

**CORPORATE RECRUITERS SURVEY 2002-03
OVERALL FINDINGS**

OVERALL FINDINGS		
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RECRUITING ACTIVITY AT SCHOOLS

All respondents with knowledge of the number of schools at which their companies recruit MBAs provided an actual number of schools at which they recruited in 2002 and an estimate of the number of schools at which they plan to recruit in 2003. Recruiters provided the same data for the number of schools at which they personally recruit. Results are shown below.

NUMBER OF SCHOOLS FROM WHICH COMPANY RECRUITS MBAS				
	Company		Recruiter	
	Actual 2002	Estimate 2003	Actual 2002	Estimate 2003
Minimum	1	1	1	1
Maximum	120	130	40	40
Median	5	5	2	2
Mean	8	8	3	3

As the table shows, companies and recruiters varied widely in the number of schools at which they recruited in 2002—from one to 120 for companies and from one to 40 for recruiters. The typical company recruited at five schools in 2002, and the typical recruiter, at two schools. Because of the effect of extremely high levels of activity among some companies and recruiters, the mean numbers are higher than the median numbers for both. Estimates for 2003 show no change from actual levels for 2002 for either companies or recruiters.

Because of the wide differences in activity levels for both companies and recruiters, it is useful to examine each category in more detail. One-third of companies in the sample (32%) recruited at three or fewer schools in 2002 or at four but fewer than seven schools, as shown below. Thirty-six percent recruited at seven or more schools.

NUMBER OF SCHOOLS FROM WHICH COMPANY RECRUITS MBAS (COMPANY-WIDE)			
	Actual 2002		Estimate 2003
	Percent (n=609)		Percent (n=532)
3 or less	32%		29%
4 but less than 7	32%		33%
7 or more	36%		38%
Total	100%		100%

Among recruiters, slightly more than one-third (34%) recruited at only one school; 39 percent recruited at two but fewer than four schools; and 28 percent recruited at four or more schools (as shown in the following table). There is little difference between actual activities in 2002 and estimated activities for 2003.

NUMBER OF SCHOOLS WHERE PERSONALLY RECRUITING (INDIVIDUAL LEVEL)			
	Actual 2002		Estimate 2003
	Percent (n=517)		Percent (n=458)
1	34%		32%
2 but less than 4	39%		40%
4 or more	27%		28%
Total	100%		100%

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Longitudinal Comparisons

Respondents to the Corporate Recruiters Survey 2001-02 provided data on the number of schools at which their companies recruit MBAs, but not on the number of schools at which they personally recruit. It is only possible, therefore, to examine changes to the number of schools at which their companies recruit MBAs. Respondents to the 2001-02 survey also estimated the number of schools at which their companies would recruit in 2002.

NUMBER OF SCHOOLS FROM WHICH COMPANY RECRUITS MBAS, BY TIME PERIOD				
	2002		2003	
	Median	Mean	Median	Mean
Actual number of schools	7	11	5	8
Estimate for 2002 and Actual 2002	6	10	5	8

The typical company recruited at significantly fewer schools in 2002 than in 2001—a decrease from seven schools to five schools. The average number of schools at which companies recruit also declined significantly—from 11 schools to eight schools.

The actual number of schools at which companies recruited in 2002 was significantly lower than the number at which they estimated they would recruit—an actual five schools, compared with an estimated six schools. Mean numbers for 2002 were also lower than those previously estimated—an actual number of eight schools, compared with an estimated 10 schools. This difference is marginally significant.

CAMPUS INTERVIEWS—2002

Sixty percent of respondents personally recruit new MBA hires. Of those respondents, 19 percent did not interview on campus in 2002. Asked to indicate their actual practice in 2002 for campus interviews of full-time MBAs, as well as their ideal timing for interviews, recruiters responded as shown in the following table.

2002 PRACTICES FOR CAMPUS INTERVIEWS OF FULL-TIME MBAS		
		Percent (n=560)
Actual practice in 2002 for campus interviews of full-time MBAs	Did not interview on campus	19%
	Six or more months prior to graduation	53%
	Three or more months prior to graduation	13%
	Within weeks of graduation	4%
	Interview as needed	9%
	Don't know	1%
	Other	1%
Total		100%
Ideal practice in 2002 for campus interviews of full-time MBAs	Six or more months prior to graduation	64%
	Three or more months prior to graduation	18%
	Within weeks of graduation	3%
	Interview as needed	11%
	Don't know	2%
	Other	1%
Total		100%

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If data in the table above are adjusted to make possible a comparison between actual and ideal practices, the results are as shown in the table below. The table below shows no important differences between recruiters' actual timing of campus interviews in 2002 and their ideal timing.

2002 PRACTICES FOR CAMPUS INTERVIEWS OF FULL-TIME MBAS (ITEMS REMOVED)		
	Percent (n=443)	Percent (n=543)
	Actual	Ideal
Six or more months prior to graduation	67%	66%
Three or more months prior to graduation	17%	19%
Within weeks of graduation	5%	3%
Interview as needed	12%	11%
Total	100%	100%

JOB OFFERS—2002

In addition to providing data on campus interview schedules for 2002, respondents also indicated their actual and ideal practices for extending job offers to full-time MBAs. As the following table shows, 16 percent of recruiters did not make job offers in 2002, and a number of others either did not know whether their companies extended offers or supplied some other response.

