



SURVEY REPORT

2006

# Global MBA<sup>®</sup> Graduate Survey

Graduate  
Management  
Admission  
Council<sup>®</sup>

*Creating Access to Graduate Business Education<sup>®</sup>*

**The [Global MBA® Graduate 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 at 1,700 schools 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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**T**he Graduate Management Admission Council® (GMAC®) has conducted the Global MBA® Graduate Survey annually for seven years. The survey is distributed to MBA students a few months before their graduation. We ask their opinions on their education and the value of their degree. We also gather information about school culture, whether they would recommend their school to someone else, and what they intend to do with their degree after graduation, among other topics. It is possible to ascertain some post-MBA employment information through the survey, though it is not a complete picture because many of the respondents are not involved in a job search at the time they are surveyed.

The results of this year's survey are based on the responses of 6,139 students from the MBA class of 2006 at 147 schools worldwide. One-third (33%) of the respondents are citizens of countries other than the United States, and 16% attend schools outside the United States.

### Key findings:

- Graduate business schools around the world appear to be meeting their students' personal expectations and successfully cultivating the desire and drive of their students to succeed in the world of business.
- Improvements in the ability to think strategically, followed by improvements in leadership skills and quantitative skills, contribute the greatest explanatory power in predicting satisfaction with the long-term potential of the degree through the development of skills and abilities.
- The class of 2006 reports that career services offices have increased their quality.
- The number of graduating students receiving job offers at this point in the school year has been trending upward over the past few years.

- MBA graduates who have received an offer of employment in 2006 will earn an average annual salary of \$92,360, significantly more than graduates in any of the previous five years.

### Methodology

To develop the survey sample, all GMAC® member schools, as well as a few nonmember schools, were invited to participate by providing the names and e-mail addresses of the graduating class of 2006 or by forwarding the invitation to their students directly. A total of 147 schools participated, and 6,139 students completed the questionnaire. The response rate for programs was 39%, and the response rate for students was 31%. Frequency distributions were examined for both topical and classification questions, and response categories for some questions were collapsed to make final analysis more robust. Tests of statistical significance are used throughout the report, and a 95% confidence interval is used as the cutoff point for significance.

An MBA program combines various services to create a whole and unique experience for students.

In addition to the fundamental components of an education—the curriculum and faculty—graduate business programs often provide services beyond the traditional classroom experience. These include student services and career services, which supplement the basic academic components of the educational program with activities and events that add value to the student's overall experience.

Fueling the MBA program is the admissions office, which acts as the gatekeeper to a graduate management education. Through the admissions process, the MBA class—a group of students who interact and learn together—is created. A considerable part of the educational experience stems from classroom discussions. Having a group of fellow students who are engaged and adding insights to the discussion offers a richer experience than the faculty alone can provide.

Program management is the catalyst that guides the mission and standards of an MBA program. Additionally, program management works continually to improve the program for current and future students. The Global MBA® Graduate Survey asks students to rate the quality of the various aspects of their graduate business school.

### How does the graduating class of 2006 rate the various aspects of their MBA program?

The class of 2006 rates program management, admissions, and student services statistically similar to all previous years. About half (52%) of the respondents rate the program management as outstanding or excellent, 50% rate admissions as outstanding or excellent, and 44% rate student services as outstanding or excellent. Overall, the quality of various aspects of the MBA program has remained relatively stable over the years.

Career services, discussed in more detail later in the report, are rated as outstanding or excellent by a third (33%) of the respondents in 2006. This is statistically higher than the rating given by respondents in 2003 (27%). About two-thirds (68%) of the respondents indicate that the quality of the faculty and fellow students is outstanding or excellent. However, slightly fewer respondents rate the quality of their fellow students as outstanding or excellent in 2006 (64%) compared with respondents in 2004 (69%), though the difference is statistically significant. Nearly three-fifths (58%) of 2006 respondents rate the curriculum as outstanding or excellent. This was slightly, though significantly, lower than the class of 2004 (63%).

In addition to rating the various aspects of the graduate business program, respondents are asked to rate their satisfaction that the MBA will produce various beneficial outcomes. These opinions are intended to help program management gauge whether the school's MBA program meets student expectations and fulfills the promise that a graduate business education adds value to the students' personal and professional lives.

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**About two-thirds of 2006 respondents rate quality of faculty and fellow students in their school as outstanding or excellent—64% compared to a 69% rating in 2004. In 2006, 58% say the curriculum is outstanding or excellent, down from 63% who gave a similar response in 2004. Outstanding or excellent ratings for career services have risen to 33% in 2006, up from 27% who gave those ratings in 2003.**

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Satisfaction with the MBA Degree

How does one estimate the value of a graduate management education? MBA alumni cite personal development, increased salary, and development of managerial knowledge and technical skills as their primary methods of assessing the value of the degree<sup>i</sup>. According to a study of prospective MBA students<sup>ii</sup>, three reasons for pursuing the MBA degree that remain consistent across analyses of student motivations are personal development, career enhancement, and career switching. By these estimates, a graduate management education provides students with the opportunity to improve their KSAs (knowledge, skills, and abilities), which, in turn, has the potential to yield improvements in the students' future careers.

Graduating students in 2006 were asked to assess various outcomes of their graduate management education. Among respondents in the graduating class of 2006 (Figure 1), half (50%) report that they are extremely satisfied and an additional 37% are very satisfied that the MBA will provide a sense of personal satisfaction and achievement. Nearly two-fifths (38%) report being extremely satisfied and 46% report being very satisfied that the MBA degree will provide an opportunity for more challenging and interesting work in the future. About two-fifths (38%) are extremely satisfied and 45% are very satisfied the MBA will provide credentials needed to increase career options. Additionally, 85% are extremely or very satisfied that the MBA will provide the ability to remain marketable and competitive, and 84% are extremely or very satisfied that the MBA will increase long-term potential through the development of skills and abilities.

