

**SUMMARY OF THE
APRIL 2004
MBA ALUMNI PERSPECTIVES SURVEY**

Conducted by
Graduate Management Admission Council®

MBA ALUMNI PERSPECTIVES SURVEY

APRIL 2004

Summary

The Graduate Management Admission Council® (GMAC®) has released results of its sixth bi-annual survey of MBA alumni, the MBA Alumni Perspectives Survey. This year, the survey results represent the responses of 2,350 MBA alumni who have been out of school from one to four years.

The purpose of the MBA Alumni Perspectives Survey is to follow up with MBA alumni surveyed by GMAC® just prior to graduation to learn where they are working and how their careers have progressed since they earned an MBA. The survey also gauges how alumni feel about their jobs and employers, their level of career attainment, and how they value the MBA degree. Specifically, the survey asked the MBA alumni about—

- job satisfaction
- feelings about their employer/organization
- value of the MBA degree
- job security
- change in job responsibilities
- employment status
- salary
- characteristics of employers/employment

The comprehensive survey report gives overall results and also analyzes results by respondents' graduation year, the type of MBA program they attended, their gender, their age, their race or ethnicity (for U.S. citizens only), and their country or region of citizenship.

This survey summary focuses on key survey findings concerning job satisfaction and career progress by graduation year, program type, employing industry, gender, and citizenship.

The survey found the following:

- The longer alumni have been out of school, the greater their job satisfaction and career progression are apt to be (as measured by increased responsibilities and salary).
- Alumni who graduated from part-time programs expressed the lowest level of job satisfaction and reported the least career progression.
- Alumni working in the high-technology industry tend to have the least positive things to say about their employers, but with regard to job satisfaction and career progression, they differ little from respondents working in other industries.
- Female alumni tend to feel they are not given the same opportunities as males and report lower levels of job satisfaction and less career progression than males.
- Citizens of Asia express the most dissatisfaction with their jobs and tend to have the least positive things to say about their employers and their job opportunities; however, they do not report the lowest absolute measures of career progression.

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Job Satisfaction

Forty-one percent of MBA alumni surveyed are very satisfied with their jobs. Another 41% are only somewhat satisfied; 18% are even less satisfied.

Analysis of the survey results revealed a close relationship between retention and/or job turnover and job satisfaction. In analyzing what influences job satisfaction ratings, we found that two drivers, or influencing factors, behind job satisfaction ratings are negative statements offered as possible responses: “There’s not much to be gained by sticking with this organization indefinitely” and “I would take a job with another employer with about the same pay and benefits I now have.” Respondents who agreed with these statements were more apt than others to leave their jobs and were also more likely to give their job satisfaction a low rating. This result may seem obvious, but it demonstrates that job satisfaction ratings are based not only on specific attributes of a job but also on the attitudes of the survey respondents.

Overall, MBA alumni are likely to stay with their employers, according to a retention score scale devised to measure the likelihood of staying in a job. Scores were calculated using respondents’ answers to survey questions measuring their feelings about their employer. Forty-six percent of the survey respondents scored very high on the retention scale, showing a high likelihood of staying with their employer. Thirty-nine percent scored moderately high, indicating a probability of staying with their employer. Fourteen percent scored moderately low on the retention scale, indicating a probability of leaving their employer. Only 2% scored very low, indicating a high likelihood of leaving their employer.

The following feelings and beliefs on the part of alumni determine (are the statistical drivers of) their job satisfaction ratings. The drivers are listed in descending order, from greatest effect on job satisfaction ratings to least effect on job satisfaction ratings.

1. Respondents believe their work is interesting.
2. They are extremely glad they chose their current employer over other prospective employers.
3. They believe they are given the chance to do the things they do best.
4. They feel proud to tell people whom they work for.
5. They feel the pay is good.
6. They believe their employer cares about them and wants them to succeed.
7. They believe MBAs have more job security in a weak economy than non-MBA peers.

The results of the 2004 MBA Alumni Perspectives Survey show us that even years out of business school, alumni are still motivated by the same aspects of a job that were attractive to them as MBA students. When GMAC® surveys MBA students just prior to graduation, in our annual Global MBA® Graduate Survey, we ask those who are searching for a job which factors are most important in helping them to decide where to work after graduation. The primary drivers of alumni job satisfaction, listed above, closely mirror the primary reasons the MBA students give for accepting offers of employment. Year after year, MBA students say that challenging and/or interesting work, competitive salary, and opportunity for advancement are the top factors in convincing them to accept a job. The alumni similarly want to be challenged, have a chance to use their skills, and be well compensated.