2002 PRACTICES FOR EXTENDING JOB OFFERS TO FULL-TIME MBAS		
		Percent (n=560)
Actual practice in 2002 for extending job offers to full-time MBAs	Did not make job offers	16%
	Six or more months prior to graduation	37%
	Three or more months prior to graduation	22%
	Within weeks of graduation	7%
	After graduation—candidates available to start	4%
	Offers extended on an as-needed basis year round	10%
	Don't know	1%
	Other	2%
Total		100%
Ideal practice in 2002 for extending job offers to full-time MBAs	Six or more months prior to graduation	45%
	Three or more months prior to graduation	33%
	Within weeks of graduation	6%
	After graduation—candidates available to start	3%
	Offers extended on an as-needed basis year round	11%
	Don't know	1%
	Other	1%
Total		100%

When the table above is adjusted so that comparisons can be made, the results show no difference between actual and ideal practices of respondents who made job offers six or more months prior to graduation/student availability. There is a difference, however, between the actual and ideal behavior of those who made job offers closer to graduation. That is, while 28 percent made job offers three or more months prior to graduation or availability, 34 percent would have preferred to make job offers with this lead time. Nine percent made offers within weeks of graduation/availability, compared to the

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six percent consider this timeframe ideal. Likewise, although five percent made offers after graduation, only three percent say this practice is ideal.

2002 PRACTICES FOR EXTENDING JOB OFFERS TO FULL-TIME MBAs		
Timeframe of Offers	Percent (n=450)	Percent (n=545)
	Actual	Ideal
Six or more months prior to graduation	46%	46%
Three or more months prior to graduation	28%	34%
Within weeks of graduation	9%	6%
After graduation—candidates available to start	5%	3%
Offers extended on an as-needed basis year round	12%	11%
Total	100%	100%

ON-CAMPUS/OFF-CAMPUS SOURCES OF NEW MBA HIRES

Recruiters were asked to indicate the percentage of new MBA hires they personally recruited on-campus and off-campus in 2002. As the following table shows, the recruiter from the typical company (reflected by the median) reports that 90 percent of new MBA hires were recruited on campus, while 10 percent were recruited off campus. When means are considered, however, a different picture emerges. Thirty-five percent of new MBA hires were recruited off campus, compared with 65 percent on campus. The higher percentage of off-campus recruiting for the average company results from those recruiters who rely on off-campus recruiting for substantially higher shares of their new MBA hires.

SOURCES OF NEW MBA HIRES: ON CAMPUS/OFF CAMPUS		
	Median	Mean
% of MBA hires from campus interviews	90%	65%
% of MBA hires from off-campus recruitment	10%	35%
Total	100%	100%

HIRING PRACTICES WITH REGARD TO MBA INTERNS

MANAGEMENT OF MBA INTERNS

Sixty-two percent of respondents indicated that their companies hire MBA interns. Asked how they manage interns, those with knowledge of this process answered as shown in the following table.

MANAGEMENT OF MBA INTERNS	
	Percent (n=549)
Full-time offers are made before interviews with others	74%
MBA interns go through same interview process as others	26%
Total	100%

Seventy-four percent say full-time offers are made to strong-performing MBA interns before starting the interview process with new candidates, while 26 percent say all MBA interns go through the same full-time interview process as new candidates.

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Asked to estimate the percentage of new MBA hires in 2003 that they expect to come from their 2002 internship pool, the respondent in the typical company (represented by the median) estimated 50 percent, as shown in the following table.

PERCENT OF MBA HIRES FROM INTERNSHIP POOL		
	Median	Mean
Percent new MBA hires in 2003 estimated to come from 2002 internship pool	50%	49%

Longitudinal Comparison

Sixty-seven percent of respondents in Corporate Recruiters Survey 2001-02 said their companies have MBA internship programs. In the Corporate Recruiters Survey 2002-03, respondents were asked if their companies hired MBA interns. Sixty-two percent said that they did. The difference between the two years (shown in the following table) with regard to how respondents' companies manage their MBA interns is not statistically significant.

MANAGEMENT OF MBA INTERNS, BY TIME PERIOD		
	2001-02	2002-03
	Percent (n=306)	Percent (n=549)
Full-time offers are made before interviews with others	70%	74%
MBA interns go through same interview process as others	30%	26%
Total	100%	100%

HIRING PLANS OF NEW PROFESSIONAL HIRES: 2002, 2003, 2004

ECONOMIC CONDITIONS AND EFFECTS ON RECRUITING PLANS

Nearly all respondents (96%) feel that the economy is weak. However, of those with this opinion, there is a fairly even split between those who say the weak economy is constraining their recruiting plans for new professional hires and those who say it is not—57 percent, compared with 43 percent.

CURRENT ECONOMIC CONDITIONS AND RECRUITING PLANS		
		Percent (n=940)
Economic conditions/effects	Economy weak, constraining recruiting plans	55%
	Economy weak, not constraining recruiting plans	41%
	Economy not weak	4%
Total		100%
Economic conditions	Economy weak	96%
	Economy not weak	4%
Total		100%
		(n=902)
Effects of weak economy	Constraining recruiting plans	57%
	Not constraining recruiting plans	43%
Total		100%

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What are respondents' companies inclined to do when their recruiting plans are constrained? More than anything else, respondents say their companies time campus interviews and offers as they have in recent years. Slightly fewer than one-fourth say they give less decision time in offer letters, and 23 percent say their companies hire more at local campuses. Fewer than one-fifth say they hire fewer noncitizens requiring work authorization (17%), shorten the time between offers and start dates (15%), and shorten the time between initial interviews and start dates (13%).

