

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

TABLE OF CONTENTS	
ECONOMIC CONDITIONS AND EFFECTS ON RECRUITING PLANS	
1	Year-to-Year Comparison
NEW PROFESSIONAL HIRES	
2	Number of New Professional Hires
2	Hiring Mix, by Percent
3	Companies Not Hiring
4	Year-to-Year Comparisons: MBA Hires
RECRUITMENT PRACTICES	
5	How Companies Obtain MBA Talent
7	Channels Used to Recruit New MBA Hires
8	Diversity Recruiting Initiatives
10	Job Areas for Which Companies Recruit
RECRUITING ACTIVITY	
11	Number of Schools Visited
12	Year-to-Year Comparison
12	Timing of Campus Interviews
13	Timing of Job Offers
14	Selecting MBA Schools
17	Establishing and Maintaining Relationships with Graduate Business Schools
18	Barriers to Effective Recruiting and Selection
19	Barriers to Effective On-Campus Recruiting
19	Services from MBA Career Services Office
ASSESSMENT AND SELECTION IN HIRING NEW MBAS	
20	Assessment Methods
21	New MBA Hires Selection Criteria
24	What MBA Skills Companies Find Attractive
25	What MBA Skills Need to Be Strengthened
SALARY AND COMPENSATION	
26	Base Salary
27	Other Compensation
27	Total Compensation
28	Year-to-Year Comparison
28	NonMonetary Incentives
29–ORGANIZATION CULTURE	
31	Comparison of Preferences

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

ECONOMIC CONDITIONS AND EFFECTS ON RECRUITING PLANS

The majority of respondents feel the economy is weak—82%, as shown in the following table. However, of those with this opinion, there is a 50-50 split between those who say the weak economy is affecting their recruiting plans for new professional hires and those who say it is not.

CURRENT ECONOMIC CONDITIONS AND RECRUITING PLANS		
		<i>n</i> = 1,300
Economic conditions and their effects	Economy weak, constraining recruiting plans	41%
	Economy weak, not constraining recruiting plans	41%
	Economy not weak	18%
	Total	100%
		<i>n</i> = 1,300
Economic conditions (Economy weak, combined)	Economy weak	82%
	Economy not weak	18%
	Total	100%
		<i>n</i> = 1,065
Effects of weak economy (Economy not weak, removed)	Constraining recruiting plans	50%
	Not constraining recruiting plans	50%
	Total	100%

Year-to-Year Comparison

Even though 82% of respondents say the economy is weak in the 2003–04 survey, this is a considerable improvement over recruiters' opinions in the two prior years that the Corporate Recruiters Survey has been conducted. As shown in the following table, between 2001–02 and 2002–03, the percentage dropped from 99% to 96%, a decline that is not statistically significant. The declines from 99% and 96%, however, are statistically significant compared with the current year—a *real* change in their opinion is occurring.

CURRENT ECONOMIC CONDITIONS AND RECRUITING PLANS				
		Time Period		
		2001–02 <i>n</i> = 544	2002–03 <i>n</i> = 902	2003–04 <i>n</i> = 1,065
Economic conditions and their effects*	Economy weak, constraining recruiting plans	68%	55%	41%
	Economy weak, not constraining recruiting plans	31%	41%	41%
	Economy not weak	1%	4%	18%
	Total	100%	100%	100%
Economic conditions* (Economy weak, combined)	Economy weak	99%	96%	82%
	Economy not weak	1%	4%	18%
	Total	100%	100%	100%
Effects of weak economy* (Economy not weak, removed)	Constraining recruiting plans	69%	57%	50%
	Not constraining recruiting plans	31%	43%	50%
	Total	100%	100%	100%

* *p* < .05

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

There is also a *real* change over the three years in the extent to which a weak economy is constraining recruiting plans—from 69% in 2001–02 to 57% in 2002–03 to 50% in 2003–04. Each year-to-year change is statistically significant. The effect of a weak economy on recruiting plans is decreasing consistently.

NEW PROFESSIONAL HIRES

Respondents indicated the actual number for each of the four sources of new professional hires for 2003—direct-from-industry, MBA graduates, other graduates, undergraduates—and then estimated the number of hires for 2004. Therefore, it is possible to make comparisons between 2003 and 2004 and also to calculate the hiring mix for each time period.

As shown in the table below, the mean number of professional hires increased for each of the four sources listed. For three of the four sources—all but direct-from-industry hires—the increase is statistically significant.

NUMBER OF NEW HIRES ¹		
	2003	2004
	Mean	Mean
Direct-from-industry	25	32
MBA graduates	9	11
Other graduates	7	10
Undergraduates	29	38

Thirteen percent of all 2003 new MBA hires in the sample required a work permit. Eighteen percent of all 2003 direct-from-industry hires in the sample had MBA degrees.

Hiring Mix, by Percent

To determine the proportional distribution of new hires, a hiring mix was calculated for actual hires in 2003 and estimated hires in 2004, as shown in the following table.

HIRING MIX (PERCENTS) ²		
	Actual 2003	Expected 2004
	Mean	Mean
Direct-from-industry	38%	34%
MBA graduates	26%	33%
Other graduates	9%	10%
Undergraduates	27%	23%

¹ Although respondents were asked to indicate the number of new hires for their company, some respondents indicated that their responses reflected the number of new hires for their division, department, or group. Therefore, we cannot assume these numbers reflect true hiring numbers for the population; we are, however, able to identify trends in hiring.

² In order to calculate the hiring mix for each company, the number of hires was summed across the four sources for each respondent providing complete data. Then the percent contribution of each source to the mix was calculated for each respondent. These percentages were averaged across respondents to determine the overall hiring mix. This process has the effect of equally weighting mix data from companies that are of different sizes.

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

The decrease in the direct-from-industry share of the hiring mix and the increase in the share of MBA graduates in the hiring mix are statistically significant. The observable differences for other graduates and undergraduates are not statistically significant.

Companies Not Hiring

The hiring numbers and mix data notwithstanding, some companies hired no new MBA graduates in 2003. Respondents in these companies were asked their main reasons for not hiring new MBA graduates. Results are shown in the following table. More than one-third of the respondents (35%) said there were no job openings at the company. Slightly more than one-fifth said the company anticipated limited growth (22%) or that available MBA candidates did not match job requirements (21%). Other reasons were given by one-fifth or less of the respondents.

MAIN REASONS COMPANY DID NOT HIRE NEW MBA GRADUATES IN 2003	
	<i>n</i> = 143
No job openings at company	35%
Limited company growth anticipated	22%
Available MBA candidates did not match my job requirements	21%
Hiring freeze in our organization	18%
MBA entry-level salary demands are too high	15%
Company in process of reducing headcount	15%
MBA skills/resources are not critical in my company	15%
Recruiting resources were allocated to experienced hires direct from industry	14%
Timing of job openings did not match availability of MBA graduates	13%
Recruiting resources were allocated to new undergraduate hires	8%
Obtained MBA talent by sponsoring current employees in MBA programs	6%
Offers made to MBAs were not accepted	4%
Other	3%
Don't know	2%

A statistical factor analysis³ was conducted to determine the association of items to each other. This allows us to better understand the underlying reasons companies had for not hiring MBA graduates.

Reasons for not hiring fell into five categories, as the following table shows.

MAIN REASONS COMPANY DID NOT HIRE NEW MBA GRADUATES IN 2003	
Hiring Restrictions	
No job openings at company	35%
Hiring freeze in our organization	18%
Company in process of reducing headcount	15%
MBA entry-level salary demands are too high (<i>Negative correlation</i>)	15%
Timing and Availability	
Available MBA candidates did not match my job requirements	21%
Timing of job openings did not match availability of MBA graduates	13%
Obtained MBA talent by sponsoring current employees in MBA programs	6%

³ See Methodology for an explanation of statistical factor analysis.

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

MAIN REASONS COMPANY DID NOT HIRE NEW MBA GRADUATES IN 2003	
Value of MBA Resources	
MBA skills/resources are not critical in my company	15%
MBA entry-level salary demands are too high	15%
No job openings at company (<i>Negative correlation</i>)	35%
Direct-from-Industry Focus	
Recruiting resources allocated to experienced hires direct from industry	14%
Limited company growth anticipated (<i>Negative correlation</i>)	22%
Undergraduate-Level Recruitment	
Recruiting resources were allocated to new undergraduate hires	8%
Offers made to MBAs were not accepted	4%
Limited company growth anticipated (<i>Negative correlation</i>)	22%

A negative correlation indicates a relationship within a category that is in the opposite direction of other items in the category. That is, in the factor group *Hiring Restrictions*, recruiters are saying they did not hire MBA graduates in 2003 because there were no job openings, probably due to their company's need to freeze hiring or reduce headcount, not because MBA entry-level salary demands are too high.

