology or MIS, OL for Operations and Logistics.

Figure 10.
Top Job Areas and Position Levels for Which Employers Plan to Hire Graduate Business Students in 2010, by Industry Group^a

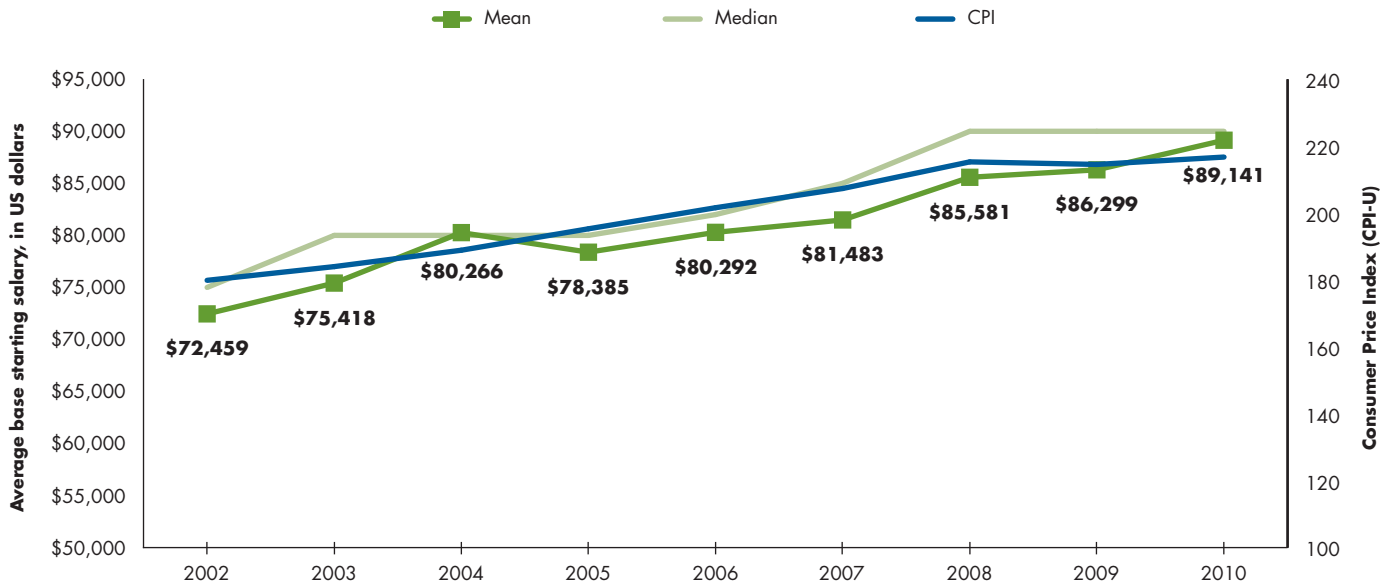
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Consistent with previous years, the average starting salary employers planned to extend to recent MBA graduates in 2010 nearly doubled the average starting salary offered to undergraduate students.
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Compensation

Many different factors are involved in determining salary, including labor supply and demand, incumbent skill level, geographic location, organizational profitability, employee work experience, tenure, performance, and company compensation philosophy. During the economic crisis, one would have expected salary cuts to be imminent. HayGroup research on managerial spending power, however, showed that “the laws of supply and demand have outweighed the crisis’s impact on senior managers’ pay.”⁸ Its 2009 CEO Compensation Study suggested that not only has executive pay

not been cut in light of the economic crisis, legislative restrictions, media attention, and shareholder pressure, but an increase in incentives that link CEO pay to company performance was observed. Base salaries were flat at \$1,030,000; meanwhile annual incentives grew 3.4 percent to \$1,523,701, yielding an overall cash compensation increase of 3.2 percent to \$2,637,884.⁹

An increased demand for leadership to help them weather the economic crisis and become even stronger organizations might explain why employers will not cut base salaries for recent business school graduates, especially MBAs, in 2010 (Figure 11).



a. CPI-U. Source: US Bureau of Labor Statistics (Year 2010 is based on February data).

Figure 11.
 Average Expected Starting Annual Salary for Recent MBA Graduate Hires in the US, 2002–2010, and Annual Consumer Price Index^a

⁸ HayGroup (2009). *Global management pay report*. December 2009. Retrieved on April 10, 2010 from http://www.haygroup.com/Downloads/ww/misc/Global_Management_Pay_Report_2009_final.pdf
⁹ HayGroup (2010). *The Wall Street Journal/Hay Group 2009 CEO compensation study*. Philadelphia, PA: HayGroup online access at: <http://www.haygroup.com/ww/services/index.aspx?id=2589>

Moreover, a steady pay gap exists between salaries offered to master's-level business school graduates and recent graduates with bachelor's degrees (Figure 12). Consistent with previous years, the average starting salary employers planned to extend to recent MBA graduates in 2010 nearly doubled the average starting salary offered to undergraduate students. In addition, average starting salaries for 2010 MBA graduates were expected to be higher than

those of Master in Management (by 59%) and other specialized master's in business (by 45%) graduates, possibly reflecting the work experience premium on top of education. Survey data, however, did not reveal significant differences between average starting salaries for recent graduates with Master in Management or specialized master's in business degrees and recent graduates from disciplines other than business.