HIRING STRATEGIES WHEN RECRUITING PLANS ARE CONSTRAINED	
	Percent (n=518)
Continue with the same timing of campus interviews/offers	34%
Shorten the decision time in offer letters	23%
Hire more at local campuses	23%
Hire fewer noncitizens requiring work authorization	17%
Shorten time between offers made and start dates	15%
Shorten time between initial interviews and start dates	13%

Longitudinal Comparison

Even though a high 96 percent of respondents say the economy is weak, a significantly greater percentage said so last year (99%). Of more importance, however, is the effect this is having on their recruiting plans. Although the majority of respondents in both Corporate Recruiters Survey 2001-02 and Corporate Recruiters Survey 2002-03 said a weak economy constrained or is constraining their recruiting plans, a significantly greater percentage of this year's respondents said the weak economy is *not* constraining their recruiting plans—43 percent, compared to 31 percent last year.

CURRENT ECONOMIC CONDITIONS AND RECRUITING PLANS BY TIME PERIOD			
		2001-02	2002-03
		Percent (n=550)	Percent (n=940)
Economic conditions/effects	Economy weak, constraining recruiting plans	68%	55%
	Economy weak, not constraining recruiting plans	31%	41%
	Economy not weak	1%	4%
Total		100%	100%
Economic conditions	Economy weak	99%	96%
	Economy not weak	1%	4%
Total		100%	100%
		(n=544)	(n=902)
Effects of weak economy	Constraining recruiting plans	69%	57%
	Not constraining recruiting plans	31%	43%
Total		100%	100%

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NEW PROFESSIONAL HIRES

Twenty-nine percent of respondents indicated that they know the number of new professional hires for their company in 2002. Asked to indicate the basis for this number, they responded as shown below.

BASIS FOR ESTIMATING NUMBER OF NEW PROFESSIONAL HIRES		
		Percent (n=282)
Location of hires	Global	17%
	National	47%
	Regional	11%
	Local	26%
Total		100%
Parent/division, subsidiary	Parent company	61%
	Division	39%
Total		100%
Company-wide/ departmental	Company-wide	73%
	Departmental	27%
Total		100%

Respondents indicated the actual number for each of the four sources of new professional hires for 2002 and then estimated the number of hires for 2003 and 2004. Therefore, it is possible to make comparisons across these three time periods and also to calculate the hiring mix for each time period.

Results can be considered either in terms of the typical company (indicated by the median) or in terms of the average company (indicated by the mean). There are wide differences between these two measures because the numbers of hires in larger companies skew the mean, making it higher than the median. The following table shows how hiring activities (actual and expected) of the typical company vary between 2002 and 2004.

NUMBERS OF NEW PROFESSIONAL HIRES: MEDIANS			
	Actual 2002	Estimated 2003	Estimated 2004
Industry/direct hires	6	4	4
MBA graduates	3	4	4
Other graduates	1	0	0
Undergraduates	5	4	3

As shown in the table above, the typical company hired three MBA graduates in 2002 and estimates that it will hire four in 2003 and 2004.

The mean numbers for new professional hires are much higher than the median numbers, because the mean numbers reflect the corrective actions of the large companies who are hiring substantially more individuals than other organizations, from all sources, as shown below.

NUMBERS OF NEW PROFESSIONAL HIRES: MEANS			
	Actual 2002	Estimated 2003	Estimated 2004
Industry/direct hires	95	64	62
MBA graduates	11	11	11
Other graduates	14	13	10
Undergraduates	42	50	56

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It appears that when the hiring activities of the larger companies are taken into account, the numbers of industry/direct hires and other graduate hires are expected to decline, the number of MBA graduate hires remains stable, and an increase in the hiring of undergraduates is expected.

Hiring Mix, by Percent

The contribution of each source to the hiring mix will be discussed separately. Of the 275 survey respondents who knew some hiring numbers, 130 could provide a complete set (across all four sources of hires) to be used in calculating the mix for 2002. Ninety-nine could do the same for 2003 estimates; and 73 could provide a complete set of estimates for 2004. Mean percentages may not add exactly to 100% in each year due to rounding.

As illustrated in the table below, there is a significant decline in the industry/direct hires' share of the hiring mix for 2003 and 2004.

PERCENTAGE OF INDUSTRY/DIRECT HIRES IN HIRING MIX			
	Actual 2002	Estimated 2003	Estimated 2004
Median	50%	29%	33%
Mean	44%	34%	34%

The percentage of MBA graduates in the hiring mix is expected to increase in 2003 and remain stable in 2004. Neither of these changes, however, is statistically significant.

PERCENTAGE OF MBA GRADUATE HIRES IN HIRING MIX			
	Actual 2002	Estimated 2003	Estimated 2004
Median	13%	18%	20%
Mean	23%	29%	30%

The share of other graduates in the hiring mix does not change significantly between any of the time periods.

PERCENTAGE OF OTHER GRADUATE HIRES IN HIRING MIX			
	Actual 2002	Estimated 2003	Estimated 2004
Median	0%	0%	0%
Mean	8%	9%	10%

The share of undergraduate hires in the typical (median) company increases significantly from 20 percent in 2002 to 25 percent and 24 percent estimated for 2003 and 2004, respectively. Average (mean) shares do not change significantly between time periods.

PERCENTAGE OF UNDERGRADUATE HIRES IN HIRING MIX			
	Actual 2002	Estimated 2003	Estimated 2004
Median	20%	25%	24%
Mean	25%	27%	26%

Percent of industry/direct hires with MBAs

After providing hiring data for each of the four sources of new professional hires, respondents were asked to estimate the percentage of their companies' 2002 industry/direct hires who had MBAs. In the typical (median) company, thirty-five percent of industry/direct hires had MBAs. The mean—42 percent—is higher than the median number of hires, because a number of companies report substantially high shares of MBAs among their industry/direct hires.

