

Global MBA® Graduate Survey

SURVEY REPORT

2007



The **Global MBA® Graduate Survey**

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

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The Graduate Management Admission Council® (GMAC®) has conducted the Global MBA® Graduate Survey annually for eight years. Graduate business school students in their final year of business school receive the survey a few months before graduation.

The annual survey allows GMAC® to gather students' opinions on their education, the value of their degrees, and what they intend to do with their degrees after graduation, among other topics. It is possible to ascertain some post-MBA employment information through the survey, though not a complete picture because many of the survey respondents are not yet involved in job searches at the time of the survey.

Key Findings

- Rather than attending class and passively learning from their professors, graduate business student respondents sought engaging classroom settings where their fellow students contributed to the learning process. The high quality ratings for faculty and students given by the current respondents bolsters past research that showed the collaborative nature of the student body and that a majority of professors emphasized critical discussion in the classroom.
- Three-fifths of graduating student respondents considered their degrees an outstanding or excellent value. The primary drivers of value were the quality of the curriculum, the faculty, and the program management. Yet responses indicate that improvements in the quality of each program component, including career services and student services, will yield an increase in the overall value of the degrees.
- More than three-quarters of the respondents indicated they improved a great deal or a good amount in their knowledge of general business functions, their abilities to manage strategy and innovation, and their ability to manage decision-making during their graduate business programs.
- There has been an uninterrupted upward trend in the percentage of respondents who had received or accepted offers of employment at the time of the survey since 2003. Additionally, there has been a rebound in the attractiveness of the finance/accounting industry over the past few years, while the consulting industry has experienced the greatest increase in attractiveness compared with its ratings in previous years.
- The class of 2007 had slightly higher salary expectations than did previous classes. On average, respondents from full-time programs expected a salary increase of 54%; part-time program respondents expected a 43% increase; and executive program respondents expected a 33% increase in salary. However, the percentage increases varied according to several factors, including citizenship and years of work experience.

Responses of 5,641 students at 158 schools worldwide form the basis of this report. There were 2,205 (39%) respondents from countries other than the United States, and 24% of the respondents attended schools outside the United States. The vast majority of respondents (96%) enrolled in MBA programs, where, of those, 61% enrolled in full-time programs; 32% in part-time programs; and 6% in executive programs. The remaining 4% of the respondents enrolled in other types of Master's of Business programs or PhD/DBA programs.

To develop the survey sample, all GMAC® member schools and a number of other schools that use the GMAT® exam received e-mail invitations to participate in the study. Schools could participate by providing GMAC® with the names and e-mail addresses of their graduating class of 2007 or by forwarding the invitation to their students directly. Overall, the response rate for programs was 37%, and the response rate for students was 18%. Frequency distributions were examined for both topical and classification questions, and response categories for some questions were collapsed to make final analysis more robust. Tests of statistical significance were used throughout the report, and a 95% confidence interval was used as the cutoff point for significance.

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

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

Graduate management education is a complex system of functions and activities structured to meet the needs of various stakeholders, including students, faculty, the institution, and employers. Each of these groups has unique needs that graduate business schools attempt to satisfy. A primary function of schools is to create and disseminate knowledge, while students seek to develop their knowledge, skills, and abilities (KSAs) to improve their future career prospects. Employers expect schools to improve the KSAs of individuals, who in turn boost the effectiveness and efficiency of organizations, which adds value to industry. Thus, although graduate business schools attempt to coordinate their various functions to create superior programs that meet the demands of various stakeholders, the focus of this report is just one group of stakeholders: the students.

Quality of MBA Programs

Quality is a measure of excellence that describes the degree to which a particular attribute is superior or inferior. In the Global MBA® Graduate Survey, respondents rated the quality of graduate business program functions and activities, including program management (mission, standards, and continuous improvements), admissions, faculty, curriculum, student services, career services, and their fellow students. Figure 1 displays the percentage of the graduating student respondents who reported that the quality of each particular component of their graduate business program was outstanding or excellent. Nearly a majority of respondents from each program type considered the individual components of their programs to be of a high caliber, with the exception of career services.

Statistically, respondents from part-time programs were significantly less likely than their counterparts at full-time and executive programs to consider the quality of each component to be outstanding or excellent. However, there has been continuous improvement in the quality rating of admissions, career services, and student services for part-time programs over the years. Additionally, among respondents from full-time and executive programs, there has been marked improvement in the perceived quality of career services. In a survey of MBA alumni, part-time and executive MBA graduates had reported a need for additional training in managing their careers¹. The continuous improvement reported in the current survey of graduating students demonstrates that graduate business schools are appropriately adjusting program structures and functions to meet the demands of their students.

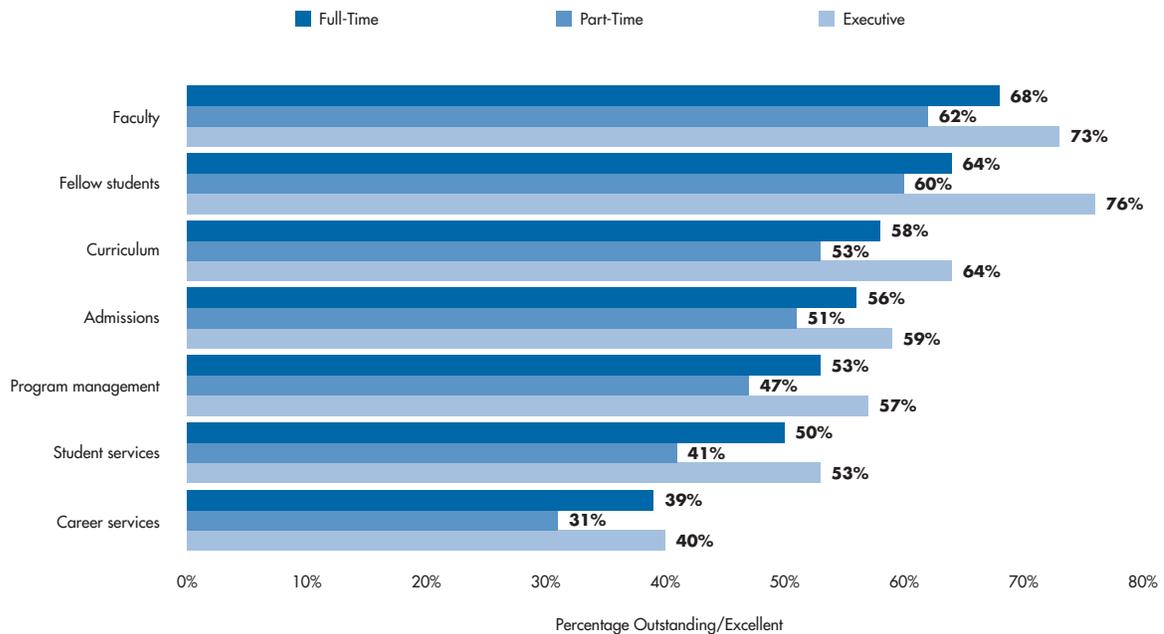


Figure 1.
Quality of Program Components, by MBA Program Type

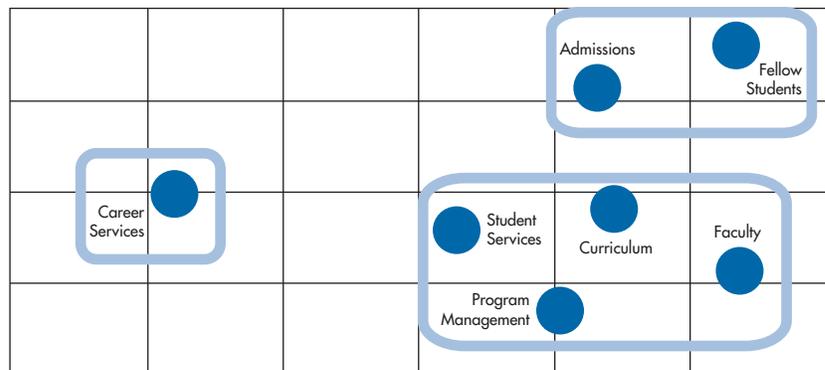
Using multidimensional scaling, analysis of the key components of the graduate business programs revealed three groupings of associations between program components: admissions and fellow students; program management, curriculum, faculty, and student services; and career services. Figure 2 presents a conceptual map of the key program components of the graduate business schools in terms of quality linkages.