In the factor group *Timing and Availability*, recruiters are saying they did not hire MBA graduates in 2003 because the available MBA candidates did not match their job requirements, timing of job openings did not match availability of MBA graduates, and/or they obtained MBA talent by sponsoring current employees in MBA programs instead.

In the factor group *Value of MBA Resources*, recruiters are saying they did not hire MBA graduates in 2003 because MBA skills/resources were not critical in their company, so they were unwilling to meet their salary demands, not because there were no job openings in their company.

In the factor group *Direct-from-Industry Focus*, recruiters are saying they did not hire MBA graduates in 2003 because they hired direct from industry, not because limited company growth was anticipated.

In the factor group *Undergraduate-Level Recruitment*, recruiters are saying they did not hire MBA graduates in 2003 because they hired undergraduates, perhaps because their offers to MBA graduates were not accepted, but not because they anticipated limited company growth.

Year-to-Year Comparisons: MBA Hires

Respondents in each of the preceding Corporate Recruiters Surveys provided data on the number of new MBA hires. The average number of new MBA hires has declined over time; however, the declines are not statistically significant.

NUMBER OF NEW MBA HIRES	
Time Period	Mean
2001–02	13
2002–03	11
2003–04	9

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

Both the direct-from-industry and MBA shares of the hiring mix have been stable over the three survey periods. That is, differences reported in the following table are not statistically significant. These data do suggest, however, an inverse relationship between the direct-from-industry share of the hiring mix and the MBA share. When the direct-from-industry share of the hiring mix increases, the MBA share decreases—and vice versa.

HIRING MIX			
	2001–02	2002–03	2003–04
	Mean	Mean	Mean
Direct-from-industry	35%	44%	38%
MBA programs	31%	23%	26%

HOW COMPANIES OBTAIN MBA TALENT

As shown in the following table, more than two-fifths of respondents say their company sustains a formal or centralized MBA recruiting program to obtain MBA talent (42%). Nearly two-fifths (38%) say their companies recruit new MBA graduates on an as-needed basis. Thirty-two percent obtain MBA talent through their MBA intern pool; and nearly that many (31%) recruit new MBA graduates on a planned periodic basis. One-fourth recruit experienced direct-from-industry hires who have MBAs (26%); 25% recruit new MBA graduates on an informal or decentralized basis.

COMPANY PRACTICES TO OBTAIN MBA TALENT ⁴	
	<i>n</i> = 1,300
Sustain a formal or centralized MBA recruiting program	42%
Recruit new MBA graduates on an as-needed basis	38%
Obtain MBA talent through MBA intern pool	32%
Recruit new MBA graduates on a planned periodic basis	31%
Recruit experienced direct-from-industry hires who have MBAs	26%
Recruit new MBA graduates on an informal or decentralized basis	25%
Develop MBA talent by sponsoring current employees to attend MBA programs	21%
Consider MBAs, but do not actively recruit them	16%
Other	1%
Don't know	6%

Because respondents could select multiple ways of obtaining MBA talent, we conducted an in-depth analysis to better understand the patterns reflected by their responses. This analysis revealed that most companies use more than one way to obtain MBA talent. For example, only 7% exclusively recruit new MBA graduates on an as-needed basis; only 6% exclusively sustain a formal or centralized MBA program; only 6% exclusively consider MBAs, but do not actively recruit them; and only 3% exclusively recruit new MBAs on an informal or decentralized basis.

It is important, then, to examine the other ways MBA talent is obtained by companies (reflected in their multiple responses). Whereas 42% of respondents say their company sustains a formal or centralized MBA recruiting program, the following table shows which other practices they use to obtain MBA talent. One-half or more of those companies recruit new MBA graduates on a planned periodic basis (53%) and obtain MBA talent through an MBA intern pool (52%). One-third develops MBA talent by sponsoring current employees to attend MBA programs, and 30% recruit experienced direct-from-industry hires who have MBAs.

⁴ Percentages do not add to 100% due to multiple responses.

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

OTHER PRACTICES TO OBTAIN MBA TALENT AMONG COMPANIES THAT SUSTAIN A FORMAL OR CENTRALIZED MBA RECRUITING PROGRAM⁵	
	<i>n</i> = 544
Recruit new MBA graduates on a planned periodic basis	53%
Obtain MBA talent through MBA intern pool	52%
Develop MBA talent by sponsoring current employees to attend MBA programs	33%
Recruit experienced direct-from-industry hires who have MBAs	30%
Recruit new MBA graduates on an as-needed basis	23%
Recruit new MBA graduates on an informal or decentralized basis	13%
Consider MBAs, but do not actively recruit them	2%

Similarly, those respondents who indicated that their companies recruit MBAs on an as-needed basis (38%) can be examined to see the other ways they obtain MBA talent. As the following table shows, 39% recruit new MBA graduates on an informal or decentralized basis, 31% recruit experienced direct-from-industry hires who have MBAs, and 30% obtain MBA talent through an MBA intern pool.

OTHER PRACTICES TO OBTAIN MBA TALENT AMONG COMPANIES THAT RECRUIT MBAS ON AN AS-NEEDED BASIS⁶	
	<i>n</i> = 490
Recruit new MBA graduates on an informal or decentralized basis	39%
Recruit experienced direct-from-industry hires who have MBAs	31%
Obtain MBA talent through MBA intern pool	30%
Sustain a formal or centralized MBA recruiting program	25%
Develop MBA talent by sponsoring current employees to attend MBA programs	22%
Recruit new MBA graduates on a planned periodic basis	19%
Consider MBAs, but do not actively recruit them	16%

Among companies that consider MBAs but do not actively recruit them, 37% recruit new MBAs on an as-needed basis and one-fourth recruit new MBAs on an informal or decentralized basis. Twenty-one percent recruit experienced direct-from-industry hires who have MBAs.

OTHER PRACTICES TO OBTAIN MBA TALENT AMONG COMPANIES THAT CONSIDER MBAS, BUT DO NOT ACTIVELY RECRUIT THEM	
	<i>n</i> = 210
Recruit new MBA graduates on an as-needed basis	37%
Recruit new MBA graduates on an informal or decentralized basis	25%
Recruit experienced direct-from-industry hires who have MBAs	21%
Develop MBA talent by sponsoring current employees to attend MBA programs	14%
Obtain MBA talent through MBA intern pool	12%
Sustain a formal or centralized MBA recruiting program	5%
Recruit new MBA graduates on a planned periodic basis	5%

Finally, among companies that recruit new MBA graduates on an informal or decentralized basis, three-fifths recruit new MBA graduates on an as-needed basis, 31% obtain talent through an MBA intern pool, and 30% recruit direct-from-industry hires who have MBAs. More than one-fifth (22%) also sustain a formal or centralized MBA recruiting program.

⁵ Percentages do not add to 100% due to multiple responses.

⁶ Percentages do not add to 100% due to multiple responses.

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

OTHER PRACTICES TO OBTAIN MBA TALENT AMONG COMPANIES THAT RECRUIT ON AN INFORMAL OR DECENTRALIZED BASIS	
	<i>n</i> = 324
Recruit new MBA graduates on an as-needed basis	60%
Obtain MBA talent through MBA intern pool	31%
Recruit experienced direct-from-industry hires who have MBAs	30%
Recruit new MBA graduates on a planned periodic basis	26%
Sustain a formal or centralized MBA recruiting program	22%
Develop MBA talent by sponsoring current employees to attend MBA programs	21%
Consider MBAs, but do not actively recruit them	16%

Asked separately if their companies have a management rotation program, 31% of respondents said their companies do.

CHANNELS USED TO RECRUIT NEW MBA HIRES

Respondents who sustain a formal, centralized program or a decentralized program, as well as those who recruit new MBA hires on a planned periodic basis or on an as-needed basis, supplied information on the channels they use to recruit new MBA hires. That is, these respondents selected from a list of channels used by their companies. The following table reports the results. As the table shows, more than three-fourths use on-campus MBA interview schedules and supporting activities (78%). More than one-half have an MBA internship program and/or company project support (58%) or use the company's Web site and job postings (52%). Nearly one-half rely on in-house employee/alumni referrals (47%). Other channels used are listed below in descending order of the frequency of their use. Government employment services, trade publications and magazines, and newspapers (school, local, and national) are the channels used the least.