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Longitudinal Comparisons: MBA Hires

Respondents to Corporate Recruiters Survey 2001-02 reported the actual number of MBA hires at their companies in 2001, as well as their estimates for 2002 and 2003. Respondents to Corporate Recruiters Survey 2002-03 reported the actual number of hires in their companies in 2002 and their estimates for 2003 and 2004. It is therefore possible to compare changes in the actual number of hires, as well as the extent to which estimates for 2001-02 were realized.

It is also possible to determine whether current estimates for 2003 differ from previous (Corporate Recruiters Survey 2001-02) estimates for 2003. This comparison is illustrated in the following table.

NUMBERS OF NEW MBA HIRES, BY TIME PERIOD				
	2001-02		2002-03	
	Median	Mean	Median	Mean
Actual 2001 and 2002	3	13	3	11
2001 Estimate for 2002 and Actual 2002	2	9	3	11
Estimates for 2003	3	11	4	11

The number of actual MBA hires has not changed significantly between 2001 and 2002. In Corporate Recruiters Survey 2001-02, respondents estimated lower numbers of new MBA hires for 2002 than actual numbers indicated by respondents in Corporate Recruiters Survey 2002-03. However, this difference is not significant.

There are no significant differences between the number of new MBA hires estimated for 2003 by respondents to Corporate Recruiters Survey 2001-02 and the number estimated by respondents to Corporate Recruiters Survey 2002-03. The following table compares the 2001-02 and 2002-03 survey respondents' estimates of the MBA share of the hiring mix.

MBA SHARE OF HIRING MIX, BY TIME PERIOD				
	2001-02		2002-03	
	Median	Mean	Median	Mean
Actual	25%	31%	13%	23%
Corporate Recruiters Survey 2001-02 Estimate for 2002 and Actual 2002	22%	30%	13%	23%
Estimates for 2003	30%	35%	18%	29%

As the table above shows, the MBA share of the hiring mix (for the typical company) declined from 25 percent in 2001 to 13 percent in 2002, a difference that is only marginally significant. The average (mean) share declined from 31 percent in 2002 to 23 percent in 2003—also marginally significant. The actual share of 13 percent for the typical company in 2002-03 is lower than the share estimated in 2001-02 (Corporate Recruiters Survey 2001-02) (22%); however, this difference is not statistically significant. Nor is the difference between the average estimated share of 30 percent and the actual average share of 23 percent. Estimates made in 2001 (Corporate Recruiters Survey 2001-02) for 2003 and in 2002 for 2003 do not differ significantly from each other (this is true of the median and the mean).

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CORRECTIVE ACTIONS (HIRING ADJUSTMENTS) WITH NEW MBA HIRES

All respondents indicated whether their companies had taken any of four specified corrective actions with new MBA hires in 2002. Two-thirds (66%) indicated that their companies had taken none of the corrective actions. Those who indicated that their companies had taken some corrective action responded as shown in the following table.

2002 CORRECTIVE ACTIONS WITH NEW MBA HIRES	
	Percent (n=940)
Move new MBA hires into different groups/departments	17%
Delay start dates	7%
Lay off new MBA hires after start date	6%
Rescind offers to MBA graduates before start dates	4%

As the table shows, slightly fewer than one-fifth of those who reported having taken one of the specified corrective actions (17%) moved new MBA hires into different groups or departments than the ones for which they were hired. Fewer than one-tenth (7%) delayed start dates or laid off new MBA hires after start dates (6%). Only four percent rescinded offers to MBA graduates before start dates.

Of the respondents who are employed by the small number of companies that laid off MBAs and who knew the percentage of new MBA hires laid off, 42 percent indicated that less than five percent of new MBAs were laid off, while 32 percent said more than one-third of new MBA hires were laid off.

PERCENTAGE OF NEW MBA HIRES LAID OFF			
		Count	Percent
Percentage of new MBA hires laid off ("Don't know" removed)	Less than 5%	16	42%
	6 to 10%	9	24%
	11 to 20%	1	3%
	More than 33%	12	32%
Total		38	100%

Asked how the percentage of MBAs laid off in 2002 compared with the percentage of other professional hires laid off, 36 percent of those who knew said percentages of the two groups were about the same; 31 percent said the percentage of MBAs laid off was lower, and 33 percent said it was greater, as shown in the following table.

HOW PERCENTAGE OF NEW MBA HIRES LAID OFF COMPARES WITH PERCENTAGE OTHER PROFESSIONAL HIRES LAID OFF			
		Count	Percent
Percentage of MBAs laid off compared to percentage of other professional hires laid off in 2002 ("Don't know" removed)	% of MBA layoffs was lower	12	31%
	% of MBA layoffs was greater	13	33%
	% of MBA layoffs was about the same	14	36%
Total		39	100%

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Longitudinal Comparisons

Corrective actions taken with new MBA hires did not change significantly from 2001–02 to 2002–03, as shown in the following table.

CORRECTIVE ACTIONS WITH NEW MBA HIRES, BY TIME PERIOD		
	2001–02	2002–03
	Percent (n=550)	Percent (n=940)
Move new MBA hires into different groups/departments	16%	17%
Delay start dates	9%	7%
Lay off new MBA hires after start date	7%	6%
Rescind offers to MBA graduates before start dates	4%	4%

Respondents to both Corporate Recruiters Survey 2001-02 and Corporate Recruiters Survey 2002-03 indicated the percentage of new MBA hires laid off (shown below). Small sample sizes in many categories make it impossible to evaluate the statistical significance of some differences.