Considering that the main function of an admissions department is to attract, screen, and admit appropriate students for the incoming class, it is not surprising that the quality of the admissions departments and the quality of students were associated in Figure 2. Students' perceptions about the quality of admissions is primarily driven by information provided by the admissions department. Accordingly, information about the quality of the faculty and the quality of current students were among the five most important pieces of information used by prospective students when selecting a graduate business school to attendⁱⁱ. Rather than passively taking in their professors' lectures, graduate business student respondents were looking for highly interactive classroom settings where their fellow students contributed to the learning process, and a majority of professors did indeed emphasize critical discussion and individual viewpoints, according to a 2006 survey of studentsⁱⁱⁱ.

The close association among the quality of the program management, student services, curriculum, and faculty was consistent with the roles each component plays in delivering a graduate business education. Under the direction of the program management, the faculty implements the curriculum, and student services provides added value to the program through student ac-

tivities, clubs, symposia, and guest speakers. Satisfaction with continuous improvement drives the perceived quality of program management. The teaching methods and knowledge of the faculty were the key drivers of faculty quality. Critical to the success of student services is their ability to communicate with the student body, so, accordingly, student services' communications to students drive its perceived quality. As for students' opinions about modes of communication: 74% of the students preferred the communications to arrive via e-mail; 19% preferred to read electronic newsletters or Web sites; and 4% wished the communications were conducted in person.

As shown in Figure I, career services rated relatively low compared with the other rated components. Career services also stands apart from the other key components in Figure 2. Further analysis shows that student satisfaction with the availability of resources, the knowledge of the career services staff, and, to a lesser degree, the responsiveness of the staff drives the perceived quality of career services. According to this model, schools can improve their students' quality ratings for the career services office by increasing the availability of resources and the knowledge of the career services staff.



*Multidimensional scaling, Euclidean model, S-Stress = 0.04, R² = 0.99.

Figure 2.
Conceptual Map of MBA Program Component Quality*

Overall Value of the Degrees

Overall value is a measure to describe the relationship of the benefits derived by the consumer to the costs incurred by the consumer. This measure is often used in business to rank the position of a product or service relative to similar products or services. Overall, three-fifths (61%) of the respondents considered their degrees to be outstanding or excellent values. However, there is a relationship between the type of program in which a respondent was enrolled and his or her rating of overall value ($X^2 = 30.97$, d.f. = 2, $p \leq .05$). Figure 3 shows, for each program type, the percentages of respondents' ratings of the overall value of their degrees. Notwithstanding the statistical differences in overall value by program type, a majority of respondents in each of the programs considered the value of their degrees to be outstanding or excellent.

Key Drivers of Overall Value

A multiple regression analysis was used to identify the key drivers of overall value. The quality of program components and the methods of financing the degrees were hypothesized to play important roles in students' assessments of overall value. Significant differences in the overall value ratings occurred by the various methods of financing—for instance, those who financed parts of their degrees with grants, fellowships, scholarships, or government benefits rated the overall value higher than did those respondents who did not finance their degree using these methods ($X^2 = 106.73$; d.f. = 4, $p \leq .05$). However, in the presence of the other variables, inclusion of the financing methods in the regression model added only 1% to the explanation of variance for overall value. Consequently, knowing the methods students used to finance their education does not contribute greatly to our understanding of how they rated the overall value of their degrees.

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 Student ratings for quality of the curriculum were the largest driver of overall value, followed by quality ratings for faculty and program management.
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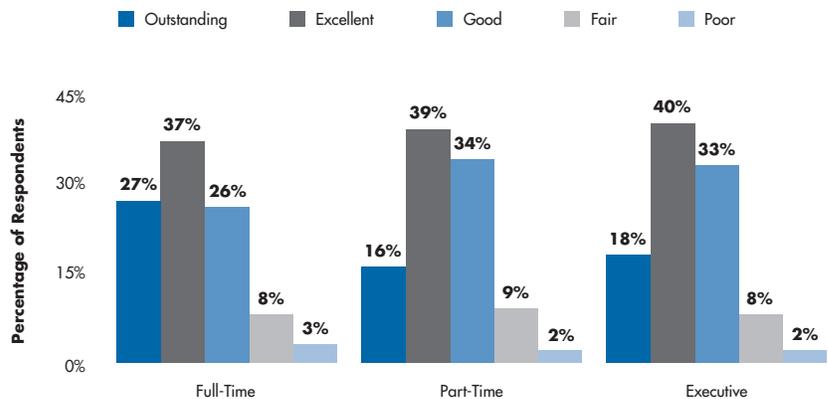
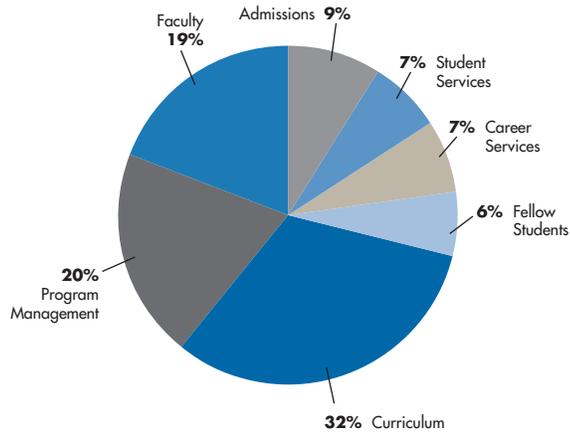


Figure 3. Overall Value of the Degree, by MBA Program Type

Figure 4 presents the key quality drivers of overall value of the degree among all MBA student respondents¹. As shown, the largest driver of overall value was the student rating of the quality of the curriculum, followed by the quality ratings for the faculty and program management. These three components of the program account for about two-thirds of the explanatory power of the model. The remaining components—admissions, fellow students, student services, and career services—account for about one-third of the model’s explanatory power. In other words, improving student opinion of the curriculum quality will have the greatest effect on student ratings of overall value. Yet, individually, the quality of each key component of the graduate business program significantly correlates with overall value (Pearson Correlation ranges from .44 to .59). Therefore, improvements in the quality of any component will yield an increase in the overall value rating among students.

As shown in Table I, there are slight differences in the drivers of overall value of the MBA degree by program type. For full-time MBA programs, curriculum, program management, and faculty (in order of explanatory value) are the top three drivers. Although the top three drivers among part-time MBA programs are the same as those of full-time MBA programs, the order of explanatory power was different, as follows: faculty first, then curriculum and program management. For executive programs, the top three drivers (in order of explanatory power) were the curriculum, faculty, and student services. Consequently, emphasis on improvements should vary by MBA program type.



Multiple R = √0.44
 Overall Value = 0.08*Admissions + 0.06*Career Services + 0.25*Curriculum + 0.17*Faculty + 0.14*Program Management + 0.06*Student Services + 0.07*Fellow Students + 0.78 (± 0.74).

