

# 2008

Graduate  
Management  
Admission  
Council®

## MBA Alumni Perspectives Survey

**SURVEY REPORT**



**The MBA Alumni Perspectives Survey**

is a product of the Graduate Management Admission Council® (GMAC®), a global, nonprofit 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 4,000 graduate management programs around the world. GMAC is dedicated to creating access to and disseminating information about graduate management education; these schools and others rely on the Council as the premier provider of reliable data about graduate management education.

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**E**ach April and September, the Graduate Management Admission Council® (GMAC®) conducts the MBA Alumni Perspectives Survey, a longitudinal study of individuals who have responded to a previous GMAC student survey—the Global MBA® Graduate Survey. April 2007 survey data represent individuals who graduated from 2000 through 2006. The September 2007 survey includes the classes of 2000 through 2006 and adds the newly graduated class of 2007. This report is based on data from both of the MBA Alumni Perspectives Surveys conducted in 2007.

The research objectives of these studies are to document first and current job characteristics; to track changes in responsibility, promotions, and salary over time; to assess the performance of graduate management education from a retrospective point of view; and to monitor the educational needs of alumni. This report is organized into three sections geared to particular audiences—graduate business schools, graduate business school alumni, and employers. The final section profiles select groups of alumni, including Indian alumni, European alumni, Canadian alumni, and the millennials—individuals born between 1980 and 2000.

### Key Findings

- Financial outcomes drive overall satisfaction with the graduate business degree.
- About six months after graduation, alumni recoup 47% of their investment made in education, and about half of the alumni recoup the full investment within seven years.
- A majority of alumni feel that pursuing a graduate business degree—as well as their choice of school, program, and area of academic concentration—was the right decision.
- Earnings on the job increase as the amount of time since graduation increases. On average, the most recent business school graduate currently earns US\$92,360 annually. Alumni who graduated in 2000 earn 78% more than that—US\$164,628 per year, on average.
- There is only a slight match between the career goal orientation of alumni and their current job. However, there is greater consistency between goal orientation and current job for alumni who have been out of school longer. The match between the two strengthens over the years, as alumni gain greater job experience and time to evaluate career and goals.
- Organizational culture has a significant role in the level of satisfaction alumni have with their employer. An alumnus' satisfaction with his or her employer is driven by a well-defined organizational framework, open interpersonal relationships, and team-based rewards.

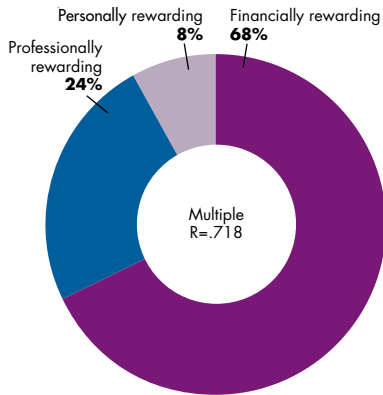
The survey sample includes business graduates who participated in the Global MBA Graduate Survey administered to the 2000 through 2007 classes and who agreed to further follow-up. In April 2007, the MBA Alumni Perspectives Survey had 3,269 respondents representing a 21% response rate, and in September 2007, there were 2,856 respondents representing a 15% response rate. Table 1 shows the response rates for each of the surveys by graduation year.

A comparison of respondent demographic characteristics shows no statistically significant differences in the composition of the two respondent sets based on program type, gender, or U.S. subgroup. It is not surprising, however, that the September 2007 survey is slightly skewed to younger alumni considering this wave includes newly graduated students. There is also a slight difference by citizenship of alumni. The September wave (12%) had a greater percentage of alumni from Asia compared with the April wave (10%). On the other hand, alumni from the United States represent a larger proportion of respondents in the April wave (66%) compared with the September wave (64%).

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**Approximately 3,000 alumni  
 for each of the two survey waves in  
 2007 provide data for this report.**  
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Graduating Year	April 2007	September 2007
N	3,269	2,856
2000	19%	13%
2001	14%	8%
2002	17%	10%
2003	17%	11%
2004	19%	13%
2005	22%	14%
2006	28%	17%
2007	Not surveyed	29%

**Table 1.**  
 Response Rates, by Graduation Year



**Figure 1.**  
Key Drivers of Overall Value of the Degree (Pratt Index)

**Value of the Graduate Business Degree**

People pursue graduate management education for various reasons. Prospective students cite personal improvement, career enhancement, and switching careers<sup>1</sup> as a basis for pursuing a graduate business degree, which indicates that the perceived value of the degree manifests in various ways, including personal, professional, and financial reward.

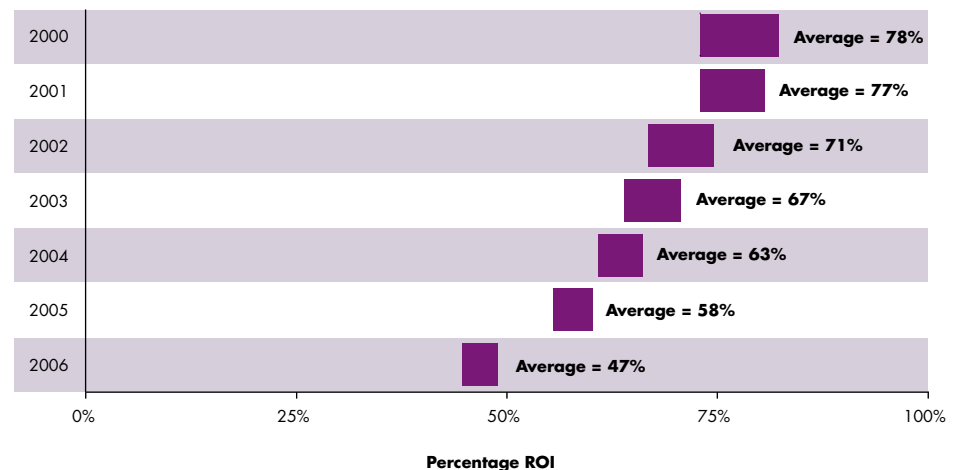
Overall, three-fifths (60%) of alumni surveyed rate their business-degree value as outstanding or excellent. As shown in Figure 1, the greatest impact on the alumni’s consideration of overall value is financial reward, followed by professional and personal reward. It is not surprising that financial reward plays the greatest role in driving overall value, because overall value is measured in terms of the total cost to obtain the degree compared with the career opportunities received as a result. Although, to a lesser degree, alumni who feel that the degree was professionally rewarding have a more positive perception of overall value than do other alumni. Even though prospective students enter degree programs to improve personally, personal improvement remains less important than financial and

professional considerations when alumni assess the overall value of the degree.

Figure 2 presents by graduation year the return on investment (ROI) recouped at the time of the survey. Naturally, the more time elapsed since graduation, the greater the return an alumnus can expect. The alumni recouped nearly half of their investment within the first year after graduation, on average. The considerable increase in salary received upon graduation accounts for the initial jump in ROI among the class of 2006. On average, an alumnus who is six or seven years out of school recoups more than three-quarters of his or her investment during that time. About half of the alumni out of school for six or seven years have fully recouped their investment.

**Decisions to Pursue a Graduate Business Degree**

After reviewing their decisions relevant to pursuing a graduate business degree, 58% or more of all respondents indicated they definitely made the right choices regarding each of the following decisions: whether to enroll in the first place, which school to attend, which program type would best meet their needs,



**Figure 2.**  
Return on Investment, by Graduation Year (95% Confidence Interval)

<sup>1</sup>Schoenfeld, G. (2006). mba.com Registrants Survey. Graduate Management Admission Council®.

and which area of academic concentration would be most suitable.