PERCENTAGE OF NEW MBA HIRES LAID OFF, BY TIME PERIOD			
		2001–02	2002–03
		Percent (n=31)	Percent (n=38)
Percentage of new MBA hires laid off (“Don’t know” removed)	Less than 5%	48%	42%
	6 to 10%	16%	24%
	11 to 20%	10%	3%
	21 to 33%	6%	0%
	More than 33%	19%	32%
Total		100%	100%

RECRUITING REGIONS

Recruiters indicated the regions of the world in which they personally recruit MBAs. As the following table shows, 92 percent recruit personally in the United States. The second-most popular region for recruiting personally is Europe, with a significantly lower 10 percent of respondents reporting that they recruit there.

REGIONS OF THE WORLD IN WHICH NEW MBAS ARE RECRUITED	
	Percent (n=560)
Africa/Middle East	1%
Asia/Australia/Pacific Rim	5%
Canada	7%
Mexico/Central/South America	4%
Europe	10%
United States	92%

Some recruiters recruit in more than one world region. It is useful to explore their recruiting patterns when multiple combinations are considered. This can be done with the help of the following table, in which the categories are mutually exclusive.

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WORLD REGIONAL RECRUITING PATTERNS		
World Regional Pattern	Number	Percent
U.S. only	458	82%
Canada only	19	3%
Europe only	17	3%
U.S. and Europe	14	3%
Canada and U.S.	8	1%
Asia/Australia/Pacific Rim, Europe, and U.S.	8	1%
Asia/Australia/Pacific Rim and U.S.	5	1%
Latin America and U.S.	4	1%
Asia/Australia/Pacific Rim	4	1%
Canada, Europe, and U.S.	3	1%
Canada, Latin America, and U.S.	3	1%
All regions	3	1%
Other combinations (< .5% each)	14	3%
Total	560	100%

As the table shows, slightly more than four-fifths of the recruiters (82%) recruit only in the United States. Three percent or more recruit only in Canada or Europe. All others (the remaining 12% of recruiters) recruit in multiple regions, which comprise combinations ranging from two regions to all six.

Those who recruit in the United States (exclusively, or in combination with other regions) indicated the U.S. region in which they recruit. The Midwest and Northeast regions are most popular, and the South and Southwest are least popular, as shown below. The number of schools in each region that have MBA programs would logically have some bearing on these results.

REGIONS OF THE UNITED STATES IN WHICH NEW MBAS ARE RECRUITED	
	Percent (n=514)
Midwest	43%
Northeast	39%
Middle Atlantic	34%
West	32%
Southwest	28%
South	28%

JOB AREAS RECRUITED FOR

Asked the general job areas for which they *personally* recruit, respondents to Corporate Recruiters Survey 2002-03 responded as shown below. As the table shows, finance is the area for which the most respondents recruit personally (56%), with marketing a distant second (at 34%). Slightly more than one-fifth of the total number of respondents say they recruit personally to fill jobs in general management (22%), and slightly less than one-fifth indicate that they recruit for consulting (18%) and accounting (17%) positions. Other job areas are each mentioned by less than 15 percent of the recruiters.

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GENERAL JOB AREAS FOR WHICH RESPONDENTS PERSONALLY RECRUIT	
	Percent (n=560)
Finance	56%
Marketing	34%
General Management	22%
Consulting	18%
Accounting	17%
Operations and Logistics	15%
Information Technology/MIS	15%
Management Training/Rotation program	12%
HR/Organization Management	9%
Other	9%

More than four-fifths of recruiters (86%) say that they currently recruit for *all* the job areas they indicated, at *all* the schools they selected (as schools at which they recruit) as shown in the following table.

RECRUIT FOR ALL AREAS AT ALL SCHOOLS			
		Count	Percent
Recruit for all of the general job area(s) indicated, at all schools selected	Yes	481	86%
	No	79	14%
Total		560	100%

Longitudinal Comparisons

The following table shows that four of the nine general job areas have experienced statistically significant declines in recruiting activity between recruiting year 2001–02 (Corporate Recruiters Survey 2001-02) and 2002–03 (Corporate Recruiters Survey 2002-03): accounting, consulting, information technology/MIS, and operations and logistics. HR/organization management experienced a decline that is marginally significant. No general job area experienced a significant increase in recruiting activity.

GENERAL JOB AREAS FOR WHICH RESPONDENTS RECRUIT, BY TIME PERIOD		
	2001–02	2002–03
	Percent (n=550)	Percent (n=560)
Accounting	22%	17%
Consulting	24%	18%
Finance	52%	56%
General Management	22%	22%
HR/Organization Management	13%	9%
Information Technology/MIS	25%	15%
Management Training/Rotation Program	14%	12%
Marketing	31%	34%
Operations and Logistics	20%	15%

CORPORATE RECRUITERS SURVEY 2002-03 OVERALL FINDINGS

Recruiting practices of respondents can be compared over time. The table below compares, from one recruiting year to the next, the percentage of respondents who said they currently recruit for all job areas for which they said they personally recruit, at all the schools at which they indicated they recruit.

RECRUIT FOR ALL JOB AREAS INDICATED, AT ALL SCHOOLS INDICATED, BY TIME PERIOD		
	2001-02	2002-03
	Percent (n=550)	Percent (n=560)
Yes	72%	86%
No	28%	14%
Total	100%	100%

As the table shows, there is a significant increase, from one year to the next, in the percentage of recruiters who recruit for *all* areas at *all* schools. This could result from the lower percentages of job areas for which they recruit or from a decline in selective recruiting. It should be noted that all respondents in the Corporate Recruiters Survey 2001-02 answered this question, but only respondents who said they *personally* recruit answered the question in the Corporate Recruiters Survey 2002-03.