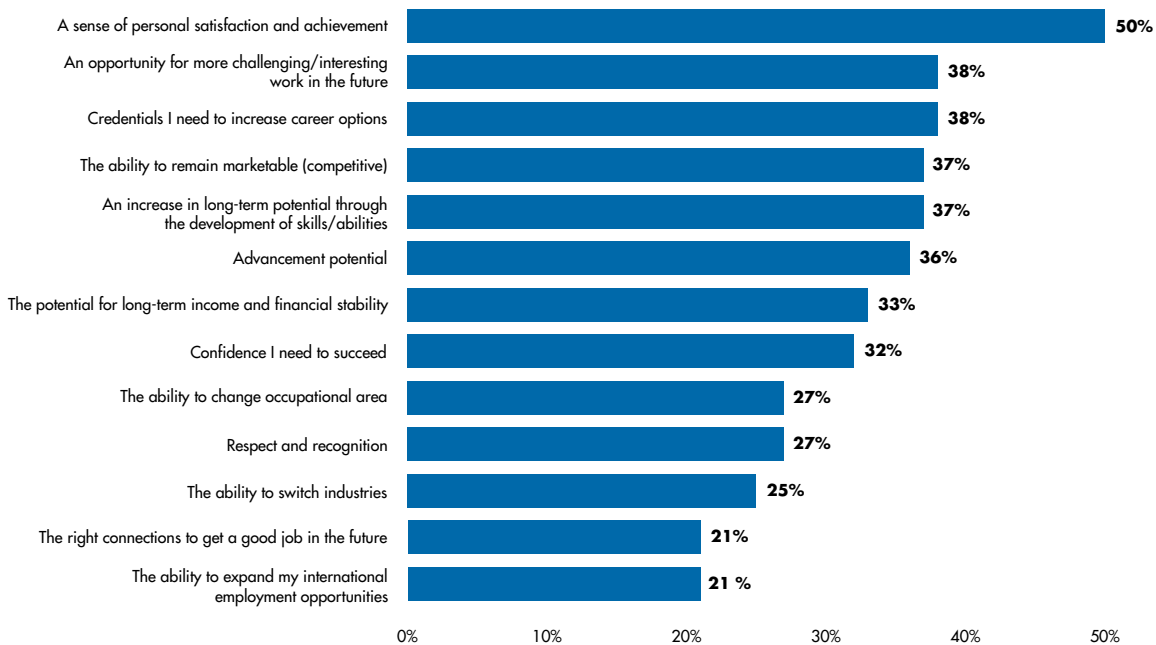


Figure 1. Percentage of Respondents Who State They Are Extremely Satisfied That the MBA Will Provide Each of the Following Outcomes

No matter whether the graduate business school is located in Asia/Australia, the United States, Canada, or Europe, respondents are equally likely to indicate that they are satisfied with the sense of personal satisfaction and achievement offered by graduate management education. This suggests that students are receiving a level of education that is challenging—there is a significant correlation with respondents who indicate that the program is rigorous ( $r = 0.262$ ;  $p \leq 0.05$ ;  $N = 6139$ ) rather than lenient—and meeting their needs. As such, graduate business schools around the world appear to be meeting their students' personal expectations.

Additionally, there is no difference by location of the school in whether the degree is providing the opportunity for more challenging and interesting work in the future, and there is a correlation between anticipation of future opportunities and satisfaction that the degree provides the confidence to succeed ( $r = 0.585$ ;  $p \leq 0.05$ ;  $N = 6139$ ). This suggests that the MBA degree provides the student with a high level of self-efficacy—the belief in one's ability to perform in the future. Graduate business schools appear to be successfully cultivating the desire and drive of their students to succeed in the world of business.

On the other hand, some differences by location do exist. Respondents at schools in the United States (85%) and Canada (81%) are slightly, yet significantly, more likely than respondents at schools in Asia/Australia (77%) and Europe (79%) to be satisfied that the degree provides the credentials needed to increase career options. However, there is no difference by school location in the satisfaction that the MBA provides the ability to remain marketable. This may suggest that the general qualifications imparted by the MBA degree are less visible within these societies compared with the specific skills and abilities associated with a graduate management degree. The survey reveals other instances of this phenomenon. Respondents at Asian/Australian and European schools are less likely to be satisfied that the MBA degree will assist them in changing industries, even though respondents at schools in Asia/Australia and Europe are switching industries at the same rate as other respondents. This data reveals opportunities for schools located in Asia/Australia and Europe to further market the general value of a graduate management education to employers and the public.

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**Whatever their locations  
 across the globe,  
 graduate business schools  
 appear to be successful in meeting  
 their students' personal expectations  
 and in cultivating students' desire  
 and drive to succeed  
 in the world of business.**

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The Value of the MBA Degree

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**Members of the graduating class of 2006 rate the value of the MBA degree as significantly greater than did graduates in 2004 but statistically similar to the ratings of graduates in other years. This finding is consistent across full-time, part-time, and executive MBA programs.**  
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Respondents graduating in 2006 appear to be generally satisfied that the MBA degree will provide certain outcomes that have been shown to be important to prospective and past students. But how does this year's graduating class rate the overall value of the degree when considering the total monetary cost of the MBA program and the quality of the education received?

Overall, 22% of the class of 2006 considers their MBA degree an outstanding value, 41% consider it an excellent value, 29% consider the degree a good value, 7% feel that the value is fair, and 1% rate the value as poor. Members of the graduating class of 2006 rate the value of their MBA degree as significantly greater than graduates in 2004 but statistically similar to graduates in other years. This finding is consistent across each of the MBA program types—full-time, part-time, and executive MBA programs.

A regression analysis, which includes items from satisfaction with the degree, quality of aspects of the degree program, and satisfaction with the school's culture, is used to reveal key drivers of overall value. Figure 2 presents the results of the regression analysis using a Pratt Index<sup>1</sup> score. The model presented accounts for 53% of the variance in respondent ratings of overall value.

The quality of the school's curriculum, satisfaction with an increase in long-term potential through the development of skills and abilities, and the quality of the faculty provide the greatest explanatory power—22% of the variance explained (sum of Pratt Index scores [41%] \* R<sup>2</sup> [53%])—in understanding how a student rates the overall value of the MBA degree. A student's satisfaction with the school's culture (discussed later in the report) is also important to the value of the degree. Additionally, the sense of personal satisfaction and achievement adds to the under-

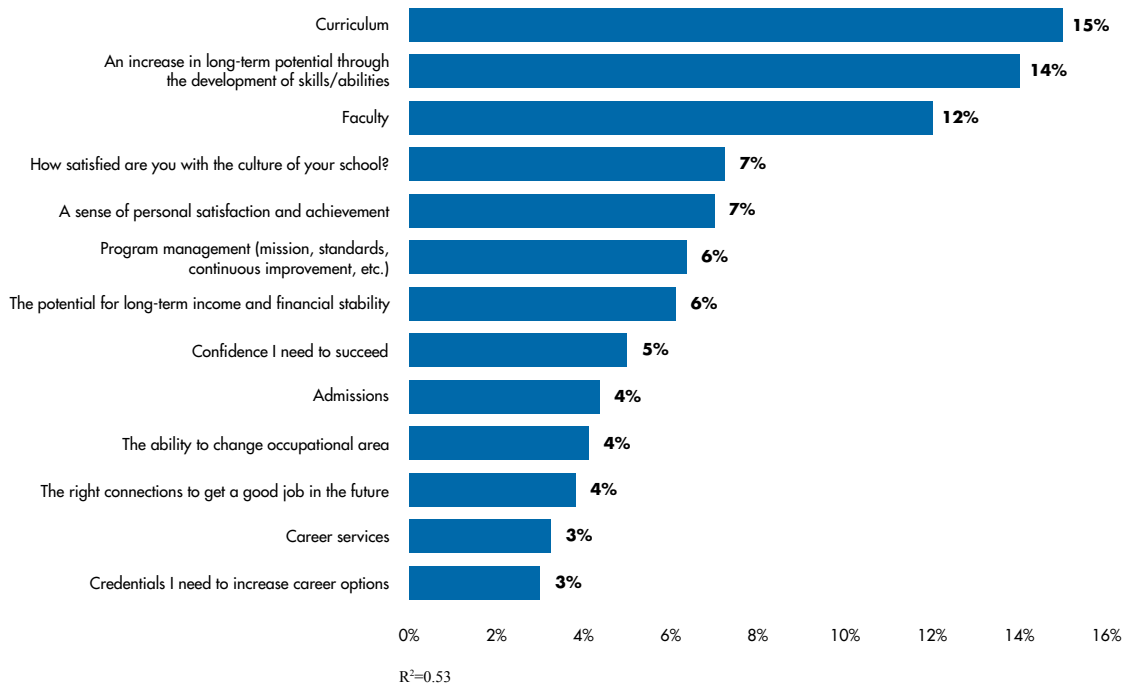


Figure 2. Factors Driving Overall Value of the Degree (Pratt Index Scores<sup>(1)</sup>)

<sup>1</sup>Pratt Index = (βr)/R<sup>2</sup>, where β is the standardized regression coefficient, r is the simple Pearson correlation coefficient, and R<sup>2</sup> is the proportion of the variance explained by the regression model.



standing of a respondent's perception of the value of the MBA degree.