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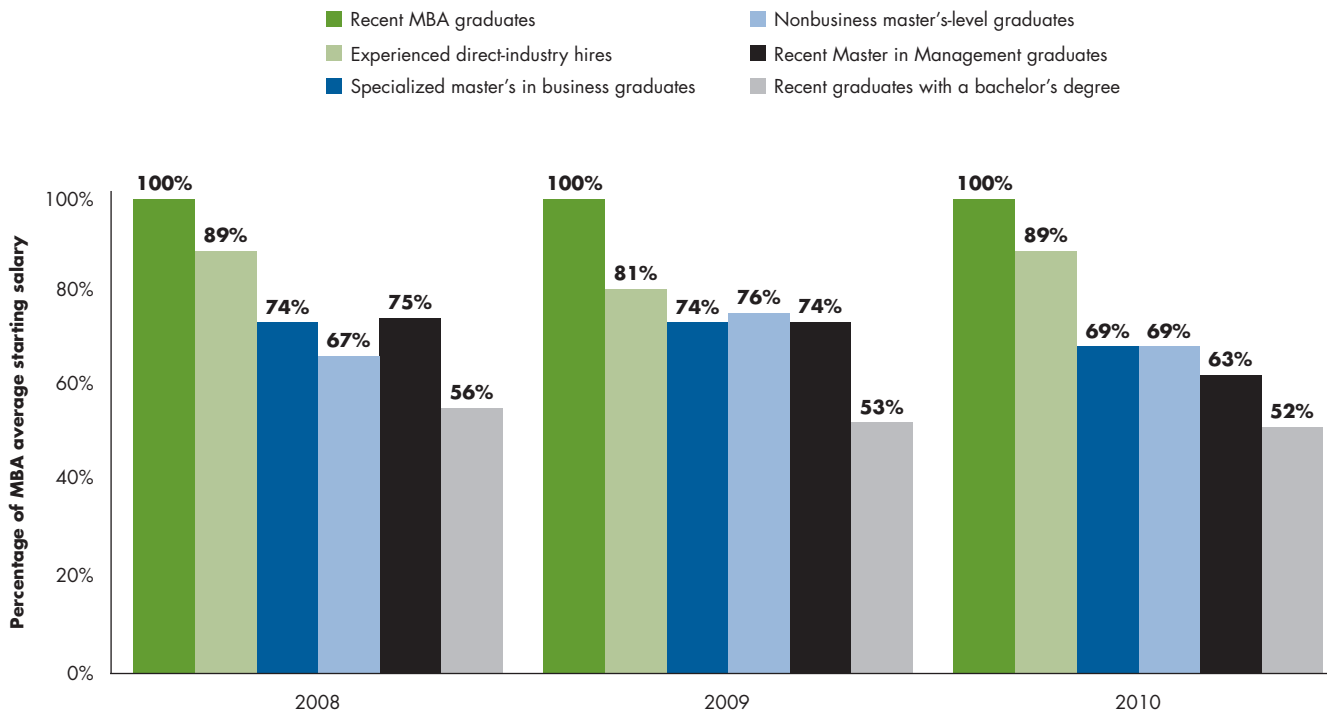


Figure 12.
 Relative Starting Annual Salary Levels for New Professional Hires (MBA Average Salary = 100%)

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**An MBA is the “gold standard”
 and “guarantee of quality”
 as well as a company’s
 “long-term investment.”**
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Among companies that work with business schools, MBA graduates appeared to be in higher demand and many employers pay a premium to hire them. What creates this demand? What skills and abilities differentiate employees who hold MBA degrees from other employees? According to the survey responses, an MBA is the “gold standard” and “guarantee of quality” as well as a company’s “long-term investment.” “We hire MBAs because we want highly ambitious, smart, work-focused people,” one survey respondent commented. To quantify individual respondents’ feedback, the study used a comprehensive model of managerial competencies central to enacting managerial roles that was developed by Erich Dierdorff and Robert Rubin of DePaul University.¹⁰ Having conducted their study across 52 managerial occupations from CEO to line supervisors, they distinguished among

18 factors that represent broad competencies across four work domains—behavioral, skills, knowledge, and work style. Detailed descriptions of these factors were presented to the survey respondents who were asked to evaluate whether employees with MBA degrees demonstrate higher, lower, or equal ability in each of the 18 competencies compared with non-MBA employees at the same job level (Figures 13 through 16).

A clear picture of perceived MBA managerial strengths emerged from the comparison. The majority of employers report that compared with other employees at the same level, employees with an MBA degree demonstrate higher or much higher:

- Ability in managing strategy and innovation, including analyzing data or information, thinking creatively, and developing objectives and strategies (Figure 13)