Figure 4.
Drivers of Overall Value of the MBA Degree (Pratt Index)

Program Component	Standardized β		
	Full-Time MBA	Part-Time MBA	Executive MBA
Curriculum	.27*	.22*	.28*
Faculty	.13*	.26*	.20*
Program Management	.16*	.12*	.06
Admissions	.09*	.04	.05
Fellow Students	.05*	.11*	.06
Student Services	.07*	-.01	.18*
Career Services	.06*	.05*	-.05
Multiple R	√.46	√.39	√.43

* Indicates a statistically significant contribution to the model where p ≤ .05.

Table 1.
Drivers of Overall Value of the MBA Degree, by MBA Program Type

¹Collinearity diagnostics are calculated for the regression model. The condition indices are less than 15, which indicates that multicollinearity is not a problem with the model.



Findings indicate graduate business programs are making ample efforts to bring students up to speed with basic knowledge of business functions and meeting the needs of students with all levels of experience.



MBA Curricula

Master of Business Administration degrees are generalist degrees whose curricula cover the breadth of KSAs necessary to work in the business world. Not surprisingly then, the quality of the curricula had the greatest impact on how students rated the overall value of their MBA degrees. Students' satisfaction with the relevance and comprehensiveness of their curricula drives the perceived quality ratings of the curriculum. Furthermore, improvements in students' skills and abilities—such as managing strategy and innovation and managing the decision-making processes—primarily drive students' satisfaction with the relevance of their curricula. Schools focusing on improvements in each of these aspects of the curriculum will be able not only to improve their students' satisfaction with the core curriculum, but also increase the likelihood that their students' value their degrees highly.

Overall, more than 90% of the respondents had at least one course in accounting, economics, finance, marketing, operations, statistics, business policy and strategy, and management and organizational behavior. Yet, about one-fifth of the respondents did not have a course in international business, ethics and business law, or information systems. Incidentally, a majority of respondents were satisfied with nearly every part of the core curriculum at their schools, except for courses in information systems where only slightly more than one-third (37%) of the respondents were extremely or very satisfied.

Business policy and strategy, and management and organizational behavior were the courses with which students were most satisfied, except those entering finance/accounting positions. Those entering finance/accounting positions ranked management and organizational behavior fifth, behind accounting and economics courses. Additionally, entrepreneurs reported that they were most satisfied with the KSAs learned in the following courses (in rank order): management and organizational behavior, business policy and strategy, and ethics and business law.

Development of Knowledge, Skills, and Abilities

A primary function of education is to assist students in developing their knowledge, skills, and abilities, which further their capability to be productive members of society. Figure 5 shows the KSAs that respondents have improved a great deal or a good amount during their graduate business education. Knowledge of general business functions, managing strategy and innovation, and managing decision-making were three areas in which more than three-quarters of the respondents indicated a great deal or a good amount of improvement.

Statistically, there were few differences by program type in the improvements made by

students. However, respondents at full-time programs reported slightly more improvement than did respondents at part-time and executive programs for the following KSAs: managing administrative activities, managing the task environment, knowledge of media communication and delivery, and interpersonal skills. Additionally, full-time and executive program respondents reported slightly more improvement than did part-time respondents in managing strategy and innovation and strategic and system skills. With few and relatively small differences by program type in students' improvement of their KSAs, it appears that students in all program types are consistently improving their KSAs.

Graduate business programs are making ample efforts to bring students up to

speed with the basic knowledge of business functions. Respondents with non-business related undergraduate degrees—who theoretically had less *a priori* knowledge of general business functions than respondents who had degrees in business and commerce—reported significantly greater levels of improvement in their knowledge of general business functions.

Although there were statistically significant correlations between improvements in respondents' KSAs and the amounts of full-time work experience they had upon entering their MBA programs, these correlations were negligible ($r < .10$). This finding indicates that graduate business programs are meeting the needs of students with all levels of experience.

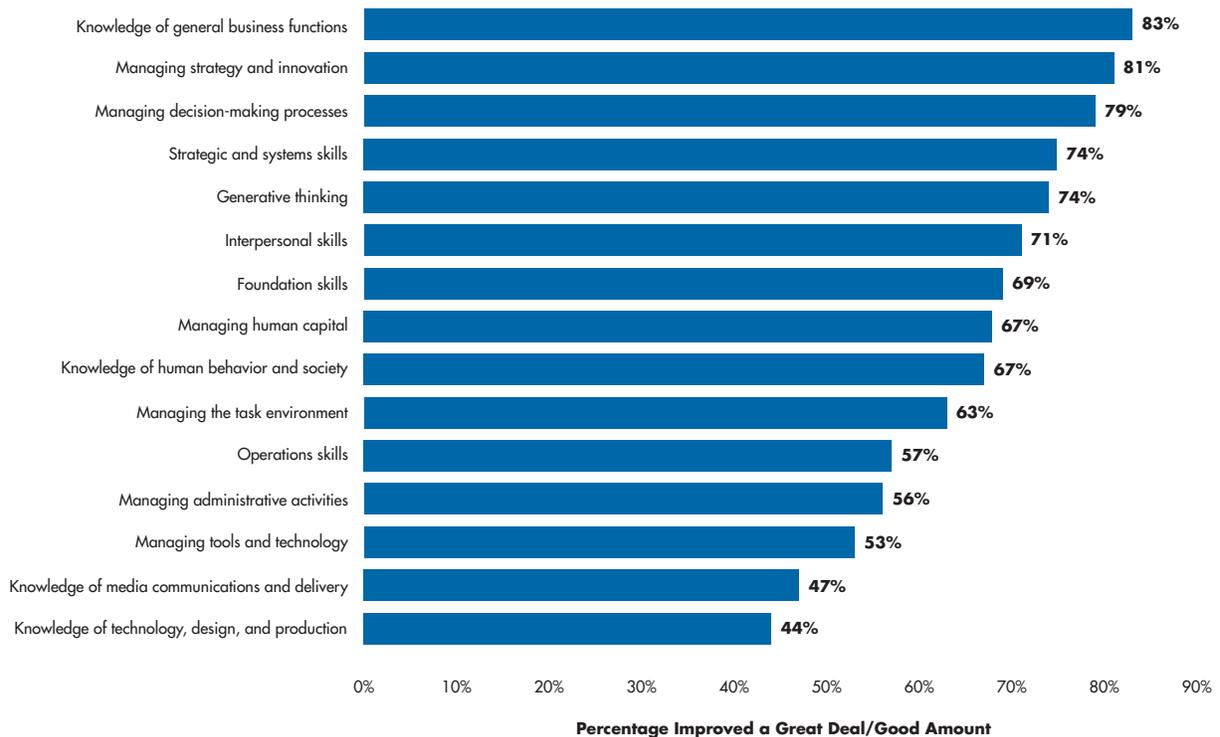


Figure 5.
Improvements in KSAs

Expectations upon Entering Graduate Business Programs

Students frequently pursue graduate business degrees to increase their career options. However, students at various programs have differing expectations as to what their graduate business degrees will provide them in terms of career outcomes. Table 2 shows the most common career expectations respondents had when they first entered their graduate business programs, by program type.

Among the respondents at full-time MBA programs, the most common expectation was that the MBA credentials would increase their career options. The ability to remain marketable was the most common expectation among respondents at part-time MBA programs. Respondents at executive MBA programs expected their graduate business degrees to increase their long-term potential through the development of skills and abilities.

Schools can gain a practical measure of their success by weighing students' expectations before entering their graduate business programs along with the students' satisfaction levels upon graduation to see if students have achieved their goals. Overall, a majority of respondents felt extremely or very satisfied that their graduate business degrees provided them with each of their named career expectations. Among full-time respondents, 81% were satisfied that their degrees provided them with the credentials needed to increase their career options. Eighty-five percent of part-time respondents were satisfied that their degrees gave them the ability to remain marketable, and 88% of executive respondents were satisfied that their degrees gave them an increase in long-term potential through the development of skills and abilities. Based on the results of this survey, graduate business programs are meeting students' demands for help in fulfilling their expected career outcomes.