SALARY AND COMPENSATION

Base Salary

Respondents supplied their best estimate of the average expected starting salary in 2003 for new professional hires from MBA programs, undergraduate programs, and other graduate programs. Results are shown in the following table. The low minimum salary figures reflect the influence of recruiters located in countries outside the U.S. and Europe, regions that typically have higher salaries than elsewhere.

AVERAGE EXPECTED STARTING SALARIES FOR NEW PROFESSIONAL HIRES IN 2003		
From MBA programs	Minimum	\$12,000
	Maximum	\$125,000
	Median	\$78,000
	Mean	\$73,859
From undergraduate programs	Minimum	\$4,800
	Maximum	\$85,000
	Median	\$42,750
	Mean	\$42,936
From other graduate programs	Minimum	\$12,000
	Maximum	\$112,500
	Median	\$55,000
	Mean	\$56,518

As the table shows, the typical respondent expects the MBA starting salary to be \$78,000. The average starting salary for MBAs of \$73,859 is lower than the median because of the effect of extremely low estimates from some respondents. If the median starting salary of MBAs is compared with the median starting salaries for the other two sources of professional hires, the premium for the MBA is 42 percent when compared with other graduate programs and 82 percent when compared with undergraduate programs.

CORPORATE RECRUITERS SURVEY 2002-03 OVERALL FINDINGS

Other NonSalary Compensation

All respondents (recruiters and nonrecruiters alike) were asked to indicate the kinds of compensation they typically extend to new MBAs, in addition to base salary. Their responses are shown in the following table, in descending order.

OTHER KINDS OF COMPENSATION FOR NEW MBA HIRES	
	Percent (n=940)
Benefits package	82%
Moving allowance	64%
Performance-based bonus	55%
Signing bonus	44%
Stock purchase plan	29%
Tuition reimbursement	28%
Profit sharing	24%
Stock options	22%
Starting bonus	16%
Housing allowance/reimbursements	16%
First-year bonus	15%
Other compensation	13%
Car or car allowance	7%

As the table shows, more than four-fifths (82%) of companies offer a benefits package, and more than three-fifths (64%) offer a moving allowance. More than one-half (55%) offer a performance-based bonus, and more than two-fifths (44%) offer a signing bonus. Other forms of compensation are offered by fewer than one-third of companies. Only two percent (not shown) offer no additional compensation.

Signing Bonus

Those respondents who indicated that their companies offer signing bonuses were asked to supply their best estimate of the average signing bonus for new MBA hires in 2003. The typical respondent estimates \$10,000, and the average is \$14,181 (as shown below). Some companies offer extremely high signing bonuses (indicated by the maximum shown), and this skews the mean, causing it to exceed the median.

ESTIMATED AVERAGE SIGNING BONUS IN 2003	
Minimum	\$1,000
Maximum	\$ 95,000
Median	\$10,000
Mean	\$14,181

International Pay Compensation

Respondents in companies who hire noncitizens or who hire MBAs for international assignments were asked the primary way these employees are paid. As shown in the following table, 65 percent of companies pay local wages, while 35 percent pay expatriate wages.

CORPORATE RECRUITERS SURVEY 2002-03 OVERALL FINDINGS

PRIMARY COMPENSATION FOR NEW MBAS WORKING OUTSIDE COUNTRY OF CITIZENSHIP	
	Percent (n=303)
Expatriate wages	35%
Local wages	65%
Total	100%

Longitudinal Comparisons

The table below compares estimated average starting salaries for 2001–02 (reported in Corporate Recruiters Survey 2001-02) and 2002–03 (reported in Corporate Recruiters Survey 2002-03).

AVERAGE EXPECTED STARTING SALARIES FOR NEW PROFESSIONAL HIRES, BY TIME PERIOD				
Source of New Professional Hires	2001–02		2002–03	
	Median	Mean	Median	Mean
MBA programs	\$75,000	\$72,021	\$78,000	\$73,859
Undergraduate programs	\$41,000	\$41,381	\$42,750	\$42,936
Other graduate programs	\$50,000	\$52,322	\$55,000	\$56,518

Neither median nor mean salaries are expected to change between the two time periods for new hires from MBA programs or new hires from undergraduate programs. Both mean and median salaries of graduates from “other graduate programs” are expected to increase between 2001–02 and 2002–03.

INTERNATIONAL STUDENT HIRING

IDEAL MIX OF STUDENT POPULATION: CITIZENS AND NONCITIZENS

Respondents were asked to indicate the ideal mix of citizens and noncitizens in a school’s student population for their MBA recruiting needs. They were also given the option of indicating that they do not believe in an ideal mix; 54 percent of them selected this option. Results for the 46 percent who do believe in an ideal mix are shown in the following table.

IDEAL MIX OF MBA STUDENT POPULATION FOR RECRUITING NEEDS		
	Median	Mean
Citizens or work authorized in your country	100%	91%
Noncitizens or not work authorized	0%	9%
Total	100%	100%

As the table shows, the typical respondent (indicated by the median) believes the ideal student population mix is 100 percent citizens or MBAs who are work-authorized. This result is somewhat different for the average respondent (indicated by the mean)—91 percent, with nine percent noncitizens or non-work-authorized MBAs considered ideal. Some respondents believe that relatively high percentages of noncitizens are ideal, and this causes the mean number of noncitizens to be higher than the median and the mean number for citizens to be lower than the median.