CHANNELS USED TO RECRUIT NEW MBA HIRES⁷	
	<i>n</i> = 1,074
On-campus MBA interview schedules and supporting activities	78%
MBA internship program and/or company project support	58%
Company's Web site and job postings	52%
In-house employee referral/alumni referrals	47%
Job fairs/consortiums	45%
Resumes drop or books	42%
School Web sites and their Web posting services	34%
Internet search engines and job-posting boards	28%
Professional (industry- or function-specific) organizations/conferences	18%
Professional recruiting/ employment agencies	16%
Off-campus company-site visits by school groups	15%
Local and/or national newspapers	9%
School newspapers	7%
Trade publications and magazines	6%
Government employment services	1%

⁷ Percentages do not add to 100% due to multiple responses.

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

After indicating all of the channels used by their companies, respondents who had selected more than one channel were presented with a list of the channels they had selected and asked to select the company's main source for new MBA hires. By combining these respondents with those who had selected one channel only in the earlier question on all channels used, it is possible to determine the main source for all respondents exposed to the channels question. Results are shown in the following table.

More than one-half of the respondents said their main source was on-campus MBA interview schedules and supporting activities (53%), whereas 15% indicated an MBA internship programs and/or company project support. Close to 6% each said either the company's Web site and job postings or in-house employee/alumni referrals. School Web sites and their Web posting services and Internet search engines/job-posting boards are the main source for 4% each.

ONE MAIN CHANNEL USED TO RECRUIT NEW MBA HIRES	
	<i>n</i> = 1,048
On-campus MBA interview schedules and supporting activities	53%
MBA internship program and/or company project support	15%
Company's Web site and job postings	6%
In-house employee referral/alumni referrals	6%
School Web sites and their Web posting services	4%
Internet search engines and job-posting boards	4%
Professional recruiting/employment agencies	3%
Job fairs/consortiums	3%
Resumes drop or books	3%
Local and/or national newspapers	1%
Off-campus company-site visits by school groups	0%
Professional organizations/conferences	0%
School newspapers	0%
Government employment services	0%
Other	0%
Total	100%

DIVERSITY RECRUITING INITIATIVES

Respondents answered the following question about their diversity recruiting initiatives: "In which of the following categories does your company have diversity recruiting initiatives, if any?" One-fourth of the respondents did not know if their companies had diversity recruiting initiatives. Among those who did know, responses are shown below.

DIVERSITY RECRUITING INITIATIVES ("DON'T KNOW" REMOVED)	
	<i>n</i> = 969
Women	54%
Race/ethnicity	58%
Nationality	13%
Other	5%
No diversity recruiting initiatives	34%

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

As the table shows, more than half of the respondents indicated that their companies have diversity recruiting initiatives based on race/ethnicity (58%) or for women (54%). Thirty-four percent have no diversity recruiting initiatives. Among all companies, then, this table reflects the *nature* and *extent* of their diversity recruiting.

The following table is necessary for understanding the *nature* of diversity recruiting among companies that do have initiatives.

DIVERSITY RECRUITING INITIATIVES (AMONG COMPANIES WITH INITIATIVES)	
	<i>n</i> = 644
Women	81%
Race/ethnicity	88%
Nationality	19%
Other	8%

More than four-fifths of respondents in companies with diversity recruiting initiatives focus those initiatives on race/ethnicity or women. Slightly less than one-fifth focus on nationality. Although high in both cases, the focus on race/ethnicity is significantly greater (statistically) than the focus on women; and the focus on both is significantly greater than the focus on nationality.

The strategies that companies use to meet their diversity recruiting initiatives are shown in the following table. As the table shows, more than three-fifths (62%) attend diversity job fairs. And more than one-half (55%) target schools with known diverse student populations. Nearly one-half (47%) cultivate partnerships with target affinity groups' professional and/or campus organizations. More than two-fifths (41%) reach out to target affinity groups for internships, assistantships, and similar positions. Other strategies are used to a lesser extent, as shown.

STRATEGIES USED TO MEET DIVERSITY RECRUITING INITIATIVES⁸	
	<i>n</i> = 627
Attend diversity job fairs	62%
Target schools with known diverse student populations	55%
Cultivate partnerships with target affinity groups' professional and/or campus organizations	47%
Reach out to target affinity groups for internships, assistantships and similar positions.	41%
Ensure that recruiters interviewing targeted groups are diverse themselves	39%
Cultivate relationships with target affinity groups' community organizations	33%
Ask employees in target affinity groups to provide referrals and mentoring	27%
Support scholarships for target affinity group candidates	21%
Monitor/place employment advertising in target affinity groups' publications	17%
Depend on the Career Services Office for special outreach to targeted groups	15%
Utilize diversity search firms	10%
Other	1%
Don't know	9%

⁸ Percentages do not add to 100% due to multiple responses.

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

JOB AREAS FOR WHICH COMPANIES RECRUIT

Asked the general job areas for which they personally recruit, respondents to the Corporate Recruiters Survey 2003–04 report finance as the area in which recruiting activity is the greatest (62%), and marketing in second place at 49%.

The general job areas for which respondents *personally* recruit have changed significantly during the three years that the Corporate Recruiters Survey has been conducted. However, as discussed in the methodology section of the report, so, too, have the industries represented in the three surveys. Because industries have different recruiting needs, the changes discussed below may be the result of differences in sample composition rather than real differences in overall demand for different job areas. The following table shows how recruiting for different job areas has changed over the three years.

GENERAL JOB AREAS FOR WHICH COMPANIES RECRUIT			
	Time Period		
	2001–02	2002–03	2003–04
	<i>n</i> = 550	<i>n</i> = 560	<i>n</i> = 623
Finance*	52%	56%	62%
Marketing*	31%	34%	49%
Accounting*	22%	17%	30%
General Management*	22%	22%	29%
Operations & Logistics*	20%	15%	28%
Information Technology/MIS*	25%	15%	26%
Consulting*	24%	18%	21%
HR/ Organization Mgmt*	13%	9%	17%

* $p < .05$

For the eight job areas with available data over the three survey years, changes are as follows:

- Finance—a significant increase from 2002–03 to 2003–04. This appears to continue a trend that started in 2001–02; however, the difference between 2001–02 and 2002–03 is not statistically significant.
- Marketing—a significant increase from 2002–03 to 2003–04. This also appears to continue a trend that started in 2001–02; however, like finance, the difference between 2001–02 and 2002–03 is not statistically significant.
- Accounting—a significant increase from 2001–02 to 2002–03 to 2003–04.
- General Management—a significant increase from the two prior survey years to 2003–04.
- Operations & Logistics—a significant increase from 2001–02 to 2002–03 to 2003–04.
- Information Technology/MIS—a significant decline from 2001–02 to 2002–03, followed by a significant increase to 2003–04.
- Consulting—a significant decline from 2001–02 to 2002–03. This is followed by a nonsignificant change in 2003–04, suggesting that recruiting in this job area has stabilized.
- HR/Organization Management—a nonsignificant decline from 2001–02 to 2002–03, followed by a significant increase from 2002–03 to 2003–04.

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

RECRUITING ACTIVITY AT SCHOOLS

All respondents who had earlier indicated that their companies have on-campus interview schedules and supporting activities provided an actual number of schools their companies recruited at in 2003 and an estimate for 2004. Recruiters provided the same data for the number of schools where they personally recruited.

Companies and recruiters varied widely in the number of schools they recruited at in 2003—from one to 299 for companies and from one to 55 for recruiters. The average company recruited at nine schools in 2003, and the average recruiter, at three schools. Estimates for 2004 show no change from actual levels for 2003 for either companies or recruiters.

Because of the wide differences in activity levels for both companies and recruiters, it is useful to examine each in more detail. For companies, this examination shows that more than one-fourth of companies in the sample (26%) recruited at three or fewer schools in 2003 and that one-third recruited at four, but fewer than seven schools, as shown below. More than two-fifths (41%) recruited at seven or more schools.

NUMBER OF SCHOOLS IN WHICH COMPANY RECRUITS MBAS		
	Actual 2003	Estimate 2004
	<i>n</i> = 534	<i>n</i> = 502
3 or less	26%	23%
4, but less than 7	33%	35%
7 or more	41%	43%
Total	100%	100%
Mean	9	9

For recruiters, slightly more than two-fifths (41%) recruited at only one school; 34% recruited at two, but fewer than four schools; and 25% recruited at four or more schools (also shown in the following table). As suggested from the discussion of means above, there is little difference between actual activities in 2003 and estimated activities for 2004.