Upon closer reflection, however, there are statistically significant differences in the retrospective analysis based on program type (Figure 3). Graduates from executive programs are more likely than other graduates to feel they made all the right decisions, and graduates from full-time programs are more likely than graduates of part-time programs to feel they made all the right decisions. The latter result may reflect a general dissatisfaction with part-time programs; alumni graduating from part-time programs report the need to upgrade faculty and career services, reduce costs, and enhance general access. Still, part-time programs can prosper if such feedback is viewed as an opportunity to make continued improvements. According to class of 2007 graduates, part-time program enhancements can positively influence the perceived value of the degree<sup>2</sup>. Improvements will not only affect the retrospective analysis of the decision, but will also affect other areas of alumni interaction with their graduate business school. Notwithstanding these areas in need of improvement, the majority of graduates—whether from full-time, part-time, or executive programs—feel they made the right decisions regarding their graduate business education.

**Alumni Affiliation**

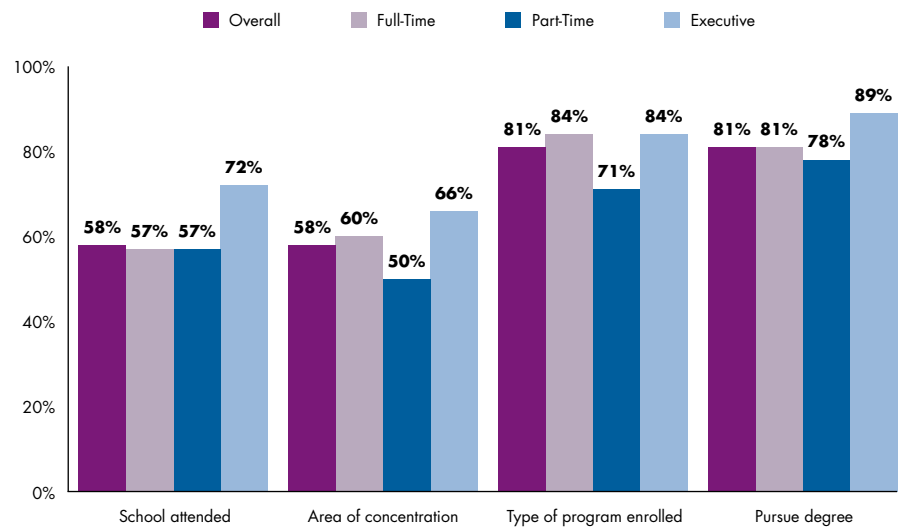
The stronger the affiliation alumni have with their graduate business school, the more likely they are to feel they made the right decisions in their graduate business education. Overall, one-quarter of the alumni report a strong affiliation with their graduate business school and 42% have a moderate affiliation. Additionally, 29% report a weak affiliation and one in 20 have no relationship with their graduate business school. Not only

does affiliation affect how alumni perceive their decisions, but evidence suggests that a stronger level of affiliation affects alumni participation in various activities, including attendance at alumni events and giving financial donations (Figure 4).

Currently, 18% of the alumni report that their school contacts them very often; 52% are contacted often, and 28% are contacted not very often. Additionally, 2% of the alumni report no contact with their school. Figure 5 shows how the frequency of school-to-alumni contact relates to alumni feelings of affiliation with their school. The level of affiliation is influenced by the amount of contact experienced.

Although schools may feel that too much contact would be counterproductive to their long-term goals of maintaining fruitful alumni relationships, this assumption does not appear to hold true. Nine

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**Overall, one quarter of the alumni report a strong affiliation with their graduate business school and 42% have a moderate affiliation.**  
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**Figure 3.** Percentage of Alumni Who Feel that They Definitely Made the Right Decision, by Program Type

<sup>2</sup>Schoenfeld, G. (2007). Global MBA® Graduate Survey. Graduate Management Admission Council®.

out of ten alumni who are contacted very often or often report that amount of contact to be just right. By comparison, only 56% among those contacted not often believe that to be the right amount, whereas 43% feel this infrequency of contact is inadequate. It is recommended that schools determine the right amount of contact for their alumni, perhaps by asking them directly as part of an exit survey for graduating students. In this way, schools can better meet the expectations of their alumni and, thereby, increase participation in various alumni activities. Alumni contacted more often by their graduate business school are more likely than other graduates to participate in each of the alumni activities shown in Figure 4.

**Post-Graduate Educational Needs**

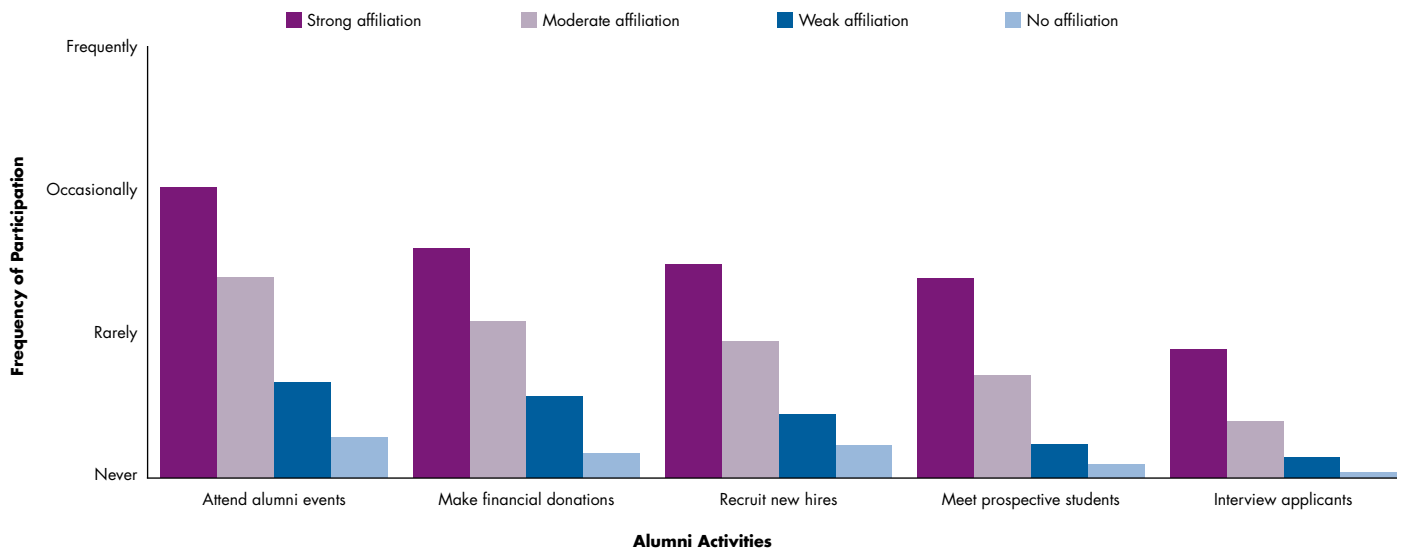
Graduate business programs provide students with the opportunity to make considerable improvements in their knowledge, skills, and abilities across a variety of domains<sup>[2]</sup>. However, no program could conceivably impart within its confines the totality of information or instruction available at a given time. In addition, because the discipline is not static, today’s business information can soon be supplanted by new developments and shifting trends in the field. Therefore, alumni are aware that continuous learning is required in order to stay current—and enhance future professional growth and development.

Most alumni (85%) report they feel the need for additional training or instruction in a variety of areas. Overall, only 15% of respondents indicate that they have received enough education and do not

require additional training. Survey respondents wish they had received additional training or instruction in the following top-five areas:

- managing human capital
- managing decision-making processes
- managing strategy and innovation
- interpersonal skills
- strategic and system skills

This stated need indicates there is a market for post-graduate course offerings. Graduate business programs can potentially capitalize on the opportunity by developing certificate programs in the areas of greatest perceived need, such as one in human capital management, which “represents the single greatest potential asset and the single greatest potential liability”<sup>3</sup> of an organization. By doing so—and through continued program improvement—schools may be able to increase their presence in the education marketplace.



