

2011

GMAC
GRADUATE MANAGEMENT
ADMISSION COUNCIL

Alumni Perspectives Survey

SURVEY REPORT



ABOUT THIS STUDY

The **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 approximately 5,000 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 the graduate management education industry.

ACCOMPANYING DATA

GMAC offers interactive online data reports to accompany this 2011 summary of the Alumni Perspectives Survey findings. Our interactive data reports allow you to examine responses for each of the various survey items. A general report with overall response information is available at gmac.com/alumniperspective. Schools that use the GMAT exam as part of their admissions process can explore a more comprehensive version of the interactive data report through the research library at gmac.com/gmacresearchlibrary (login required). The comprehensive report allows searching by a wide range of alumni demographic characteristics such as age, gender, employment status, industry, citizenship, school location, program type, world region, and more.



The icon at left appears throughout this report to indicate opportunities where readers may want to consult the interactive report for more in-depth or customized data.

Technical Note: Our interactive reports require a minimum of Adobe® Flash Player 10.0 to run on your computer. You can obtain a free copy of the latest Adobe Flash Player from the following website: <http://www.adobe.com/support/flashplayer/downloads.html>.

2	INTRODUCTION
3	Key Findings
4	CLASS OF 2010
4	The Job Search
7	Employment
8	Starting Salary
10	ALUMNI EMPLOYMENT DATA
11	Job Satisfaction
12	Career Development
13	Compensation
14	Self-Employed Alumni
15	GRADUATE BUSINESS DEGREE
15	Value of the Degree
16	Knowledge, Skills, and Abilities
17	Alumni Services
18	Alumni Recommendations
19	METHODOLOGY
19	EXPLORE INTERACTIVE DATA
20	CONTACT INFORMATION
20	Authorship
20	Acknowledgements
20	REFERENCES

Since the Graduate Management Admission Council® (GMAC®) first began conducting its Alumni Perspectives Surveys 11 years ago, several “truths” about graduate business school alumni have consistently stood the test of time: They are and remain eminently employable. They constantly rate the value of the degree highly. This year’s results are consistent with those of the past. The vast majority, 93 percent, of all respondents to this year’s survey reported being employed, and nearly nine out of 10 members (88%) of the class of 2010 had jobs upon graduation. GMAC’s Alumni Perspectives Survey findings also show that 95 percent of graduate business school alumni rate their education as a good to outstanding value.

The 2011 Alumni Survey Report offers combined data from surveys conducted in April and September 2010. A combined total of 6,877 graduate business alumni responded to the studies, and 824 respondents from the class of 2010 were included in September survey.

One of the main research objectives of these alumni studies is to document job characteristics and track changes in employment data—job search strategies, salaries, promotions, job functions, responsibilities, and industries—over time. GMAC accomplishes this by drawing from a sample of thousands of graduating students in its annual surveys and developing a longitudinal database of alumni responses from the classes of 2000 through 2010 (see Methodology on page 19). The breadth and depth of these survey findings help paint a big picture view of the job market for business school alumni, more than just a quick snapshot; and therein lies their true value and relevance for alumni, employers, and school administrators.

The statistics gleaned from past alumni studies provide the context for survey findings in our 2011 report, which shows that the current

economic recovery is yielding promising results for recent business school graduates: Employment levels for recent alumni are nearing their pre-recession levels of 2006 and 2007. The impact of the recent recession is moderating, but a slow recovery has spurred extra effort and more creative job search strategies, and led many business school graduates to cast a wider net in order to land a job. Seventy-six percent of 2010 alumni indicated their graduate business degree was essential to the success of these efforts.

Further discussion and analysis of 2010 survey findings are presented in three sections: The first features the newly graduated class of 2010 and their job search strategies, employment statistics, and starting salaries; the second offers employment data reported by survey respondents from across graduation years, including job satisfaction, career progression and development, compensation, and a brief look at alumni who launch their own businesses. The last section explores alumni opinions about the value of their graduate management degrees, their educational development needs, and an evaluation of alumni career services.