NUMBER OF SCHOOLS IN WHICH RESPONDENTS ARE PERSONALLY RECRUITING		
	Actual 2003	Estimate 2004
	<i>n</i> = 534	<i>n</i> = 502
1	41%	39%
2, but less than 4	34%	34%
4 or more	25%	27%
Total	100%	100%
Mean	3	3

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

Year-to-Year Comparison

For each of the three years the Corporate Recruiters Survey has been conducted, respondents have provided data on the number of schools in which their companies have recruited. The following table shows the average number of schools for each year. The decline from 2001–02 to 2002–03 is statistically significant, but the increase from 2002–03 to 2003–04 is not.

NUMBER OF SCHOOLS IN WHICH COMPANY RECRUITS MBAS	
Time Period	Mean
2001–02	11
2002–03	8
2003–04	9
p = < .05	

Recruiters supplied data on the number of schools at which they personally recruited in 2002–03 and 2003–04 (but not in 2001–02). The average number of schools remained stable at three during the two time periods, as shown below.

NUMBER OF SCHOOLS IN WHICH RESPONDENTS ARE PERSONALLY RECRUITING	
Time Period	Mean
2002–03	3
2003–04	3

TIMING OF CAMPUS INTERVIEWS

Respondents with companies that have on-campus interview schedules and supporting activities were asked to indicate their actual timing of campus interviews in 2003 and expected timing in 2004. Their responses are compared with actual timing in 2002, as reported by respondents in the Corporate Recruiters Survey 2002–03, and shown in the following table.

There are no significant differences in year-to-year changes in timing of interviews.

TIMING OF CAMPUS INTERVIEWS FOR FULL-TIME MBA GRADUATES⁹			
	Time Period		
	Actual 2002	Actual 2003	Expected 2004
	<i>n</i> = 443	<i>n</i> = 727	<i>n</i> = 741
Six or more months prior to graduation	67%	67%	66%
Three or more months prior to graduation	17%	18%	19%
Within weeks of graduation	5%	3%	2%
Interview as needed	12%	12%	13%
Total	100%	100%	100%

⁹ In order to understand actual timing, it is necessary to remove responses from the calculations of recruiters who did not interview on campus or did not know if their company interviewed on campus.

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

TIMING OF JOB OFFERS

From a list of options, respondents selected the one that best describes their practices for extending job offers to new MBA hires in 2003, and one that covers their expected timing of hiring in 2004. Their responses are compared with timing in 2002, as reported by respondents in the Corporate Recruiters Survey 2002–03. The following table reports the results.

TIMING FOR EXTENDING JOB OFFERS TO FULL-TIME MBAS			
	Actual 2002	Actual 2003	Expected 2004
	<i>n</i> = 560	<i>n</i> = 1,300	<i>n</i> = 1,300
Six or more months prior to graduation/availability	37%	26%	22%
Three or more months prior to graduation/availability	22%	10%	10%
Within weeks of graduation/availability	7%	3%	2%
After graduation (candidates available to start)	4%	2%	1%
Offers extended on an as needed basis year-round	10%	9%	10%
No job offers extended to new MBA graduates	16%	4%	1%
Don't know	1%	46%	53%
Total	100%	100%	100%

As the table shows, almost half of the respondents did not have sufficient information to provide precise information on offer timing.¹⁰ It is necessary to remove these respondents and those who made no offers from the calculations in order to accurately measure offer timing; and this is done in the following table.

TIMING FOR EXTENDING JOB OFFERS TO FULL-TIME MBAS			
<i>No job offers and don't know removed</i>	Actual 2002	Actual 2003	Expected 2004
	<i>n</i> = 450	<i>n</i> = 657	<i>n</i> = 590
Six or more months prior to graduation/availability	46%	52%	49%
Three or more months prior to graduation/availability	28%	20%	23%
Within weeks of graduation/availability	9%	6%	4%
After graduation (candidates available to start)	5%	3%	2%
Offers extended on an as needed basis year-round	12%	18%	22%
Total	100%	100%	100%

Practices for extending job offers to full-time MBAs have changed significantly—offers were extended farther in advance of graduation and they were extended more often on an as-needed basis year-round.

¹⁰In the Corporate Recruiters Survey 2002–03, respondents were asked whether they knew the number of new professional hires for their company in 2002. If yes, they were asked the timing of job offers. In the Corporate Recruiters Survey 2003–04, all respondents were asked about the timing of job offers. As a result, significantly more respondents selected “don't know.”

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

SELECTING MBA SCHOOLS

Respondents who reported actual recruiting activity at schools for their companies in 2003, as well as expected recruiting activity in 2004, answered a question on criteria used to determine the schools at which they recruit new MBA candidates. They rated the importance of 17 different criteria on a 5-point scale from *extremely* important to *not at all* important. Results are presented in the following table in which criteria are listed in descending order in terms of the mean importance ratings of respondents.

IMPORTANCE OF CRITERIA USED IN DECIDING SCHOOLS AT WHICH TO RECRUIT		
		<i>n</i> = 813
Consistent quality of students at the school	Extremely important	47%
	Very important	45%
	Somewhat important	6%
	Not very/not at all important	2%
	Total	100%
	Mean	4.4
Your past experience at the school	Extremely important	47%
	Very important	42%
	Somewhat important	9%
	Not very/not at all important	3%
	Total	100%
	Mean	4.3
Successful alumni working at your company	Extremely important	38%
	Very important	43%
	Somewhat important	14%
	Not very/not at all important	5%
	Total	100%
	Mean	4.2
Quality of curriculum	Extremely important	26%
	Very important	48%
	Somewhat important	22%
	Not very/not at all important	4%
	Total	100%
	Mean	3.9
Retention history with that school's alumni	Extremely important	22%
	Very important	41%
	Somewhat important	27%
	Not very/not at all important	10%
	Total	100%
	Mean	3.7
School's accreditation status	Extremely important	20%
	Very important	38%
	Somewhat important	28%
	Not very/not at all important	14%
	Total	100%
	Mean	3.6

CORPORATE RECRUITERS SURVEY 2003-04 GENERAL REPORT

IMPORTANCE OF CRITERIA USED IN DECIDING SCHOOLS AT WHICH TO RECRUIT (CONTINUED)		
Wide recognition of the university	Extremely important	14%
	Very important	44%
	Somewhat important	35%
	Not very/not at all important	8%
	Total	100%
	Mean	3.6
Qualitative admissions standards (work experience/admissions interview)	Extremely important	12%
	Very important	42%
	Somewhat important	35%
	Not very/not at all important	11%
	Total	100%
	Mean	3.5
Demand within your company for recent graduates from that school	Extremely important	13%
	Very important	38%
	Somewhat important	31%
	Not very/not at all important	18%
	Total	100%
	Mean	3.4
Global recognition of the school of business	Extremely important	13%
	Very important	35%
	Somewhat important	36%
	Not very/not at all important	16%
	Total	100%
	Mean	3.4
School has a diverse student population (ethnicity, gender, nationality)	Extremely important	13%
	Very important	34%
	Somewhat important	34%
	Not very/not at all important	19%
	Total	100%
	Mean	3.4
Published rankings	Extremely important	8%
	Very important	34%
	Somewhat important	43%
	Not very/not at all important	15%
	Total	100%
	Mean	3.3
Faculty reputation	Extremely important	6%
	Very important	37%
	Somewhat important	43%
	Not very/not at all important	14%
	Total	100%
	Mean	3.3
Reputation in the local community	Extremely important	9%
	Very important	31%
	Somewhat important	37%
	Not very/not at all important	23%
	Total	100%
	Mean	3.2

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

IMPORTANCE OF CRITERIA USED IN DECIDING SCHOOLS AT WHICH TO RECRUIT (CONTINUED)		
Quantitative admissions standards (GPA/GMAT®)	Extremely important	6%
	Very important	33%
	Somewhat important	40%
	Not very/not at all important	21%
	Total	100%
	Mean	3.2
Industry/popular demand for recent graduates from that school	Extremely important	6%
	Very important	31%
	Somewhat important	39%
	Not very/not at all important	25%
	Total	100%
	Mean	3.1
High profile alumni from that school	Extremely important	8%
	Very important	22%
	Somewhat important	38%
	Not very/not at all important	32%
	Total	100%
	Mean	3.0

Past experience at the school and the consistent quality of students are the leading criteria for school selection—rated extremely important by 47% of the respondents. More than one-third (38%) rate successful alumni working at the company extremely important. And more than one-fourth (26%) rate quality of the school’s curriculum extremely important. Another criterion related to alumni—retention history of the company with the school’s alumni—is rated extremely important by more than one-fifth of the respondents (22%).

