



SURVEY REPORT

2006

Corporate Recruiters Survey

Graduate
Management
Admission
Council®

Creating Access to Graduate Business Education®

The **Corporate Recruiters Survey** is a product of the Graduate Management Admission Council® (GMAC®), a global not-for-profit education organization of leading graduate business schools and the owner of the Graduate Management Admission Test® (GMAT®). The GMAT® exam is an important part of the admissions process for more than 3,700 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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Employers are feeling increasingly optimistic about the economy, which translates to an improved job market for new MBA graduates, according to the 2006 Corporate Recruiters Survey conducted by the Graduate Management Admission Council® (GMAC®), the global association of leading graduate business schools and owner of the Graduate Management Admission Test® (GMAT®). The sixth annual survey includes the responses of 1,270 employers representing 737 companies that recruit MBA graduates at one or more of the participating 76 schools. Findings are based on tabulated results from the survey responses.

The objectives of the annual survey are to gather information that graduate business school professionals, MBA students, and prospective students can use to gauge the job market and better understand MBA employer expectations; to offer facts that MBA employers can use to develop recruiting and hiring plans; and to provide comprehensive data against which business school professionals and employers can benchmark their MBA recruiting practices.

Key findings:

- Two out of five (40%) of all new hires in 2005 had an MBA degree, suggesting that companies value the MBA degree.
- In 2006, there will be more job openings for MBA graduates, compared with 2005. Most openings will be in mid-level management.
- Thirty-four percent of respondents report that their companies plan to hire MBAs for consulting positions—a statistically greater percentage than in any previous year.
- Starting annual salaries for MBA graduates continue to rise—the expected salary is 4% higher in 2006 compared with 2005.
- Employers wish to see continued improvement in the MBA graduates' "soft" skills (e.g., leadership, communication, and interpersonal skills).
- "Hard" skills (e.g., quantitative skills) remain highly attractive. Employers believe that most graduates have the requisite proficiency level for those skills.

Methodology

To develop the survey sample, all GMAC® member schools, as well as a few select nonmember schools, were invited to participate by providing the names and e-mail addresses of active employers for their new MBA graduates over the past recruiting year. Seventy-six schools participated, a 23% response rate among schools, and a total of 1,270 employers completed the questionnaire, a 9.8% response rate. The 1,270 employers represent 737 companies, a 13.8% response rate. Frequency distributions were examined for both topical and classification questions, and response categories for some questions were collapsed to make final analyses more robust. Tests of statistical significance are used throughout the report, and a 95% confidence interval is used as the cutoff point for significance.

For the first time since the inception of the survey in 2002, a majority (63%) of employers reported that the economy is not weak.

Respondents in nearly every industry group assessed the economy more positively in 2006 compared to 2005—differences were statistically significant (Figure I). However, respondents in the energy/utility and nonprofit/government sectors of the economy reported a statistically similar assessment of the economy in each of the two years.

Interestingly, although healthcare costs consume a record portion of the U.S. economic output—currently 16% of the economy¹—respondents in the healthcare industry (48%) are significantly less likely than those in the consulting (72%) and the finance (70%) industries to say that the economy is not weak. According to Peter Cappelli, a Wharton management professor, “pharmaceutical companies,

which were once thought to be about as stable and safe as you could get, have been roiled by acquisitions.”² Such challenges may be a part of the uncertainty felt among healthcare employers—35% of respondents in the healthcare industry are in the pharmaceutical sector. Also, the federal government budget priorities, which include proposed “reductions in entitlement programs such as Medicare and Medicaid³,” may be associated with the lower rating of the economy among those in the healthcare industry.

Additionally, respondents in the products and services industry (55%) were significantly less likely than their counterparts in the consulting and finance industries to indicate that the economy is not weak. About one-fifth (21%) of the respondents

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 Respondents in nearly every industry group assessed the economy more positively in 2006 than they did in 2005.
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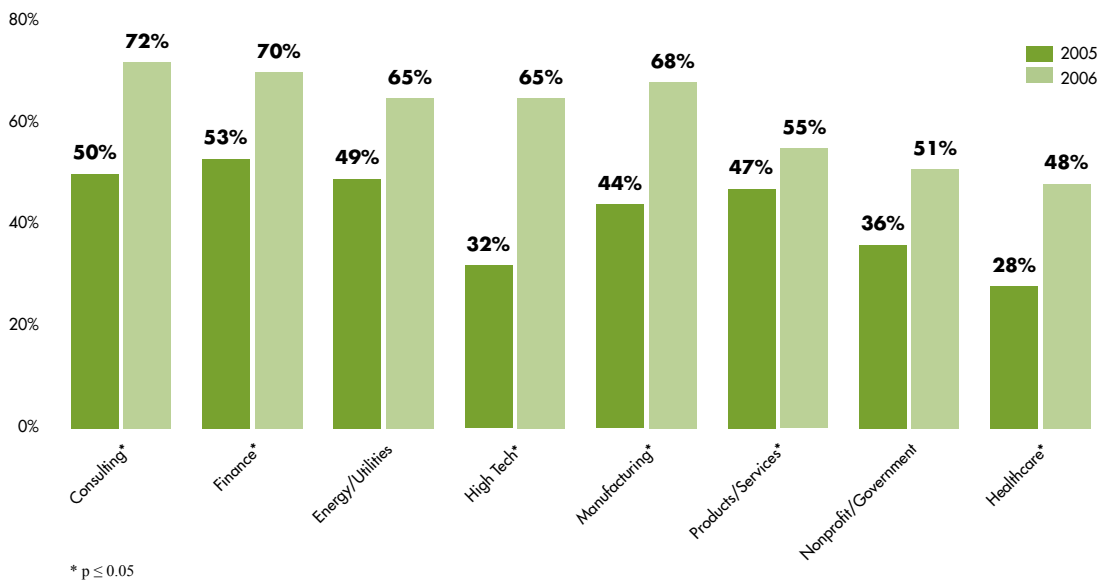


Figure 1. Percentage of Respondents Indicating that the Economy Is Not Weak, by Industry Group and Survey Year

¹ Kaufman, M. and Stein, R. (2006) “Record Share of Economy Spent on Health Care.” The Washington Post, January 10, 2006. Retrieved on February 23, 2006, from www.washingtonpost.com/wp-dyn/content/article/2006/01/09/AR2006010901932.html.

² Knowledge@Wharton (2006) “What Lies Ahead for the U.S. Economy in 2006?” Wharton School Publishing. Retrieved on February 23, 2006, from www.whartonsp.com/articles/article.asp?p=436516&seqNum=4&rl=1.

³ MacNeil/Lehrer Productions. (2006) “2007 Budget Proposal.” A News Hour with Jim Lehrer Transcript, February 6, 2006. Retrieved on March 6, 2006, from www.pbs.org/newshour/bb/budget/jan-june06/budget_02-06.html.

in the products/services industry are in the consumer goods sector, and 13% are in the retail/wholesale sector. According to the University of Michigan's consumer sentiment index, a gauge of future consumer spending, consumer sentiment fell in January 2006 to 91.2 from 91.5 in December 2005⁴. In February 2006, the consumer sentiment index fell again to 87.4 [4]. This fall in consumer confidence, which is directly related to consumer spending, may be associated with the lower rating of the economy among this industry group.