My graduate business degree would provide me with...	Full-Time MBA			Part-Time MBA			Executive MBA		
	Rank	% Selected	% Satisfied	Rank	% Selected	% Satisfied	Rank	% Selected	% Satisfied
Credentials I need to increase career options.*	1	75%	81%	2	78%	80%	5	71%	85%
An increase in long-term potential through the development of skills/abilities.	2	74%	82%	4	76%	79%	1	79%	88%
An opportunity for more challenging/interesting work in the future.	3	73%	79%	7	72%	72%	6	70%	82%
Advancement potential.*	5	70%	81%	3	78%	73%	4	74%	80%
The potential for long-term income and financial stability.*	4	71%	78%	6	72%	76%	7	62%	80%
A sense of personal satisfaction and achievement.*	6	66%	86%	5	76%	90%	2	78%	93%
The ability to remain marketable.*	7	63%	81%	1	79%	85%	3	76%	89%

*p ≤ .05.

Table 2.
Career Expectations, by MBA Program Type

Expected Changes in Careers and Industries of Employment

Figure 6 shows the career changing status of respondents by program type. Whether or not their expected job is in the same industry and whether or not the job function is the same or different than the one held before entering the graduate business program is dependent upon various variables

The types of programs in which respondents enrolled were associated with their decisions to change industries or job functions. As shown in Figure 6, about a quarter (24%) of full-time MBA respondents planned to remain in the same industries and job functions they held before entering their degree programs, compared to 38% of part-time and 41% of executive MBA respondents. Other variables were also associated with the decision to switch industries and job functions:

- Older respondents were more likely than younger respondents to plan to remain in the same industries ($X^2 = 28.92$, $d.f. = 2$, $p \leq .05$) and job functions ($X^2 = 12.94$, $d.f. = 2$, $p \leq .05$) after they graduated.
- Respondents with longer work histories were more likely than other respondents to plan to remain in the same industries ($X^2 = 23.54$, $d.f. = 2$, $p \leq .05$). However, more than half of the respondents indicated that they plan to change job functions.

- Respondents attending schools outside their countries of citizenship were slightly more likely than respondents attending schools in their countries of citizenship to plan to change industries ($X^2 = 5.72$, $d.f. = 1$, $p \leq .05$) and job functions ($X^2 = 10.36$, $d.f. = 1$, $p \leq .05$).
- Respondents who participated in internships were significantly more likely than those who did not participate in internships to report that they planned to change industries ($X^2 = 144.33$, $d.f. = 1$, $p \leq .05$) and job functions ($X^2 = 43.77$, $d.f. = 1$, $p \leq .05$).

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Graduate business programs are meeting students' demands for help in fulfilling their expected career outcomes.

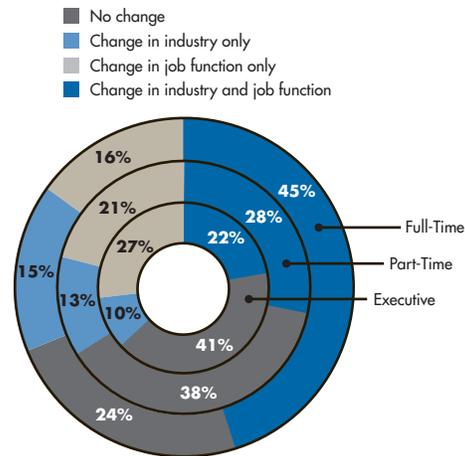


Figure 6. Career-Switching Status, by MBA Program Type

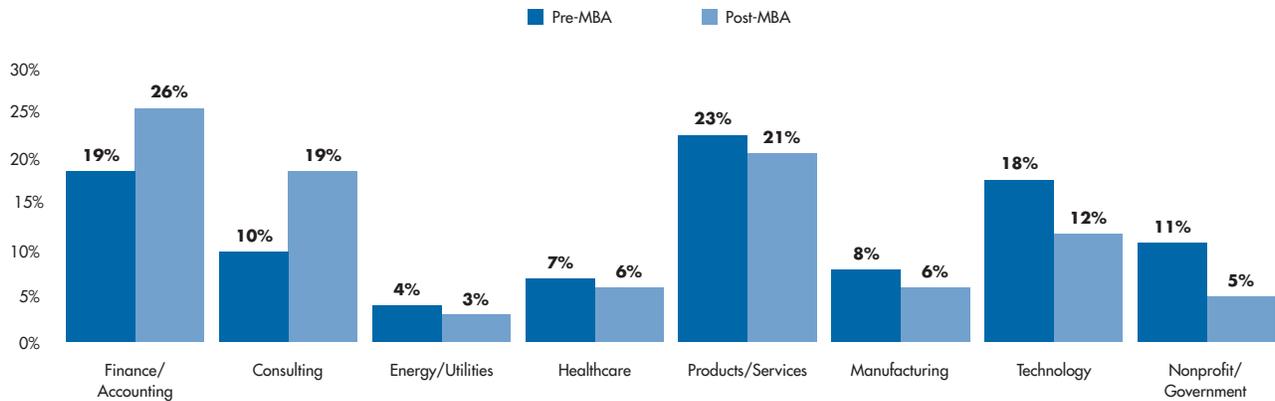


Figure 7.
Pre- and Post-MBA Industry of Employment

Figure 7 shows the distribution of industries employing respondents before entering graduate business degree programs and their expected industries of employment after graduation. The finance/accounting and consulting industries reportedly will have the greatest influx of newly minted MBAs. Meanwhile, the greatest outflow of MBAs will be from the nonprofit/government, technology, and manufac-

turing industries. There are only slight decreases in the energy/utility, healthcare, and product/services industries.

Overall, 52% of respondents planned to switch industries upon graduation. Figure 8 shows the attractiveness index² for various industries among respondents who indicated they planned to change industries after completing their graduate business education.



There has been a rebound in the attractiveness of the finance/accounting industry over the last two years, and the consulting industry has seen the largest growth since 2003.



²The attractiveness index is calculated by dividing the percentage of respondents changing into an industry group by the percentage of those changing out and multiplying the results by 100. An index score that is greater than 100 indicates more respondents are changing into the industry than are changing out of the industry. A score that is less than 100 indicates that more respondents are changing out of a given industry than are switching into that industry.

There has been a rebound in the attractiveness of the finance/accounting industry over the last two years, and the consulting industry has seen the largest growth since 2003. All the other industries listed had net cumulative decreases—an attractiveness index score below 100. Of interest is the significant decline in the attractiveness of the healthcare industry. Since the first year GMAC® began tracking industry attractiveness, 2007 was only year in which the healthcare industry lost more individuals than they gained, which is surprising considering the strong job outlook for medical and health services managers reported by the U.S. Department of Labor^{iv}. The products and services industry

has experienced a decline in attractiveness since 2004. The attractiveness index for the manufacturing and the nonprofit/government industries has been relatively flat throughout the tracking period, although there has consistently been a net decline in the number of individuals attracted to these industries.