**Figure 4.** Alumni Participation in Activities, by the Strength of the Alumni Relationship with the School

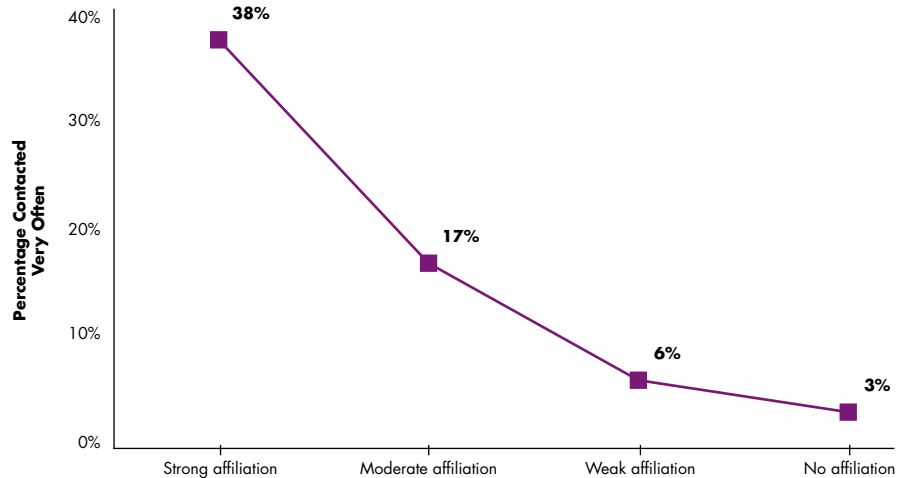
<sup>3</sup>Weatherly, L.A. (2003). Human Capital—the elusive asset; measuring and managing human capital: a strategic imperative for HR. HR Magazine, March 2003. Retrieved October 23, 2007, from [http://findarticles.com/p/articles/mi\\_m3495/is\\_3\\_48/ai\\_98830435](http://findarticles.com/p/articles/mi_m3495/is_3_48/ai_98830435).



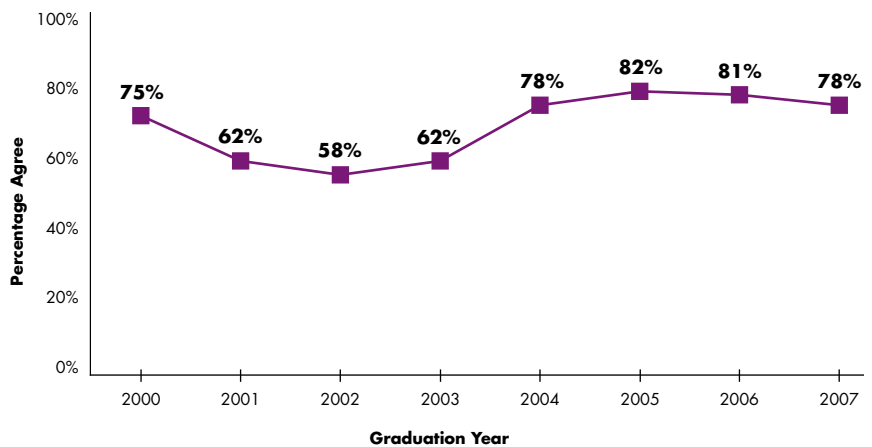
**First Job after Graduation**

Most people enter a graduate business program with the hope of improving their employment situation. Many expect that after graduation their career will begin to bloom in a way that was not previously possible. Alumni are asked to specify at the time of their initial survey after graduation, whether they could have obtained their first post-graduation job without having earned a graduate business degree. Figure 6 shows the percentage of alumni who agree that they could not have obtained their first job after graduation without their graduate business education.

Statistically, graduates in 2001 through 2003 were less likely than all other graduates to indicate that they could not have obtained their first job without the degree. Interestingly, these individuals graduated in the midst of a global economic slowdown that—exacerbated by the September 11, 2001 attacks on the United States<sup>4</sup>, the outbreak of severe acute respiratory syndrome (SARS), and the uncertainty of war<sup>5</sup>—contributed to the lower incidence of employment requiring a graduate business degree. A majority of alumni each year indicate that their first job required a graduate business degree, however. Furthermore, about one-half to two-thirds of the alumni feel that the job they took after graduation was the type of job they had been seeking. Alumni who feel that they definitely obtained the job for which they were looking received significantly more job offers than did alumni who took a job that was either somewhat like or not like the kind they had been seeking. A greater number of job offers means greater options: an alumnus can choose among the many to find the job that best meets his or her expectations.



**Figure 5.**  
Amount of School Contact, by Current Level of Affiliation



Numbers within 3% are in the 95% confidence interval.

**Figure 6.**  
Percentage of Alumni Who Feel They Could Not Have Obtained Their First Job Without a Degree

More than half of the class of 2007 who found a new job obtained the position in the third quarter of 2007; about one-third obtained their job in the second quarter of 2007. On average, the class of 2007 received 2.5 job offers, a significantly greater number of job offers than that received by both the 2002 (1.9) and 2003

(2.2) classes. More than one-third of respondents from the class of 2007 received their job offers either through networking (37%) or on-campus interviewing (36%). At the time of this survey, 94% of respondents from the class of 2007 were employed by the same organization for which they were working when they graduated.

<sup>4</sup>Schiffers, S. (2001). Will the world fall into recession? Review of 2001. BBC News, December 31, 2001. Retrieved October 23, 2007, from [http://news.bbc.co.uk/1/hi/in\\_depth/world/2001/review\\_of\\_2001/1701893.stm](http://news.bbc.co.uk/1/hi/in_depth/world/2001/review_of_2001/1701893.stm).  
<sup>5</sup>Katayama, F. (2003). Economist predicts world recession. CNNMoney, April 2, 2003. Retrieved October 23, 2007, from [http://money.cnn.com/2003/04/02/news/economy/sars\\_recession/index.htm](http://money.cnn.com/2003/04/02/news/economy/sars_recession/index.htm).

Current Job Function

Current Industry	Marketing/ Sales	Operations/ Logistics	Consulting	General Management	Finance/ Accounting	Human Resources	IT/MIS	Total
Consulting	8%	4%	65%	6%	9%	3%	7%	100%
Energy/Utility	12%	18%	15%	20%	24%	5%	7%	100%
Finance/Accounting	15%	3%	5%	8%	63%	1%	6%	100%
Healthcare	37%	15%	16%	13%	11%	2%	6%	100%
Technology	34%	15%	8%	12%	16%	1%	14%	100%
Manufacturing	20%	28%	7%	15%	21%	4%	6%	100%
Nonprofit/Government	16%	11%	12%	27%	17%	7%	9%	100%
Products/Services	33%	15%	7%	14%	25%	2%	3%	100%

\* $\chi^2 = 1286.475$ ,  $df = 42$ ,  $p \leq .05$ .

**Table 2.**  
Types of Jobs, by Industry of Employment\*

**Current Employment**

Overall, 88% of alumni work for an employer, 7% are self-employed, and 6% are not currently working. Although, statistically, employed alumni are more sure of their decisions to pursue a graduate business degree, more than three-quarters of the alumni who were not working at the time of the survey still feel they made the right decisions about their education. The majority of alumni who were not working cite they have not yet found the job they want, which suggests that the graduate business degree may provide the confidence and motivation to pursue a career—and not just a job.

**Job Function and Industry**

Two-thirds of the graduate business alumni surveyed who are currently working are employed in one of three industries: finance/accounting, products/services, and consulting. Additionally, three job functions account for two-thirds of the alumni: finance/accounting, marketing/sales, and consulting. Table 2 shows job-function distribution by the industry in which alumni are employed. As shown, there are variations in the types of job functions alumni hold by the type of industry in which they are employed.