This information can be useful to program management insofar as program administrators can ensure that prospective students' expectations are in accord with the offerings of the graduate business program. Such congruence can increase the probability that a graduate will feel the program is of great value. Some useful questions include: "Are the prospective students' goals in line with the current course offerings?" and "Will the prospective students' level of skill proficiency be expanded in the program?" The answers can help determine whether the program and the student are right for each other.

**The Development of Skills and Abilities**

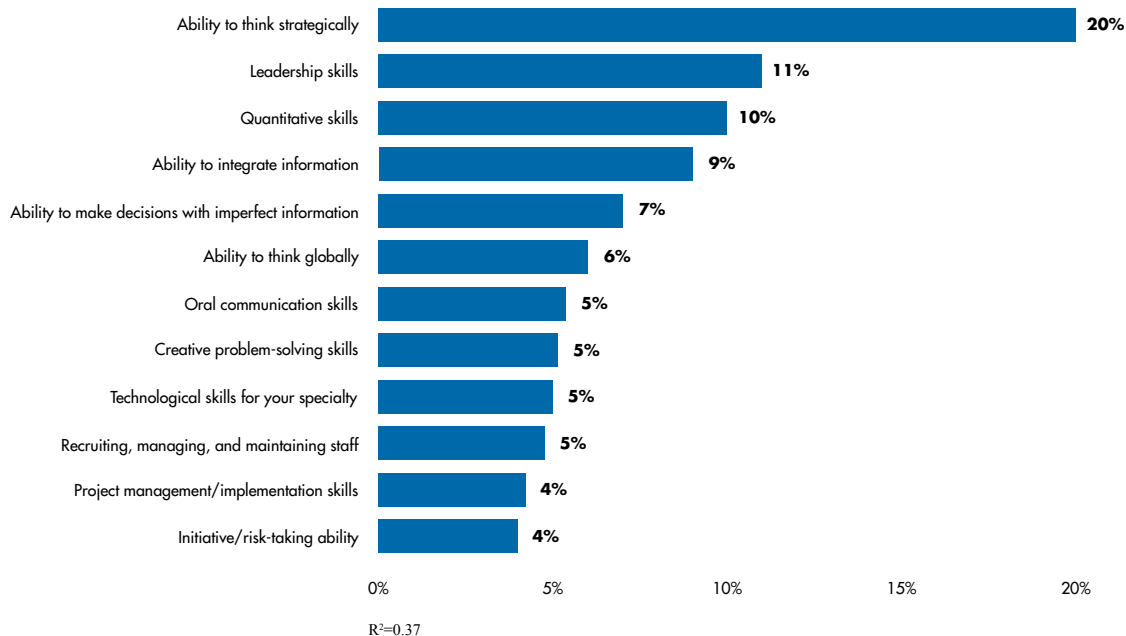
The development of skills and abilities is essential to the value of the MBA degree, according to MBA alumni<sup>[i]</sup> and prospective students<sup>[ii]</sup>. As previously shown, 37% of graduating students are extremely satisfied and 48% are very satisfied that the MBA degree will provide an increase in long-term potential through the

development of skills and abilities. About a third (35%) of MBA alumni consider the development of managerial knowledge and technical skills during their calculation of the return on investment in the MBA degree<sup>[i]</sup>. Additionally, employers consider the skill set—"hard" skills and "soft" skills—of MBA graduates during their selection and hiring process<sup>[iii]</sup>. These findings suggest that the qualifications developed by the MBA degree program are not only valued by students, but also assist students in gaining employment opportunities in the business world.

Which skills and abilities are graduating students improving during the MBA degree program? According to the survey, students have most improved in leadership skills, their ability to integrate information, and their strategic, global, and analytical thinking. As shown in the Corporate Recruiters Survey<sup>[iii]</sup>, employers assess MBA graduates' training in strategic thinking, analytical thinking, and quantitative skills. Additionally, employers consider the abilities to think strategically

and analytically as the most attractive skills MBA graduates have to offer. The relationship between what MBAs are taught and what employers find attractive provides further evidence that the MBA degree is offering added value as it contributes to future career growth.

To understand respondent satisfaction with the increase in long-term potential through the development of skills and abilities, a regression analysis was conducted to determine which skills and abilities affect their satisfaction. Figure 3 presents the results, with 37% of the variance in satisfaction explained by the skills and abilities listed. Improvements in the ability to think strategically are most likely to affect a respondent's satisfaction with long-term potential, which corresponds to the characteristics employers believe to be most attractive in an MBA graduate<sup>[iii]</sup>.



**Figure 3.** Key Drivers of Satisfaction with Long-Term Potential through the Development of Skills and Abilities (Pratt Index<sup>[1]</sup>)

The key driver that contributes the most explanatory power for each MBA program type is improvement in the ability to think strategically, the skill found most attractive by employers<sup>[iii]</sup>, although the weight differs in each of the models (Figure 4). Leadership skills also appear in each of the three models; however, respondents from executive programs (81%) are more likely than respondents from full-time (72%) and part-time (68%) programs to indicate they improved their leadership skills a great deal or a good amount. The remaining drivers appear in only one or two of the programs.

The MBA Alumni Perspectives Survey<sup>[1]</sup> shows that graduates from executive MBA programs are the most likely to be using skills in recruiting, managing, and maintaining staff. When managing others in an organization, understanding issues of diversity is important. Therefore, it is not surprising that cultural sensitivity and awareness is a significant driver among executive program respondents.

Individuals who seek an MBA through a part-time program are more likely to be career enhancers than are respondents in full-

time programs. For many, career advancement may include becoming a team leader or manager of other people. Among part-time respondents, skill improvement in recruiting, managing, and maintaining staff is a significant driver to satisfaction in the part-time MBA model. Additionally, an improvement in the ability to make decisions with imperfect information is an important driver of part-time program respondent satisfaction.

Among full-time respondents, key drivers of their satisfaction are derived from improvement in creative problem-solving, technological skills, the ability to think globally, and initiative-/risk-taking ability. Quantitative skills, the ability to integrate information, and oral communication skills also appear in the full-time and part-time program models.

As previously shown, satisfaction with long-term potential through the development of skills and abilities helps explain ratings of overall value. Satisfaction with the school's culture is another variable that contributes to the respondents' calculations of overall value, as the school's culture plays a significant role in the learning environment.

Skill/Ability	Full-Time R <sup>2</sup> = 0.40	Part-Time R <sup>2</sup> = 0.32	Executive R <sup>2</sup> = 0.33
Ability to think strategically	16%	25%	29%
Quantitative skills	9%	10%	–
Leadership skills	9%	13%	15%
Ability to integrate information from a wide variety of sources	9%	13%	–
Creative problem-solving skills	8%	–	–
Technological skills for your specialty	8%	–	–
Oral communication skills	8%	7%	–
Ability to think globally	8%	–	–
Initiative-/risk-taking ability	6%	–	–
Ability to make decisions with imperfect information	–	15%	–
Recruiting, managing, and maintaining staff	–	8%	–
Cultural sensitivity and awareness	–	–	14%

– indicates a non-significant variable in the regression model.