The current survey asked respondents to indicate the job function they held before entering graduate business school and the functions they intended to hold after graduation. Overall, 56% of respondents planned to switch job functions after graduation. However, respondents from full-time MBA programs (61%) were more likely than respondents from part-time (49%) and executive (49%) MBA

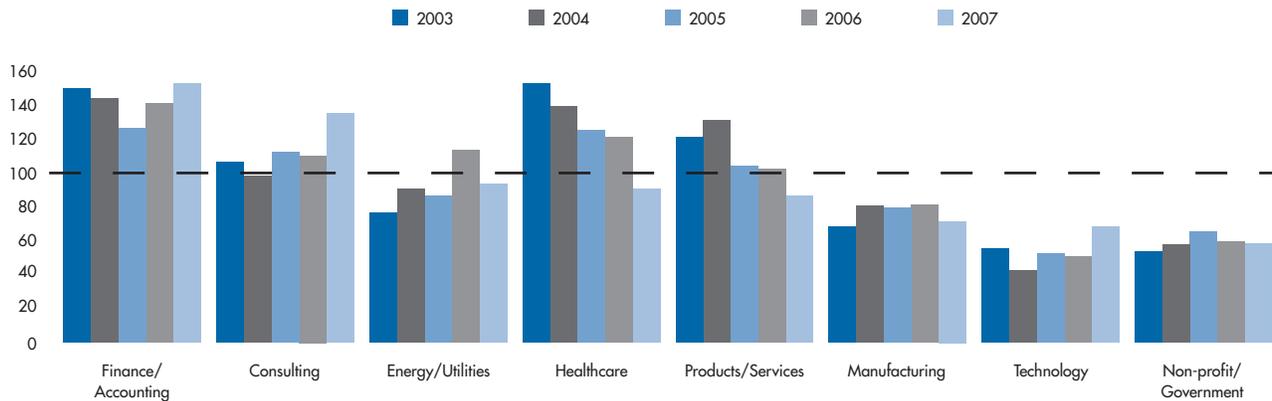


Figure 8.
Industry Attractiveness Index, by Graduating Class

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The factors respondents identified as most important in obtaining a job interview were interpersonal skills, a proven ability to perform, leadership attributes, and a cultural fit with the company.

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programs to plan to switch job functions ($X^2 = 58.06$, d.f. = 2, $p \leq .05$). Figure 9 shows the attractiveness index for job functions by the type of MBA program in which the respondents enrolled. As shown, there are large differences by program type in the attractiveness of job functions among job changers.

Most noticeable was the attractiveness of general management positions among executive and part-time MBA respondents, as compared with full-time MBA respondents. Part-time MBA respondents

were more likely to enter general management positions, whereas full-time MBA respondents were more likely to leave their general management positions for other job positions. Although finance/accounting positions were highly attractive to respondents in each of the program types, respondents from full-time MBA programs were more attracted to these positions than were respondents from part-time and executive programs. Consulting positions were equally attractive to respondents from all program types.

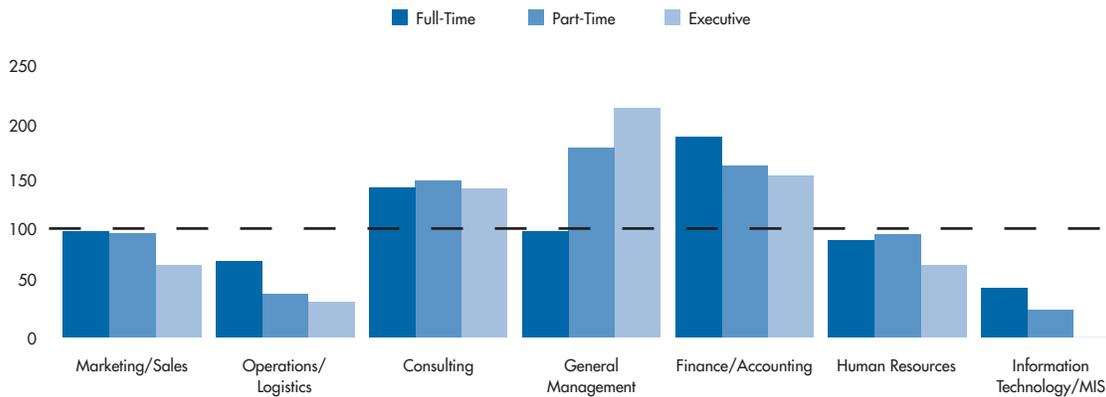


Figure 9.
Job Function Attractiveness Index, by MBA Program Type

Factors Important in Obtaining a Job Interview

Nearing graduation, students are in the process of preparing for their next stage—post-graduation employment. Figure 10 shows the factors respondents believed to be extremely or very important in obtaining a job interview. The top factors respondents indicated as being important in obtaining a job interview were interpersonal skills, a proven ability to perform, leadership attributes, and a cultural fit with the company.

There were significant differences, by respondents’ planned locations of employment, in the factors they indicated as important in obtaining a job interview. Respondents who planned to work outside

their countries of citizenship placed more importance on their graduate business schools in obtaining a job interview than did respondents planning to work in their countries of citizenship. Yet respondents who planned to work within their countries of citizenship reported that career services at their schools were significantly of higher quality than did respondents who planned to work outside their countries of citizenship reported.

Respondents who planned to work within their countries of citizenship deemed the following factors as more important than did respondents who planned to work outside their countries of citizenship:

- A proven ability to perform ($X^2 = 16.24$, d.f. = 4, $p \leq .05$);

- Leadership attributes ($X^2 = 15.52$, d.f. = 4, $p \leq .05$); and
- “Who you know” ($X^2 = 24.62$, d.f. = 4, $p \leq .05$).

On the other hand, respondents who planned to work outside their countries of citizenship deemed the following factors as more important than did respondents who planned to work within their countries of citizenship:

- Reputation of the business school ($X^2 = 33.82$, d.f. = 4, $p \leq .05$);
- Quality of career services ($X^2 = 29.26$, d.f. = 4, $p \leq .05$);
- Specialization/concentration ($X^2 = 11.65$, d.f. = 4, $p \leq .05$); and
- Relevant language, country, and cultural experience ($X^2 = 69.98$, d.f. = 4, $p \leq .05$).