A statistical factor analysis¹¹ shows that the 17 criteria can be grouped into four categories, as shown in the following table. The criteria are listed in descending order within each category. Of the six criteria rated *extremely* important by one-fifth or more of the respondents, four relate specifically to company experience with the school and the school’s students and two relate to school quality.

IMPORTANCE OF CRITERIA USED IN DECIDING SCHOOLS AT WHICH TO RECRUIT	
	% Extremely Important
Company Experience	
Your past experience at the school	47%
Consistent quality of students at the school	47%
Successful alumni working at your company	38%
Retention history with that school's alumni	22%
School Quality	
Quality of curriculum	26%
School's accreditation status	20%
School has a diverse student population (ethnicity, gender, nationality)	13%
Qualitative admissions standards (work experience/admissions interview)	12%
Faculty reputation	6%
Quantitative admissions standards (GPA/GMAT®)	6%

¹¹ See Methodology for an explanation of statistical factor analysis.

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

IMPORTANCE OF CRITERIA USED IN DECIDING SCHOOLS AT WHICH TO RECRUIT	
	% Extremely Important
School Reputation	
Wide recognition of the university	14%
Global recognition of the school of business	13%
Published rankings	8%
Visibility	
Demand within your company for recent graduates from that school	13%
Reputation in the local community	9%
High profile alumni from that school	8%
Industry/popular demand for recent graduates from that school	6%

ESTABLISHING AND MAINTAINING RELATIONSHIPS WITH GRADUATE BUSINESS SCHOOLS

Respondents indicated how they establish and maintain relationships with graduate business schools (other than by hiring graduates). As shown in the following table, nearly three-fourths (73%) conduct intern interviews and/or hire interns, and more than three-fifths (64%) post occasional job openings and/or intern openings on campus. Nearly three-fifths (57%) host company information sessions on campus, and nearly one-half (48%) participate in classroom or extracurricular educational and networking activities or request résumé books (46%).

Nearly two-fifths grant requests for informational interviews (39%), use schools' alumni networks for experienced direct-from-industry hires (38%), and conduct an interview schedule, even though they are uncertain about hiring (38%). A variety of other activities are also used to a lesser extent to establish and maintain relationships.

HOW COMPANIES ESTABLISH AND MAINTAIN RELATIONSHIPS WITH GRADUATE BUSINESS SCHOOLS ¹²	
	<i>n</i> = 1,300
Conduct intern interviews and/or hire interns	73%
Post occasional job openings and/or intern openings on campus	64%
Host company information sessions on campus	57%
Participate in classroom or extracurricular educational and networking activities	48%
Request resume books	46%
Grant requests for informational interviews at your company	39%
Use schools' alumni networks for experienced direct-from-industry hires	38%
Conduct an interview schedule even though uncertain about hiring	38%
Offer corporate goodwill and PR including donations, scholarships, etc.	33%
Host off-campus company-site visits for school groups	29%
Support company projects for student course credit or experience	26%
Sponsor employees to serve as volunteers at schools they attended	16%
Other	3%
None of the above	2%
Don't know	2%

¹² Percentages do not add to 100% due to multiple responses.

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

Asked how their relationship-building activities change in a year in which they are not hiring new MBA graduates, nearly three-fourths of respondents (to whom the question applied) said their activities remain about the same (73%). Nearly one-fourth (24%) said activities decrease, and a low 3% said activities increase.

RELATIONSHIP-BUILDING ACTIVITIES WHEN COMPANY DOES NOT HIRE MBA GRADUATES		
Relationship-building activities ... ("Not applicable" removed)		<i>n</i> = 1,023
	Increase	3%
	Decrease	24%
	Remain about the same	73%
	Total	100%

BARRIERS TO RECRUITING

Respondents answered two questions about barriers to recruiting. The first asked them to select (from a list) barriers to the effective recruiting and selection of new MBA candidates *in general*. The second asked them to select, from a separate list, barriers to effective *on-campus* recruiting. In each case they could select all that applied.

Barriers to Effective Recruiting and Selection

As the following table shows, the leading barriers to effective recruiting and selection relate to the unrealistic expectations of MBA graduates: unrealistic salary expectations (45%) and unrealistic job role/level expectations (44%). An unrealistic view of advancement opportunities is a barrier cited by 30% of respondents, followed closely by limited recruitment staff and/or budget (at 29%).

More than one-fourth of respondents (26%) say that competition from other organizations for the same MBA candidates is a barrier; and more than one-fifth cite a limited supply of MBA candidates with relevant industry-specific experience (22%) and poor interviewing preparation and/or performance of MBA candidates (21%). Other barriers are cited by one one-fifth or less of respondents. Eight percent of respondents said there were no barriers to effective recruiting and selection *in general*.

BARRIERS TO THE EFFECTIVE RECRUITING AND SELECTION OF NEW MBA CANDIDATES¹³	
	<i>n</i> = 1,300
Unrealistic salary expectations of MBA candidates	45%
Unrealistic job role/level expectations of MBA candidates	44%
Unrealistic view of advancement opportunities of MBA candidates	30%
Limited recruitment staff and/or budget at your company	29%
Other organizations aggressively competing for the same MBA candidates	26%
Limited supply of MBA candidates with relevant industry-specific experience	22%
Poor interviewing preparation and/or performance of MBA candidates	21%
Limited supply of MBA candidates with relevant functional experience	18%
Limited supply of MBA candidates in targeted groups (women, minorities, or nationalities)	16%
Difficulty in finding and identifying MBA candidates	8%

¹³ Percentages do not add to 100% due to multiple responses.

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

Barriers to Effective On-Campus Recruiting

As cited by 35% of respondents in the table below, the leading barrier to effective on-campus recruiting is limited time, staff, and/or budget resources. Inconsistent quality of students—cited by one-fifth of respondents—is a distant second. Other barriers are cited by one-fifth or less of the respondents. Twenty-five percent of respondents said they did not feel that there were any barriers to effective on-campus recruiting (that is, they selected none of the barriers listed). And 10% simply said they did not know.

BARRIERS TO EFFECTIVE ON-CAMPUS RECRUITING¹⁴	
	<i>n</i> = 1,300
Limited time, staff, and/or budget resources for campus recruiting	35%
Inconsistent quality of students within a school	20%
Availability of candidates does not match my timing needs for hires	16%
Insufficient number of qualifying resumes to justify a campus schedule	15%
Cost of recruiting MBAs on campus is too high	12%
Difficulty in finding and identifying applicants	10%
Lack of customer service from Career Services staff	10%
Selection process through campus is slow or cumbersome	7%
Difficulty in identifying schools at which to recruit	6%
Your company's unfamiliarity with graduate business schools' interview processes	5%
Other	3%
None of the above - I do not feel there are any barriers	25%
Don't know	10%

SERVICES FROM MBA CAREER SERVICES OFFICE

Respondents were presented with a list of services possible from an MBA career services office and asked to select the most important services their companies would like to receive. As the following table shows, one-half or more of the respondents would like to have the ability to preselect candidates for interview schedules (55%) and online services (50%), including résumé searches, job postings, and online interview scheduling.

Two other services—both related to staff knowledge—are close seconds. Forty-seven percent of respondents would like to have a staff that is knowledgeable about their company's and industry's requirements; and 45% would like to have a staff that is knowledgeable about recruiting from a company's perspective.

A variety of other services are cited by two-fifths or more of respondents: one point of contact at the office (44%), access to faculty willing to identify qualified students (41%), staff-assisted services (40%), and a responsive staff for fast turnaround times and special requests (40%). Least cited were assistance in networking with other companies recruiting MBAs (7%) and videoconferencing and other technological substitutes for face-to-face interviewing (11%).

¹⁴ Percentages do not add to 100% due to multiple responses.

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

WHAT COMPANIES WANT FROM AN MBA CAREER SERVICES OFFICE¹⁵	
	<i>n</i> = 1,300
Ability to preselect candidates for interview schedules	55%
Online services (resume searches, job postings, online interview scheduling, etc)	50%
Staff that is knowledgeable about my company's and industry's requirements	47%
Staff that is knowledgeable about recruiting from a company's perspective	45%
One point of contact at the office	44%
Access to faculty willing to identify qualified students	41%
Staff-assisted services (resume searches and collection, job postings, scheduling of interviews, etc.)	40%
Responsive staff for fast turnaround times and special requests	40%
Quality interview-day services - interview facilities, meals, parking, office amenities	39%
Access to seasoned MBA alumni seeking new employment	35%
Ability to interview throughout the year	30%
Opportunities for relationship-building activities	29%
Assistance with arranging off-campus interviews	18%
Access to part-time or EMBA graduates seeking new employment	15%
Opportunities to discuss business and research with the faculty and/or dean	15%
Videoconferencing and other technological substitutes for face-to-face interviews	11%
Assistance in networking with other companies recruiting MBAs	7%
Other	1%
Don't know	6%

ASSESSMENT AND SELECTION IN HIRING NEW MBAS

Assessment Methods

Respondents selected the formal assessment methods their companies use to choose and hire new MBAs. The methods are ranked in the following table from those selected the most to those selected the least.