- Alumni who hold marketing/sales positions are the most likely to work in the healthcare, technology, and products/services industries.
- Alumni who hold operations/logistics positions most likely work in the manufacturing industry, and they are also more likely to work in industries other than consulting and finance/accounting.
- Alumni who hold consulting positions outside the consulting industry are more likely to work in the energy/utilities, healthcare, and nonprofit/government industries.
- Alumni who hold general management positions are more likely to work in the nonprofit/government, energy/utilities, products/services, and manufacturing industries than in the consulting industry.
- Alumni who hold finance/accounting positions outside the finance/accounting industry are more likely to work in the energy/utility, manufacturing, and products/services industries.
- Alumni who hold human resources positions are more likely to work in the nonprofit/government industry.

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**More than three-quarters of the alumni who were not working at the time of the survey still feel they made the right decisions about their education.**  
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**Budgetary and Supervisory Responsibilities**

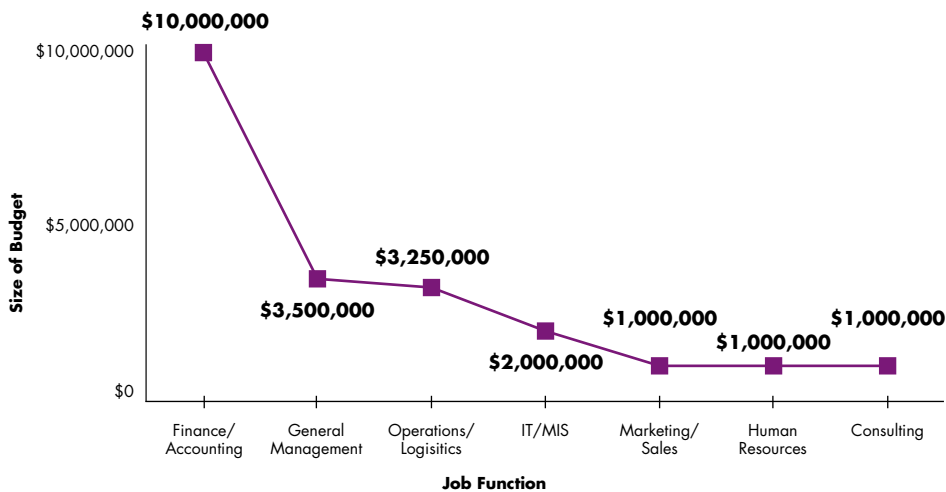
Overall, 28% of employed respondents have budgetary and supervisory responsibilities, 11% have budgetary responsibilities only, 19% have supervisory responsibilities only, and 42% have no such responsibilities. Graduation year correlates with the amount of responsibilities an alumnus has. More recent graduates, those from the 2006 and 2007 classes, are less likely than other graduates to have budgetary or supervisory responsibilities.

Nearly two-fifths (38%) of survey alumni have budgetary responsibility and manage an average budget of US\$30,632,191 (mean). The median budget size is US\$2,000,000, however, which indicates that some alumni manage relatively larger budgets than do others. Alumni in general management (65%), marketing/sales (49%), and operations/logistics (43%) positions are more likely than those in finance/accounting positions (27%) to have budgetary responsibilities. Yet, alumni in finance/accounting positions are responsible for significantly larger budgets compared with alumni in all other job functions (Figure 7).

About half (48%) of survey alumni have supervisory responsibilities and oversee an average of 17 staff. Alumni in general management (75%) positions are more likely than all other alumni to have both supervisory responsibilities and to supervise a greater number of staff—36, on average. Additionally, alumni in operations/logistics (56%) positions are more likely than those in marketing/sales (44%), consulting (37%), and finance/accounting (41%) positions to have supervisory responsibilities.

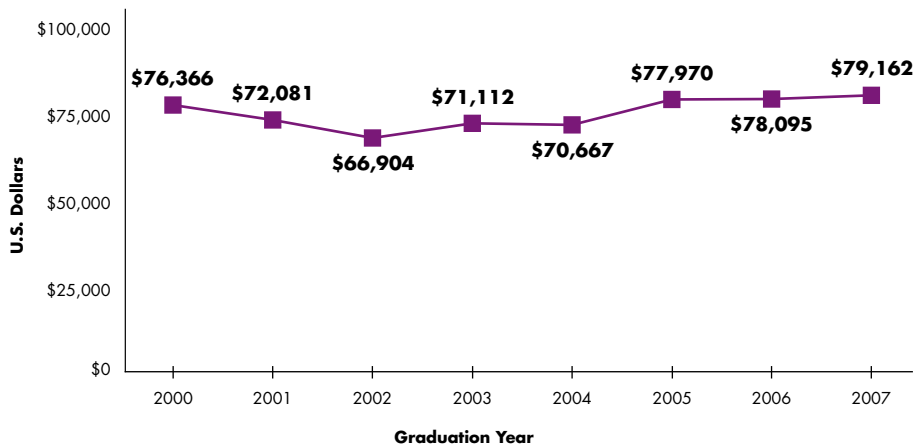
Alumni with budgetary responsibilities are more likely to have supervisory responsibilities than respondents without budgetary responsibilities. Nevertheless, alumni who do not have supervisory responsibilities but who have budgetary responsibilities manage a larger average budget (US\$42,660,639) than do alumni who have both supervisory and budgetary responsibilities (US\$26,117,009). On the other hand, alumni with supervisory and budgetary responsibilities state they oversee five times the number of staff (25) than do alumni who only have supervisory responsibilities (5).

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**Forty-two percent of respondents have no budgetary or supervisory responsibilities.**  
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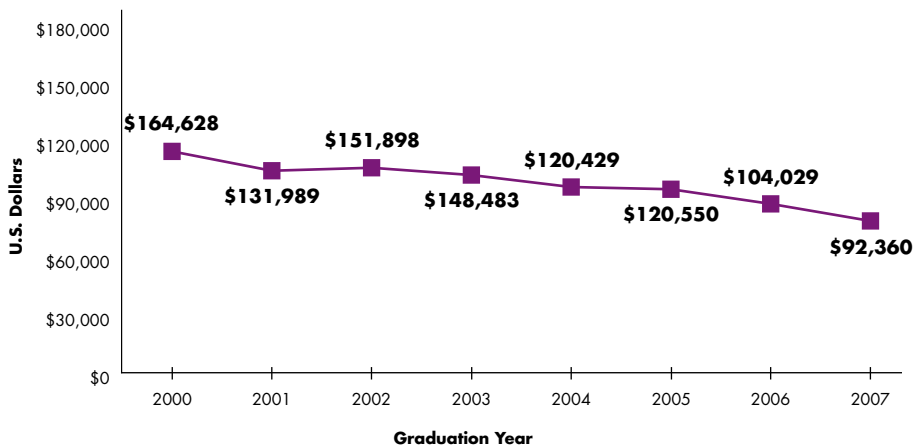
Note: For the 39% of respondents with budgetary responsibilities.

**Figure 7.**  
 Median Size of Budget Managed, by Job Function



Source: Data for the classes of 2000 through 2006 are taken from past GMAC® MBA Alumni Perspectives Surveys. Data for the class of 2007 is from the September 2007 alumni survey.

**Figure 8.**  
Starting Salary at First Job After Graduation, by Graduation Year



**Figure 9.**  
Current Salary and Additional Compensation, by Graduation Year

### Salary and Other Compensation

The starting annual salary among alumni in their first job after graduation has been improving slightly in recent years. Except for the salary drop in 2001 and 2002 that paralleled a worldwide economic world, the 9/11 attacks<sup>[4]</sup>, SARS, and economic uncertainty due to conflict and instability in countries around the globe<sup>[5]</sup>, starting annual salaries among graduate business alumni have been on the rise, as shown in Figure 8.

A vast majority of prospective students report they plan to pursue a graduate business degree to improve their long-term income and financial stability<sup>6</sup>. On average, the most recent graduating class currently earns more than US\$90,000 a year. Graduates from the class of 2006 earn, on average, about US\$104,000—13% more than those who graduated more recently (Figure 9). Alumni who graduated in 2000 earn 78% more than the most recent graduating class. This information provides evidence that the graduate business degree is living up to prospective students’ expectations of improved long-term income<sup>[6]</sup>.