Nearly three-quarters (72%) of the consulting industry indicated that the economy is not weak—the highest percentage among

all industry groups. This finding is in accordance with the Bureau of Labor Statistics statement that the consulting industry “ranks among the fastest growing through the year 2014.”⁵ Today, 34% of respondents report that their companies plans to hire MBAs for consulting positions—a statistically greater percentage compared to all previous years.

Economic Effect on Recruiting Plans

Even among respondents who indicated that the economy is weak, the percentage who believe the weak economy is constraining their recruitment plans has continuously decreased since 2002 (Figure 2).

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Those in the consulting industry are the most optimistic about economic conditions.
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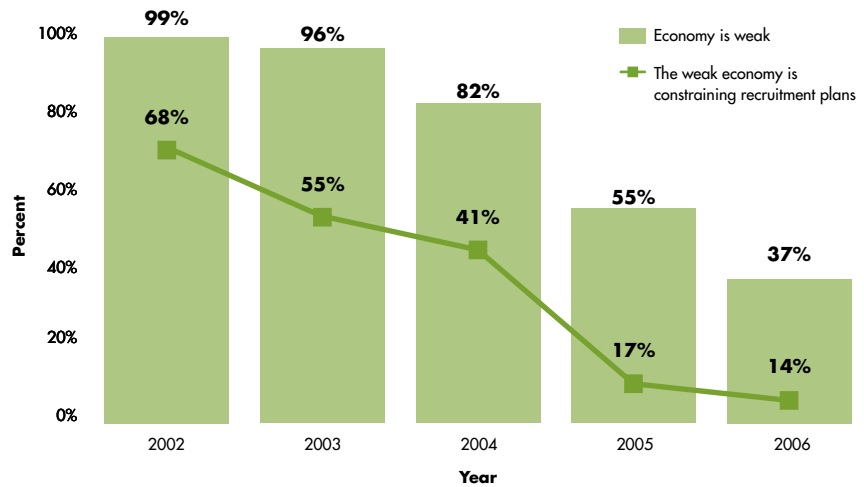


Figure 2. Percentage of Respondents Indicating the Economy Is Weak and Constraining Recruiting Plans

⁴Econoday, Inc. (2006) 2006 U.S. Economic Events & Analysis: Consumer Sentiment. NASDAQ. Retrieved on February 23, 2006, from www.nasdaq.com/econoday/reports/US/EN/New_York/consumer_sentiment/year/2006/yearly/01/index.html.

⁵Bureau of Labor Statistics (2006). Career Guide to Industries: Management, Scientific, and Technical Consulting Service. U.S. Department of Labor. Retrieved on February 22, 2006, from www.bls.gov/oco/cg/egs037.htm.

To gauge the potential job market for MBA graduates, we analyzed the trends in hiring and barriers to hiring. Workforce Management Online reports that employers plan to hire 14% more college graduates in 2006 compared with 2005⁶. Among the respondents re-recruiting MBA graduates, they plan to hire, on average, 18% more MBAs in 2006 than in 2005. The number of new MBA hires at each of the organizational levels estimated for 2006 is significantly greater than the actual number of MBA hires in 2005 (Figure 3).

Yet, the hiring of MBA graduates appears dependent upon the size of the company ($r = 0.324$; $p \leq .05$; $N = 690$). Small companies (those with fewer than 500 employees) are significantly less likely

than mid-sized companies (500 to 9,999 employees), and mid-sized companies are significantly less likely than large companies (10,000 or more employees) to have hired one or more MBA graduates in 2005. Additionally, small companies are less likely than mid-sized and large companies to have hired MBAs direct from industry. Furthermore, small companies are less likely than mid-sized and large companies to have plans to hire new MBA graduates in 2006. A plausible reason for this trend is that small companies are more likely than mid-sized and large companies to consider MBAs but not actively recruit them—a quarter of the respondents from small companies do not plan to visit school campuses in 2006.

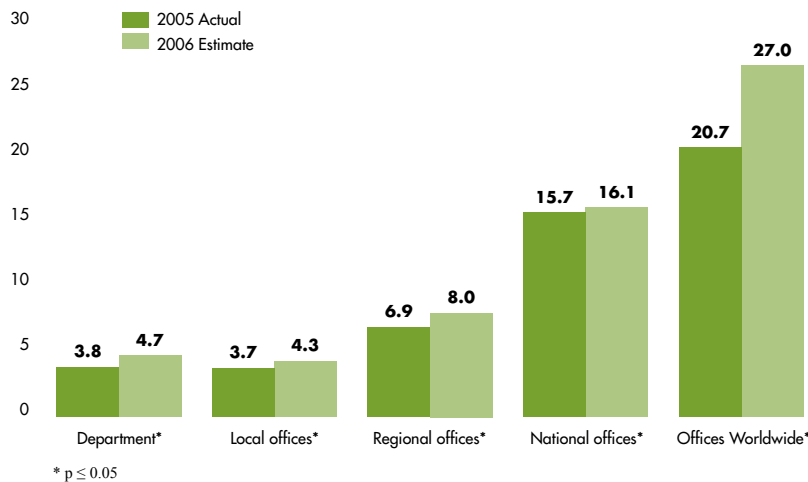


Figure 3. Number of New MBA Hires, by Organization Level (Respondents that Reported the Same Organizational Level for 2005 and 2006)

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Employers recruiting MBA graduates plan to hire, on average, 18% more MBAs in 2006 than in 2005.
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⁶Steven-Huffman, L. (2006) Commitment and Consistency Are the Keys to Successful Campus Recruiting. Workforce Management Online. Retrieved on March 9, 2006, from www.workforce.com/section/06/article/24/29/14.htm.

Figure 4 presents the actual 2005 and estimated 2006 numbers of new MBA graduate hires by company size. In 2005, larger companies hired more new MBA graduates compared with smaller companies at most company levels. Additionally, the estimated number of new MBA graduate hires in 2006 is dependent upon the size of the hiring company—larger companies are more likely than smaller companies to plan to hire new MBA graduates in 2006 at their local, national, and worldwide offices.

Overall, fewer than one in five employers (18%) reported that their company did not hire new MBA graduates in 2005. Compared to 2003 (23%), the difference is statistically significant. As the economy improves, the percentage of companies that

hire new MBA graduates increases as well.

Statistically, among companies that did not hire new MBA graduates in 2005, fewer respondents in 2005 compared to respondents in 2003 indicated limited company growth, a hiring freeze, and downsizing as reasons for not hiring new MBA graduates. These findings are consistent with the improved assessment of the economy.

However, significantly more respondents (28%) cited that entry-level salary demands of MBA graduates are unrealistic compared with respondents in 2004 (20%) and 2003 (15%). “Unrealistic salary demands” was cited by 43% of respondents as a barrier to recruiting MBA graduates. Based on a salary forecast by salary.com, “a growing job market in the

new year is the main reason that salary negotiating power will shift to the employee this year.”⁷ It appears that, with an ever-improving economy, job seekers are attempting to benefit from the economic expansion.