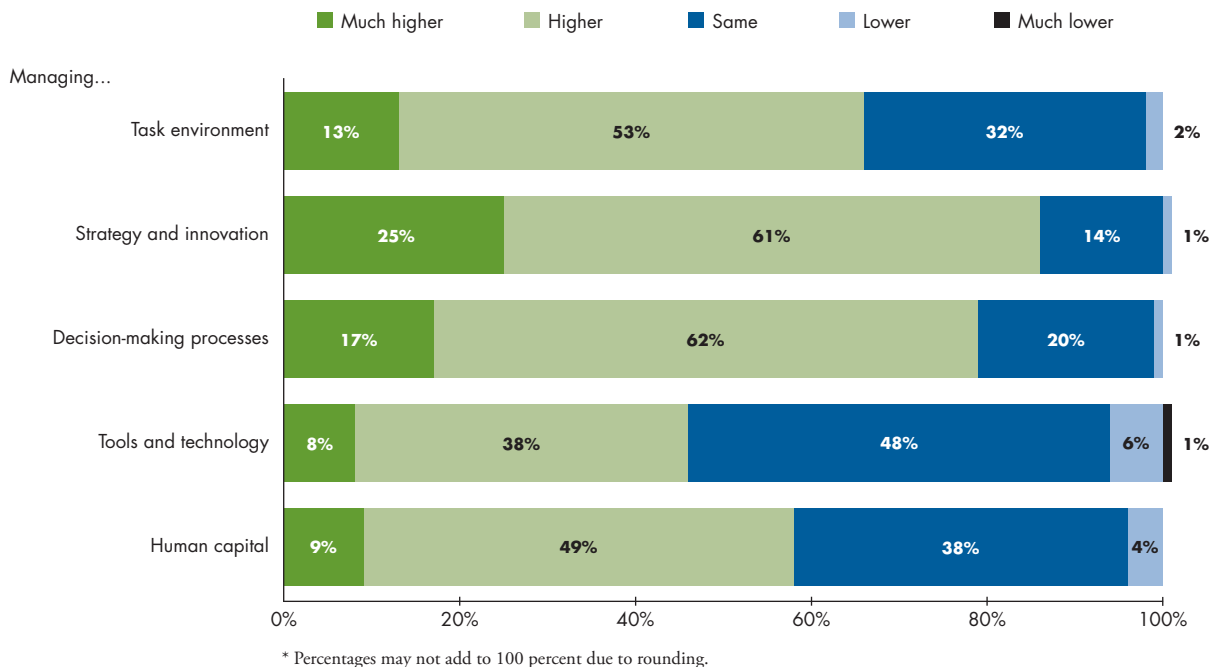


Figure 13.
 Assessment of MBA vs. Non-MBA Behavioral Competencies*

¹⁰ Dierdorff, E. C., & Rubin, R.S. (2006, December). *Toward a comprehensive empirical model of managerial competencies: Implications for management education*. McLean, VA: Report for Management Education Research Institute (MERInstitute).

- Ability in managing the decision-making process, including obtaining and processing information, making decisions and solving problems, judging the qualities of things, services, or people, indentifying objects, actions, and events (Figure 13)
- Ability in strategic and systems skills, including complex problem solving, judgment and decision making, systems analysis and evaluation, management of financial resources, and management of material resources (Figure 14)
- Knowledge of general business functions, including administration and management, economics and accounting, sales and marketing, customer and personal service, and personnel and human resources (Figure 15)
- Learning, motivation, and leadership competence and generative thinking abilities (Figure 16)

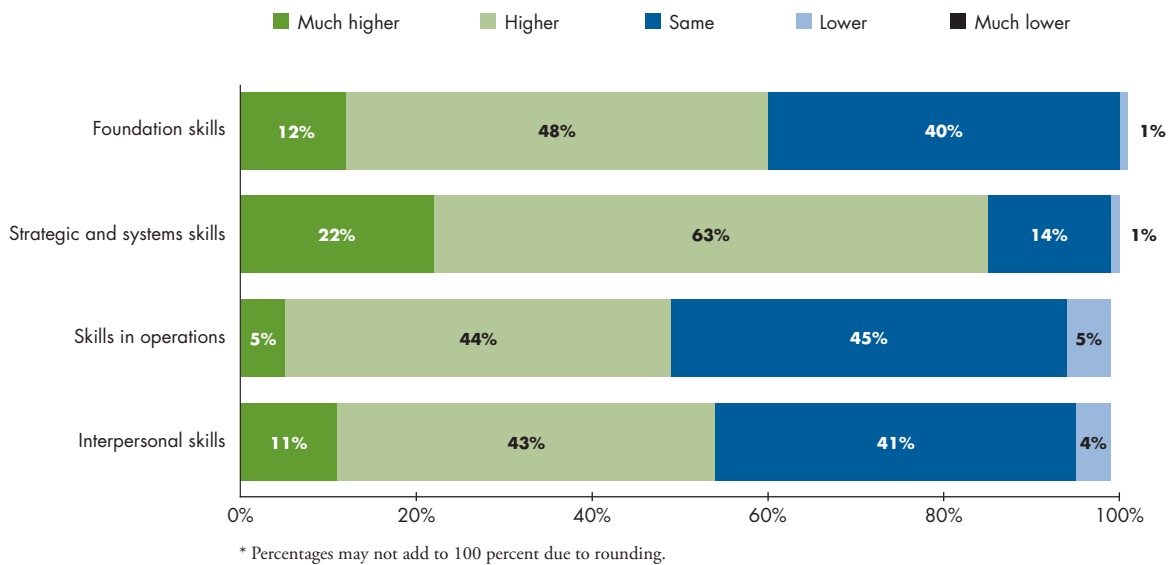


Figure 14.
Assessment of MBA vs. Non-MBA Skill-Based Competencies*

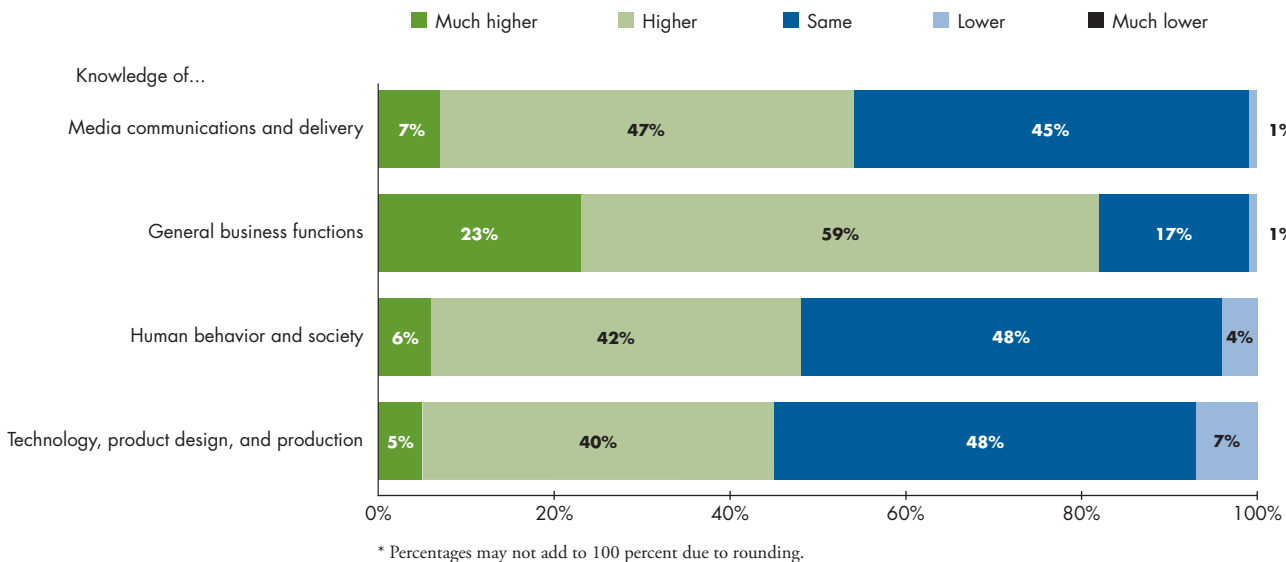


Figure 15.
Assessment of MBA vs. Non-MBA Knowledge-Based Competencies*

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Compared with 2007 data, MBA employees have gained stronger skills in managing the task environment and managing human capital as well as operations skills and strategic and systems skills, whereas their ratings in the ability to manage tools and technology has gone down.