**Figure 4.** Key Drivers of Satisfaction with Long-Term Potential through the Development of Skills and Abilities, by Program Type (Pratt Index<sup>[1]</sup>)

Cultural Description	Midpoint			Cultural Description
Competitive	13%	20%	68%	Collaborative
Homogeneous student body	17%	23%	60%	Heterogeneous student body
Passive learning	8%	23%	69%	Active learning
Vocational curriculum	11%	35%	53%	Academic curriculum
Personal	67%	21%	11%	Impersonal
Large class sizes	10%	27%	62%	Small class sizes
Research-oriented	15%	32%	54%	Teaching-oriented
Interdisciplinary	45%	32%	24%	Concentration-focused
Team emphasis	79%	17%	5%	Individual emphasis
Professors are authoritarian	10%	31%	59%	Professors are egalitarian
Professors emphasize reproduction of facts and textbook knowledge	10%	21%	70%	Professors emphasize critical discussion and individual viewpoints
Formal	7%	27%	66%	Casual
Rigorous	47%	36%	18%	Lenient
Close-knit community	57%	25%	18%	Loose connections

Figure 5. Description of School Culture

School Culture

Graduating students were asked to describe their school’s culture along a five-point continuum anchored by two contrasting descriptions (Figure 5). Overall, the majority of respondents trended toward one of the descriptions, with the exception of responses for the following items: whether the school was interdisciplinary or concentration-focused, and whether the program was rigorous or lenient. However, respondents from executive programs did show a majority agreement on these descriptions and classified their program as interdisciplinary (62%) and rigorous (64%). Respondents from full-time and part-time programs did not respond with a majority in favor of one or the other for each of these dichotomous descriptions of the school’s culture.

Overall, nearly three-quarters (72%) of respondents indicate that they are extremely or very satisfied with their school’s culture. Respondents who are extremely satisfied with their school’s culture express that the cultural tendency of the school is as follows: the graduate business school emphasizes a collaborative, active, interdisciplinary, and vocational learning environment that emphasizes critical discussion and individual viewpoints; the school has a heterogeneous student body and small class sizes with a personal and individual emphasis that fosters a close-knit community; and professors are egalitarian and casual. Respondents who are not at all satisfied with their school’s culture report the opposite cultural tendencies for their school.

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**Respondents who are extremely satisfied with their school’s culture describe a collaborative, active, interdisciplinary, and vocational learning environment that emphasizes critical discussion and individual viewpoints. The school has a heterogeneous student body and small class sizes where egalitarian and casual professors offer a personal and individual focus that fosters a close-knit community.**

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**Having a close-knit community of students is the key determinant of satisfaction with school culture. It is important to all respondents, regardless of whether they are attending full-time, part-time, or executive programs.**

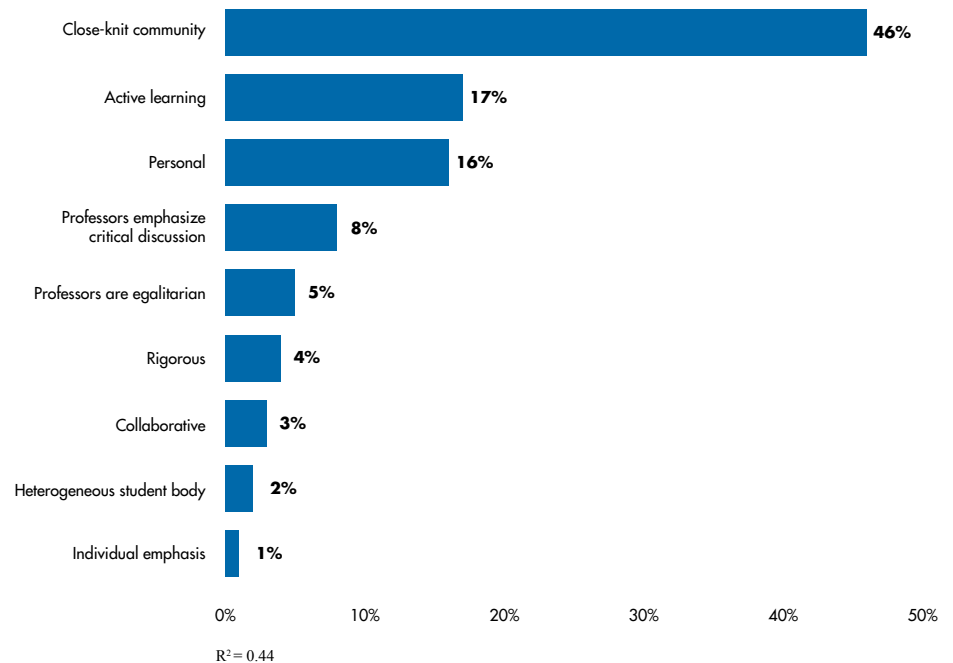
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Figure 6 presents the key drivers of satisfaction with the school’s culture, which explains 44% of the variance in satisfaction ratings. From this analysis, the most powerful driver of satisfaction with the school’s culture is whether the school fosters a close-knit community. This is the number one driver of satisfaction with the school’s culture even when controlling for program type—having a close-knit community of students is important to all respondents, regardless of whether they are attending full-time, part-time, or executive programs.

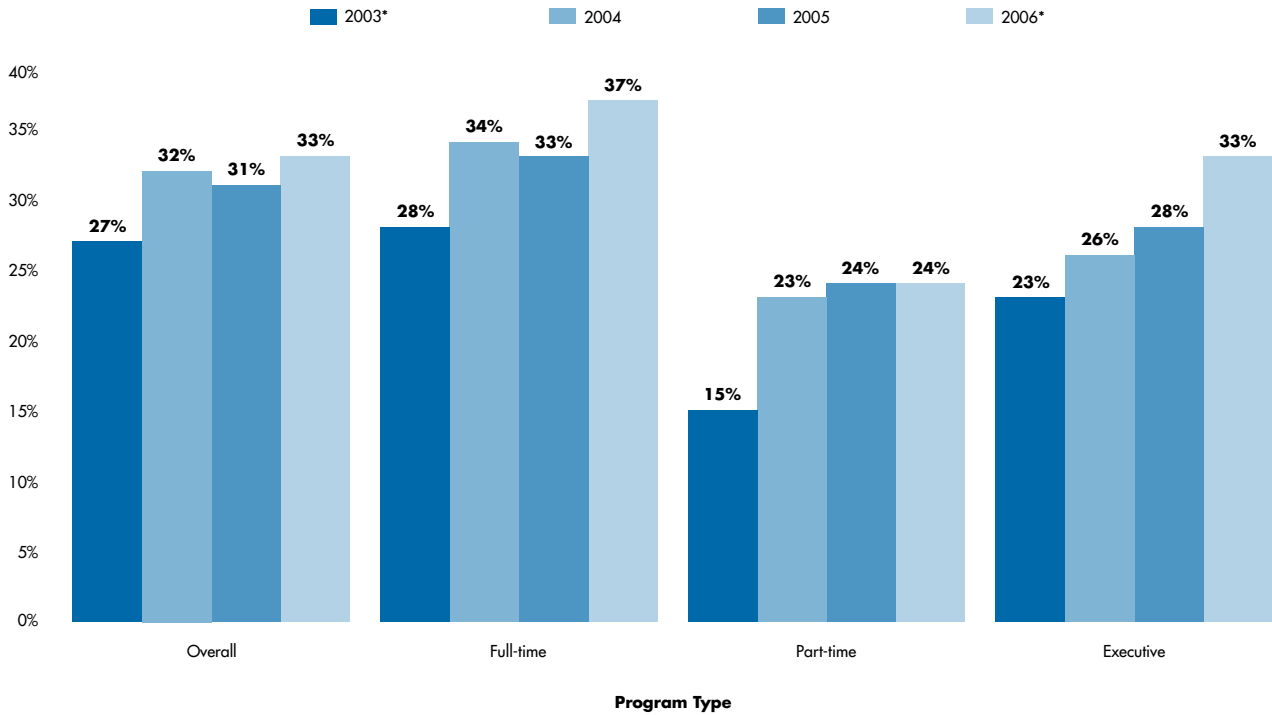
Nurturing a close-knit community may be easier within full-time programs. Often, full-time programs have student cohorts who navigate the courses in lock-step, which automatically provides the potential to form strong bonds. Among