MBA Hiring Mix

Overall, respondents indicated that for 2006, 40% of their new employees will be direct-from-industry hires, 23% will be new MBA graduates, 13% will be other graduates, and 24% will be undergraduates. However, respondents indicated that 42% of their direct-from-industry hires had MBA degrees. Using this additional data, the hiring mix can be recalculated to determine the true percentage of MBA graduates a

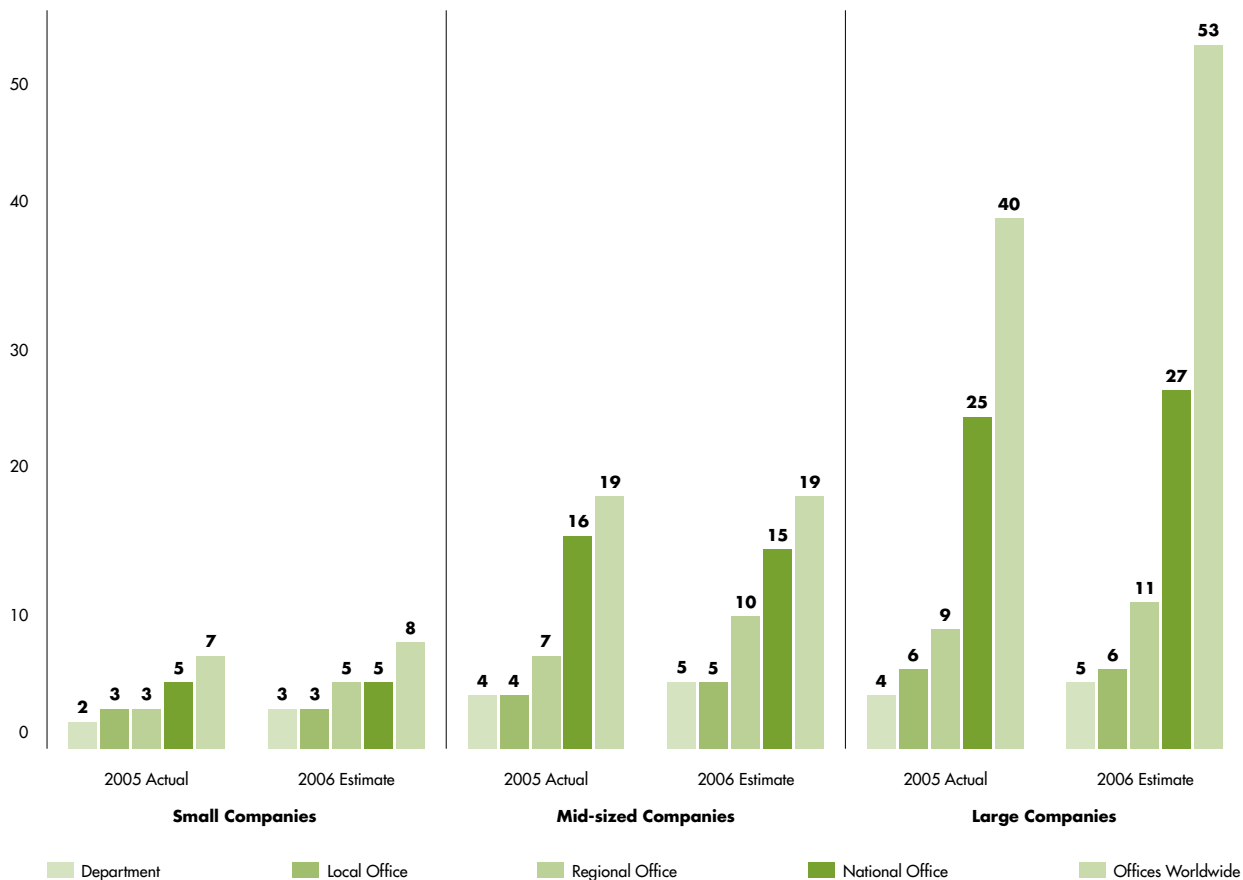


Figure 4. Number of New MBA Hires, by Organization Level and Company Size

⁷Malachowski, D. (n.d.) “Top 10 Salary Trends for 2005.” Salary.com. Retrieved on January 30, 2006, from www.salary.com/sitesearch/layoucripts/sis_display.asp?filename=&path=/destinationsearch/advice/part_par585_body.html.

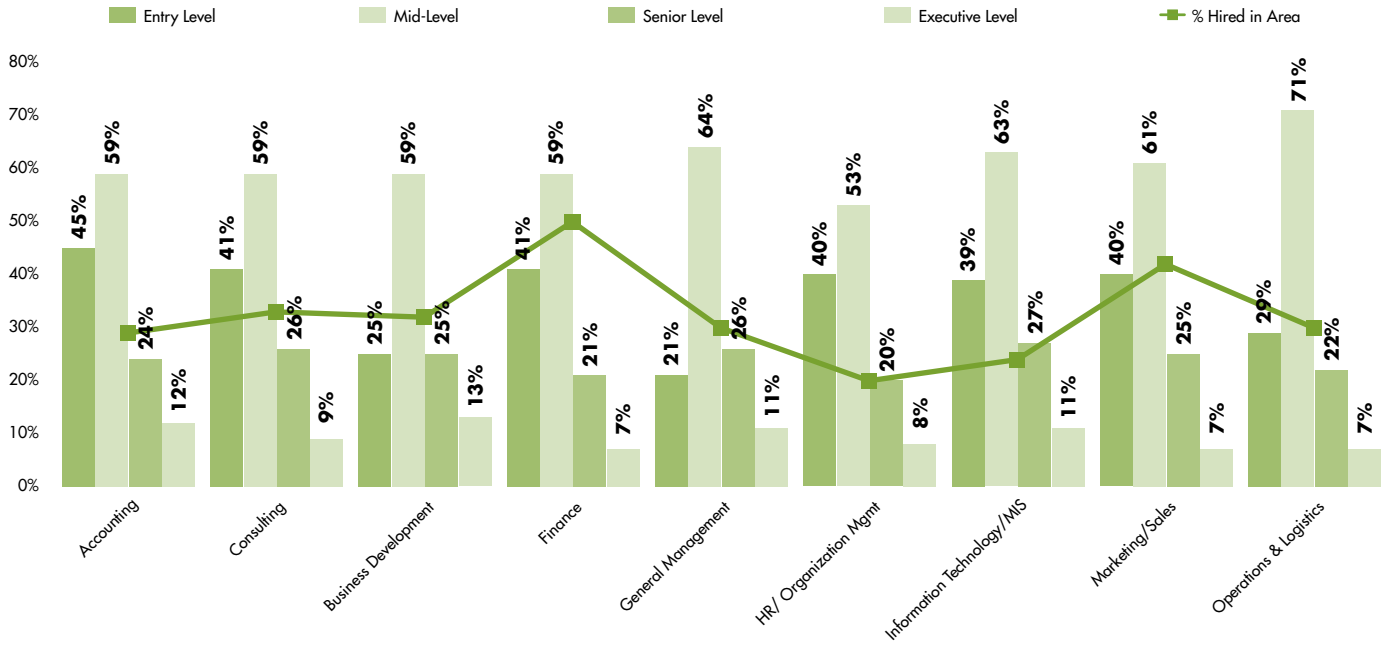


Figure 5. Percentage of Respondents Whose Company Hired MBA Graduates for Specific Job Areas at Various Job Levels (Among Respondents Whose Company Hired for the Job Area)

company hires. The result of this recalculation is as follows: 23% are non-MBA direct-from-industry hires, 17% are direct-from-industry hires with MBAs, 23% of hires are new MBA graduates, 13% have other graduate degrees, and 24% have undergraduate degrees. This data suggests the MBA degree is a valuable asset among the participating companies, as two out of five (40%) of all new hires in 2005 had an MBA degree.