FORMAL METHODS USED TO ASSESS MBA CANDIDATES¹⁶	
	<i>n</i> = 1,300
Behavior-based interviews	79%
Case or situational interviews	53%
Knowledge, ability or experience evaluations	36%
Career interest and job fit assessments	25%
Performance/work sampling	19%
Mathematical problem solving	16%
Interactive assessments	14%
Personality testing/inventories	12%
Computer-assisted interviews	4%
Other	4%
Do not use formal assessment methods when I interview and/or evaluate candidates	8%
Don't know	3%

¹⁵ Percentages do not add to 100% due to multiple responses.

¹⁶ Percentages do not add to 100% due to multiple responses.

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

As the table shows, behavior-based interviews were selected most often (by nearly four-fifths of respondents—79%). With this method candidates describe specific examples of their skills. Case or situational interviews, in which candidates respond to a hypothetical or real situation, were selected by more than one-half of respondents—53%. More than one-third (36%) use knowledge, ability, or experience evaluations that involve measures of job-specific knowledge, experience, or abilities (mental, physical, or technical). One-fourth use career interest and job fit assessments (e.g., CareerLeader® or Career Anchor). One-fifth or less use the other formal assessment methods listed. Eight percent of respondents do not use formal assessment methods when interviewing and evaluating candidates.

New MBA Hires Selection Criteria

Respondents rated on a 5-point scale the importance of a number of factors in the selection and hiring of new MBAs (from *extremely* important to *not at all* important). In the following table, factors are ranked in terms of their mean importance to respondents.

IMPORTANCE OF SELECTION CRITERIA IN HIRING MBA GRADUATES		
		<i>n</i> = 1,300
Strong communication/interpersonal skills	Extremely important	57%
	Very important	40%
	Somewhat important	3%
	Not very/not at all important	0%
	Total	100%
	Mean	4.5
Proven ability to perform	Extremely important	47%
	Very important	46%
	Somewhat important	7%
	Not very/not at all important	1%
	Total	100%
	Mean	4.4
Cultural fit with company	Extremely important	46%
	Very important	39%
	Somewhat important	12%
	Not very/not at all important	2%
	Total	100%
	Mean	4.3
Evidence of adaptability	Extremely important	24%
	Very important	55%
	Somewhat important	18%
	Not very/not at all important	2%
	Total	100%
	Mean	4.0
Quantitative knowledge/technical skills acquired in MBA program	Extremely important	21%
	Very important	48%
	Somewhat important	26%
	Not very/not at all important	5%
	Total	100%
	Mean	3.9
Management knowledge/skills acquired through MBA program	Extremely important	14%
	Very important	49%
	Somewhat important	31%
	Not very/not at all important	6%
	Total	100%
	Mean	3.7

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

IMPORTANCE OF SELECTION CRITERIA IN HIRING MBA GRADUATES		
History of increased job responsibility	Extremely important	13%
	Very important	48%
	Somewhat important	32%
	Not very/not at all important	7%
	Total	100%
	Mean	3.7
Prior work experience related to industry, job, or company	Extremely important	19%
	Very important	36%
	Somewhat important	33%
	Not very/not at all important	12%
	Total	100%
	Mean	3.6
Reputation of MBA school	Extremely important	11%
	Very important	41%
	Somewhat important	39%
	Not very/not at all important	11%
	Total	100%
	Mean	3.5
History of leading teams	Extremely important	11%
	Very important	41%
	Somewhat important	36%
	Not very/not at all important	12%
	Total	100%
	Mean	3.5
MBA academic success factors	Extremely important	10%
	Very important	42%
	Somewhat important	37%
	Not very/not at all important	10%
	Total	100%
	Mean	3.5
MBA functional area/concentration of study	Extremely important	12%
	Very important	37%
	Somewhat important	37%
	Not very/not at all important	14%
	Total	100%
	Mean	3.4
A specific number of years of professional work experience	Extremely important	10%
	Very important	33%
	Somewhat important	42%
	Not very/not at all important	16%
	Total	100%
	Mean	3.3
A specific type of background (e.g., engineer, scientist, liberal arts)	Extremely important	10%
	Very important	29%
	Somewhat important	37%
	Not very/not at all important	24%
	Total	100%
	Mean	3.2
Prior internship in my industry, company or related to job	Extremely important	10%
	Very important	28%
	Somewhat important	39%
	Not very/not at all important	23%
	Total	100%
	Mean	3.2

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

IMPORTANCE OF SELECTION CRITERIA IN HIRING MBA GRADUATES		
Relevant language, country, and/or cultural expertise	Extremely important	7%
	Very important	26%
	Somewhat important	39%
	Not very/not at all important	29%
	Total	100%
	Mean	3.0
History of managing people in a formal reporting role	Extremely important	4%
	Very important	20%
	Somewhat important	45%
	Not very/not at all important	32%
	Total	100%
	Mean	2.9

As the table shows, strong communication and interpersonal skills top the list, with 57% of respondents rating this factor extremely important. Two other factors are markedly more important than the balance of factors rated: proven ability to perform (47% extremely important) and cultural fit with the company (46%). Nearly one-fourth of respondents (24%) rate evidence of adaptability as extremely important, whereas more than one-fifth (21%) rate quantitative knowledge/technical skills acquired through the MBA program as extremely important. Other factors are rated extremely important by less than one-fifth of respondents. The least important factor is a history of managing people in a formal reporting role.

Statistical factor analysis¹⁷ shows that the criteria used in the selection and hiring process fall into five categories. Within each category, items are listed in descending order.

New MBA Hire Selection	
Company Fit	% Extremely Important
Strong communication/interpersonal skills	57%
Cultural fit with company	46%
Evidence of adaptability	24%
Work Experience—Responsibility and Performance	
Proven ability to perform	47%
History of increased job responsibility	13%
History of leading teams	11%
History of managing people in a formal reporting role	4%
MBA Program Experience	
Quantitative knowledge/technical skills acquired in MBA program	21%
Management knowledge/skills acquired through MBA program	14%
MBA functional area/concentration of study	12%
Reputation of MBA school	11%
MBA academic success factors	10%
Work Experience—Relevance	
Prior work experience related to industry, job, or company	19%
Prior internship in my industry, company, or related to job	10%
A specific number of years of professional work experience	10%
A specific type of background (e.g., engineer, scientist, liberal arts)	10%
Management Knowledge	
Management knowledge/skills acquired through MBA program	14%
Relevant language, country, and/or cultural expertise	7%
History of managing people in a formal reporting role	4%

¹⁷ See Methodology for an explanation of statistical factor analysis.

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

The factor analysis has four primary implications. First, it is clear that respondents view work experience in two distinct ways: in terms of what it shows about the candidate's leadership experience and on-the-job performance and in terms of its direct relevance to the job. Second, company fit is a key aspect of the candidate evaluation process. Among the three selection criteria discovered to be the most important, two are from the Company Fit category.

Third, even though strong communication and interpersonal skills are the highest in extreme importance to respondents, they are not simply a characteristic of the candidate; rather, these skills appear to be evaluated in a context that is determined by how they affect the candidate's company fit. Finally, two criteria are included in more than one category: history of managing people in a formal reporting role and management knowledge/skills acquired through the MBA program. While other criteria can be easily assigned (statistically) to a single category, these two criteria are indicators of multiple categories.

SKILLS AND ABILITIES OF MBA GRADUATES

What Companies Find Attractive

Asked why MBA graduates may be attractive to their companies, four-fifths or more of respondents cite the ability of graduates to think analytically (84%) or strategically (80%), as shown in the following table. More than two-thirds cite leadership skills (69%) and quantitative skills (68%). And three-fifths or more point to the oral communication skills of graduates (65%), their creative problem-solving skills (64%), interpersonal skills (61%), ability to integrate information from a wide variety of sources (61%), and their written communication skills (60%).