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On the other hand, the majority of respondents found non-MBA employees had the same or better competency in the following skills, abilities, and traits:

- Knowledge of human behavior and society (Figure 15)
- Knowledge of technology, product design, and production (Figure 15)
- Social orientation (i.e., cooperation, concern for others, and self-control) (Figure 16)
- Conscientiousness, including dependability, attention to detail, and integrity (Figure 16)

Compared with 2007 data, MBA employees have gained stronger skills in managing the task environment and managing human capital as well as operations skills and strategic and systems skills, whereas their ratings in the ability to manage tools and technology has gone down (Figure 17). The observed changes may address past criticism that MBA

graduates are strong in technical skills, but lack “people” skills.

Based on employer assessments the top five MBA competencies are managing strategy and innovation, strategic and systems skills, knowledge of general business functions, managing decision-making processes, and learning, motivation, and leadership.

A McKinsey Global Survey conducted in early September 2009 asked what types of organizational capabilities and behavior organizations need to overcome the economic crisis and prosper during the recovery. It found that innovation and leadership are becoming the most important capabilities for managing company performance after the crisis.¹¹ Based on the assessment of the most prominent MBA competencies, MBA employees can undoubtedly contribute to restoring and strengthening companies’ postrecession performance.

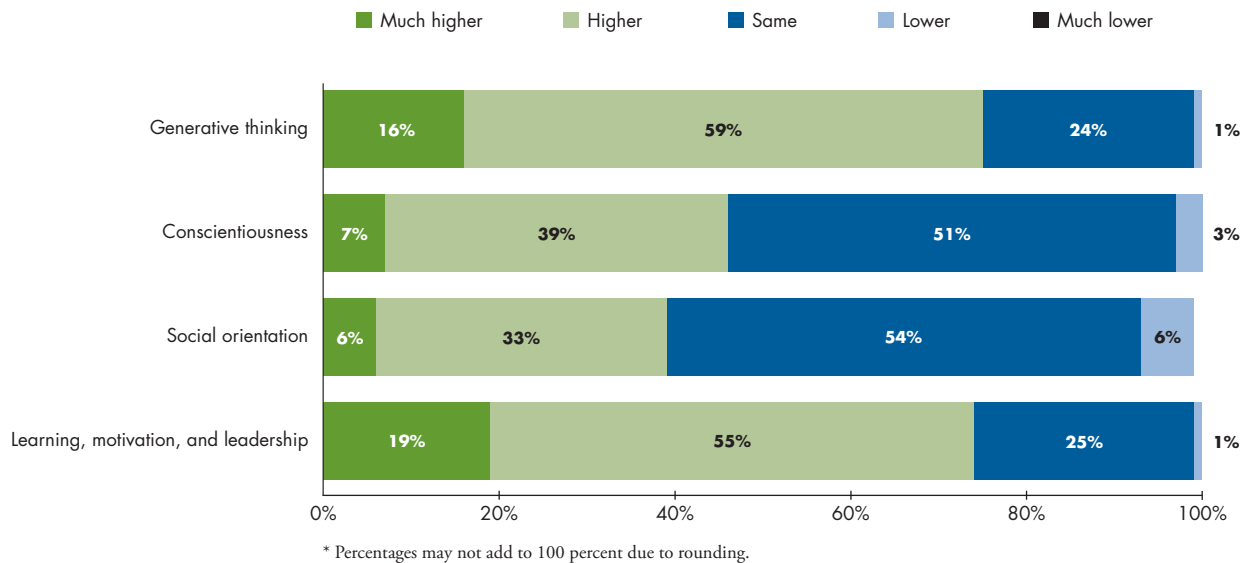
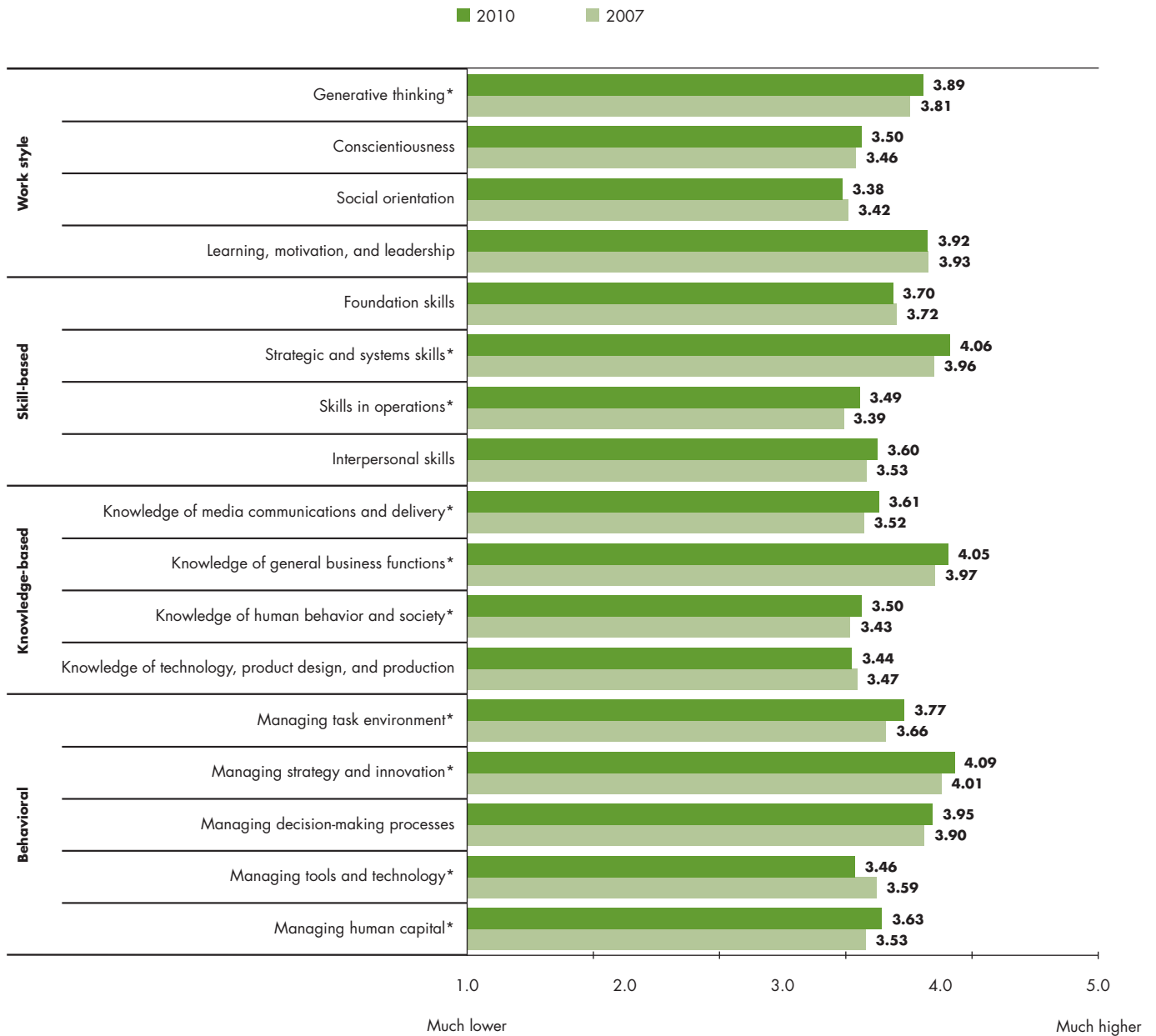