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The similarities between what influences students' decisions to take a job and what influences alumni job satisfaction show that MBA students generally have a good sense of what to look for in employment in order to achieve long-term satisfaction. MBA students are not apt to put salary concerns before growth opportunity, for instance, or even to put growth opportunity ahead of whether a job truly interests them. People who go for an MBA tend to be go-getters who want to be challenged and want to achieve, and they remain so long after they earn their degree.

When asked about their feelings about their employer, respondents indicated the following.

- Ninety-five percent agreed with the statement, "To know that my own work had made a contribution to the good of the organization would please me."
- Eighty-two percent agreed with, "I am quite proud to be able to tell people whom I work for."
- Eight-one percent agreed with, "I trust my employer to behave ethically in their business practices."
- Seventy-two percent agreed with, "I am extremely glad that I chose this organization to work for over others I was considering at the time I joined."
- Fifty-four percent disagreed with, "I would take a job with another employer with about the same pay and benefits I now have."
- Fifty-three percent disagreed with, "There's not much to be gained by sticking with this organization indefinitely."

Respondents were asked to rate the truthfulness of 15 statements with regard to their current employer. The alumni found the following three statements to be the truest—

- "My employer promotes and upholds ethical business practices."
- "My supervisor is competent in doing his/her job."
- "The work is interesting."

The three statements alumni found to be the least truthful are—

- "My responsibilities are clearly defined."
- "I am not asked to do excessive amounts of work."
- "I spend too much time in meetings that are not productive."

Although feelings and attitudes about jobs and employers are the drivers of job satisfaction ratings, the absolute job responsibility and salary levels are also worthy of examination. Because these absolute levels differ widely depending on the individual characteristics of the alumni, these measures are examined in the context of results broken down by subgroups of alumni. Differences in feelings and attitudes about jobs and employers are also examined in the subgroup breakdowns, which follow.

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Key Findings by Graduation Year

The alumni rated the truthfulness of 15 statements in describing their current employer and position. There are significant differences in the way alumni from different graduating years rated six of those statements.

Alumni in the graduating class of 2000 rated these statements as more truthful than did alumni of other classes (class year comparisons are shown in parentheses):

- “I am given a chance to do the things I do best” (rated more truthful by the class of 2000 than by the class of 2002).
- “The problems I am expected to solve are hard enough” (rated more truthful by the class of 2000 than by alumni of the classes of 2002 and 2003).
- “I have had equal opportunity in promotions and salary” (rated more truthful by the class of 2000 than by the class of 2001).
- “The pay is good” (rated more truthful by the class of 2000 than by the classes of 2002 and 2003).

Alumni of the class of 2003 rated the following statements as slightly (yet significantly) more truthful than did their counterparts in the class of 2002:

- “My employer really cares about individuals and wants them to succeed.”
- “I have enough time to get the job done.”

As one would expect, alumni who have been out of school the longest have experienced the greatest career progression, as measured by increased responsibilities, position, and salary.

Alumni from all four graduating classes surveyed are more likely to report increases in project/product responsibility and in the number of special assignments than they are to report increases in the number of people managed and budget responsibility. In general, though, the longer alumni have been out of school, the more their responsibilities have increased.

Alumni from the class of 2003 are twice as likely to report that they are not managers or supervisors as those from the class of 2000 (34%, compared with 17%). And those from the classes of 2000 and 2001 are twice as likely to report that they are senior-level managers than are those from the class of 2003 (16%, compared with 8%).

Alumni from the classes of 2000 and 2001 have significantly higher salaries than those from the classes of 2002 and 2003.

ANNUAL BASE SALARY, BY GRADUATION YEAR	
Graduation Year	Median Salary in U.S. Dollars
2000	\$90,000
2001	\$83,350
2002	\$76,000
2003	\$72,000

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Key Findings by Type of Student

Although the majority of alumni are very or somewhat satisfied with their jobs regardless of the type of program they attended, alumni from full-time programs are significantly more satisfied with their current jobs than are those from part-time programs.

JOB SATISFACTION, BY PROGRAM TYPE			
	Program Type		
	Full Time	Part Time	Executive
	<i>n</i> = 1,589	<i>n</i> = 344	<i>n</i> = 74
Very satisfied ¹	44%	29%	36%
Somewhat satisfied	39%	49%	43%
Neither satisfied nor dissatisfied	7%	6%	5%
Somewhat dissatisfied	8%	11%	11%
Very dissatisfied	2%	5%	4%
Total	100%	100%	100%

Alumni from full-time programs agree with each of the following statements significantly more than do those from part-time programs:

- “I am quite proud to be able to tell people whom I work for.”
- “I trust my employer to behave ethically in their business practices.”