CORPORATE RECRUITERS SURVEY 2002-03

OVERALL FINDINGS

HIRING PRACTICES: PAST, PRESENT, FUTURE

Respondents could indicate which of several hiring practices of citizens and noncitizens apply to their companies. Not all respondents, however, responded for the past, present, and future as regards these practices. For those who did (327 respondents), results are as shown in the following table. Percentages do not add to 100 percent for citizens because respondents were required to choose one of the two options, although combinations and other options are possibilities.

Regarding the hiring of expatriates for international assignments, the incidence of this practice in the future is significantly higher than in the present or past.

Regarding the practice of hiring citizens for only domestic assignments:

- the present practice of hiring for only domestic assignments is significantly higher than past and future practices;
- the future practice of hiring for only domestic assignments is slightly lower than past practices (marginally significant)

Regarding the practice of hiring non-citizens as foreign nationals

- the current practice of hiring foreign nationals is significantly higher than past and future practices; and
- the past practice is significantly higher than future practice.

Regarding the practice of hiring non-citizens and then sponsoring them for citizenship, there are no significant differences between the past, present, and future. Finally, regarding the practice of hiring non-citizens and then returning them to their country of citizenship, respondents indicate a significantly higher incidence of this practice in the future than in the present or past.:

HIRING PRACTICES: PAST, PRESENT, FUTURE			
Citizen status: Hiring/sponsorship practice	Percent		
	(n=940)		
	Past	Present	Future
Citizens: International assignments (expatriate)	28%	25%	32%
Citizens: Only domestic assignments	60%	68%	56%
Noncitizens: Inside your country (foreign national)	45%	47%	40%
Noncitizens: Only in their country of citizenship	16%	22%	14%
Noncitizens: Outside their country of citizenship; sponsored by company for permanent citizenship	17%	14%	15%
Noncitizens: Outside their country of citizenship; returned to their country of citizenship	9%	11%	16%

As discussed earlier, the above table is based on those respondents who indicated at least one practice for the past, present, and future. A substantially larger number of respondents indicated their present practices, but did not indicate past or future practices. This larger group is used as a basis for the breakdowns that follow. As a result, percentages will not match those reported in the table above.

CORPORATE RECRUITERS SURVEY 2002-03

OVERALL FINDINGS

SELECTION CRITERIA: MBAS REQUIRING WORK PERMITS

Respondents who indicated they currently hire noncitizens requiring temporary or permanent work permits rated on a five-point scale the importance of a number of factors in their hiring decisions (from *extremely* important to *not at all* important). In the following table, factors are ranked in terms of their *extreme* importance to respondents.

DECISION FACTORS RATED EXTREMELY IMPORTANT IN HIRING MBAS REQUIRING WORK PERMITS	
Factors in hiring decision	Percent (n=484)
Strong communication and interpersonal skills	61%
Cultural fit with prevailing corporate ethical standards	36%
Evidence of adaptability	32%
Relevant language, country, and/or cultural expertise	26%
Internship or functional experience directly related to job requirements	22%
Prior internship or work experience in my industry	20%
A specific MBA functional area or concentration	18%
A specific number of years of professional work experience	18%
History of increased job responsibility	17%
Reputation of MBA school	16%
MBA internship with respondent's company	13%
History of leading teams	12%
History of managing people in a formal reporting role	6%

As the table shows, strong communication and interpersonal skills top the list, with 61 percent of respondents rating this factor *extremely* important. Two other factors are distant seconds: cultural fit with prevailing corporate ethical standards (36%) and evidence of adaptability (32%). More than one-fourth of respondents (26%) rate relevant language, country, and/or cultural expertise *extremely* important. And one-fifth or more give this rating to two experiential factors: internship or functional experience directly related to job requirements (21%) and prior internship or work experience in the industry (20%). Other factors are rated *extremely* important by fewer than one-fifth of respondents. The least important factor is a history of managing people in a formal reporting role (6% rated this factor *extremely* important).

Longitudinal Comparison

In the Corporate Recruiters Survey 2001-02, respondents were also asked about the importance of nine of these 13 factors in their hiring decisions regarding MBAs in general (without any reference to work permits). The four factors added in this survey are: strong communication and interpersonal skills, cultural fit with prevailing corporate ethical standards, evidence of adaptability, and relevant language, country, and/or cultural expertise. When comparing the common nine factors, it is possible to determine whether there are any differences in importance that can be attributed to the reference to MBAs requiring work permits in this survey compared with the more general question about the hiring of MBAs in Corporate Recruiters Survey 2001-02.

For two of the nine factors, there are significant differences; and for one other factor, the difference is marginally significant. The importance of these factors is shown in the following table.

CORPORATE RECRUITERS SURVEY 2002-03 OVERALL FINDINGS

IMPORTANCE OF CRITERIA IN DECISION TO HIRE MBAS (COMPARISON)			
Factors in hiring decision		All MBAs	MBAs Requiring Work Permits
		Percent	Percent
History of managing people in a formal reporting role			
	Extremely	4%	6%
	Very	19%	26%
	Somewhat	41%	42%
	Not	36%	26%
Total		100%	100%
Internship or functional experience directly related to job requirements			
	Extremely	22%	22%
	Very	48%	43%
	Somewhat	25%	25%
	Not	5%	10%
Total		100%	100%
History of leading teams			
	Extremely	14%	12%
	Very	41%	39%
	Somewhat	32%	33%
	Not	13%	16%
Total		100%	100%

The data reveal that a history of managing people in a formal reporting role is significantly *more* important in the hiring of MBAs requiring work permits.