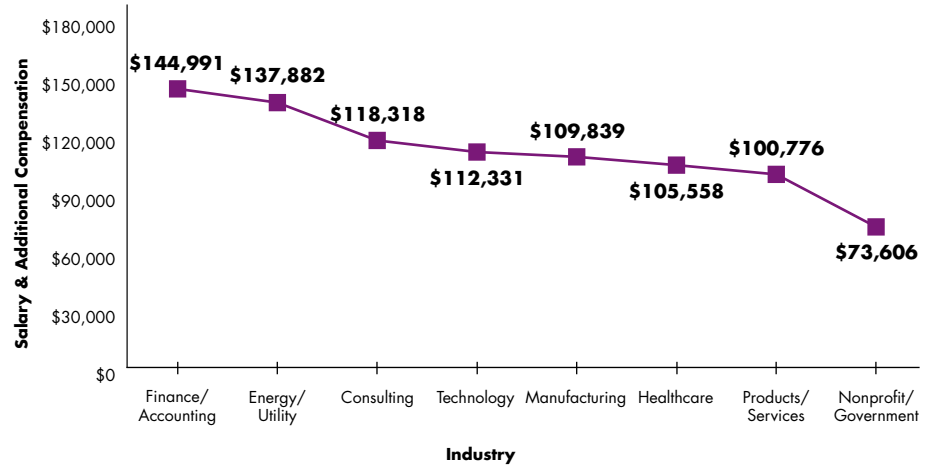
There are differences, however, in the annual earnings of alumni by the type of industry in which they choose to work. Figure 10 illustrates that among all survey alumni, those working in the finance/accounting and energy/utilities industries command the largest earnings, while alumni who work in the nonprofit/government industry earn the least. There are differences, too, in earnings based on the types of job responsibilities alumni have. Alumni with only supervisory responsibilities (US\$91,008) earn significantly more than alumni with neither budgetary nor supervisory responsibilities (US\$82,852). Additionally, alumni with both supervisory and budgetary responsibilities (US\$106,297) earn significantly more than all other alumni.

<sup>6</sup> GMAC® (2005). mba.com Registrants Survey. Graduate Management Admission Council®.

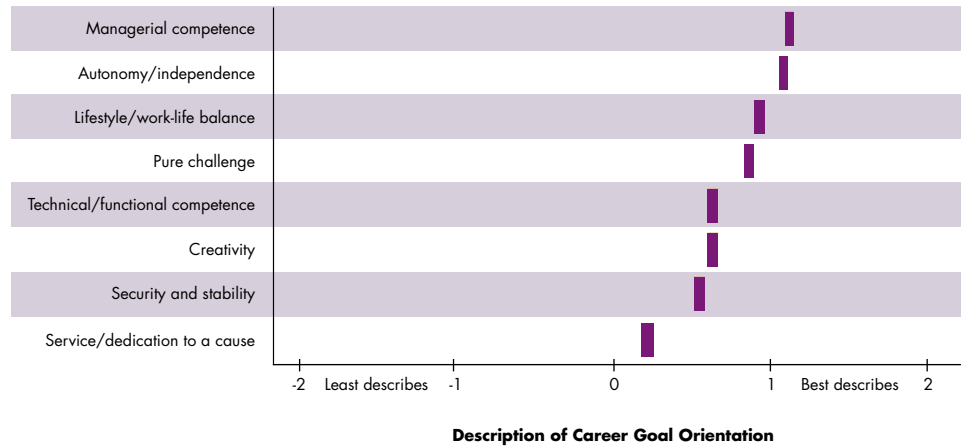
**Career Goal Orientation**

Careers are defined in relation to one’s work experiences. Schein (1974, 1990) states that individuals will focus on one of eight career anchors<sup>7,8</sup>, including technical/functional competence, managerial competence, creativity, security and stability, autonomy/independence, lifestyle/work-life balance, service/dedication to a cause, and pure challenge. Alumni describe their career goal orientation in the current study based on these eight career anchors. Figure II presents the average alumni ratings for each of the eight career anchors.

The top three anchors are managerial competence, autonomy and independence, and lifestyle and work-life balance. Managerial competence indicates a desire to climb the career ladder within an organization’s hierarchy<sup>[7]</sup>. Surprisingly, alumni in higher-level job positions are significantly more likely to describe their career goal orientation in terms of managerial competence than are alumni in lower-level positions. This result indicates that alumni in higher-level positions are continually striving to reach new heights within the organization, whereas alumni in lower-level positions appear to emphasize security and stability, and work-life balance.



**Figure 10.**  
Current Salary and Additional Compensation, by Industry



**Figure 11.**  
Career Anchors of MBA Alumni

<sup>7</sup>Schein, E.H. (1974) Career anchors and career paths: a panel study of management and school graduates. Technical report No 1. Sloan School of Management. MIT. Cambridge, MA.  
<sup>8</sup>Schein, E.H. (1990) Career anchors: Discovering your real values. San Francisco: Jossey-Bass Pfeiffer

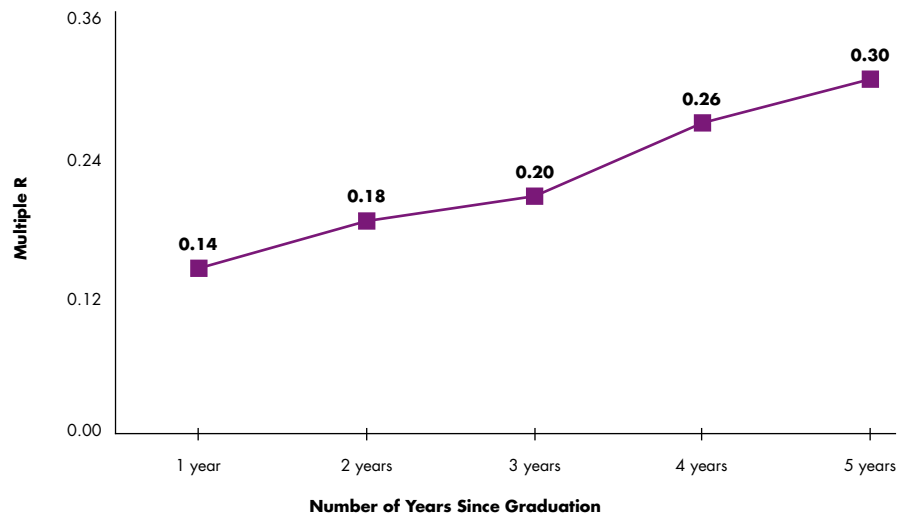
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**Younger alumni—the Millennials—  
 are more likely than older alumni to  
 orient their career to create a balance  
 between work and the rest of life.**  
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Autonomy and independence indicates an individual’s desire and ability to exercise control over his or her own work. Alumni in general management positions are more likely than all other employed alumni to anchor their career on the autonomy and independence goal. Alumni in higher-level jobs are significantly more likely to describe their career goal orientation in terms of autonomy and independence, compared with alumni in lower-level positions. Not surprisingly, self-employed alumni are more likely than all other employed alumni to anchor their career on autonomy/independence.

Lifestyle and work-life balance ranks next in the career anchor response hierarchy. Younger alumni—the millennials—are more likely than older alumni to orient

their career to create a balance between work and the rest of life. Similarly, self-employed alumni are more likely than other employed alumni to describe their orientation in terms of lifestyle and work-life balance.

Interestingly, the career orientation of survey alumni does not yield large predictive ability to the question, “How well does your current job match your career goals?” As such, an individual’s career anchor may not be manifest in his or her current job<sup>9</sup>. As Figure 12 shows, however, predictive ability increases with length of time in the job market. Alumni with additional years of both work experience and time to evaluate career and goals, have improved their match between career goal orientation and their current job.