Key Findings

- **Value of Degree.** On average, alumni rated their graduate business degree as excellent. Similarly, alumni felt their education provided excellent preparation for their chosen career and provided opportunities for quicker career advancement.
- **Overall Job Status.** Among all survey respondents, 93 percent were employed—86 percent worked for an employer and 7 percent were self-employed.
- **Class of 2010 Employment.** Nearly nine in 10 (88%) business school graduates from the class of 2010 were employed. Those who were seeking employment after graduation submitted an average of 33.3 resumes/applications, which yielded 6.3 interviews and 1.9 job offers, on average.
- **Class of 2010 Salaries.** Seven in 10 graduates of the class of 2010 (70%) indicated their starting annual base salary either met or exceeded their expectations. The median starting salary for the class of 2010 was US\$78,820.
- **Career Strategies.** The most common strategies for career development among all survey respondents included involvement in high-profile projects (54%), building a relationship with upper management (53%), staying current in one's field (50%), and proactively seeking feedback about one's performance (50%).
- **Earning Power.** The median salary reported by all alumni regardless of graduation year was US\$94,542. In addition, the median bonus compensation reported by alumni was US\$17,565.



Alumni Perspectives Survey Interactive Data Reports that allow viewers to examine detailed responses for each survey item are available for download at gmac.com/InteractiveResearch. Data reports are available for both our April and September 2010 Alumni Perspectives Surveys.

The Job Search

The impact of the recent global recession on graduate management alumni appears to be moderating, with employment figures for the class of 2010 approaching pre-recession levels of 2007. Employment data reported by these recent management degree-holders was

more positive than it was for the prior year's graduates. Overall, 88 percent of class of 2010 members reported they had a job after graduation (84% were with an employer and 4% were self-employed). That is four percent higher than the class of 2009, and 16 percentage points higher than the class of 2003, as the economy was coming out of the last recession. Slightly more than a quarter

(28%) of recent (2010) alumni indicated that today's economy did not have any impact on their job search.

Although the vast majority of the class of 2010 reported being employed, finding a job during a period of slow economic recovery was no easy task. University officials reported that although the hiring outlook was rosier for business school graduates in 2010, it still required a great deal more effort to land a position than in flush times (Burnsed, 2010). For many members of the class of 2010, the economy did affect their job search as they were nearing completion of their graduate management education.

Class of 2010 graduates used a variety of methods to expand their job search. The top three job search methods included their network of personal contacts (79%), cold calls to companies (62%), and online job boards (61%). The most successful method that led to employment for the greatest number of alumni was the use of their network of personal contacts (37%), as shown in Figure 1.

Nearly half of class of 2010 respondents reported applying for jobs offering lower total compensation than they planned (Figure 2). About one in three alumni expanded their job search to include jobs for which they were overqualified, jobs outside their planned geographical location, or jobs outside their preferred industry. By expanding their search criteria, alumni applied for many more positions than they might have otherwise. According to survey results, class of 2010 alumni submitted an average of 33.3 resumes or applications and went on an average of 6.3 interviews, which yielded an average of 1.9 job offers.

Another view of the tough marketplace new graduates faced comes from a July 2010 survey of 200 firms by the UK-based Association of Graduate Recruiters, which found that for every job there was an average of 68.8 applications per vacancy (up from 48 last year), rising as high as 205 applicants in the case of more competitive sectors (Association of Graduate Recruiters, 2010). A US-based survey of employers in the spring of 2010 also showed

Figure 1.