According to a 2005 survey of MBA graduates, the number of job offers recent graduates received was significantly greater compared to previous years⁸. These data points suggest that 2006 will be a better year for MBA graduates compared with 2005.

MBA Job Areas

To determine what positions were in high demand, respondents were asked to indicate whether their company hired new MBA graduates in 2005 for various job areas. If the respon-

dent's company hired new MBA graduates for a specific job area, they were asked to indicate the company levels filled by the new MBA graduates. Figure 5 shows the percentage of respondents whose company hired for a specific job area by level.

Overall, the findings suggest the following:

- More respondents plan to hire for accounting positions. As in 2003, respondents in 2006 are statistically more likely to plan to hire for accounting positions compared with 2002. This increase in hiring for accounting positions may be associated with the enactment of the Sarbanes-Oxley Act in 2002, which revised the regulations for corporate finance and accounting in light of public financial and accounting scandals.
- Consulting positions should see a banner year. Statistically, more respondents indicated that they will hire consultants in 2006 compared to any previous year (2002 through 2005).

- A greater percentage of respondents indicated that they will fill general management, human resources, and operations/logistics positions in 2006 compared with most years. Findings in 2004 were statistically similar to 2006.
- More respondents plan to hire for information technology/MIS positions in 2006 compared with 2005 and 2003.

Although finance (51%) and marketing (42%) positions are in the most demand by employers in 2006, these positions have not reached the same level of demand as they did in 2004 when 62% of respondents hired financial positions and 49% hired marketing positions. However, MBA students seeking financial careers may have an advantage. According to the Bureau of Labor Statistics, "Candidates with expertise in accounting and finance—particularly those with a master's degree—should enjoy the best job prospects."⁹ With regard to marketing careers, the Bureau of Labor Statistics suggests that "keen competition

⁸Schoenfeld, G. (2005) Global MBA® Graduate Survey Executive Summary of Key Findings 2005. Graduate Management Admission Council®. Available at www.gmac.com/gmac/ResearchandTrends/Tools/GlobalMBAExecSum2005.htm.

⁹Bureau of Labor Statistics (2005) Occupational Outlook Handbook, 2006-07 Edition. U.S. Department of Labor. Retrieved on February 17, 2006, from www.bls.gov/oco/home.htm.

for jobs is expected.⁹” Although the percentage of respondents hiring for marketing positions is smaller in 2006 than in 2004, 2006 appears to be a better year for marketing job seekers compared with 2002, 2003, and 2005.

Which industries are hiring for the various positions?

- A statistically equal percentage of respondents in each of the industry groups plan to hire for accounting

positions in 2006. However, this may not seem surprising, considering accounting is a common function across industries.

- Half (50%) of the respondents in the high-tech industry plan to hire for business development positions in 2006, which is statistically a greater percentage compared with the consulting industry.
- Respondents in the energy/utility and nonprofit/government industries are more likely than the consulting industry to hire for general management positions.

- HR/organizational management positions are more likely to be filled by respondents in the healthcare industry compared with all other industries.
- Respondents in the healthcare and products/services industries are more likely than respondents in the consulting industry to hire for marketing/sales positions.
- Operations/logistics positions are more likely to be available from respondents in the manufacturing and products/services industries compared with the consulting and finance industries.

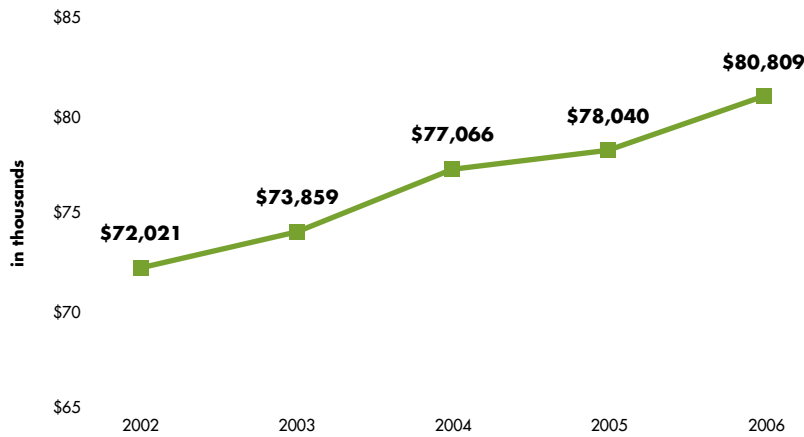


Figure 6. Estimated 2006 Starting Annual Base Salary for New MBA Graduates

MBA Salary

Since economic motivations are often an integral part of student decisions to pursue an MBA degree¹⁰, respondents to the Corporate Recruiters Survey were asked to estimate the starting annual base salary for new hires in 2006. Figure 6 presents the average estimated starting annual salary for new MBA graduates by survey year. The starting annual salary for new MBA graduates has steadily increased over the

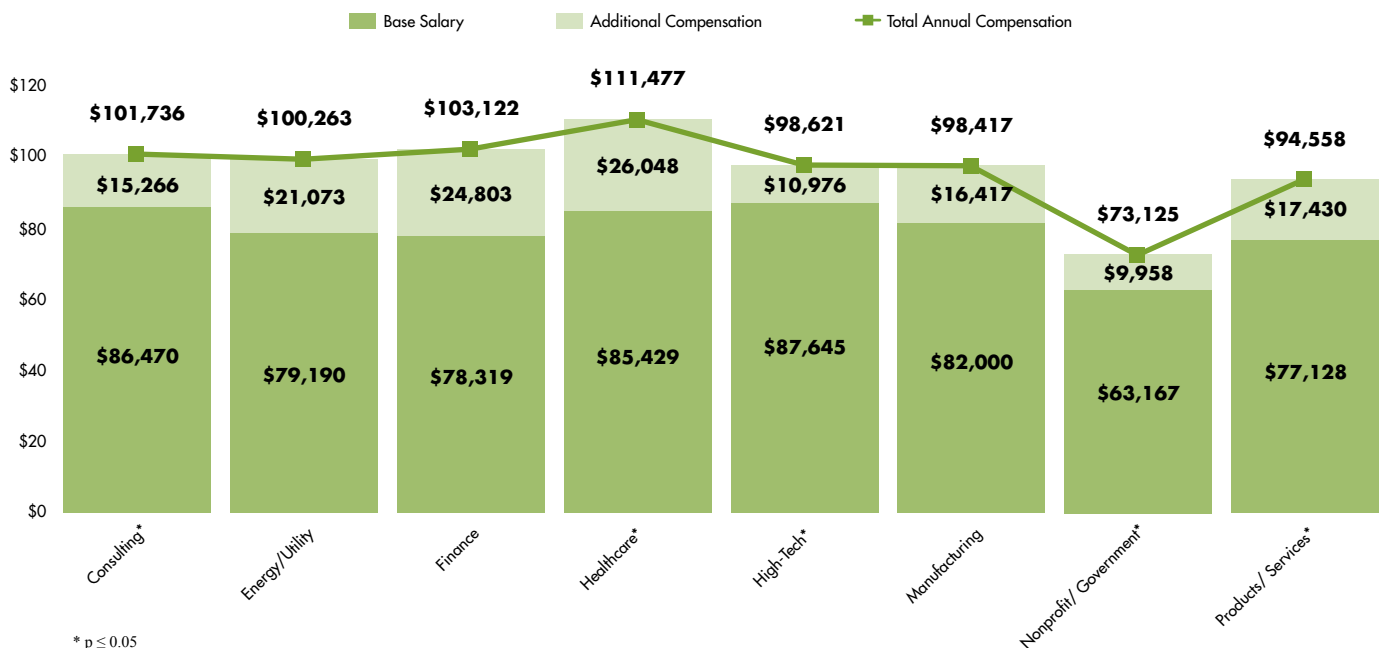


Figure 7. Estimated 2006 Total Annual Compensation for New MBA Graduates

¹⁰ Schoenfeld, G. (2005) mba.com Registrants Survey 2005 Survey Report. Graduate Management Admission Council®.

years—respondents indicate that in 2006 they will pay new MBA graduates statistically more than was the case in 2002 and 2003.