\*All Multiple R values significant at  $p < .05$

**Figure 12.**  
 Multiple R for Models of How Well Current Job Matches Career Goals, by Graduation Year

<sup>9</sup>Olsson, B. (2003). Understanding the cultural dimension of career development. Paper presented at the 15th Annual Meeting of the Society for Advancement of Socio-Economics in Aix en Provence, June 26-28, 2003.

## Organizational Culture

Organizational culture is an essential element that defines interaction in the workplace. Companies hire candidates based, in part, on how well it appears they will “fit” within a given organization’s structure and behavioral standards—and relate interpersonally with co-workers and clients. In fact, cultural fit is one of the hiring organization’s greatest concerns<sup>10</sup>. Likewise, graduating business students believe cultural fit to be an important element in job selection<sup>21</sup>. The importance of organizational culture in the hiring process illustrates its profound influence in the job market.

Alumni classify their organization’s culture across nine attributes, organized in Table 3 according to results of an exploratory principle component analysis (PCA). Each component represents a unique dimension comprising various attributes of organizational culture. The PCA revealed three components among the nine attributes: framework, relationships, and outcomes. The framework component refers to the structure that employees must navigate in their day-to-day work. The relationship component considers the style of interactions employees face at their organization. The outcomes component refers to rewards and the focus of the organization.

Organizational culture differs by the various industries employing MBA alumni. Table 4 reflects survey respondents’ generalized descriptions of the organizational culture in their employment field. A defined framework demonstrates clearly defined responsibilities, formalized procedures, a clear and well-communicated vision, and well-defined career paths. By comparison, a flexible framework illustrates varied and fluid responsibilities, loosely defined procedures, flexible and adaptable corporate goals, and flexible career opportunities. Structured relationships consist

of centralized decision-making, internal competition, and a formal atmosphere. Open relationships include decentralized decision-making, and a cooperative and informal atmosphere. Individual outcomes are characterized by a focus on company success and individual performance-based rewards. Alternatively, group outcomes are defined by a focus on public good and team-based rewards.

An alumnus’ job level also influences his or her organizational cultural experience. Those in higher-level positions are more likely than those in lower-level positions to experience flexible frameworks; employees in lower-level jobs more typically experience defined organizational frameworks, instead. Executive positions typically have open

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**An alumnus’ job level influences his or her organizational cultural experience.**  
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Component 1 Framework	Component 2 Relationships	Component 3 Outcomes
Responsibilities	Decision-making	Rewards
Goals	Atmosphere	Focus
Procedures	Competition-Cooperation	
Career path		

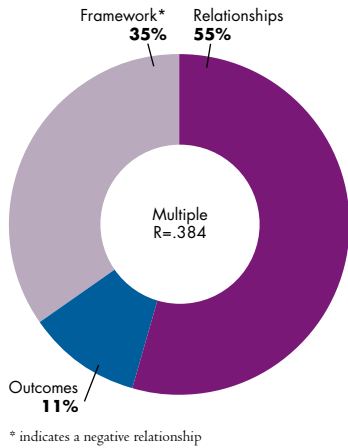
\* PCA with Varimax Rotation, rotation converged in 5 iterations; 52% of variance explained.

**Table 3.**  
Organizational Culture

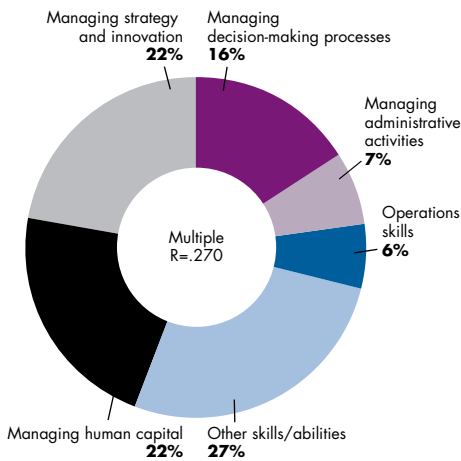
Industry	Component 1 Framework	Component 2 Relationships	Component 3 Outcomes
Consulting	Defined	Open	Individual
Energy/Utilities	Defined	Structured	Group
Finance/Accounting	Defined	Structured	Individual
Healthcare	Defined	Structured	Group
Technology	Flexible	Open	Individual
Manufacturing	Flexible	Structured	Individual
Nonprofit/Government	Defined	Structured	Group
Products/Services	Flexible	Open	Group

**Table 4.**  
Organizational Culture, by Industry

<sup>10</sup>Murray, M. (2007). Corporate Recruiters Survey. Graduate Management Admission Council®.



**Figure 13.**  
Organizational Cultural Drivers  
of Satisfaction with the Employer  
(Pratt Index)



**Figure 14.**  
Skills and Abilities Driving Job Level  
(Pratt Index)

relationships, while all lower-level positions have structured relationships. Although organizational framework and relationship differences exist by job level, there is no statistically significant difference by job level in the outcomes experienced.

The importance of organizational culture is evidenced by its relationship to one’s satisfaction with his or her employer. Organizational culture has a significant role in this regard (Figure 13). The type of relationships expressed in an organization has the greatest impact on an employee’s satisfaction with his or her employer. Specifically, open relationships within organizations have a positive impact on satisfaction. However, there is a negative relationship between organizational framework and an employee’s satisfaction with his or her employer. Highly defined frameworks are associated with higher levels of satisfaction with employers than are flexible frameworks. Finally, survey alumni experience greater satisfaction through group outcomes, team-based rewards, and a focus on public good.

**Organizational Hierarchy**

Overall, 94% of employed alumni work for an organization that has a CEO and 6% work at an organization that has managing partners. Among the alumni employed for organizations headed by a CEO: 1% are either the CEO or otherwise head their organization, 13% report directly to the CEO, 38% have two to three levels between their current position and the CEO, 34% are separated from the CEO by four to six levels, and 9% are separated by seven or more levels.

A brief summary of alumni job levels is presented. The following is a list of differences by demographic and employment characteristics:

- Older alumni are more likely to hold higher-level positions than are younger alumni. There are no differences in the

level of positions alumni hold by the number of years they work for their employer, however.

- Men, compared with women, are slightly more likely to hold higher-level jobs.
- European alumni are slightly more likely to hold higher-level positions compared with all other alumni.
- Smaller organizations are more likely to have alumni in higher-level positions than are larger organizations.
- Alumni working at organizations having a local, regional, and national focus tend to hold higher-level positions compared with alumni at organizations having a multinational focus.
- Alumni working in the nonprofit/government industry are more likely to hold higher-level positions than are other alumni.
- Alumni who have general management positions are more likely to hold higher-level positions than are other alumni.

Many alumni strive to reach the upper echelon of their organizations. Upwardly reaching alumni can be assisted in their quest by better understanding the skills and abilities that high-level alumni use on the job. Such information can also further aid alumni by targeting the skills and abilities that should be highlighted in the job application and interview process. As shown in Figure 14, alumni in higher-level positions are characterized—and distinguished from alumni in lower-level positions—by their use of three main skills and abilities: managing human capital, managing strategy and innovation, and managing decision-making processes. It is not surprising, then, that alumni most commonly cite the need for additional training in these particular areas. The continual mention of this trio of skills suggests the possibility that alumni will take advantage of post-graduate program offerings in these areas.