part-time and executive programs, developing and fostering a close-knit community of students may seem to be more difficult, considering these students have to balance work, school, and other aspects of their lives. Clearly, part-time and executive students are likely to spend less time with their peers in the graduate management program.

As noted previously, satisfaction with the school’s culture is one of the top drivers of the perception of overall value of the MBA degree. This provides some impetus for program management to focus efforts on developing a school culture that provides a satisfying experience for students. Additionally, satisfaction with the school’s culture is a primary driver of a respondent’s likelihood of recommending the school to others who may be interested in pursuing graduate management education.



**Figure 6.** Key Drivers of Satisfaction with a School’s Culture (Pratt Index<sup>[1]</sup>)



**Figure 7.** Percentage of Respondents Rating the Quality of Career Services as Outstanding or Excellent, by Graduating Year

The graduating class of 2006 rated the quality of career services offices significantly higher compared with the class of 2003 (Figure 7). As shown in the figure, the quality rating of career services is dependent upon the type of MBA program in which the student is enrolled. Full-time respondents rate the quality of career services consistently higher than respondents in each of the other programs. For each of the last four years, less than a quarter of part-time respondents rated the quality of career services as outstanding or excellent. Respondents in executive programs have rated career services as increasingly better over the last four years.

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**Survey respondents who are enrolled in full-time programs rate the quality of career services consistently higher than do those attending part-time or executive programs.**  
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Services MBA Students Would Like to Receive

Respondents were asked to indicate, from a list of 16, which services they would most like to receive from the career services office (Figure 8). The top five services respondents requested are listings of current job openings; access to an alumni network; career counseling and coaching sessions; post-graduate placement assistance; and online resources, such as job postings and interview schedules.

A factor analysis (PCA with varimax rotation; 50% of variance explained) reveals three underlying types of services that respondents would like to receive from their career services office: education services, job placement assistance, and informational resources.

Many of the respondents are interested in receiving education or instructional services from the career services office. These services include one-on-one meetings, such as career counseling and coaching sessions, and assistance in developing an action plan for the job search. Additionally, students would like to receive aid in preparing resumes and cover letters, honing job-interviewing skills, and developing salary/compensation negotiating skills. Perhaps these services could be presented as colloquia for interested students.

The job placement assistance factor can be thought of as the traditional career services function. This factor consists of assistance in finding post-graduate placement, arranging job interviews off campus, identifying international job opportunities, and making job contacts in the business community. The job placement assistance factor also includes providing opportunities for on-campus interviews; aiding in obtaining summer, part-time, or internship positions; and offering access to an alumni network.

The third factor is that of access to informational resources. Students are interested in employer information, such as company profiles and business directories. Additionally, students would like to have listing of current job openings and online resources, such as job postings and interview schedules.