On top of the annual base salary, 98% of respondents plan to provide additional compensation to their new MBA hires. The majority indicate they will offer a benefits package (81%), moving allowance (55%), and performance-based bonuses (54%). Additionally, 45% plan to provide a signing bonus and 40% will give a year-end bonus for a total estimated annual compensation of \$99,737.

As shown in Figure 7, respondents in the consulting industry plan to offer new MBA graduates significantly more in total compensation compared with respondents in the nonprofit/government and products/services industries. Additionally, respondents in the healthcare and high-tech industries plan to compensate new MBA graduates significantly more, compared with respondents in the nonprofit/government industries.

Selection and Hiring Criteria

Along with the knowledge of the types and levels of positions for which companies are hiring, new MBA graduates can benefit from understanding how companies make their selection and hiring decisions. Respondents were asked to rate the importance of various criteria used in evaluating MBA candidates for jobs (Figure 8). The most common criterion selected by respondents is a candidate’s cultural fit with the company, followed by a proven ability to perform, strong soft skills (e.g., communication and interpersonal skills) and strong “hard” skills (e.g., technical/analytical skills and conducting cost-benefit/financial analysis).

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Cultural fit with the company is the most common criterion cited by employers as they evaluate MBA candidates for jobs. Other important attributes include a proven ability to perform, strong “soft skills” in communication and leadership, and excellent “hard skills”— financial, technical, and analytical ability.

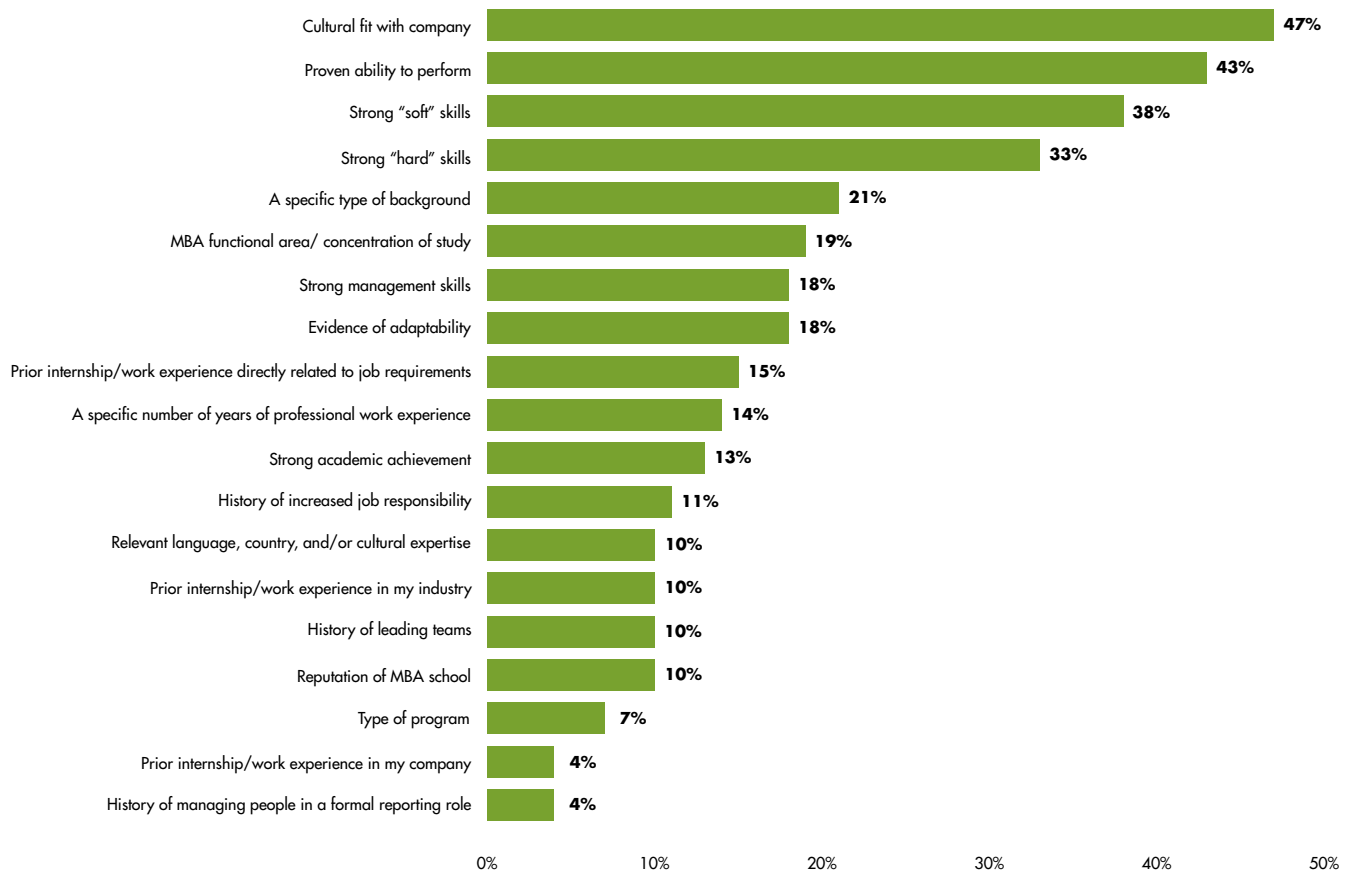


Figure 8. Percentage of Respondents Indicating the Hiring and Selection Criteria Is Extremely Important

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“Soft skills” are an extremely important part of selection criteria for almost two-fifths of the employers surveyed. Such skills in leadership, communication, and interpersonal relationships are deemed highly attractive and in need of strengthening.

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Interestingly, there are very few statistical differences by industry group in the hiring and selection criteria used to evaluate new MBA graduates. The differences include the following:

- Respondents in the manufacturing industry are more likely to look for candidates with a proven ability to perform compared with respondents from all other industries.
 - Strong academic achievement is used more often by respondents in the finance industry compared with respondents from all other industries.
 - The type of MBA program is considered more often by respondents in the healthcare industry compared with all other industries.
- Although there are no statistical differences in the percentage of respondents indicating that they consider management, “soft,” and “hard” skills for employment by industry, there are differences by industry in the types of skills found attractive in new MBA graduates. These differences are discussed in the next section.

Skills and Abilities

Besides cultural fit and the proven ability to perform, respondents indicated that they base their selection and hiring decisions on the candidates’ “soft” and “hard” skills. Figure 9 illustrates the responses to a question regarding the attractiveness of new MBA graduate skills compared with the skills respondents feel new MBA graduates need to strengthen. This analysis provides students, job seekers, and MBA administrators with information about the needs of hiring companies, which can be used to develop programs and projects that encourage development of the needed skills.