Figure 16.
Assessment of MBA vs. Non-MBA Work Style Competencies*

¹¹ McKinsey & Company (2009). Leadership through the crisis and after: McKinsey global survey results. *McKinsey Quarterly*. (The survey was conducted during September 1–11, 2009.) Access online April 27, 2010 at http://www.mckinseyquarterly.com/Leadership_through_the_crisis_and_after_McKinsey_Global_Survey_results_2457?pagenum=4

MBA MANAGERIAL COMPETENCIES



a. Average rating: 1 = Much lower; 3 = Same; 5 = Much higher.

* Year-to-year difference is statistically significant, $p < .05$.

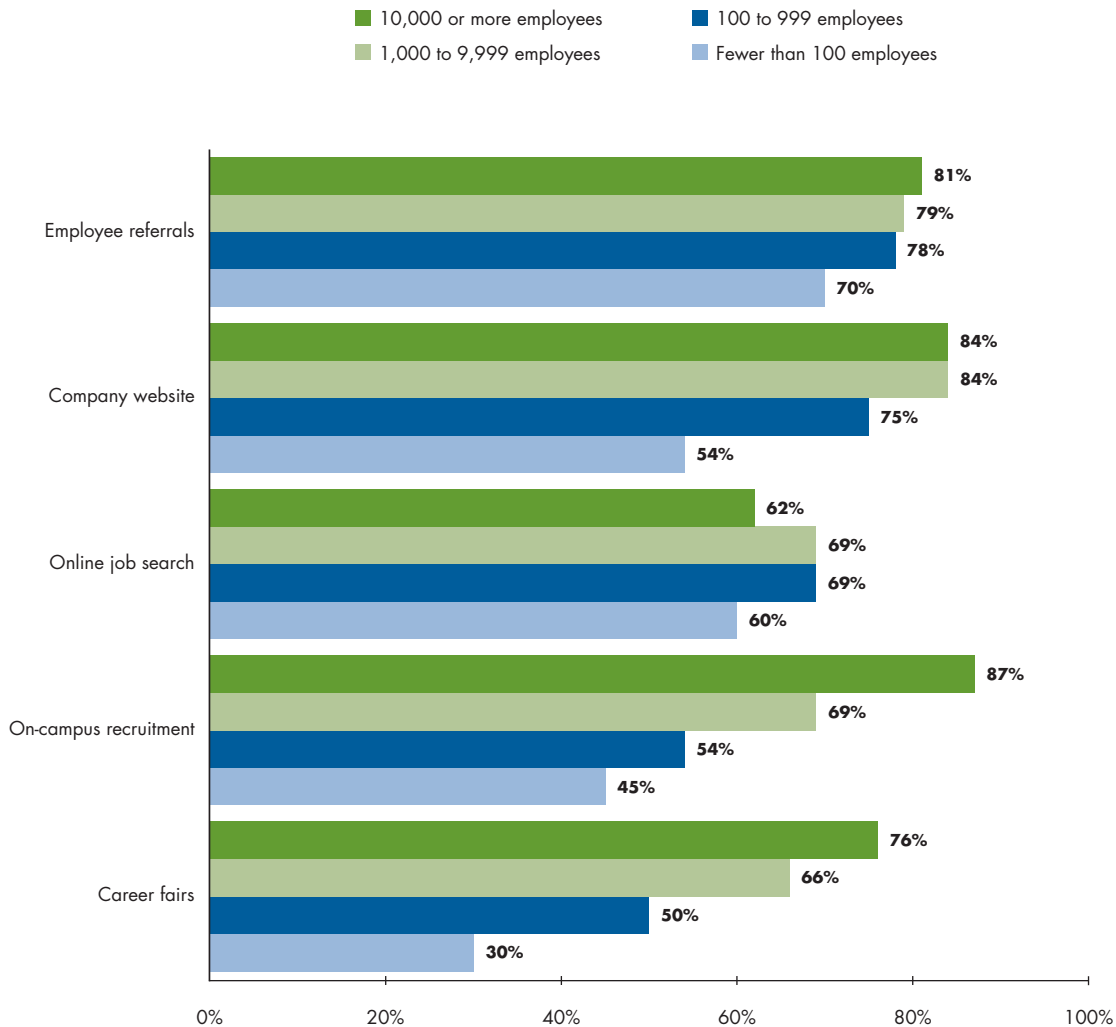
Figure 17.
Employer Assessment of MBA Competencies, Average Ratings,^a 2007 and 2010