Most Successful Methods of Securing First Job After Graduation (Class of 2010)

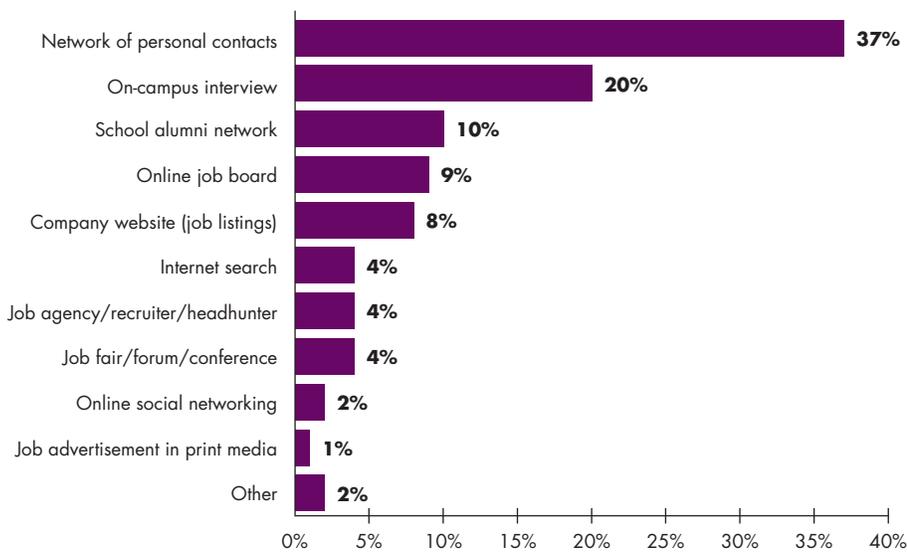
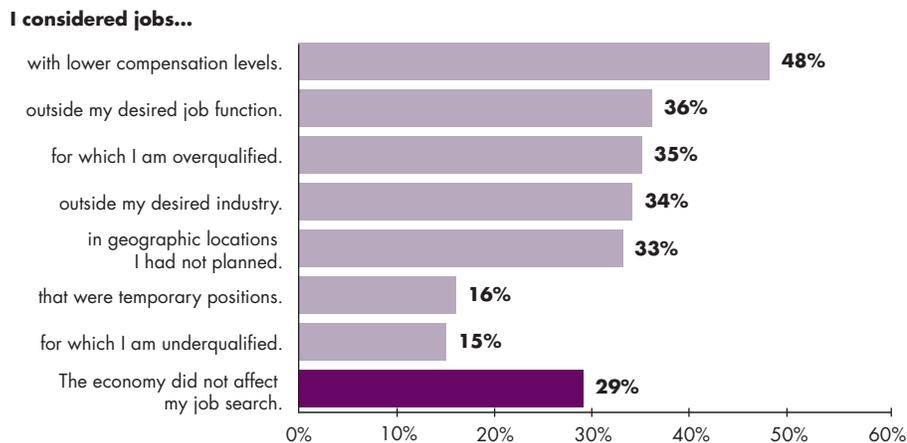


Figure 2.

Impact of Economy on Job Search Strategies (Class of 2010)



there was no shortage of applications for job postings. The 177 US employers that responded to a spring 2010 jobs survey reported a total number of 5,174 posted positions—an average of 45 positions per responding employer. The number of applicants, however, was much higher, a total of nearly 210,000, meaning approximately 40.5 applications were received for each position intended for the class of 2010 (NACE, 2010).

Overall, 34 percent of 2010 graduates stated the economy drove them to seek employment outside their preferred industry (Figure 2). On the other hand, nearly half (47%) of 2010 alumni indicated that they expanded their job search to include other industries because that is where they saw better opportunities for employment. Recent 2010 grads altered their job search strategies for other reasons as well, for instance: 1) they changed their job preference since leaving business school (25%), or 2) they felt there were no opportunities in their preferred industry (25%), or 3) they didn't want to narrow their search (24%). For example, consulting historically has been one of the top industries of employment for graduate business alumni. About 23 percent of 2010 alumni listed consulting as their preferred industry; yet 56 percent of this graduating class searched for work in that industry (Figure 3a).