The chart is divided into four quadrants. The upper right quadrant indicates areas that employers find attractive but feel MBAs need to strengthen. The lower right quadrant includes areas that employers find attractive but for which they feel that MBAs are relatively well prepared. The up-

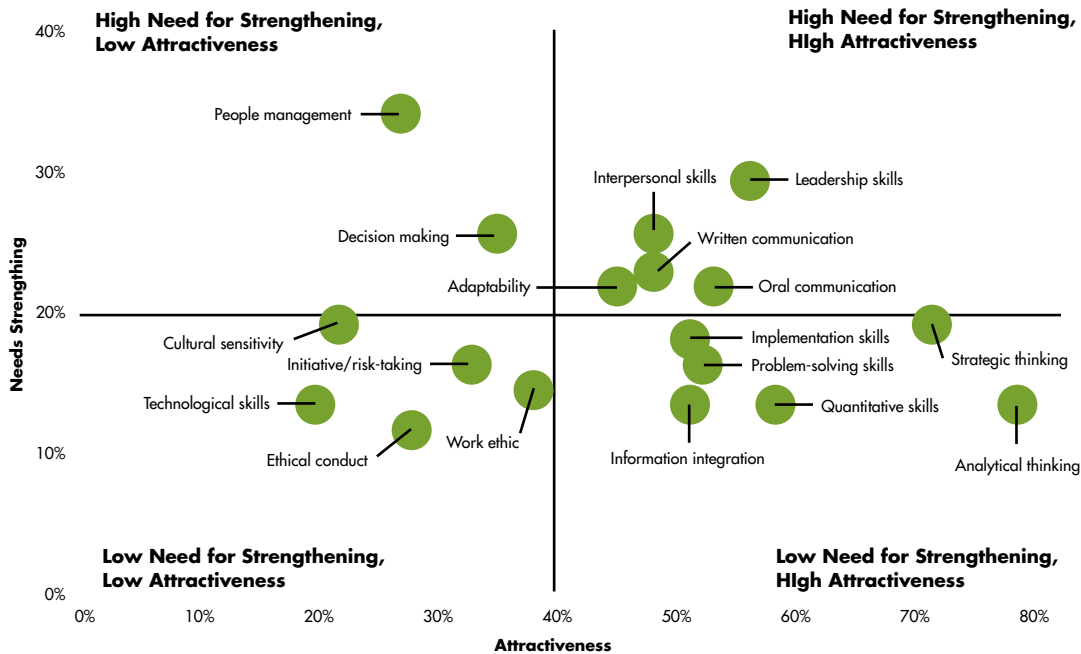


Figure 9. MBA Skills Gap Analysis

per left shows the skills that have relatively low attractiveness for employers but require additional attention from MBAs. The lower left quadrant contain skills and abilities that are relatively less attractive and do not require additional attention.

The areas that respondents identified as highly attractive and in need of additional strengthening are the soft skills. Nearly two-fifths (38%) of the current respondents indicated that soft skills are an extremely important part of their selection and hiring criteria. Perhaps not surprisingly, according to a survey of MBA alumni, more than half of the respondents indicated that they use interpersonal skills and oral communication skills a great deal on their current job¹¹. Recruiters participating in a survey by *The Wall Street Journal* also stated, “What distinguishes the most sought-after schools and MBA graduates are the ‘soft skills’ of communication and leadership¹².”

Communication skills are used by a majority of MBAs on the job, but leadership skills are used more often by MBA alumni who have been out of school for longer periods of time¹¹. “Students may indeed get by on their technical and quantitative skills in the first few years on the job, but leadership skills quickly distinguish the stars¹².” These findings are consistent with the data shown in Figure 9. Quantitative skills, problem-solving skills, analytical thinking, information integration, implementation skills, and strategic thinking are highly attractive from the respondent point of view, and respondents assess that new MBA graduates have the requisite level of proficiency in these areas.

Therefore, it seems that students would benefit from devoting energy to improving their proficiency in the soft skills. A 2005 survey of MBA graduates seems to uphold

this data; respondents who had received or accepted a job offer had higher self-reported proficiency levels in oral communication, written communication skills, and leadership skills, to name a few^[8]. Improving communication skills through presentations or other activities should be a high priority for graduate business students, especially considering that “effective communications skills are a prerequisite... for an outstanding business leader¹².”

There were also statistical differences by industry group in the skills employers found attractive.

- Respondents in the manufacturing industry found the ability of MBA graduates to think strategically significantly more attractive (81%) than did respondents in the finance industry (62%).
- Respondents in the energy/utilities industry found MBA graduate quantitative skills significantly more attractive (77%) than did respondents in all other industries.
- Project management skills were not as attractive to respondents in the finance (43%) and high-tech (43%) industries compared to respondents in all other industries.
- The ability to make decisions with imperfect information was not as attractive to respondents in the finance (27%) and nonprofit/government (26%) industries compared to respondents in all other industries.
- Initiative/risk-taking abilities were significantly more attractive to respondents in the healthcare industry (44%), and people management skills were significantly more attractive to respondents in the consulting industry (33%).

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Skills in quantitative work, problem-solving, analytical and strategic thinking, information integration, and implementation are also highly attractive to employers—and new MBA graduates demonstrate the required level of proficiency in them.
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¹¹ Schoenfeld, G. (2005) MBA Alumni Perspectives Survey 2005 Comprehensive Data Report. Graduate Management Admission Council®.

¹² Alsop, R. (2006) “M.B.A. Recruiters’ No. 1 Pet Peeve: Poor Writing and Speaking Skills.” *CareerJournal.com*. Retrieved on March 8, 2006, from www.careerjournal.com/myc/school/20060117-alsop.html.

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Almost two-thirds of employers indicate that they desire access to seasoned MBA alumni. This suggests that schools who provide career services to alumni may increase the number of employers visiting the campus, thus providing new MBA graduates greater exposure to more companies and potentially to more job openings.

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Understanding what skills employers are seeking is useful to job seekers and those who coach and teach them, but career services offices should also be aware of the methods employers use when recruiting new MBA graduates. Figure 10 shows the percentage of respondents who indicated that their company employs each of the various recruiting methods.

Forty-five percent of respondents indicated that they recruit MBAs direct from industry—a statistically greater percentage compared with all other methods of recruiting new MBA graduates. As previously shown, respondents indicated that 42% of their new direct-from-industry hires in 2005 had MBA degrees. And 65% of respondents indicated that an important service they can receive from career services offices is access to seasoned MBA alumni (Figure 12). This information suggests that schools providing career services to alumni may experience an increase in the number of employers visiting their campuses, thereby providing their new MBA graduates greater exposure to more companies and potentially more job openings.

About two-fifths (39%) of respondents indicated that they recruit MBAs on an as-needed basis. Flexibility in providing access to MBA students can be beneficial to students, employers, and the career services office. Two-fifths (40%) of respondents state that they wish career services offices would provide them with the opportunity to interview throughout the year (Figure 11).

Formal or centralized MBA recruiting programs are maintained by about two-fifths (39%) of respondents. In 2005, those with formal programs visited 12 schools on average, and they plan to visit 13 schools in 2006. Those without formal programs visited five schools in 2005 and plan to visit six schools in 2006. Employers with formal programs are statistically more likely to visit a greater number of schools during the recruiting season. This information indicates that MBA students would encounter greater competition among companies that maintain a formal recruiting process. Students who hone their soft skills can better distinguish themselves from the competition.