.....
Nearly half of respondents (47%) expected no change in the proportion of on-campus recruitment in 2010 compared with 2009, and 44% planned to increase their on-campus recruitment effort.

As part of their MBA recruitment strategy, most employers rely on employee referrals (76%) or their companies' own websites for job postings and resume submissions (73%). As shown in Figure 18, large companies were significantly more likely than smaller organizations to conduct on-campus recruitment and participate in or organize career fairs. Notably, companies across all size groups are equally as likely to use employee referrals, which suggests a large role for business school alumni to play in increasing placement chances of recent graduates.

On-Campus Recruitment

Overall, more than six out of 10 companies (64%) recruited graduate business school students on campus. As seen in Figure 19, companies that recruit at highly selective (first-tier) schools were more likely to conduct on-campus recruitment (79%) and to allocate a higher share of their graduate business school hiring effort to on-campus recruitment (59%).

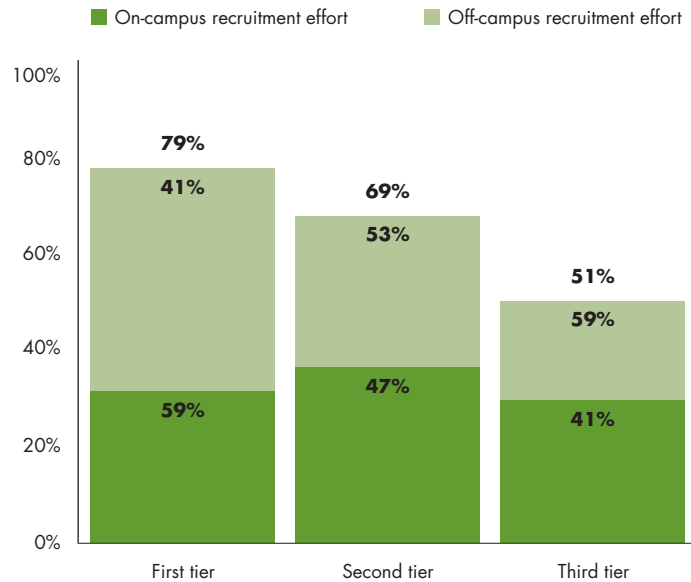


a. Networking events (Number #4 strategy for companies with fewer than 100 employees, 40%) and recruitment agencies (Number #5 strategy for companies with 100 to 999 employees, 50%) are not displayed on this chart.

Figure 18.
 Top Five^a Company Recruitment Strategies, by Company Size

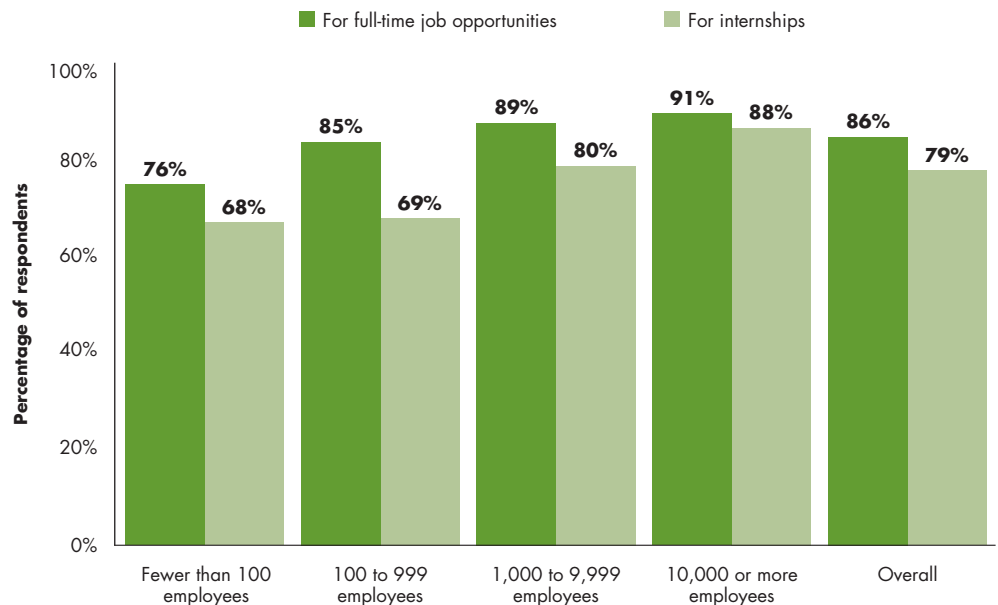
Nearly half of respondents (47%) expected no change in the proportion of on-campus recruitment in 2010 compared with 2009, and 44 percent planned to increase their on-campus recruitment effort. Companies' 2010 on-campus recruitment plans were significantly more optimistic than their plans for 2009 shared early last year when 44 percent projected a decline in their on-campus recruitment efforts.

Overall, 86 percent of companies that recruit on campus hire graduating students for full-time job opportunities and 79 percent for internships (Figure 20). Graduating students were more likely to secure a job or an internship with larger companies recruiting on campus than with smaller firms.



a. School tier is based on the average media rankings of full-time MBA programs across the *Financial Times*, *BusinessWeek*, and *US News and World Report*. First tier includes business schools with the top 50 MBA programs, second tier includes schools with the next 50 programs, and third tier includes other business school programs.