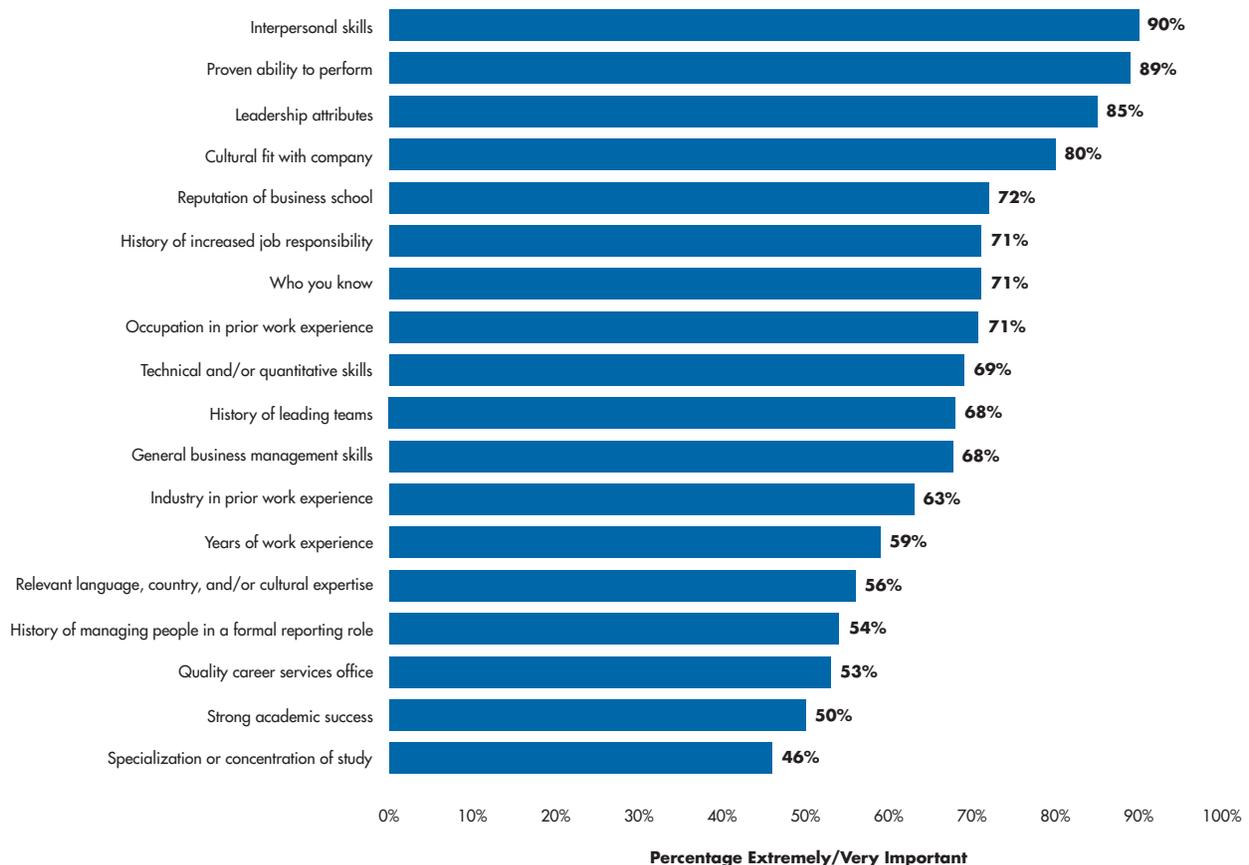


Figure 10. Important Factors in Obtaining a Job Interview

Locations of Employment

Overall, 18% of the respondents planned to work outside their countries of citizenship or authorized work areas. Table 3 shows the expected regions of the world in which respondents plan to work by the respondents' citizenship. Statistically, respondents from Asia, Latin America, and Europe were more likely than respondents from the United States and Canada to plan to work outside their countries of citizenship or authorized work areas.

Job Searches

A total of 65% of the respondents were searching for jobs at the time of the survey. However, statistically more respondents from full-time programs (81%) than from part-time (38%), and executive (31%) programs were actively searching for jobs at the time of the survey. Figure 11 presents the status of job offers among respondents who were searching for jobs at the time of the survey. As shown, since 2003 there has been a continuous increase in the percentage of respondents who have received or accepted offers of employment by the time of the survey.

Planned Location of Employment	Citizenship of Respondents (World Region)				
	Asia/Australia	United States	Canada	Latin America	Europe
Africa	0%	<1%	<1%	0%	0%
Asia/Australia	54%	1%	3%	1%	2%
Canada	6%	0%	91%	17%	2%
Europe	7%	1%	1%	10%	78%
Latin America	0%	<1%	<1%	39%	<1%
Middle East	1%	<1%	<1%	0%	<1%
United States	33%	97%	4%	33%	17%

Table 3.
Planned Location of Employment, by Citizenship of the Respondents



Figure 11.
Job Offer Status

There were no statistical differences by program type in the percentages of respondents who had received or accepted job offers. Instead, respondents who planned to work outside their countries of citizenship (47%) were significantly less likely than respondents planning to work within their countries of citizenship (56%) to have received job offers by the time of the survey.

On average, respondents had received 2.5 job offers by the time of the survey. Statistically, there were no differences by program type in the average numbers of job offers they had received. However, there were significant differences by program type in the sources of these job offers. As shown in Figure 12, on-campus recruiters and internships or work projects were the largest sources of job offers among respondents enrolled in full-time MBA programs. Organizations whom the respondents had contacted in off-campus searches were the largest sources of job offers among respondents at part-time MBA programs. Among respondents at executive programs, the largest numbers of job offers came from off-campus job searches and current or previous employers.

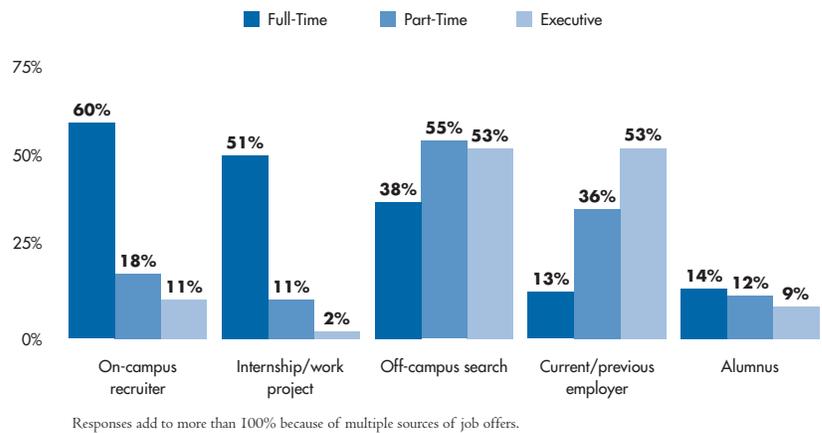


Figure 12.
Source of Job Offers, by MBA Program Type

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Respondents from Asia, Latin America, and Europe were more likely than respondents from the United States and Canada to plan to work outside their countries of citizenship or authorized work area. Those who planned to work outside their countries of citizenship were significantly less likely to have received job offers by the time of the survey.

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⁸ Gagne, M., & Deci, E.L. (2005). Self-determination theory and work motivation. *Journal of Organizational Behavior*, 26, 331-362.

Expected Changes in Salaries

Each year students specify their pre-MBA salaries and the salaries they expect to receive upon graduation. However, expected post-MBA salaries are often misleading because various factors affect the estimates over time, including the effects of inflation, respondent pre-MBA salaries, amounts of work experience, and regional cost of living differences, to name a few. To allow for greater comparability, this report looks at the expected changes in annual base salaries. Figure 13 shows the expected percentage changes in annual base salaries by program type and survey year. After an initial decline in the percentage increase in expected post-graduation salaries following the events of 2001, respondents at various graduate business programs have increased their expectations with regard to post-graduation salaries.

The class of 2007 had slightly higher salary expectations than did previous classes. Full-time student respondents expected a salary increase of 54%; part-time student respondents expected a 43% increase; and executive student respondents expected a 33% increase. Yet, there are differences within each program type by the numbers of years of pre-MBA work experience (Table 4). No matter the program type, respondents with fewer years of pre-MBA work experience expected greater increases in their salaries than did respondents with more years of work experience. The differences by work experience in expected changes in salaries were predicated on the pre-MBA salaries, which were typically greater among respondents with longer work histories. Thus, equivalent increases in dollar amounts equate with smaller percentage changes for these individuals than for respondents with lower pre-MBA salaries.

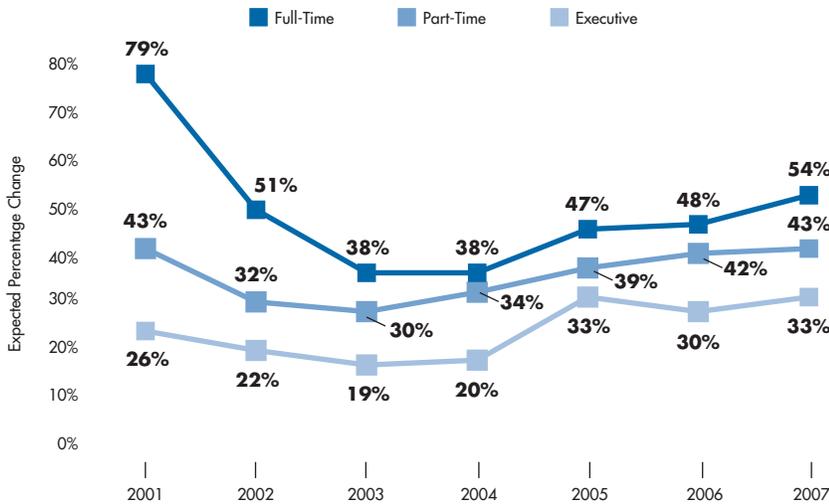


Figure 13.
Expected Percentage Change in Annual Base Salary,
by MBA Program Type and Survey Year

Program Type	Pre-MBA Work Experience		
	Less than 3 Years	3 Years, but Less than 6 Years	6 Years or More
Full-Time	87%	69%	40%
Part-Time	54%	55%	37%
Executive	50%	48%	31%

Table 4.
Expected Percentage Increase in Salary, by Program Type and Pre-MBA Work Experience

Figure I4 shows the expected percentage changes in annual base salaries by full-time MBA respondents' citizenships. As shown, there were significant differences among the expected salary increases by citizenship. Namely, respondents from Asia and Latin America, most of which were developing economies, expected significantly higher increases in their post-graduation salaries compared with respondents from the United States, Canada, and Europe, the developed economies. However, respondents from United States, Canada, and Europe had similar expectations with regard to their expected change in post-graduation salary.