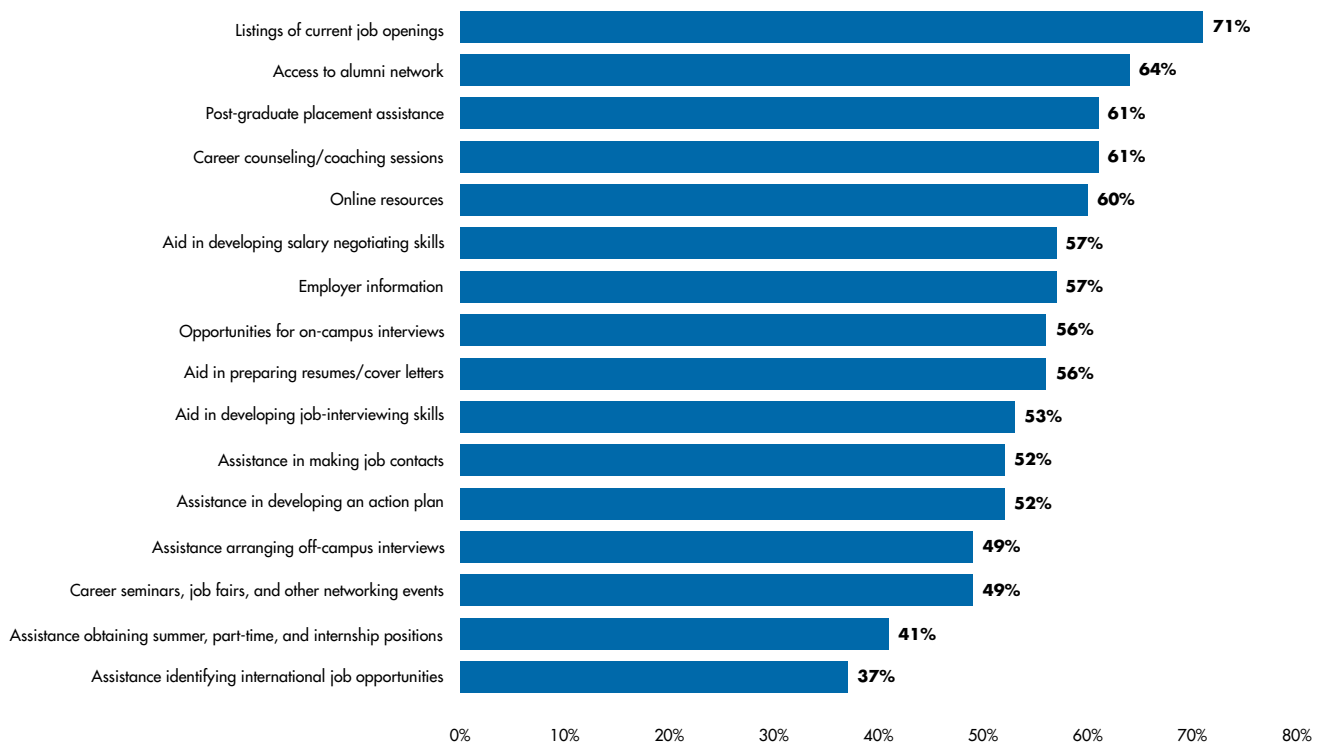


Figure 8. Services Most Like to Receive from Career Services Office

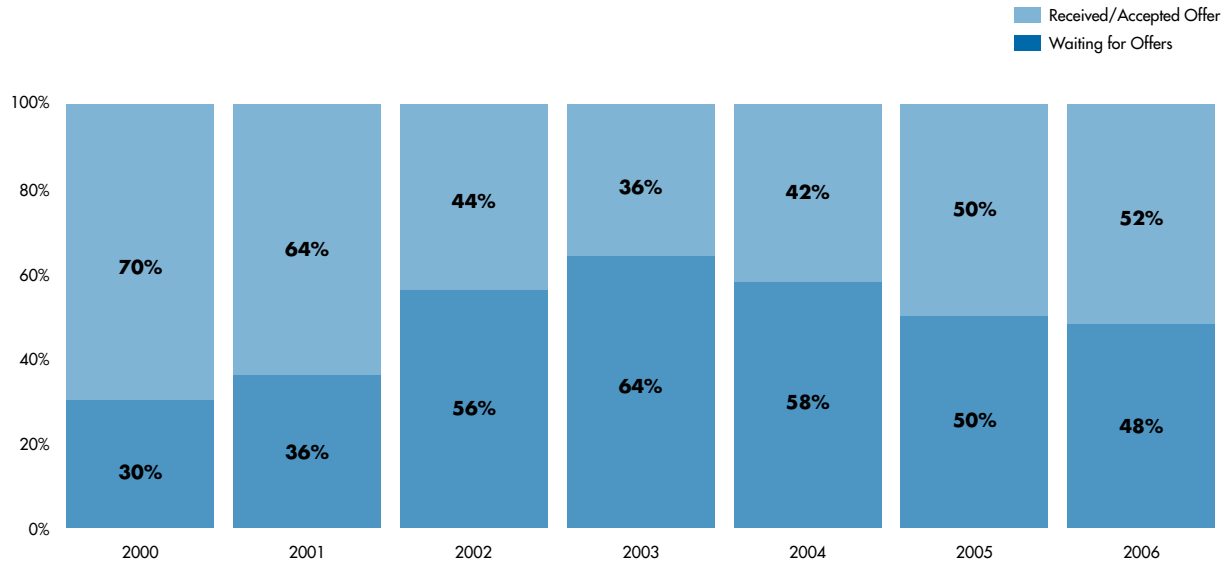


Figure 9. Job Offer Status

Over the past few years, the number of graduating students receiving job offers at this point in the school year has been trending upward. Although the percentage has not reached the level seen in 2001 or 2000, more than half (52%) of the respondents in 2006 have received or accepted an offer of employment at this point in the school year (Figure 9). Those in the class of 2006 are significantly more likely than those in the classes of 2002, 2003, and 2004 to have received or accepted offers. These data concur with the information employers report about the economy and their hiring

plans. Employers estimate that they will hire 18% more MBAs in 2006 compared with 2005<sup>[iii]</sup>.

Among the respondents who have received an offer of employment, graduating MBAs average two employment offers each. Nearly half (48%) of the respondents reported they received a job offer from an on-campus recruiter, 43% received an offer from an organization where they participated in an internship or work project, and about a third (34%) received an offer from an organization contacted in an off-campus job search.

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**Members of the class of 2006 are significantly more likely than their counterparts in the classes of 2002, 2003, and 2004 to have received or accepted a job offer a few months before graduation. Those who received offers of employment average two offers each.**  
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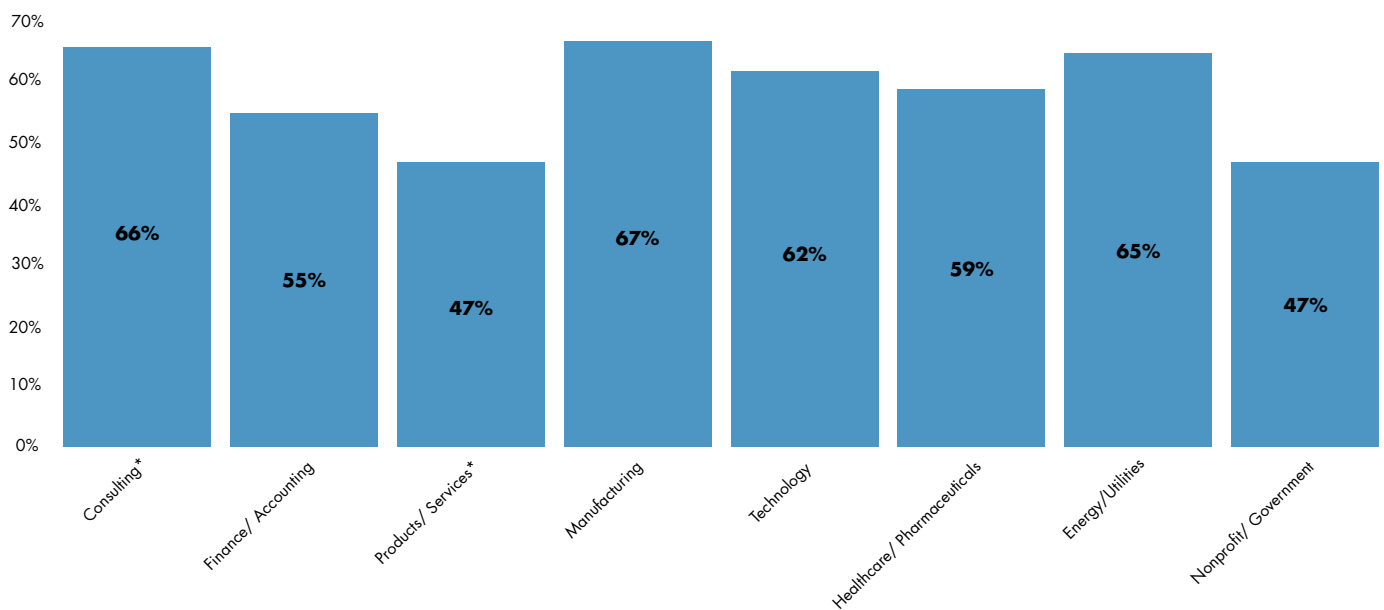
Those searching for a job in the consulting industry are significantly more likely than those in the products/services industry to have received an offer of employment.

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**Employment Opportunities by Industry**

Figure 10 illustrates, by industry, the percentage of respondents searching for a job who received an offer of employment. Although the manufacturing industry has the greatest percentage of respondents receiving an offer of employment, (statistically, due to sample sizes), respondents who are searching for a job in the consulting industry are significantly more likely than respondents searching for a job in the products/services industry to have received an offer of employment.

These data concur with employer reports<sup>[iii]</sup>—the consulting industry topped the charts in terms of positive sentiment about the economy; 72% of the recruiters in 2006 reported that the economy was not weak, up from 50% in 2005. In addition, there was a 55% increase in the percentage of employers in the manufacturing industry who rated the economy as not weak in 2006 compared with 2005, a 33% increase in the energy/utility industry, and a 103% increase in the technology industry. By comparison, there was only a 17% increase for the products/services industry in the percentage of employers who rated the economy as not weak.