Figure 19.
Companies Recruiting Graduate Business School Students on Campus and Proportion of Their Recruitment Effort, by Partner School Tier^a



a. Only companies that recruit on campus.

Figure 20.
Company Recruitment for Internships and Full-Time Jobs,^a by Company Size

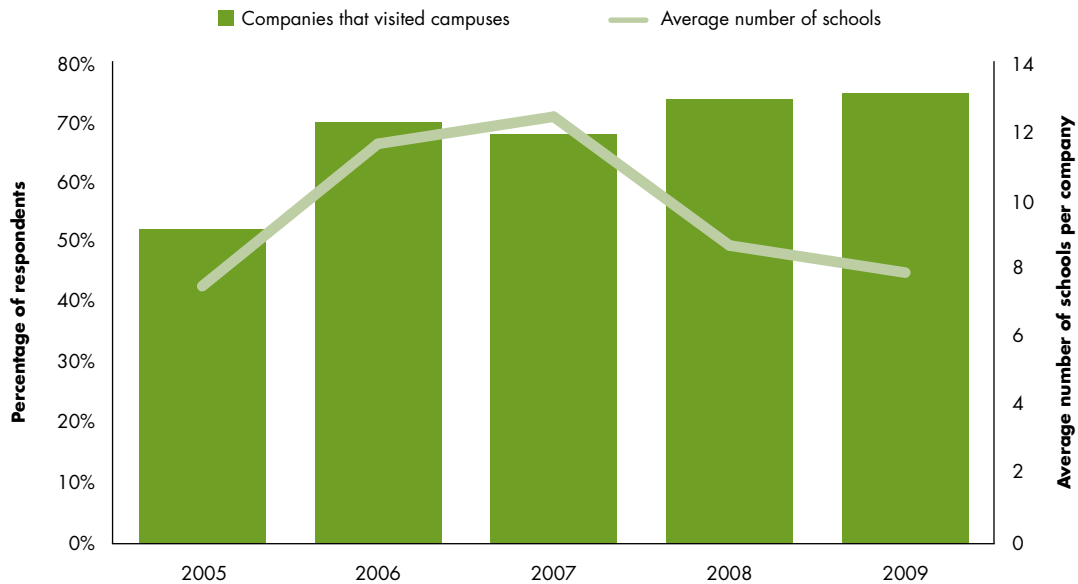
•••••
64% of companies reported on-campus recruitment among their strategies in early 2010.
 •••••

Although on-campus recruitment is a traditional recruitment strategy for many companies, especially in the United States, it is not one they necessarily use every year. The number of schools visited also may vary over time. For example, 64 percent of companies reported on-campus recruitment among their strategies in early 2010. Of those, 76 percent actually visited schools to recruit MBA graduates in 2009 (Figure 21). By comparison, 42 percent of companies reported on-campus recruitment among their strategies in 2007. Of those, 69 percent actually visited schools in 2007.

The recession's impact on campus recruitment was reflected in a decrease in the number of schools companies will include in their visit plans. Since the prerecession high of nearly 13 schools (12.6) in 2007, company recruiters visited

an average of eight schools (8.0) in 2009. Cutbacks to the number of schools visited during tough economic times suggest that the school selection process has become more competitive.

Combining the companies that recruit interns on campus with those that offer graduate business student internships through other means revealed that smaller companies were less likely to hire interns. For example, 44 percent of small organizations (fewer than 100 employees) provided internship opportunities while 79 percent of the largest participating companies (more than 10,000 employees) did. Internship penetration also differed by world region with the highest level in the United States (63%) and the lowest in Latin America (30%), consistent with 2009 results.



a. Based on the number of companies that recruit graduate business school students on campus as part of their overall hiring strategy.

Figure 21.
 Change in Company On-Campus Visits for MBA Graduate Recruitment,^a 2005–2009

Working With Business School Career Management Office

Most employers rank their past experience (82%) and existing relationships at a school (74%) as important or very important and place these among their top five school selection criteria.¹² By being on the front lines of communication with companies that recruit business school graduates, business school career services or career management offices play a leading role in creating and nurturing such relationships and experiences. To make their working relationships with organizations more efficient and to manage student expectations, career services professionals solicit feedback from employers—formally or informally—on an ongoing basis.

In this study, respondents were invited to share their thoughts in an open-ended format about what services they most want to receive from schools' career service offices. Comments from 820 employers who provided feedback in response to

this optional question were analyzed. The following critical service themes emerged:

- Candidate access (access to resume databases and to alumni, targeting specific candidate segments, availability of additional information about candidates, applicant screening, faculty recommendations, historical compensation data)
- On-campus visit logistics (scheduling, facilities, student attendance, company branding and promotion, ideas on better student outreach, advice on event effectiveness, information about events, taking student input into account)
- Student preparation (better interview skills, background research on the company, job search etiquette, qualified candidates)
- Online recruitment tools (easy-to-use systems, multischool systems, assistance with job postings, searchable student profiles)



The recession's impact on campus recruitment was reflected in a decrease in the number of schools companies will include in their visit plans.



¹²Murray, M. (2009). *Corporate recruiters survey comprehensive data report*. McLean, VA: Graduate Management Admission Council.

“In a highly volatile global economy, business leaders are challenged to navigate through a highly uncertain environment and react quickly and effectively to change.”¹³ So, too, are business schools challenged to prepare tomorrow’s business leaders. As the recent economic crisis begins to recede, what new challenges loom on the horizon for businesses and schools?

The current financial crisis may have put globalization on hold due to government intervention in many economies, but it did not stop the globalization process. More companies than in the past are likely to require stronger emphasis on international business knowledge, and foreign language skills are becoming a competitive advantage.