Alumni who graduated from full-time programs say these statements are more truthful than those who graduated from part-time programs:

- “I am given a chance to do the things I do best.”
- “My employer really cares about individuals and wants them to succeed.”
- “My supervisor is competent in doing his/her job.”
- “The work is interesting.”
- “I am not asked to do excessive amounts of work.”
- “The problems I am expected to solve are hard enough.”
- “I have had equal opportunity in promotions and salary.”
- “My employer promotes and upholds ethical business practices.”

Alumni from full-time programs say the following statements are more truthful than do those from both part-time and executive programs:

- “I have enough time to get the job done.”
- “My chances for promotion are good.”

Alumni from executive programs find the following statement to be more truthful than do those who attended part-time programs: “The pay is good.” And those from executive and part-time programs say the following statement is more truthful than do those from full-time programs: “I spend too much time in meetings that are not productive.”

¹ Note that percentages in tables in this report do not always add up to 100% because of rounding.

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The typical graduate of an executive program (reflected in the median figures shown below) has a higher average salary than the typical graduate of a part-time program.

ANNUAL BASE SALARY, BY PROGRAM TYPE	
	Median, in U.S. Dollars
Full-time	\$80,000
Part-time	\$75,000
Executive	\$92,500

More alumni from executive programs have experienced increases in the number of people managed and budget responsibility than have those from full-time and part-time programs. More alumni from full-time programs have experienced increases in project/product responsibility and number of special assignments than have those from part-time and executive programs.

Forty-six percent of graduates from executive programs report that they are senior-level managers, compared with 17% of those from part-time programs and 10% of those from full-time programs. Graduates of all three types of programs, however, have about the same likelihood of being middle-level managers. Those from full-time and part-time programs are more than four times as likely to be first- or entry-level managers or supervisors as are those from executive programs. And full-time and part-time program alumni are more than three times as likely to say they are not a manager or supervisor as are graduates of executive programs.

Key Findings by Employing Industry

To gauge their feelings about the companies they work for, alumni were given a list of six statements and asked how much they agree with each. Of the six statements, the industry group in which the alumni work significantly affects only one: "There's not much to be gained by sticking with this organization indefinitely." Alumni working in energy/utilities companies and nonprofit/government organizations tend to agree with this statement the most, and those working in health care/pharmaceuticals and finance/accounting organizations agree with the statement the least.

The industry in which alumni work significantly affects how they rate truthfulness of eight of 15 statements they were presented with that describe their employment situation. Pairwise comparisons of statistical significance were used to show when respondents of one employing industry find a statement more or less truthful than respondents of another employing industry. Results of these comparisons are shown in the following table.

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COMPARISONS OF TRUTHFULNESS OF STATEMENTS ABOUT EMPLOYER		
Statement	Rated More Truthful by Employees of This Industry. . .	Than by Employees of This Industry. . .
My employer really cares about individuals and wants them to succeed.	consulting, health care/pharmaceuticals, and nonprofit/government	manufacturing and high technology
My chances for promotion are good.	consulting and finance/accounting products and services and health care/pharmaceuticals	high technology and nonprofit/government
		nonprofit/government
The work is interesting.	consulting	high technology
I have had equal opportunity in promotions and salary.	consulting, finance/accounting, and products and services	high technology
The job security is good.	finance/accounting, products and services, manufacturing, health care/pharmaceuticals and nonprofit/government	high technology
The pay is good.	consulting and finance/accounting	products and services and nonprofit/government
	energy/utilities	products and services and high technology
	health care/pharmaceuticals and energy/utilities	nonprofit/government
The physical surroundings are pleasant.	finance/accounting	manufacturing
I spend too much time in meetings that are not productive	consulting	manufacturing and energy/utilities

The following table shows the salary of the typical alumni (the median) in each industry. Industry significantly affects average salaries.

ANNUAL BASE SALARY, BY INDUSTRY GROUP	
	Median, in U.S. Dollars
Consulting	\$90,000
Energy/Utilities	\$83,750
Finance/Accounting	\$81,300
Healthcare/Pharmaceutical	\$80,760
Manufacturing	\$80,000
High Technology	\$80,000
Products/Services	\$72,300
Nonprofit/government	\$60,000

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Key Findings by Gender

Male and female alumni do not differ significantly in terms of their satisfaction with their current jobs; however, males rate the following statements as more truthful than do females—

- “I am given a chance to do the things I do best.”
- “The problems I am expected to solve are hard enough.”
- “I have had equal opportunity in promotions and salary.”