**Figure 10.** Percentage of Respondents Searching for a Job Who Received an Offer of Employment, by Industry



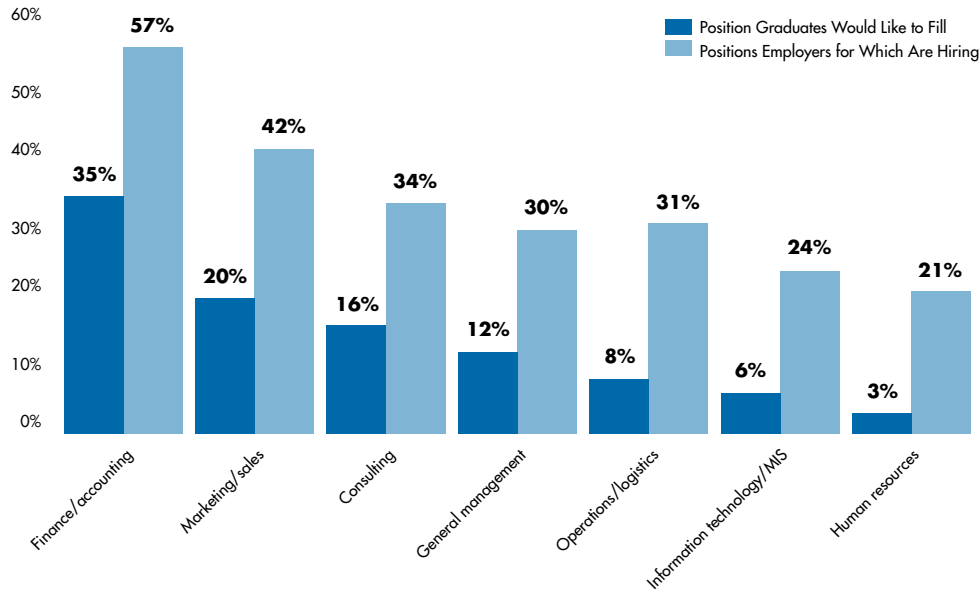


Figure 11. Job Function

Type of Jobs

What kinds of jobs do newly minted MBAs seek? Figure II compares the distribution of job functions that graduates plan to fill with the percentage of employers<sup>[iii]</sup> that plan to hire new MBA graduates for each position. The data show a general concordance between the positions MBA graduates wish to fill and the positions for which employers are hiring. For instance, the largest percentage of employers plan to hire for finance/accounting positions, and the largest percentage of graduates plan to fill finance/accounting positions after graduation.

Respondents were asked to indicate the organizational level at which they plan to seek employment. About one in ten (9%) are looking for an entry-level position. Respondents who wish to obtain an entry-level position are more likely to be career switchers than respondents who are career enhancers. Nearly half (49%) are looking for mid-level positions—those are the positions for which employers are most likely to be hiring<sup>[iii]</sup>. More than a quarter (28%) are seeking senior-level positions, and 9% are seeking executive-level positions. In general, respondents are seeking a job position that is one level above the position they held prior to entering the MBA program.

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**Generally, new MBAs want a job one level above the position they held before entering an MBA program. Nearly half of respondents seek mid-level positions, and those are the positions for which employers are most likely to be hiring.**

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Upon graduation, nearly half the survey respondents plan to change industries. The finance/accounting, consulting, and products/services areas show a net gain, while the high-tech, nonprofit/government, and healthcare/pharmaceuticals industries appear to be experiencing a net decline in talent.

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Industry

What industries are popular among MBA graduates in 2006 (Figure 12)? Before entering an MBA program, the largest percentage of respondents worked in the products/services industry, followed by finance/accounting, and high technology. Upon graduation, nearly half (49%) plan to switch industries. Finance/accounting has the largest percentage increase, followed by consulting and products/services. Desire among respondents to change industries indicates that the high technology, nonprofit/government, and healthcare/pharmaceuticals industries appear to be experiencing a net decline in talent.

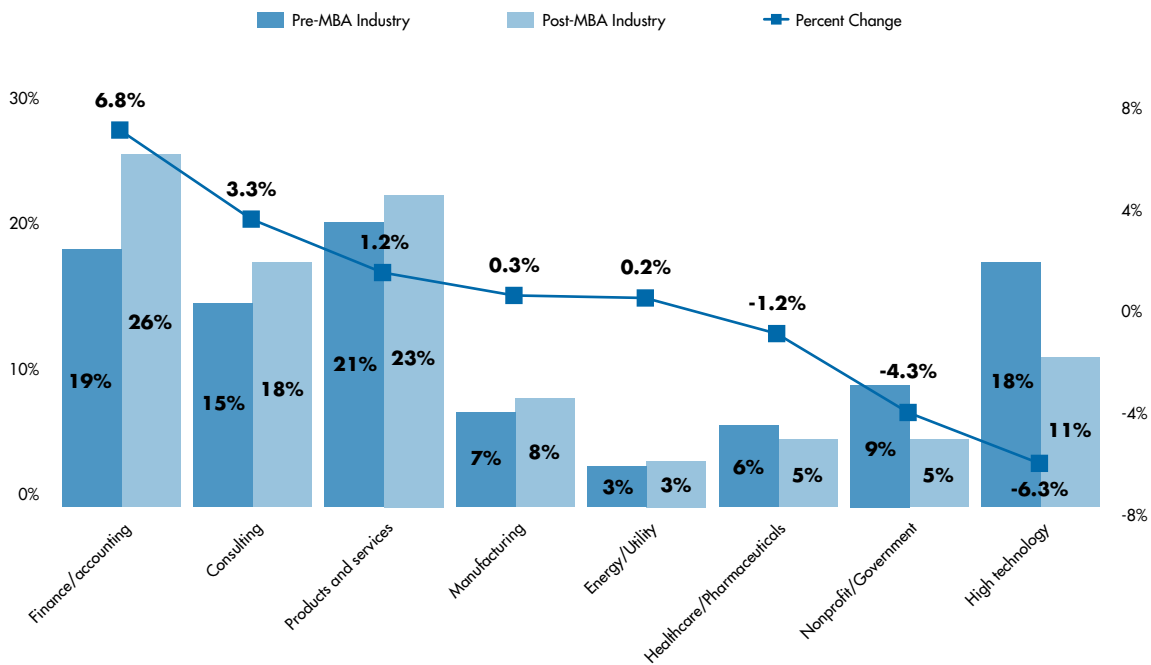
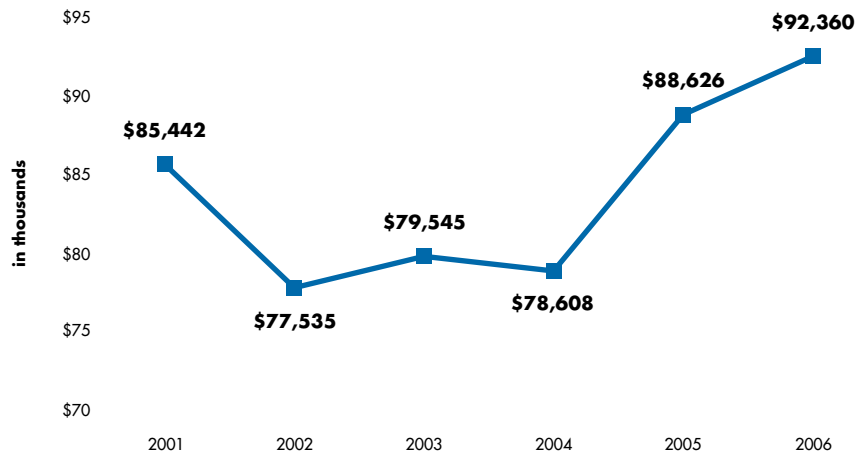


Figure 12. Industry of Employment

Salary

Figure 13 tracks the average post-MBA annual base salary among respondents who have received or accepted an offer of employment at this point in the school year. The starting annual base salary in 2006 (\$92,360) is statistically greater than the starting base salary for the previous five years. Additionally, in 2006, 65% of respondents who received or accepted an offer of employment will receive a signing bonus that averages \$17,603.