Figure I5 shows the expected percentage change in annual base salary by the program in which the respondents were enrolled and their expected post-graduation industry of employment. As shown, there are multiple differences by post-graduation industry and program type. The greatest expected increase in salary was among respondents at full-time programs in the energy/utility industry. The smallest expected gain was among executive MBA students in the nonprofit/government industry.

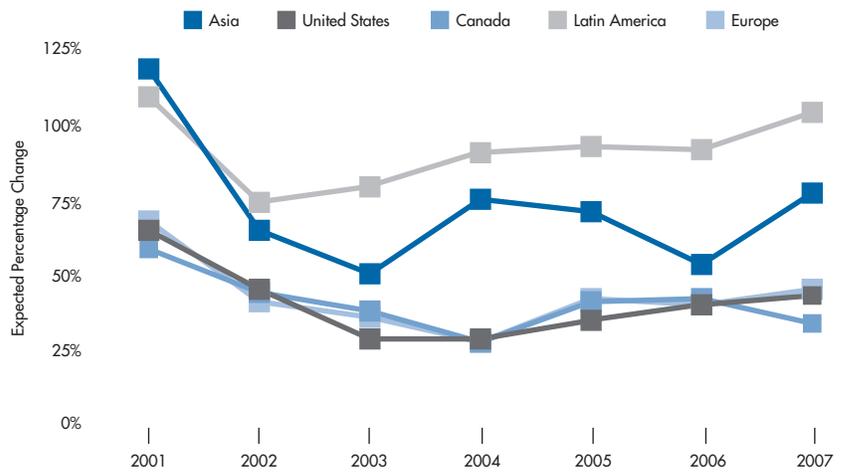


Figure 14. Expected Percentage Change in Annual Base Salary Among Full-Time Students, by Citizenship of the Respondent and Survey Year

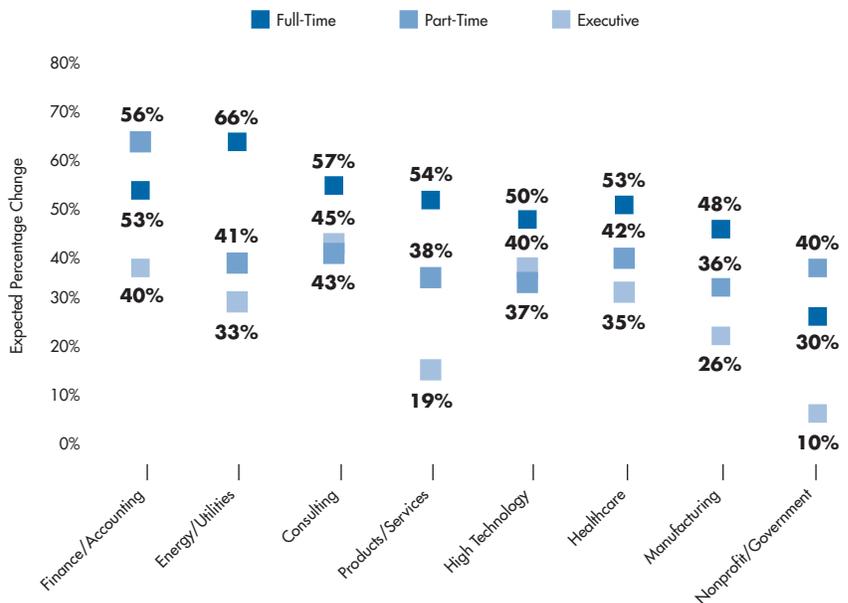


Figure 15. Expected Percentage Change in Annual Base Salary, by MBA Program Type and Post-Graduation Industry

The Millennials

Now that the first waves of the millennial generation are graduating from graduate business school, it is essential to understand their unique opinions, needs, and preferences. This is especially important given that the group will soon represent a greater percentage of incoming classes in the near future. According to GMAT® test-taker volume, the average annual rate of growth among test takers under the age of 24 is 8.5%, which is higher than the rate of growth calculated for older test-takers¹. For these reasons, this section of the report presents a profile of the millennials who make up the graduating class of 2007.

Who are the Millennials

The millennials represent individuals born between 1980 and 2000. Nearly one-third (31%) of the current respondents were part of the millennial generation. These millennials (43%) were significantly more likely than older respondents (30%) to be female and to have majored in business or commerce as an undergraduate (or first university) student—nearly one-half (49%) of the millennials compared with about one-third (32%) of older respondents majored in business or commerce.

The Graduate Business Education Experience

Millennials rated the quality of career services significantly higher compared with the rating among older respondents. However, the millennials were slightly, yet significantly less likely than older respondents to have rated the quality of the curriculum as outstanding or excellent. The millennials also financed their education differently compared with older respondents. They were more likely than older respondents to use grants, fellowships, scholarships, and government benefits, loans, and support from the parents. However, there was no significant difference in the perceived overall value of the graduate business education by age, and the drivers of overall value were similar.

Student Development and Career Expectations

There were no significant differences by age in the percentages of respondents who were satisfied with the KSAs developed in their core curriculum. Overall, the core curriculum appeared to be satisfying to respondents of all ages, and students improved their KSAs in their graduate business program.

The millennials were significantly more likely than older respondents to have named respect and recognition, the

right connections to get a good job in the future, and the potential for long-term income and financial stability as expectations for their graduate business program. Additionally, the millennials were slightly, but significantly more likely than older respondents to have planned to switch industries upon graduation.

The millennials appeared to favor a stable and structured work environment that emphasizes teamwork while allowing for flexibility. When choosing an employer, the millennials were more likely than older respondents to consider the following as important criteria: location, physical surroundings, the opinion of others, an emphasis on work-life balance, company stability, and an emphasis on community and inclusion. When choosing a job, millennials were more likely than older respondents to consider the following as important criteria: a benefits package, competitive salary, job security, advancement opportunity, an opportunity to work or travel in a foreign country, and flexible schedules. In comparison to older respondents, the millennials prefer an organization where the decision-making is centralized, the atmosphere is formal, where responsibilities are clearly defined, and the procedures are formalized.

More than half of the millennials intend to work in the finance/accounting (28%) or products/services (26%) industries. An additional 20% plan to work in the consulting industry. More than half of the millennials intend to hold either a finance/accounting (32%) or marketing/sales (23%) position.

Job Searches and Expected Salaries

The millennials were more likely than older respondents to have indicated that they were currently searching for a job. Yet among all respondents searching for a job, there was no significant difference by age in the percentage of respondents who had received an offer of employment. As shown previously, lower pre-MBA salaries among the millennials as compared with older respondents helps explain the difference in expected post-MBA salary changes. The millennials expect a 67% increase in their annual salary compared with a 45% increase in expected annual salary among older respondents.