One might argue about the reasons for climate change, but cannot deny recent environmental changes such as rising temperatures, glacial retreat, rising sea levels, or oxygen acidification. According to Lord Stern, an economist and professor at the London School of Economics, “who produced the single most influential political document on climate change,”¹⁴ climate change is already directly affecting many industries, including agriculture and fuel-based industries.

With the inherent interdependency among business, environment, and society, it is not surprising that “sustainability in its different shapes and forms is here to stay

and is part of the new business reality.”¹⁵ This drives companies to apply sustainability practices to their business, and managers who have such knowledge and skill will ultimately become more competitive than those who do not.

The aging of the population occurring in many developed countries, including the United States, is another long-term challenge forcing companies not only to deal with challenges to replace workforce, but also to meet the economic needs of an aging population, which will become increasingly difficult as the ratio of working-age population to older population decreases.

As businesses prepare to face these challenges, business schools continue to reshape their leadership education. Looking into the future, Blair Sheppard, dean of Duke University’s Fuqua School of Business, predicted a wider array of programs and less homogeneity among schools, emergence of strong schools in other regions of the world besides the United States and Western Europe, and a widening gap between great and “just OK” schools. “We have to get dramatically better, at the same time we’re incorporating a broader set of other scholastic interests, at the same time we’re becoming truly global, while at the same time we’re producing leaders—not just good business students,”¹⁶ Sheppard summarized.

• • • • •
More companies than in the past are likely to require stronger emphasis on international business knowledge, and foreign language skills are becoming a competitive advantage.
 • • • • •

¹³ Batchelor, S., & McCarthy, B. (2009). *In uncertain times, businesses need dynamic planning to chart course to high performance*. New York, NY: Accenture. Available online at www.accenture.com.

¹⁴ McCarthy, M. (2009, March 13) Lord Stern on global warming: It’s even worse than I thought. *The Independent*. Retrieved on April 10, 2010 from <http://www.independent.co.uk/environment/climate-change/lord-stern-on-global-warming-its-even-worse-than-i-thought-1643957.html>.

¹⁵ Weybrecht, G. (2010 March 30). Presentation based on the book, *The sustainable MBA: The manager’s guide to green business*, at 2010 EFMD MBA Conference in Barcelona, Spain.

¹⁶ McKinsey & Company, (2010, January). Reshaping business education in a new era, *McKinsey Quarterly*. Retrieved online April 27, 2010 from: http://www.mckinseyquarterly.com/Reshaping_business_education_in_a_new_era_2500

Concluding Note

Findings presented in this publication are based on analysis of survey data found in the *2010 Corporate Recruiters Comprehensive Data Report*. The *Comprehensive Data Report*, which is available exclusively to participating business schools and employers, contains detailed data tables and analysis of the survey responses by industry group, company size, world region, US region, company organizational goals, and partner school selectiveness, in addition to the overall analysis. The *Comprehensive Data Report* also provides a complete list of verbatim comments from employers on the most important services their companies would like to receive from career services or career management offices at schools where they recruit graduate business students and on changes that graduate business schools should make to meet workplace needs. A list of business schools and companies that participated in the survey is publicly available at gmac.com/corporaterecruiters.

In addition to copies of this survey report and the *Comprehensive Data Report*, participating business schools receive individualized benchmarking reports that compare aggregate responses from employers who work with their school with the responses from employers who work with other schools. An aggregate profile of all employers in the survey database, along with a list of the 20 largest employers of business school graduates, is also available to each of the participating business schools.

This publication and the *2010 Corporate Recruiters General Data Report*, an abridged publicly available version of the *Comprehensive Data Report*, are available in English and Spanish.

How to Participate in the Survey

The year 2011 will mark the 10th anniversary of the GMAC Corporate Recruiters Survey. Career services professionals at business schools that offer graduate programs can help facilitate the survey, either by sending invitations and survey links to the employers who work with their schools or by providing GMAC with their employer contact list. Send an email to research@gmac.com to secure your school's invitation. Participation benefits for schools include comprehensive statistics, customized reports, and advance access to survey findings. Employer participation benefits include comprehensive statistics, advance access to survey findings, and an opportunity to be included in a drawing for one of five US\$1,000 prizes.

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

Marina Murray, Associate Director, Applied Research, Research and Development, Graduate Management Admission Council.



GMAC will conduct its annual Year-End Follow-Up Poll of participating employers this November. Check gmac.com/corporaterecruiters for more information.



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- MBA Career Services Council, an active and growing professional association for individuals in the MBA career services and recruiting professions, for the expert advice of its staff, assistance with questionnaire and sample design, and efforts for increasing survey participation among business schools in the United States and worldwide.
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- Begin Group, a Moscow-based independent organization committed to providing a range of services in the market of education, for facilitating survey promotion and administration in the Russian Federation.

GMAC thanks the participating professionals from 168 business schools who facilitated this survey and the 2,367 employers who completed the questionnaire. Without them, this report would not have been possible.



“We hire MBAs because we want highly ambitious, smart, work-focused people.”
—Corporate Recruiters Survey 2010 Respondent



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- **The Profile of Graduate Management Admission Test® Candidates**—A summary of demographic data about GMAT examinees over the last five testing years. This report provides an annual look at the growth and change within your school's potential applicant pool. Search the tables for testing volumes and mean GMAT Total scores by gender, age group, intended degree, undergraduate major, citizenship, location, and world region.
- **GMAT® Interactive Profile**—An online tool for assessing potential applicant pools based on GMAT test-taker performance and demographics. This easy-to-use tool lets you select from specific types of test-taker data and create customized summaries of examinee demographics for a unique look at applicant pools that most interest you.
- **Geographic Trend Reports for GMAT® Examinees**—A document series that presents and analyzes GMAT test-taker data with information about requested score reports. Score-sending patterns illustrate which countries and schools are of interest to prospective students. Data from the most recent year are compared with that of four years prior to identify changes in test-taker preferences by region. The series includes four annual reports: World, Asia, Europe, and North America.
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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 online (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—

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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.

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.

Global Management Education Graduate Survey

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

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