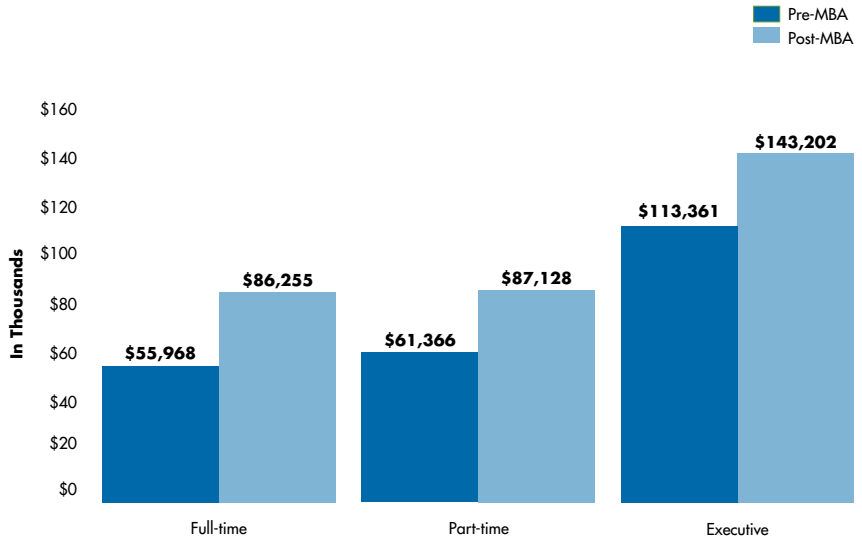


**Figure 13.** Average Annual Base Salary among MBA Graduates Who Have Received/ Accepted an Offer of Employment

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At \$92,360, the starting average annual base salary for 2006 respondents is statistically greater than any starting base salary for the last five years. In addition, 65% of those who received or accepted an offer of employment also get a signing bonus that averages \$17,603.

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**Figure 14.** Average Annual Pre-MBA and Post-MBA Salary among MBA Graduates Who Have Received/Accepted an Offer of Employment, by MBA Program Type

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Of respondents enrolled in executive MBA programs, 67% had 10 or more years of work experience before enrolling in graduate management education, compared to 23% of full-time program respondents and 7% of part-time program respondents with similar levels of experience. This may help explain the fact that respondents from executive programs earn significantly more than those graduating from other programs.

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To better reflect the variance in starting annual salary, Figure 14 shows the pre- and post-MBA salaries of respondents by the type of MBA program from which they will graduate. Respondents graduating from executive programs earn significantly more than respondents who graduate from full-time and part-time programs. This difference, in part, is explained by the number of years of work experience prior to entering the MBA program—67% of executive respondents have worked for 10 or more years prior to entering the MBA program. Only 23% of full-time respondents and 7% of part-time respondents have a similar level of experience. However, earning an MBA degree provides a significant increase in annual salary for each of the program types, as illustrated in the figure.

**International Employment**

Overall, 18% of respondents indicate that they plan to pursue employment outside their country of citizenship—10% plan to seek residency or citizenship outside their home countries and 8% plan to return to their country of citizenship after a period of employment outside their home countries. These respondents are significantly less likely than respondents who plan to work in their country of citizenship to have received or accepted an offer of employment—they are more likely to be waiting to hear from prospective employers. More than half of the respondents who plan to work outside their country of citizenship would like assistance from career services in identifying international job opportunities.

A possible explanation for the discrepancy in the percentage receiving offers may be due to the difficulties of obtaining jobs in foreign countries. More than half (52%) of respondents who attended schools outside their countries of citizenship wish to pursue job opportunities outside their countries of citizenship, which is 10 times more than respondents who attended schools inside their countries of citizenship (5%). Students attending schools outside their countries of citizenship often obtain student visas that preclude them from working. Among the other services students would like to receive from career services offices are assistance in obtaining work visas and more help for international students, which may further indicate student difficulties in obtaining employment in foreign countries.

As shown previously, 21% of respondents are extremely satisfied and 32% are very satisfied that the MBA provides the ability to expand their international employment opportunities. However, respondents who plan to work outside their countries of citizenship are significantly more likely to be satisfied—35% of respondents who plan to work outside their countries of citizenship and seek permanent residency or citizenship and 33% of those who plan to work outside their countries of citizenship and then return are extremely satisfied that the MBA provides the ability to expand their international employment opportunities, compared with only 18% of respondents who plan to work inside their country of citizenship.

Respondents who plan to work outside their countries of citizenship and then return are significantly more likely than other respondents to have improved by a great deal or a good amount their ability to think globally. Although it may be difficult to obtain a job outside one's country of citizenship, graduate business schools appear to be preparing students well for international careers. Respondents who indicate that they wish to pursue a career outside their countries of citizenship are more likely than other respondents to be interested in jobs in consulting and information technology/MIS. Additionally, among respondents who have received or accepted a job offer, respondents who will be working outside their countries of citizenship are being paid an annual salary of \$92,808 compared with \$87,547.

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**More than 18% of those responding plan to seek employment outside their country of citizenship—10% will seek residency or citizenship in the new country while 8% plan to return to their country of citizenship after a time.**

• • • •

**F**indings 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. In addition to receiving copies of this report and the Comprehensive Data Report, participating schools receive an individualized benchmarking report that compares the aggregated responses from their students with the aggregated responses from students at their top competitors, as defined by the GMAT® Multiple Score Report, and all other students.

### Methodology

**T**he sample for the survey is selected from among graduating students from accredited schools using the GMAT® exam. Pre-notification messages are forwarded to their students a week prior to the survey. Survey invitations with a unique link to a Web-based survey are then sent to the students for whom GMAC® has contact information, and survey invitations with a school-level unique link to a Web-based survey are sent to the primary contact at the schools that elected to contact their students directly. The questionnaire is available at the online survey site from mid-February through mid-March.

### Contact Information

**F**or questions or additional information regarding the study, 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, drafting/revising of the manuscript for intellectual content, and final approval of the manuscript to be published:

Gregg Schoenfeld, Manager, Applied Research, GMAC®

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GMAC® would also like to thank all of the graduate business schools who participated in the survey.

<sup>1</sup>Schoenfeld, G. (2005) MBA Alumni Perspectives Survey. Graduate Management Admission Council®.

<sup>2</sup>Schoenfeld, G. (2005) mba.com Registrants Survey. Graduate Management Admission Council®.

<sup>3</sup>Schoenfeld, G. (2006) Corporate Recruiters Survey. Graduate Management Admission Council®.

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

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

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

#### ***MBA Alumni Perspectives Survey***

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

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