WHAT COMPANIES FIND ATTRACTIVE IN MBA GRADUATES¹⁸	
	<i>n</i> = 1,300
Ability to think analytically	84%
Ability to think strategically	80%
Leadership skills	69%
Quantitative skills	68%
Oral communication skills	65%
Creative problem-solving skills	64%
Interpersonal skills	61%
Ability to integrate information from a wide variety of sources	61%
Written communication skills	60%
Ability to adapt/change to new situations	59%
Information-gathering skills	53%
Ability to make decisions with imperfect information	50%
Work ethic	46%
Initiative/risk-taking ability	45%
Implementation skills	36%
Technological skills	35%
Cultural sensitivity and awareness	29%
Skills in corporate ethical conduct	29%
Ability to delegate	19%
Other	5%

¹⁸ Percentages do not add to 100% due to multiple responses.

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

What Should Be Strengthened

From a list of the same skills and abilities that could be identified as attractive, respondents also indicated what they would like to see strengthened in MBA candidates. Leadership skills top the list—one-third of respondents—followed closely by the ability to make decisions with imperfect information (31%) and interpersonal skills (29%). Oral and written communication skills are cited by one-fourth or more of the respondents. One-fifth or more cite the ability to think strategically, the ability to adapt/change to new situations, creative problem-solving skills, and initiative/risk-taking ability as areas to strengthen. Respondents cite the following least often as areas they would like to see strengthened: information-gathering skills, technological skills, work ethic, and ability to delegate. Fourteen percent of respondents indicate that MBA graduates already have a sufficiently strong skill set.

WHAT SHOULD BE STRENGTHENED IN MBA GRADUATES¹⁹	
	<i>n</i> = 1,300
Leadership skills	33%
Ability to make decisions with imperfect information	31%
Interpersonal skills	29%
Oral communication skills	26%
Written communication skills	25%
Ability to think strategically	24%
Ability to adapt/change to new situations	23%
Creative problem-solving skills	22%
Initiative/risk-taking ability	21%
Implementation skills	19%
Cultural sensitivity and awareness	18%
Skills in corporate ethical conduct	16%
Ability to think analytically	16%
Ability to integrate information from a wide variety of sources	15%
Quantitative skills	15%
Ability to delegate	13%
Work ethic	13%
Technological skills	12%
Information-gathering skills	12%
Other	5%

¹⁹ Percentages do not add to 100% due to multiple responses.

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

SALARY AND COMPENSATION

Base Salary

All respondents expecting to hire graduates from MBA programs, undergraduate programs, and other graduate programs in 2004 supplied their best estimate of the average expected starting salary in 2004 for new professional hires. Results are shown in the following table. The low minimum salary reflects the influence of recruiters located in countries outside of the United States and Europe.

AVERAGE EXPECTED STARTING SALARIES FOR NEW PROFESSIONAL HIRES IN 2004 (U.S. Dollars)²⁰		
From MBA programs	Minimum	\$20,000
	Maximum	\$160,000
	Median	\$80,000
	Mean	\$77,066
From undergraduate programs	Minimum	\$7,000
	Maximum	\$85,000
	Median	\$45,000
	Mean	\$45,029
From other graduate programs	Minimum	\$8,000
	Maximum	\$150,000
	Median	\$60,000
	Mean	\$62,371

As the table shows, the mean for the average expected starting salaries of MBA graduates is \$77,066, and for undergraduates is \$45,029. If these two means are compared, the average expected starting salaries of MBA graduates is 71% higher than for undergraduates. The mean for the average expected starting salaries for those graduating from other graduate programs is \$62,371. In this comparison, the average expected starting salaries of MBA graduates is 24% higher than for other graduates.

The minimum and maximum salaries in the above table are the data supplied by individual respondents. They do not represent a range of average (mean) salaries. To get this range, it is necessary to incorporate the margin of error that is the natural result of the sampling process. What would the range of average salaries have been if all recruiters in the population had been contacted, instead of just a sample? This question is answered in the following table.

95% Confidence Interval		
	Lower	Upper
From MBA programs	\$75,094	\$79,039
From undergraduate programs	\$43,442	\$46,616
From other graduate programs	\$57,083	\$67,660

²⁰ Note that this is an average. Recruiters say that salary offers depend on a number of factors, such as geographic region of the branch they are hiring for; the strength of the candidate (years of work experience, proven ability to perform, interview performance); other organizations aggressively competing for the same MBA candidates (women, specific background experience, minorities, etc); and so on.

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

Other Compensation

All respondents who expect to hire MBA graduates in 2004 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 HIRES²¹	
	<i>n</i> = 474
Benefits package	81%
Moving allowance	63%
Performance-based bonus	53%
Signing bonus	46%
Year-end bonus	35%
Tuition reimbursement	28%
Profit sharing	28%
Stock purchase plan	25%
Stock options	20%
Starting bonus	15%
Housing allowance or reimbursements	14%
First-year bonus	10%
Car or car allowance	6%
Commissions	5%
Other	2%
No additional compensation	0%

As the table shows, more than four-fifths (81%) offer a benefits package, and more than three-fifths (63%) offer a moving allowance. More than one-half (53%) offer a performance-based bonus, and more than two-fifths (46%) offer a signing bonus. Other forms of compensation are offered to a lesser extent. Only 2 respondents (.004%, not shown) indicated their companies offer no additional compensation.

Total Compensation

Respondents who supplied a base salary for MBA hires in 2004 and who also indicated some type of additional monetary compensation were asked to give their best estimate of average first-year total compensation for 2004. Results are shown in the following table.

AVERAGE EXPECTED TOTAL COMPENSATION FOR NEW MBA HIRES IN 2004 (U.S. Dollars)	
Minimum	\$35,000
Maximum	\$235,000
Median	\$100,000
Mean	\$103,516

The difference between the estimated total compensation of \$103,516 and the average expected base salary of \$77,066 indicates that respondents overall are valuing additional compensation and benefits at \$26,449. This represents a 34% addition to base salary.

²¹ Percentages do not add to 100% due to multiple responses.

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

Year-to-Year Comparison

The following table presents average salaries for graduates from MBA programs, undergraduate programs, and other graduate programs, as well as year-to-year percent changes for each of the three years in which the Corporate Recruiters Survey has been conducted.

The year-to-year changes from 2001–02 to 2002–03 are not statistically significant for any of the three sources. From 2002–03 to 2003–04 the changes are statistically significant only for MBA graduates. Average salaries have increased significantly from 2001–02 to 2003–04, for each of the three sources of new professional hires²².

AVERAGE EXPECTED STARTING SALARIES FOR NEW PROFESSIONAL HIRES					
	Time Period				
	2001–02	2002–03	2001–02 to 2002–03	2003–04	2002–03 to 2003–04
	Mean	Mean	% Change	Mean	% Change
From MBA programs	72,021	73,859	+2.6%	77,066	+4.3%
From undergraduate programs	41,381	42,936	+3.8%	45,029	+4.9%
From other graduate programs	52,322	56,518	+8.0%	62,371	+10.4%

Respondents in both the 2002–03 and 2003–04 surveys indicated the other kinds of compensation new MBA hires receive in addition to base salary. There are no significant changes between the two time periods in these other kinds of compensation, except for a first-year bonus. Ten percent of companies are offering a first-year bonus in 2003–04, compared with 15% in 2002–03.

Nonmonetary Incentives

Respondents in companies with new hires of MBA graduates in 2003 and with expected new hires in 2004 were asked the following question: “When making an offer of employment, which of the following factors are stressed with MBA candidates to get them to accept your job offer?” Selected from a list of nonmonetary factors, more than three-fourths (79%) say challenging and interesting work. Three-fifths or more stress the opportunity to learn new things (64%), company image and reputation (62%), and opportunity for advancement (60%). A low 18% stress job security. A statistical factor analysis²³ shows that the factors chosen fall into five major categories, as shown in the following table.

FACTORS STRESSED WITH MBA GRADUATES TO GET THEM TO ACCEPT A JOB OFFER	
Organizational Climate	
Company image and reputation	62%
Positive organizational climate	50%
High ethical standards of the company	47%
Work/life balance	46%
Working with a diverse group of people (culturally, racially, ethnically)	37%

²² It may seem odd that a smaller change may be statistically significant when a larger change is not. The reasons for this are discussed in Methodology.

²³ See Methodology for an explanation of statistical factor analysis.