**Training Gap Analysis**

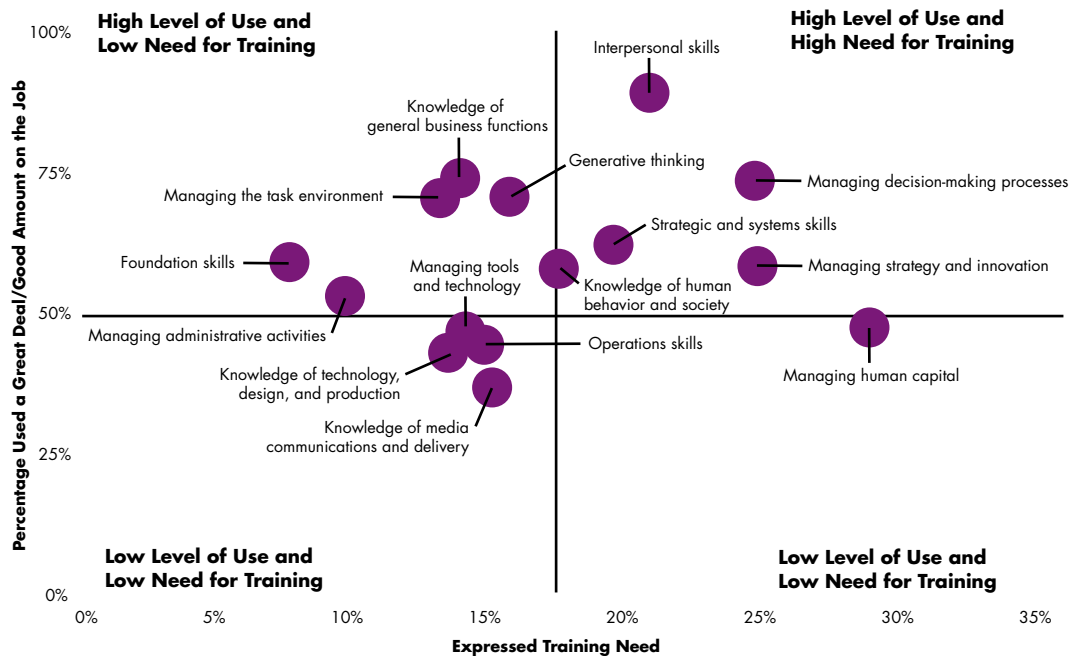
The development of human capital is a primary driver of an organization's ability to perform<sup>11</sup>. Prospective students are aware of this connection and pursue their degrees to improve their knowledge, skills, and abilities, as well as to enhance or switch their careers<sup>[6]</sup>. Graduating students indicate they also pursued their degree in order to increase their long-term potential through the development of skills and abilities. As such, alumni are asked to indicate the skills and abilities that they currently use on their job and the ones for which they would like to receive additional training. Figure 15 presents the training gap analysis of the alumni who are currently employed.

There are differences by job position in both the skills used on the job and the skills for which alumni wish they had received additional training. The following is a list of skills that reflect the upper right quadrant of Figure 15 by job function—skills with a

high level of use and a high need for training. The need to improve the management of decision-making processes is common across job functions.

- Marketing/Sales: managing the decision-making processes.
- Operations/Logistics: managing the decision-making processes, operation skills, interpersonal skills.
- Consulting: managing the decision-making processes, managing strategy and innovation.
- General Management: managing the decision-making processes, managing human capital, managing strategy and innovation, strategic and system skills, knowledge of human behavior and society.
- Finance/Accounting: managing the decision-making processes, interpersonal skills.
- Human Resources: managing the decision-making processes.
- IT/MIS: managing the decision-making processes, interpersonal skills, managing tools and technology, strategic and system skills.

•••••  
**Skills used on the job and skills for which alumni wish they had received additional training differ by job position.**  
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**Figure 15.**  
Skill Gap Analysis

<sup>11</sup> Office of the Comptroller General (2000). Human Capital: A self-assessment checklist for agency leaders. United States General Accounting Office, GAO/OCG-00-14G. Retrieved October 26, 2007, from <http://www.gao.gov/specialpubs/cg00014g.pdf>.

This section reports on select groups of alumni, including millennials, and respondents from India, Europe, and Canada. Individual profiles provide in-depth information from the survey about each group of alumni highlighted. In particular, alumni retrospective review of their graduate business school decisions, career preferences, and job characteristics are explored in this section.



**Millennials who are contacted very often (23%) are actually more likely to give financial donations to their school than are older alumni who are contacted very often (20%).**



### Millennials

Members of the millennial generation, comprising individuals born between 1980 and 2000, are now entering and completing graduate business programs. Soon, millennials will make up the bulk of graduate business school students and, by extension, the bulk of alumni survey respondents. In this current survey, overall, millennials represent 13% of participants (n = 367).

Compared with older alumni, the millennials are equally satisfied by their decisions to pursue a graduate business degree. Yet, they are slightly less likely than older alumni to give financial donations to their schools. The apparent cause is the lack of contact they receive from their school after graduation. The millennials are more likely than older alumni to report they are contacted *not very often* or *never*. When controlling for the amount of school-alumni contact, millennials who are contacted *very often* (23%) are actually more likely to give financial donations to their school than are older alumni who are contacted *very often* (20%). This result appears to be in step with a description of the millennial personality, which states “they’ve always felt sought after, needed, indispensable.”<sup>12</sup> Therefore, schools that reach out to millennial alumni may be pleasantly surprised by that group’s willingness to assist in their alma mater’s endeavors.

Millennials have also been described as valuing flexibility and a life away from work<sup>13</sup>. Compared with older alumni, millennials, as a group, are more interested in religion, free time and relaxation, and friends and acquaintances. Millennials are more likely than older alumni to base their goals on the desire for both security and stability, and a healthy work-life balance. Although security and stability rate highest among the millennials, the desire for security does not eliminate the desire for balance between work and life—and the focus on work-life balance does not minimize career importance for millennials; they believe a career is just as important an aspect of life as most graduate business-program students do.

One-quarter of millennial respondents work in the products/services industry, 23% work in finance/accounting, 15% work in consulting, and 11% work in the nonprofit/government industry. Statistically, millennials are more likely than older alumni to work in the nonprofit/government industry, which coincides with their propensity toward volunteerism and philanthropic activities. Overall, millennials are similarly satisfied with their current job compared with older alumni. The millennials, however, are significantly more likely than older alumni to report extreme satisfaction with their career progression since leaving graduate business programs, even though they are more likely to have recently graduated and less likely to have received a promotion.

Millennials reported using the following skills most often on their current job:

- interpersonal skills
- general business function knowledge
- generative thinking
- task environment management
- decision-making process management

<sup>12</sup>Raines, C. (2002). Managing Millennials. Retrieved October 25, 2007, from <http://www.generationsatwork.com/articles/millennials.htm>.

<sup>13</sup>Heathfield, S. (n.d.) Managing Millennials: Eleven tips for managing millennials. Retrieved October 25, 2007, from <http://humanresources.about.com/od/managementtips/a/millennials.htm>.

Older alumni, however, are more likely than the millennials to use the following skills on the job:

- human capital management
- decision-making process management
- strategy and innovation management
- strategic and systems skills

Older alumni (61%) are more likely than the millennials (36%) to have budgetary or supervisory responsibilities, which supports the conclusion that older alumni are more likely to manage human capital and decision-making processes. Among the millennials and older alumni who have these responsibilities, however, there are no statistically significant differences in the size of the budget managed or the number of staff supervised. Not surprisingly, millennials (US\$72,646) earn significantly less than do older alumni (US\$121,469). Looking solely at the class of 2007, however, the millennials received a 54% increase in salary when comparing their current annual base with the salary they earned prior to entering their graduate business degree program. Older alumni, on the other hand, only received a 31% salary increase.

Overall, the millennial generation is satisfied with the decision to pursue their education and they are happy with the jobs they have obtained after graduation. Considering that millennial respondents feel a strong connection to their alma mater, it is surprising that more than a third of them are rarely contacted by their school. Stepping up outreach efforts to this alumni generation, whose members are beginning to make great strides in the business world, can prove in the future to be richly rewarding for graduate business schools.

## Indian Alumni

There were 21,481 tests taken among citizens of India during the 2006–2007 GMAT® testing year—the single largest number of tests taken apart from those among citizens of the United States. The average number of Indian GMAT test takers has grown by 12% annually during the past five years<sup>14</sup>. These numbers suggest it would be prudent for graduate business schools to learn all they can about Indian alumni needs and preferences.