In order to gain an advantage for students, career services offices may want to consider incorporating some of the services these respondents feel are important (Figure 11). Respondents with formal programs are statistically more likely than respondents without formal programs to feel that the service they receive from the career services office is important. They value a staff that is knowledgeable about recruiting from a company’s perspective, about the respondent’s company, and about the industry. Additionally, respondents with formal programs would like to have a single point of contact, a responsive staff, and staff-assisted services, such as resume searches, job postings, and online interview scheduling.

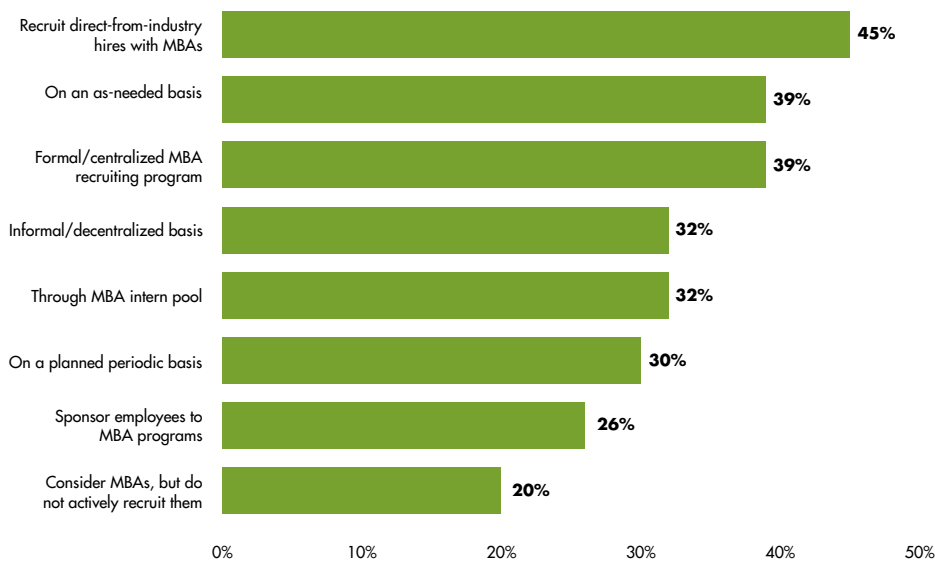


Figure 10. Methods of Recruiting New MBA Hires

Important Services Employers Would Like to Receive from Career Services

Figure 11 shows the percentage of employers who would like to receive particular services from career services offices. Nearly three-quarters (72%) of employers feel that online services, such as resume searches, job postings, and on-line interview schedules, are important for career services offices to provide. About two-thirds of employers want the ability to pre-select candidates (68%) and to have access to seasoned MBA alumni seeking new employment (65%). Three-fifths (60%) of employers would like a career services staff that is knowledgeable about recruiting from a company's perspective.

Respondents in the products and services industry were significantly more likely to identify a responsive staff for fast turn-around times and special requests (66%) and the ability to interview throughout the year (50%). Respondents in the manufacturing industry were significantly more likely to indicate the ability to pre-select candidates for interview schedules (81%) compared to respondents in the non-profit/government industry (47%).

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Nearly 40% of employers surveyed recruit MBAs on an as-needed basis and value flexibility in access to MBA students. The same percentage would like to be able to interview on campus throughout the year.
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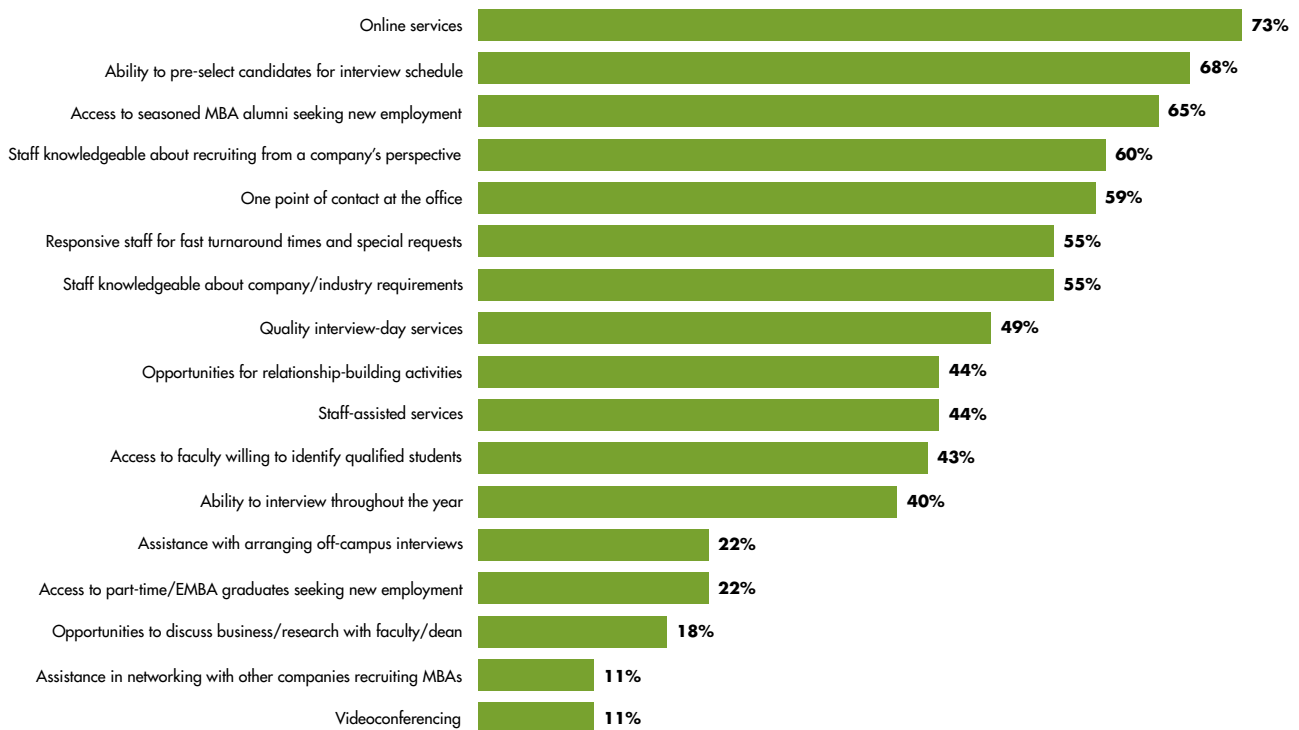


Figure 11. Important Services Wanted by Employers

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About 28% of employers in 2006 indicated that the inconsistency of the quality of MBA students is a barrier to recruiting on campus. In 2004, only 20% cited this issue.
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Barriers to On-Campus Recruiting

Since career services offices actively seek to bring more employers to campuses, it would be helpful for them to know some of the barriers employers face when trying to recruit on campus. Respondents were asked to indicate the barriers to effective on-campus recruiting they encountered. Figure 12 presents the percentage of respondents who indicate various barriers to recruiting MBAs on campus by survey year. Respondents in 2006 were significantly more likely than employers in 2004 to cite each of the barriers listed in both survey years.¹³

The largest percentage of respondents in each of the time periods indicated that limited time and staff for campus recruiting is a barrier. There is no statistically significant difference in the percentage of respondents who indicated this barrier by

their assessment of the economy, company size, or industry. This barrier appears to be prevalent across the spectrum of hiring companies and, unfortunately, this barrier is beyond the control of career services offices. However, by providing some of the services (Figure 11) employers are requesting, career services offices may be better able to assist employers in overcoming this barrier.