The extra effort that class of 2010 alumni applied to their job search process appears to have yielded positive results. Fifty-nine percent of respondents from the 2010 graduating class reported that the job they acquired was *definitely* the one they desired, and 37 percent said it was *somewhat* like the job they desired. Broadening their job search methods and targeting a wider segment of the job market allowed them more options on which to base their career decisions. Figure 3b displays the breakdown of industries where class of 2010 graduates actually found jobs upon graduation. The top three fields employing recent alumni were finance and accounting (22%), products and services (20%), and consulting (15%).

Figure 3a.
Alumni Job Search: Industries Searched vs. Industries Preferred (Class of 2010)

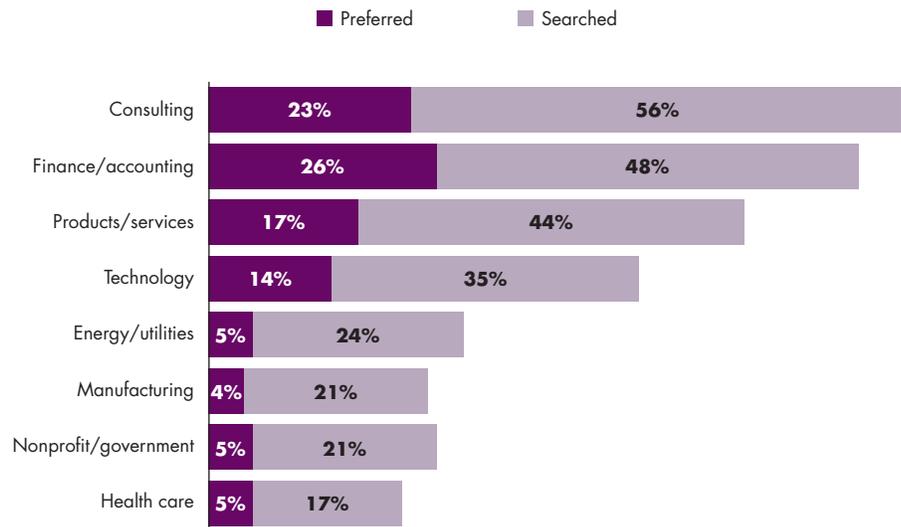
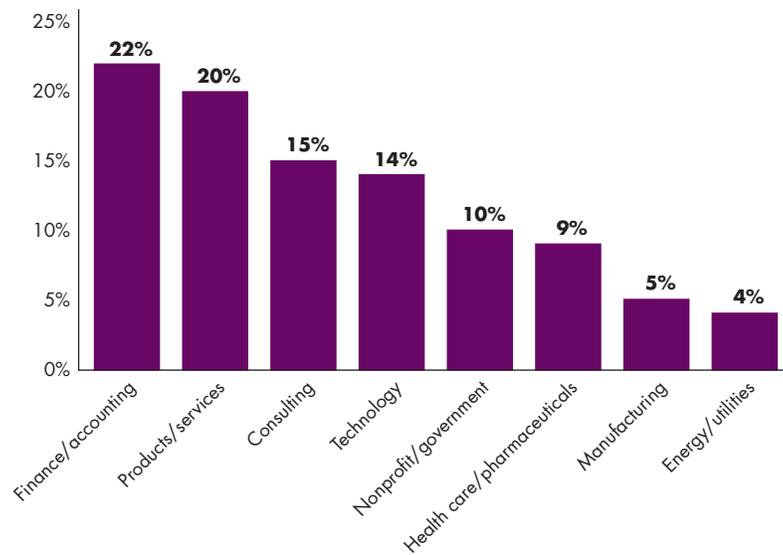