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

FACTORS STRESSED WITH MBA GRADUATES TO GET THEM TO ACCEPT A JOB OFFER	
Futurity	
Company image and reputation	62%
Opportunity for advancement	60%
Company stability	44%
Job security	18%
Challenge	
Challenging and/or interesting work	79%
Opportunity to learn new things	64%
Opportunity to impact results or bottom line	53%
Responsibility	
Having primary responsibility for a project, budget, or people	31%
Location	29%
Job autonomy	22%
Personal Achievement	
Achieving something that they can personally value	31%
Value employer places on MBA skills (<i>negative relationship</i>)	20%

There are four primary implications of this factor analysis. First, the analysis shows that even though the discussions recruiters have with potential new MBA hires may include a wide array of factors, the five underlying threads framing these discussions are organizational climate, futurity, challenge, responsibility, and personal achievement.

Second, the three items in the *Challenge* category are included in the top five specific factors that recruiters stress. Past GMAC[®] research on graduating MBAs shows that challenging and interesting work is their top employment selection criterion. It appears, then, that recruiters are communicating in ways highly meaningful to those to whom they are offering employment.

Third, in the *Personal Achievement* category, it is clear that recruiters are stressing the *personal* rewards possible in the job, rather than their valuing of MBA skills *per se*.

Fourth, the factor analysis shows that company image and reputation are included in two categories. This suggests that recruiters' communications with candidates about company image and reputation stress *both* organizational climate and futurity.

ORGANIZATION CULTURE

In order to better understand the organization culture within which recruiters work, respondents were presented with nine pairs of items that can be used to describe their organization's corporate culture and, although an organization's culture can have elements of both items, respondents were asked to select the item in each pair that *best* describes their organization. Results are presented in the following table. The pairs are ranked from the highest level of agreement among respondents to the lowest level of agreement.

As the table shows, the highest level of agreement among respondents is the focus on company success in their organizations as opposed to a focus on the public good. This is followed closely by a cooperative atmosphere (as opposed to internal competition) and flexible career opportunities (as opposed to a well-defined career path).

**CORPORATE RECRUITERS SURVEY 2003–04
GENERAL REPORT**

ORGANIZATION CULTURE		
		<i>n</i> = 1,279
Focus	Focus on company success	86%
	Focus on public good	14%
	Total	100%
Competition-cooperation	Internal competition	20%
	Cooperative atmosphere	80%
	Total	100%
Career path	Well-defined career path	21%
	Flexible career opportunities	79%
	Total	100%
Atmosphere	Formal atmosphere	31%
	Informal atmosphere	69%
	Total	100%
Goals	Clear, well-communicated vision	65%
	Flexible, adaptable corporate goals	35%
	Total	100%
Procedures	Formalized procedures	63%
	Loosely defined procedures	37%
	Total	100%
Rewards	Individual performance-based reward	62%
	Team-based reward	38%
	Total	100%
Responsibilities	Clearly defined responsibilities	41%
	Varied/fluid responsibilities	59%
	Total	100%
Decision making	Centralized decision making	48%
	Decentralized decision making	52%
	Total	100%

More divergence in opinion is seen with regard to *Atmosphere and Goals*; more than two-thirds of the respondents say their organizations have an informal atmosphere, whereas nearly one-third describe the atmosphere as formal. And nearly two-thirds say their organization has a clear, well-communicated vision, whereas more than one-third say corporate goals are flexible and adaptable. *Procedures and Rewards* have similar levels of divergence in opinion. The most divergence, however, is with regard to *Responsibilities and Decision Making*. Nearly three-fifths of respondents say responsibilities in their organizations are varied and fluid, whereas more than two-fifths say responsibilities are clearly defined. For decision making, there is nearly a 50-50 split in whether it is centralized or decentralized.

CORPORATE RECRUITERS SURVEY 2003–04

GENERAL REPORT

Comparison of Preferences

MBA graduates in the Global MBA[®] Survey 2002 indicated their preferences for organization culture, using the same nine pairs of items that respondents of the Corporate Recruiters Survey 2003–04 used to describe the actual culture in their organizations. In addition, alumni of the MBA graduating class of 2000 also indicated their preferences for organization culture in the MBA Perspectives Survey conducted when they had worked for about 18 months post-MBA. It is possible, then, to evaluate the extent to which preferences of graduates are likely to be satisfied in reality, and the extent to which preferences of alumni may be modified by reality. The data necessary to do this are presented in the following table. Conclusions are drawn based on an analysis of the statistical significance of differences.

PREFERENCES FOR ORGANIZATION CULTURE AND ORGANIZATIONAL REALITIES				
		MBA Students (Class of 2002)	MBA Alumni (Class of 2000)	Corporate Recruiters (2003–04)
		<i>n</i> = 4,736	<i>n</i> = 378	<i>n</i> = 1,279
Focus	Focus on company success	73%	85%	86%
	Focus on public good	27%	15%	14%
	Total	100%	100%	100%
Competition-cooperation	Internal competition	8%	16%	20%
	Cooperative atmosphere	92%	84%	80%
	Total	100%	100%	100%
Career path	Well-defined career path	15%	23%	21%
	Flexible career opportunities	85%	77%	79%
	Total	100%	100%	100%
Atmosphere	Formal atmosphere	16%	19%	31%
	Informal atmosphere	84%	81%	69%
	Total	100%	100%	100%
Goals	Clear, well-communicated vision	76%	69%	65%
	Flexible, adaptable corporate goals	24%	31%	35%
	Total	100%	100%	100%
Procedures	Formalized procedures	56%	52%	63%
	Loosely defined procedures	44%	48%	37%
	Total	100%	100%	100%
Rewards	Individual performance-based reward	57%	71%	62%
	Team-based reward	43%	29%	38%
	Total	100%	100%	100%
Responsibilities	Clearly defined responsibilities	47%	39%	41%
	Varied/fluid responsibilities	53%	61%	59%
	Total	100%	100%	100%
Decision-making	Centralized decision making	16%	31%	48%
	Decentralized decision making	84%	69%	52%
	Total	100%	100%	100%

- Focus. Students have a significantly greater preference for a focus on public good than do alumni. And the preference of alumni for a focus on public good matches organization reality, as reflected in the descriptions of recruiters.
- Competition-cooperation. The preference of students for a cooperative atmosphere significantly exceeds the preference of alumni; and the preference of alumni significantly exceeds organization reality.

CORPORATE RECRUITERS SURVEY 2003–04 GENERAL REPORT

- Career path. Students have a significantly greater preference for flexible career opportunities than do alumni. And the preference of alumni for flexible career opportunities matches organization reality, as reflected in the descriptions of recruiters.
- Atmosphere. Both students and alumni have a significantly greater preference for an informal atmosphere than the reality described by recruiters.
- Goals. Students have a significantly greater preference for a clear, well-communicated vision than do alumni. And the preference of alumni for a clear, well-communicated vision matches organization reality, as reflected in the descriptions of recruiters.
- Procedures. Both students and alumni have a significantly lower preference for formalized procedures than the reality described by recruiters.
- Rewards. Alumni have a significantly greater preference for individual performance-based rewards than do students *or* the description of reality given by recruiters. And the description given by recruiters significantly exceeds the preferences of students.
- Responsibilities. Students have a significantly lower preference for varied, fluid responsibilities than do alumni. And the preference of alumni for varied, fluid responsibilities matches organization reality, as reflected in the descriptions of recruiters.
- Decision making. The preference of students for decentralized decision making significantly exceeds the preferences of alumni; and the preference of alumni significantly exceeds organization reality.

This analysis suggests that organization reality has its most powerful influence on the modification of the individual in four areas:

- Focus. The preference for a focus on public good as opposed to a focus on company success.
- Career path. The preference for flexible career opportunities as opposed to a well-defined career path.
- Goals. The preference for a clear, well-communicated corporate vision as opposed to flexible, adaptable career goals.
- Responsibilities. The preference for varied, fluid responsibilities as opposed to clearly defined responsibilities.

Organization reality appears less powerful in modifying the preferences of individuals in two areas. In these areas, the preferences of alumni move in the direction of organization reality, but remain significantly different from it:

- Competition-cooperation. The preference for a cooperative rather than competitive atmosphere.
- Decision making. The preference for decentralized decision making rather than centralized decision making.

In two other areas, organization reality appears to have no effect on individual preferences:

- Atmosphere. The preference for an informal atmosphere over a formal one.
- Procedures. The preference for loosely defined procedures over formalized procedures.

Finally, in one area—Rewards—the preference of alumni (within 18 months of graduation) for individual performance-based rewards appears to be intensified by their organizational experience. The preference of alumni for individual, performance-based rewards is greater than that of students or organizational reality, as described by recruiters.