An internship or functional experience directly related to job requirements is significantly *less* important in the hiring of MBAs requiring work permits. A history of leading teams is also (marginally significantly) less important in the hiring of MBAs requiring work permits—51 percent *extremely/very* important, compared with 55 percent.

A history of leading teams and of managing people in a formal reporting role are at the bottom of the list in terms of overall importance to respondents of this survey.

CORPORATE RECRUITERS SURVEY 2002-03 OVERALL FINDINGS

DETERMINING SCHOOL “REPUTATION”

In the 2001-02 Corporate Recruiters Survey, MBA employers indicated that the reputation of a school is an extremely important factor in determining whether they actively recruit MBAs from that school. This year, they indicated the primary factors they use in determining the “reputation” of a school. Results, in rank order, are shown in the following table.

PRIMARY FACTORS WEIGHED TO DETERMINE "REPUTATION" OF AN MBA SCHOOL	
	Percent (n=940)
Successful alumni working at your company	78%
Past experience recruiting at the school	77%
Quality of curriculum	57%
Wide recognition of the university	51%
Published rankings	46%
Retention history of the school's alumni at your company	44%
Global recognition of the school of business	38%
Faculty reputation	32%
Local respect	31%
School's accreditation status	30%
Qualitative admissions standards	30%
Demand for recent graduates within relevant job functions	29%
Demand for recent graduates within your industry	23%
High-profile alumni within your industry	23%
Quantitative admissions standards	23%
Media coverage	4%

More than three-fourths of the respondents name experiential factors: successful alumni working at the company (78%) and past recruiting experience at the school (77%). More than one-half cite quality of the curriculum (57%) and wide recognition of the university (51%). Nearly one-half (46%) say they rely on published rankings in evaluating school “reputation.”

More than two-fifths of the respondents (44%) rely on retention history of the school's alumni at their companies, while nearly two-fifths (38%) base their evaluations on global recognition of the school of business. Faculty reputation and local respect are primary factors for nearly one-third of the respondents (32% and 31%, respectively), as are the school's accreditation status and qualitative admissions factors (30% each). Other factors are named to a lesser extent. Qualitative admissions standards (at 30%) are named significantly more than quantitative admissions standards (at 23%) as being primary factors in forming the recruiters' opinions about a school's reputation. Media coverage is a primary factor for only four percent of respondents.

CORPORATE RECRUITERS SURVEY 2002-03 OVERALL FINDINGS

DETERMINING WHETHER A SCHOOL HAS A “SUFFICIENTLY LARGE CANDIDATE POOL”

MBA employers in the Corporate Recruiters Survey 2001-02 indicated that an extremely important factor in their decision to recruit at a school is whether the school has a “sufficiently large candidate pool.” Accordingly, in this year’s survey they were asked to rate a number of factors in terms of the influence each factor had in forming their opinion that a school has a sufficiently large pool of candidates from which to choose. Each factor was rated on a five-point scale from *extremely* influential to *not at all* influential. Focusing on those rated *extremely* influential highlights the important differences, as illustrated in the following table.

FACTORS EXTREMELY INFLUENTIAL IN FORMING OPINION THAT SCHOOL HAS A "SUFFICIENTLY LARGE CANDIDATE POOL"	
	Percent (n=940)
Consistent quality of students (depth of talent pool) on interview schedules	50%
Sufficient number of qualifying résumés during résumé review	32%
Ability to fill interview slots with candidates who have relevant experience	26%
Flexibility of students (willingness to relocate)	19%
Sufficient number of candidates not requiring work permits	19%
Ability to fill interview slots with candidates who have desired MBA concentration	17%
Hiring yield (ratio of acceptances to offers made)	14%
High representation of different ethnic/cultural groups	12%
Offer yield (ratio of offers made to interviews)	11%
Sufficient number of candidates at company information sessions	10%
High geographic diversity of class	5%
Sufficient number of candidates not requiring relocation	4%

As the table shows, the number-one factor—with one-half of the respondents rating it *extremely* influential—is consistent quality of students on interview schedules (depth of the talent pool). Slightly less than one-third (32%) of respondents said a sufficient number of qualifying résumés during résumé review is *extremely* influential. Slightly more than one-fourth said the ability to fill interview slots with candidates who have relevant experience is *extremely* influential in their assessment of whether a school has a sufficiently large candidate pool.

Slightly less than one-fifth (19%) of respondents say the flexibility of students (willingness to relocate) and a sufficient number of candidates not requiring work permits are *extremely* influential factors. Nearly as many (17%) rate as *extremely* influential the ability to fill interview slots with candidates who have a desired MBA concentration. Other factors are rated *extremely* influential by fewer than 15 percent of respondents. High geographic diversity of the class and a sufficient number of candidates not requiring relocation are the least influential factors.

Ideal Number of Interview Slots

Respondents who rated as *extremely* or *very* influential the ability to fill an appropriate number of interview slots (with candidates who have relevant experience or a desired MBA concentration) were asked to indicate the ideal number of interview slots. As the following table shows, more than one-half (54%) say six to 12 candidate interviews to fill a schedule. Slightly more than one-fifth (22%) appear satisfied with at least five candidate interviews, while one-fourth say two or more schedules with six to 12 candidate interviews each are ideal.

**CORPORATE RECRUITERS SURVEY 2002-03
OVERALL FINDINGS**

IDEAL NUMBER OF INTERVIEW SLOTS ("OTHER" REMOVED)		
		Percent (n=863)
Ideal number of interview slots	At least 5 candidate interviews	22%
	6 to 12 candidate interviews to fill a schedule	54%
	2 or more schedules with 6 to 12 candidate interviews each	25%
Total		100%