Figure 3b.
Industries of Employment for Class of 2010





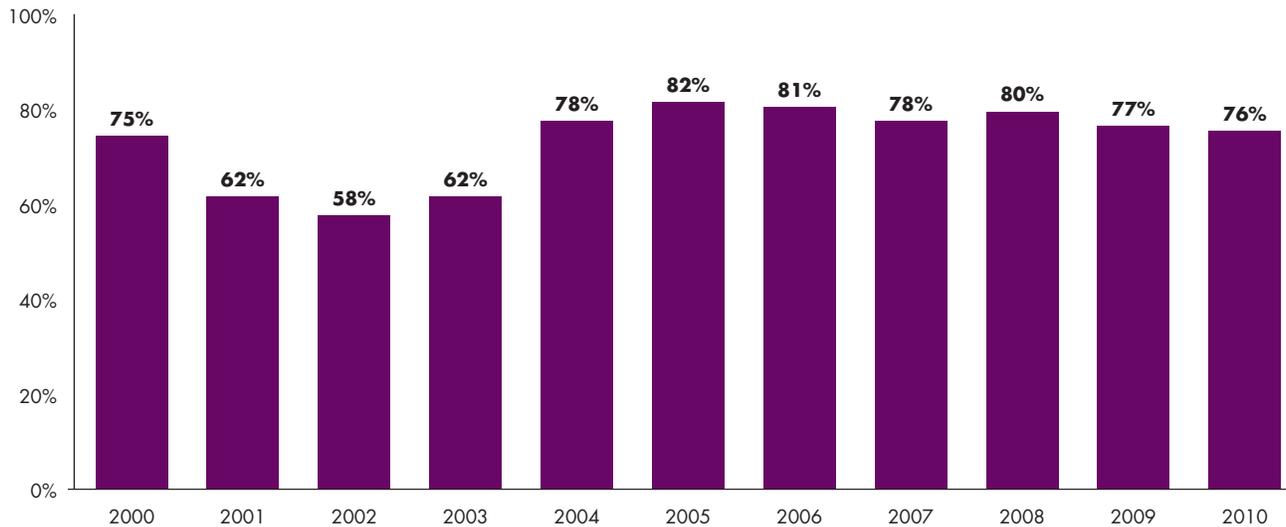
Overall, 88% of class of 2010 members reported they had a job after graduation (84% were with an employer and 4% were self-employed).



Three-quarters of the new class of 2010 alumni (76%) indicated their graduate business degree was *essential* for obtaining their first post-graduation job. According to a 2009 GMAC economic brief, higher levels of education are effective in insulating against unemployment. Higher education serves as a catalyst for securing employment, especially in times of economic turbulence (GMAC, 2009). Figure 4 shows the percentage of alumni

who considered their graduate business degree as critical for obtaining their first job by graduation year. Every year since 2000, anywhere from half to more than three-fourths of alumni have indicated their graduate degree was increasingly essential.¹ Graduate business degrees are regarded as crucial for employment in tough times as well as good times because of the competitive advantage they offer in the marketplace (Sheikh, 2009).

Figure 4.
Graduate Business Degree Essential for First Job, by Graduation Year
(Percentage Strongly Agree/Somewhat Agree)



Source: Data for the classes of 2000 through 2009 are taken from past GMAC® Alumni Perspectives Surveys. Data for the class of 2010 are taken from the September 2010 Alumni Perspectives Survey.