Females rate this statement more truthful than do males: “The job security is good.”

The typical annual base salary of males (U.S. \$80,000) is significantly higher than that of females (U.S. \$74,900).

A higher percentage of males than females reported an increase in the number of people they manage and an increase in their budget responsibility.

Asked the highest position they have achieved in their current job, males and females responded differently. The most notable differences are the following:

- Thirty-four percent of females said, “I am not a manager or supervisor,” contrasted with 25% of males.
- Twenty-six percent of females said they are middle-level managers, contrasted with 31% of males.
- Fourteen percent of males said they are senior-level managers, contrasted with 8% of females.

It is difficult to tell whether women’s relatively lower salaries and level of career attainment (in comparison with those of men) are a function of their work experience, the industries or types of organizations in which they work, or the fact that they are female and may face hurdles to career growth that men do not face. We do know from our Global MBA[®] Graduate Survey that female business school students tend to be younger than and have less work experience than their male counterparts. These factors can affect salary and career growth after business school, as can the industry in which one works.

Males and females are equally likely to work in consulting, but more males than females work in finance/accounting, manufacturing, and high technology, whereas more females than males work in products/services, health care/pharmaceuticals, and nonprofit/government organizations. Average salaries in products and services, health care, and nonprofit and government organizations tend to be lower than salaries in other industries, so, knowing that female MBAs are more likely to work in these industries than men are, it is not surprising that female MBAs typically earn lower salaries than men. The question that arises is whether salaries are actually lower in the industries that are more attractive to women in part *because* they employ so many women. In other words, are the lower salaries a function of industry characteristics or of gender bias? This question and many others suggested by the findings of this study can only be answered through further research.

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Key Findings by Citizenship

Citizens of the United States, Latin America, and Europe are more satisfied with their jobs than are citizens of Asia. It is particularly noteworthy that citizens of Latin America said that they are “very satisfied” at more than twice the rate of citizens of Asia.

JOB SATISFACTION, BY CITIZENSHIP					
	World Region (Citizenship)				
	Asia	United States	Canada	Latin America	Europe
	<i>n</i> = 257	<i>n</i> = 1,239	<i>n</i> = 126	<i>n</i> = 121	<i>n</i> = 209
Very satisfied	26%	42%	42%	53%	46%
Somewhat satisfied	48%	41%	35%	37%	41%
Neither satisfied nor dissatisfied	14%	6%	12%	3%	4%
Somewhat dissatisfied	9%	9%	10%	6%	7%
Very dissatisfied	3%	3%	2%	1%	2%
Total	100%	100%	100%	100%	100%
Mean	3.9	4.1	4.1	4.4	4.2

Citizens of the United States and Latin America are significantly more likely than Asian citizens to indicate that they are “quite proud to be able to tell people whom [they] work for.”

Citizens of the United States, Latin America, and Europe are significantly more likely than Asian citizens to agree with the statement, “To know that my own work had made a contribution to the good of the organization would please me. “

Citizens of all other world regions agreed more than did Asians with the statement, “[I am] extremely glad that I chose this organization to work for over others I was considering at the time I joined.”

Citizens of Asia are significantly more likely than citizens of the United States and Latin America to agree that “there’s not much to be gained by sticking with this organization indefinitely.” Citizens of Europe agreed with this statement more than did citizens of the United States.

Citizens of the United States and Latin America agreed more than did Asian citizens with the statement, “I trust my employer to behave ethically in their business practices.” Citizens of Latin America agreed with this statement more than did those from the United States, Canada, and Europe.

The mean retention likelihood scores of citizens of the United States (19.8) and Latin America (20.3) are significantly higher than the mean score for citizens of Asia (18.6). This finding suggests that Asians are more likely to leave their current jobs than are U.S. citizens and Latin Americans.

Pairwise comparisons of statistical significance show when citizens of one country/region find a statement to be more truthful than do citizens of another country/region. Results of these comparisons are shown in the following table.