About a quarter (28%) of employers in 2006 and only a fifth (20%) in 2004 indicated the inconsistency of the quality of students as a barrier. More than two-thirds of respondents indicated (Figure 11) that the ability to pre-select candidates for interviews is an important service career services offices can provide to them. As an added advantage, this service may help alleviate concerns about the inconsistent quality of students they meet while on campus.

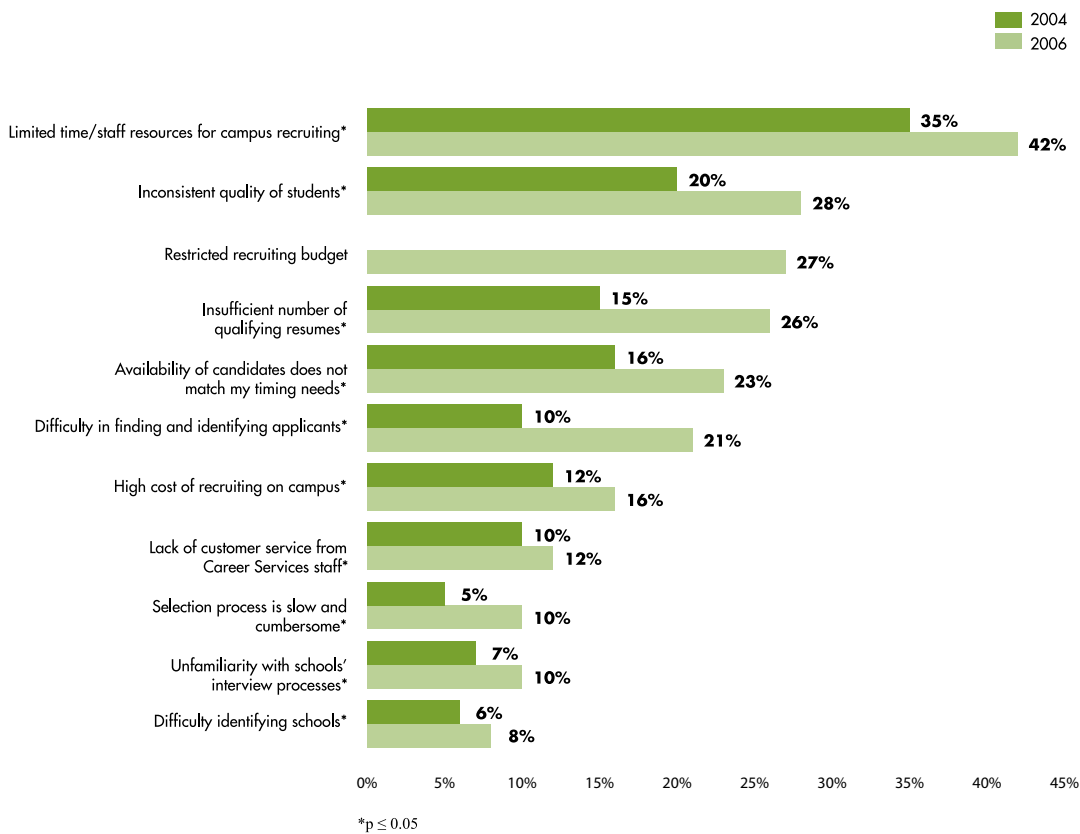


Figure 12. Barriers to On-Campus Recruiting

¹³ Restricted recruiting budget was not included in the 2004 list of barriers.

Leveraging Large Companies

By developing a relationship with larger companies, schools can become part of their recruiting program. Three-fifths (59%) of large companies sustain a formal/centralized MBA recruiting program, which is a significantly greater percentage compared with small companies, and the data show that companies with formal/centralized recruiting programs visit twice as many campuses compared with companies that do not have a formal/centralized recruiting program. Moreover, the data show that large companies plan to visit 13 campuses in 2006, compared to 8 campuses for mid-sized companies and 5 campuses for small companies.

But why is it important for career services offices to develop relationships with large companies? First, larger companies hire significantly more new MBA graduates compared with small companies. At offices worldwide, large companies plan to hire 53 new MBA graduates on average in 2006, compared with midsized companies that plan to hire 19 and small companies that plan to hire 8. Furthermore, in 2005, 19 out of 20 large companies (95%) hired new MBA graduates, which is significantly greater compared to about 13 in 20 (65%) small companies. It appears that larger companies provide greater opportunities for a school's new MBA graduates compared with the number of opportunities available at smaller companies.

Not only do larger companies provide greater employment opportunities, they are also more likely to obtain MBA talent through internships than smaller companies. And they are more likely to recruit new MBA graduates on a planned periodic basis. By developing relationships with larger companies, schools will be able to offer their students a greater range of internships and continuous opportunities to interview with hiring companies.

How can schools meet the needs of large companies and foster the development of a mutually beneficial relationship? Respondents from large companies are more likely than respondents from smaller companies to state that they are interested in schools that offer quality interview-day services, which include interview facilities, meals, parking, and office amenities. Considering that larger companies are more likely to hire new MBAs on a planned periodic basis, it is not surprising that respondents from larger companies are more interested compared with smaller companies in a responsive staff for fast turnaround times and special requests. Additionally, respondents from larger companies are more likely than respondents from small companies to request the ability to pre-select candidates for their interview schedule. This is understandable considering respondents from large companies are more likely than respondents from small companies to feel that an inconsistent quality of students within a school is a barrier to recruiting on campus. By catering to some of the needs of employers, schools can bolster their relationships with these companies.

Developing relationships with larger employers not only might assist students in finding internships and job openings, it could also boost school application volume. Among the respondents from large companies, 76% report that their company sponsors employees to full-time MBA programs, 83% sponsor to part-time MBA programs, and 80% sponsor to EMBA programs. These percentages are significantly greater compared with the percentage of respondents from smaller companies who report they sponsor employees to MBA programs.



Developing relationships with larger employers offers many advantages for schools and their students. Worldwide, large companies plan, on average, to hire 53 new MBA graduates in 2006, compared to 19 for midsized companies and 8 for small companies. In addition, 95% of large companies hired MBA graduates in 2005, while only 65% of small companies did so.



Findings in this report are based on further analysis of data found in the Comprehensive Data Report. The Comprehensive Data Report provides in-depth data tables and analysis of the survey. The Comprehensive Data Report also provides a list of the 76 participating schools and 737 participating companies.

In addition to receiving copies of this report and the Comprehensive Data Report, participating schools receive an individualized benchmarking report that compares responses from employers visiting their school with employers visiting other schools.

Contact Information

For questions or comments regarding study findings, methodology or data, 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 and the drafting/revising of the manuscript for intellectual content:

Gregg Schoenfeld, Manager, Applied Research, Graduate Management Admission Council[®] (GMAC[®]).

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Larger companies are significantly more likely than their smaller counterparts to sponsor employees in full-time programs (76%), part-time programs (83%), and executive MBA programs (80%).



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

Other surveys include—

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.

Global MBA® Graduate Survey

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

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.



Creating Access to Graduate Business Education®

1600 Tysons Boulevard
Suite 1400
McLean, Virginia 22102
USA

surveys@gmac.com
www.gmac.com/surveys

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