Indian Student Respondents

Overall, 6% (n = 274) of the respondents were citizens of India. Among these Indian respondents, 81% were male and 19% were female. The average age of the respondents was 29 years old. The vast majority of the Indian respondents were attending school outside of India (89%), which is not surprising considering only one school in India participated in this year's survey. Of the respondents who attended schools outside of India, 66% attended in the United States, 16% in Canada, 10% in Europe, and 8% in Asia/Australia.

The Graduate Business Education Experience

Respondents from India rated the quality of the admissions and fellow students significantly lower than other respondents. Indian respondents were more likely than other respondents to have financed their education with loans, their spouse's or partner's earnings, personal savings, and support from their parents. There were no differences in the ratings of overall value when comparing respondents from India and other respondents.

Student Career Expectations

Indian respondents were more likely than other respondents to have expected the graduate business program to help them change industries, expand their international employment opportunities, and provide the opportunities to contribute to solving some of the world's problems.

Respondents from India were significantly more likely than other respondents to have indicated plans to switch industries and job functions. The most attractive industries among respondents from India, each with a net increase, are the finance/accounting, consulting, and healthcare industries.

Nearly three-quarters (74%) of Indian respondents have plans to work outside of India. Yet 55% of those who plan to work outside India plan to work outside India on a temporary work visa and then return to India. Among those who plan to work outside of India, 63% plan to work in the United States, and about a third plan to work in either Asia (12%), Canada (12%), or Europe (12%).

Job Searches and Expected Salaries

Indian respondents were more likely than other respondents to have been searching for a job at the time of the survey. However, there was no significant difference compared with other respondents in the percentage who have received an offer of employment. On average, respondents from India expect to receive a 98% increase in salary. However, respondents who plan to work in India expect a 43% increase compared with a 119% increase among those who plan to work outside of India.



Millennials appeared to favor a stable and structured work environment that emphasizes teamwork while allowing for flexibility. More than half intend to work in the finance/accounting (28%) or products/services (26%) industries.



European Student Respondents

Overall, 11% (n = 502) of the respondents were from Europe. Among the European respondents, 78% were from Western Europe and 22% were from Eastern Europe. Respondents from Eastern Europe (44%) were significantly more likely than respondents from Western Europe (20%) to be female. The average age of respondents from Western Europe was 31 years old, and respondents from Eastern Europe were 30 years old on average, a statistically significant difference. Respondents from Eastern Europe (78%) were significantly more likely than respondents from Western Europe (55%) to be attending a school outside their country of citizenship.

The Graduate Business Education Experience

Respondents from Western Europe were significantly more satisfied compared with respondents from Eastern Europe with the quality of the program curriculum and their fellow students. Eastern European respondents were more likely than respondents from Western Europe to have financed their education with grants, fellowships, scholarships, and other government benefits; personal earnings; and their spouse's/partner's earnings. On the other hand, respondents from Western Europe were more likely to finance their education with personal savings. There was no significant difference in the overall value rating between respondents from Eastern and Western Europe.

Student Career Expectations

Eastern European respondents were more likely than Western European respondents to expect a sense of personal satisfaction and achievement, the confidence needed to succeed, the ability to expand their international employment opportunities, the ability to remain marketable, and the potential for long-term income and financial stability. Respondents

from Western Europe were more likely to expect their program to improve their ability to switch industries.

The top three industries in which respondents from Western Europe plan to work after graduation were consulting (26%), products/services (21%), and finance/accounting (19%). The same three industries were the primary industries respondents from Eastern Europe intend to work for after graduation, except in a different order—finance/accounting (32%), products/services (22%), and consulting (21%).

Respondents from Western Europe (67%) were significantly more likely than respondents from Eastern Europe (45%) to plan on working within their country of citizenship or authorized work area. Among the respondents who plan to work outside their country of citizenship, respondents from Eastern Europe (66%) were twice as likely as respondents from Western Europe (33%) to plan to work in the United States.

Job Searches and Expected Salaries

Statistically, respondents from Eastern Europe and Western Europe were at similar stages in the job search process. Respondents from Western Europe expect to increase their salary by 46% after graduation, and Eastern European respondents expect a 71% increase in their salary.

Other Masters of Business Degree Student Respondents

Two hundred thirty-one respondents indicated that they were in a non-MBA graduate business program. Of these respondents, 79% were attending their program full-time, 20% were attending part-time, and 1% indicated that the program contained portions that were part-time and full-time. Some of the other Master's of Business degree programs in which the respondents were enrolled include Master's of Accounting, Master's of Taxation, Master's of Finance, Master's of International Business, Master's of Labor and Human Resources, Master's of Marketing, Master's of Information Technology, and post-graduate programs in management.

Overall, 52% of these respondents were female, and 48% were male. The average age of the respondent was 27 years old. The majority of respondents were from the United States (58%), followed by Europe (25%), Asia (15%), and Latin American (3%). Three-quarters of these respondents attended schools in the United States and 21% attended schools in Europe.

The Graduate Business Education Experience

Two-thirds (66%) of the respondents at various Master's-level programs in business felt that the quality of the faculty was outstanding or excellent. The curriculum and fellow students were the next two components of the program respondents considered of high quality. Career services and student services were the only two components that fewer than half of the respondents indicated as being outstanding or excellent. Students of other Master's of business programs financed their degree in

the following manner: 41% had support from their parents; 40% received grants, fellowships, scholarships or government benefits; 32% used their personal savings; and 30% received loans. Overall, 68% of the respondents considered the value of their degree to be outstanding or excellent.

Student Career Expectations

Seventy percent or more of the respondents specified a sense of personal satisfaction and achievement (73%), the credential needed to increase career options (73%), the potential for long-term income and financial stability (71%), and an increase in long-term potential through the development of skills and abilities as outcomes they expect to receive from their graduate business program.

Half of the respondents plan to change industries upon graduation, and 43% plan to change their job function. The top three industries respondents plan to enter after graduation include finance/accounting (51%), consulting (15%), and products/services (14%). The most common job functions were finance/accounting (52%), marketing/sales (12%), human resources (11%), and consulting (10%).

Job Searches and Expected Salaries

Overall, 65% of the respondents at various Masters-level programs in business reported that they were searching for a job at the time of the survey. Among these respondents, 60% had received or accepted an offer of employment. These respondents received 2.4 job offers on average. Furthermore, respondents expect to receive a 20% increase in their pre-graduate business school salaries upon graduation.

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Overall, 68% of the respondents considered the value of their degree to be outstanding or excellent.
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Respondents in full-time programs expected a salary increase of 54%; part-time students expected a 43% increase; and executive students expected a 33% increase in salary.



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

Contact Information

For questions or additional information regarding the study, please contact the GMAC® Research and Development department at research@gmac.com.

Authorship

The following individual(s) made significant contributions to the concept and design or analysis and interpretation of data, drafting/revising of the manuscript for intellectual content, and final approval of the manuscript to be published:

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GMAC® wants to thank the 158 school contacts who took the time to sign up and participate in this survey. Also, we would like to thank the 5,641 graduate business students who completed the questionnaire. Without you, this report would not have been possible.

¹ GMAC® (2005). MBA Alumni Perspectives Survey. Graduate Management Admission Council®.
² GMAC® (2005). Mba.com Registrants Follow-Up Survey. Graduate Management Admission Council®.
³ GMAC® (2006). Global MBA® Graduate Survey. Graduate Management Admission Council®.
⁴ Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook, 2006-07 Edition*, Medical and Health Services Managers, on the Internet at www.bls.gov/oco/ocos014.htm (visited April 17, 2007).
⁵ GMAC® (2006). Profile of Graduate Management Admission Test® Candidates: Five-Year Summary. Graduate Management Admission Council®.

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

Other surveys include—

mba.com Registrants Survey

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

Application Trends Survey

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

Corporate Recruiters Survey

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

MBA Alumni Perspectives Survey

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

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