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PAIRWISE REGIONAL COMPARISONS OF TRUTHFULNESS OF STATEMENTS ABOUT EMPLOYER		
Statement	Rated More Truthful by Citizens of . . .	Than by Citizens of...
I am given a chance to do the things I do best.	Latin America, Europe	Asia
I have enough time to get the job done.	United States, Canada, Latin America, Europe	Asia
My supervisor is competent in doing his/her job.	United States, Latin America	Asia
My chances for promotion are good.	United States	Europe
The work is interesting.	United States, Canada, Latin America, Europe	Asia
I am not asked to do excessive amounts of work.	United States, Canada, Latin America, Europe	Asia
The problems I am expected to solve are hard enough.	United States	Latin America, Europe
My responsibilities are clearly defined.	United States, Latin America, Europe	Asia
I have had equal opportunity in promotions and salary.	Latin America	Asia
The job security is good.	United States, Europe	Asia
The pay is good.	United States	Asia, Europe
The physical surroundings are pleasant.	United States, Europe	Asia
My employer promotes and upholds ethical business practices.	United States, Latin America and Europe	Asia
	United States, Canada, Latin America	Asia
	Latin America	Europe

Average annual base salaries of the typical citizen (reflected by the median) differ significantly across the five world regions.

ANNUAL BASE SALARY, BY CITIZENSHIP	
	Median, in U.S. Dollars
United States	\$80,000
Europe	\$80,000
Asia	\$75,000
Latin America	\$73,000
Canada	\$65,000

The citizenship of alumni also significantly affects whether their responsibilities increased, stayed the same, or decreased with regard to (1) number of people managed; (2) budget responsibility; and (3) number of special assignments.

- Number of people managed. Citizens of Latin America reported the most increases in the number of people managed, with 45% of these respondents reporting an increase. Canadians reported an increase in the number of people managed less frequently than did citizens of any other country, with 28% of these respondents reporting increases.
- Budget responsibility. The most widespread increases were among Latin American citizens, with 56% of respondents reporting an increase. Asian and U.S. citizens reported increases less frequently than did citizens of other world regions, with 40% of Asian citizens and 41% of U.S. citizens reporting an increase.

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- Number of special assignments. Latin Americans cited increases most often, with 78% reporting an increase. Asians and U.S. citizens experienced increases less frequently than respondents from other world regions, with 64% of each group citing increases.

Citizenship also significantly affects the highest position achieved by alumni in their current jobs.

HIGHEST POSITION RECEIVED AT CURRENT EMPLOYER, BY CITIZENSHIP					
	World Region (Citizenship)				
	Asia	United States	Canada	Latin America	Europe
	<i>n</i> = 257	<i>n</i> = 1,239	<i>n</i> = 126	<i>n</i> = 121	<i>n</i> = 209
I am not a manager or supervisor	32%	32%	19%	17%	19%
I am a first or entry-level manager or supervisor	25%	19%	17%	21%	19%
I am a middle-level manager	26%	28%	35%	36%	32%
I am a senior-level manager	12%	10%	16%	15%	19%
I am self-employed	0%	2%	2%	0%	3%
I am a small-business owner	2%	3%	3%	2%	2%
Other (please specify)	4%	6%	7%	8%	5%
Total	100%	100%	100%	100%	100%

High percentages of Asians and Latin Americans are working outside their country of citizenship or permanent residency (42% and 48%, respectively), contrasted with 4% of U.S. citizens.

WORKING IN COUNTRY OF CITIZENSHIP, BY CITIZENSHIP					
	World Region (Citizenship)				
	Asia	United States	Canada	Latin America	Europe
	<i>n</i> = 257	<i>n</i> = 1,239	<i>n</i> = 126	<i>n</i> = 121	<i>n</i> = 209
Yes	58%	96%	79%	52%	72%
No	42%	4%	21%	48%	28%
Total	100%	100%	100%	100%	100%

Citizenship also significantly affects the industry in which alumni work.

INDUSTRY/BUSINESS OF EMPLOYING ORGANIZATION, BY CITIZENSHIP					
	World Region (Citizenship)				
	Asia	United States	Canada	Latin America	Europe
	<i>n</i> = 246	<i>n</i> = 1,204	<i>n</i> = 123	<i>n</i> = 120	<i>n</i> = 204
Consulting	9%	12%	8%	8%	15%
Finance/Accounting	31%	21%	25%	21%	20%
Products/Services	20%	23%	29%	28%	20%
Manufacturing	15%	12%	7%	13%	13%
High Technology	13%	14%	12%	14%	18%
Healthcare/Pharmaceutical	6%	10%	10%	8%	8%
Energy/Utilities	4%	2%	6%	4%	4%
Nonprofit/government	1%	6%	3%	4%	3%
Total	100%	100%	100%	100%	100%