Overall, 109 alumni respondents in the current study are citizens of India. Three-fifths (61%) graduated from a business school in the United States, 14% graduated in Asia, 14% graduated in Europe, 10% graduated in Canada, and 2% graduated from other locations. The vast majority of the Indian alumni feel they made the right decision in pursuing their graduate business degree. Additionally, there is no difference by location of graduate program in the percentage of Indian alumni who feel they made the right decision in choosing to continue their studies.

Indian alumni are more likely than all other alumni to feel a strong affiliation with their school; even so, they are more likely than other alumni to indicate that they are not contacted by their school enough. With Indian alumni, the amount of contact received—not citizenship—has a statistically significant impact on the percentage of those who give financial donations to their school. Therefore, by increasing contact with its Indian alumni, a school could potentially increase the number of financial donations it receives from this group. Also, Indian alumni are more likely than others

to participate in additional types of alumni activities, and increased contact may yield an even greater percentage of Indian alumni who participate.

Overall, 92% of the Indian alumni are working for an employer and 2% are self-employed. Among those working for an employer, 24% work in India and 76% work in other countries, including the United States (54%), Canada (8%), the United Kingdom (5%), and Singapore (4%). More than three-quarters (77%) of the Indian alumni who are employed work for a multinational organization—and this does not differ by the location of employment.

Three industries account for two-thirds of all Indian alumni working for an employer: consulting (23%), finance/accounting (23%), and technology (22%). Additionally, 15% of Indian alumni work in the products/services industry. Statistically, Indian alumni who work outside of India (28%) are more likely than those who work in India (8%) to be employed in the finance/accounting industry. The most common job positions—with more than 20% of employed Indian alumni each—are consulting, finance/accounting, and marketing/sales. The majority (55%) of Indian alumni do not have supervisory or budgetary responsibilities. However, 21% have responsibilities for budgets and staff, 21% have supervisory responsibilities, and 3% have budgetary responsibilities. On average, Indian alumni with supervisory responsibilities manage 17 staff, and those with budgetary responsibilities oversee an average budget of US\$30,632,192.

<sup>14</sup> GMAC® (2007). Profile of Graduate Management Admission Test® Candidates. Graduate Management Admission Council®.

• • • • •  
**European alumni (31%) are significantly more likely than all other alumni (24%) to feel strongly affiliated with their graduate business school, but less likely to give financial donations.**  
 • • • • •

Indian alumni are less likely than all other alumni to feel that their current job is either the type for which they were looking or the sort they wanted. There is no difference, however, in the percentage of Indian alumni who would recommend their current job to others, or who would still have accepted their current job, even if they had known then what they know now. At any rate, Indian alumni are as satisfied as other alumni with the general rate of their career progression since leaving graduate business school.

On average, the Indian alumni earn US\$84,383 in base salary and US\$14,632 in additional yearly compensation, which is not significantly different compared with all other alumni. However, Indian alumni who work in India (US\$59,855) earn significantly less than Indian alumni who work outside of India (US\$92,128).

Overall, Indian business school graduates are satisfied with their education and they experience a strong affiliation with their school. Most of the Indian alumni surveyed are working outside of India, and a vast majority of Indian alumni work for multinational organizations. Compared with all other alumni, Indian alumni are less satisfied with their current job, but feel that they are making headway in their career progression. Furthermore, Indian alumni are earning salaries comparable to those earned by all other graduate business school alumni. Consequently, graduate business school appears to be a boon for Indian alumni, as it is for most alumni.

## European Alumni

Overall, 14% of the survey alumni are from Europe (n = 386). Three-fifths (61%) of the European alumni graduated from a European school and 29% graduated from a school in the United States. European alumni are more likely than all other alumni to feel they made the right decision about their area of academic concentration. Yet, they are as likely as all other alumni to feel they made the right decisions about pursuing the degree, school choice, and program type.

European alumni (31%) are significantly more likely than all other alumni (24%) to feel strongly affiliated with their graduate business school. Furthermore, they (22%) are more likely than all other alumni (18%) to report that their school contacts them very often. Compared with all other alumni (5%), significantly fewer European alumni (2%) feel that they are contacted too much. European alumni are more likely than all other alumni to attend alumni events and meet with prospective business-program applicants. They are less likely than all other alumni to give financial donations or recruit new hires from among fellow business school graduates, however. These differences hold true even when accounting for the level of affiliation and amount of contact the alumni have with the school. Further research may illuminate ways to increase this group's giving and recruiting activities.

Overall, 85% of the European alumni work for an employer and 9% are self-employed. About two-fifths (42%) of European respondents work outside their country of citizenship. Of those, 20% work in another European country, 16% work in the United States or Canada, and 5% work in Asia. Europeans who

graduated from a European school are more likely to work in their country of citizenship than are European alumni who graduated from a school outside of Europe.

The top three industries in which European alumni are employed include finance/accounting (24%), consulting (22%), and products/services (21%). European alumni (22%) are more likely than all other alumni (15%) to work in the consulting industry. In addition, European alumni are as satisfied with their current job and career progression as are all other alumni.

On average, the European alumni earn US\$101,005 in base salary and US\$35,281 in additional compensation each year—a base significantly greater than that earned by alumni from Asia, Canada, and the United States. The additional compensation European alumni receive is also significantly more than that received by alumni from Asia and the United States.

### Canadian Alumni

Of survey respondents, 179 are Canadian—the vast majority (86%) of whom graduated from a Canadian business school. Additionally, 7% graduated from a school in the United States and 6% graduated from a school in Europe. Most of the Canadian alumni feel they definitely made the right decisions in pursuing a graduate business degree—there are no differences compared with all other alumni, and there are no differences when controlling for school location among the Canadian alumni.

Nearly one-quarter of the Canadian alumni feel they have a strong affiliation with their school. A significantly greater percentage of Canadian alumni (5%) compared to all other alumni (2%) report

having never been contacted by their graduate business school. As such, Canadian alumni are slightly less likely than other alumni to give financial donations to their school—27% report giving frequently or occasionally compared with 35% of all other alumni.

Overall, 86% of the Canadian alumni work for an employer and 6% are self-employed. Statistically, there are no differences in the rate of employment when comparing Canadian alumni with all other alumni. The top three industries among Canadian alumni are finance/accounting (22%), products/services (20%), and consulting (17%). Moreover, Canadian alumni (8%) are about twice as likely as all other alumni (4%) to work in the energy/utility industry. They are, however, less likely than all other alumni to work in the manufacturing industry—2% of Canadian alumni compared with 8% of all other alumni.

Canadian alumni are as satisfied as all other alumni with their current job and their career progression. Additionally, Canadian alumni are equally as likely as all other alumni to have budgetary and supervisory responsibilities. Moreover, compared with all other alumni, Canadian alumni report similar averages for the number of staff they supervise and the size of the budgets managed. On average, the Canadian alumni earn US\$87,577 in base salary and US\$23,571 in additional compensation each year, which is not significantly different compared with all other alumni.

Clearly, Canadian alumni are reaping benefits similar to those of all graduate business school alumni. Therefore, it is not surprising that they feel they made the right choice in pursuing a graduate business degree.

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**On average, the European alumni earn a base salary significantly greater than that earned by alumni from Asia, Canada, and the United States.**

•••••



**Most alumni (85%) report the need for additional training or instruction in a variety of areas, the most common being managing human capital.**



**F**indings in this report are based on additional analysis of data found in the Comprehensive Data Reports. The Comprehensive Data Reports provide in-depth data tables and general analysis of the survey.

### Contact Information

**F**or questions or comments regarding the study findings, methodology, or data, please contact the GMAC® Research and Development department at [research@gmac.com](mailto:research@gmac.com).

### Authorship

**T**he 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, Associate Director, Research, Research and Development, GMAC.

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The **MBA Alumni Perspectives 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](http://www.gmac.com/surveys)). Print copies (while supplies last) are free upon request from the GMAC® Research and Development department at [research@gmac.com](mailto: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.

##### ***Corporate Recruiters Survey***

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

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