¹ $\chi^2 = 264.095, df = 36, p \leq .05.$

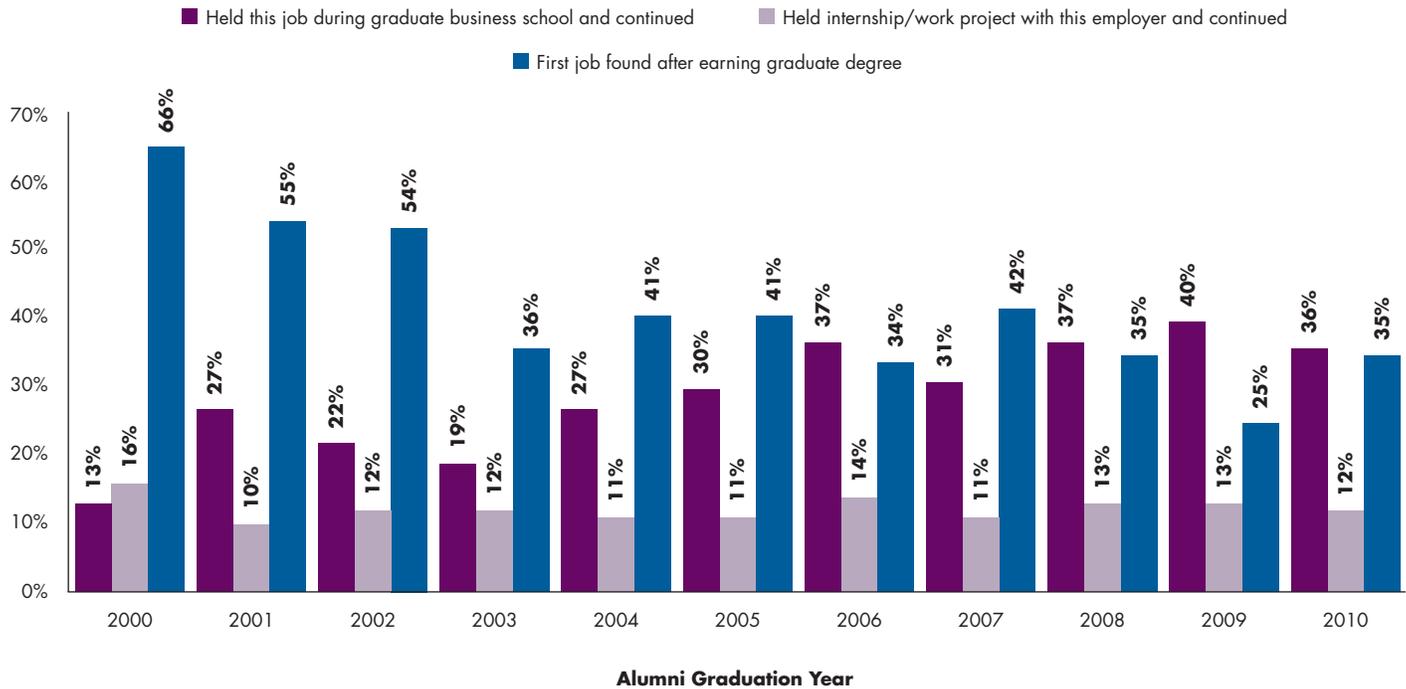
Employment

The recent economic downturn brought into sharper focus some shifting employment patterns regarding alumni job placement after graduation. As shown in Figure 5, each year over the past decade an increasing proportion of graduate business school alumni have reported continuing their employment with an existing employer at the time of graduation rather than finding a new job after earning their degree. In the early 2000s, survey respondents were more likely to have obtained a new job after graduation.² It was typical then for alumni of full-time programs to find their

first job after graduation and for alumni of part-time or executive programs to continue working for an existing employer once they graduated.³ These changes in employment status are likely a function of the different pace at which various national economies are recovering at a global level. Among class of 2010 alumni, citizens from the Asia/Pacific Islands region were more likely to indicate they obtained new jobs after graduation compared to European and US citizens, who were more likely to continue employment with an existing employer.⁴ It is possible Asian citizens were more able to acquire new jobs after graduation because of the thriving Asia-Pacific job market (Yueuang, 2010).

To view alumni employment data filtered by program type, citizenship, school location, and other variables, download our Alumni Perspectives Survey Interactive Data Reports at gmac.com/InteractiveResearch.

Figure 5.
Job Status After Graduation, by Graduation Year



² $\chi^2 = 739.056$, $df = 40$, $p \leq .05$.
³ $\chi^2 = 361.927$, $df = 12$, $p \leq .05$.
⁴ $\chi^2 = 39.874$, $df = 8$, $p \leq .05$.

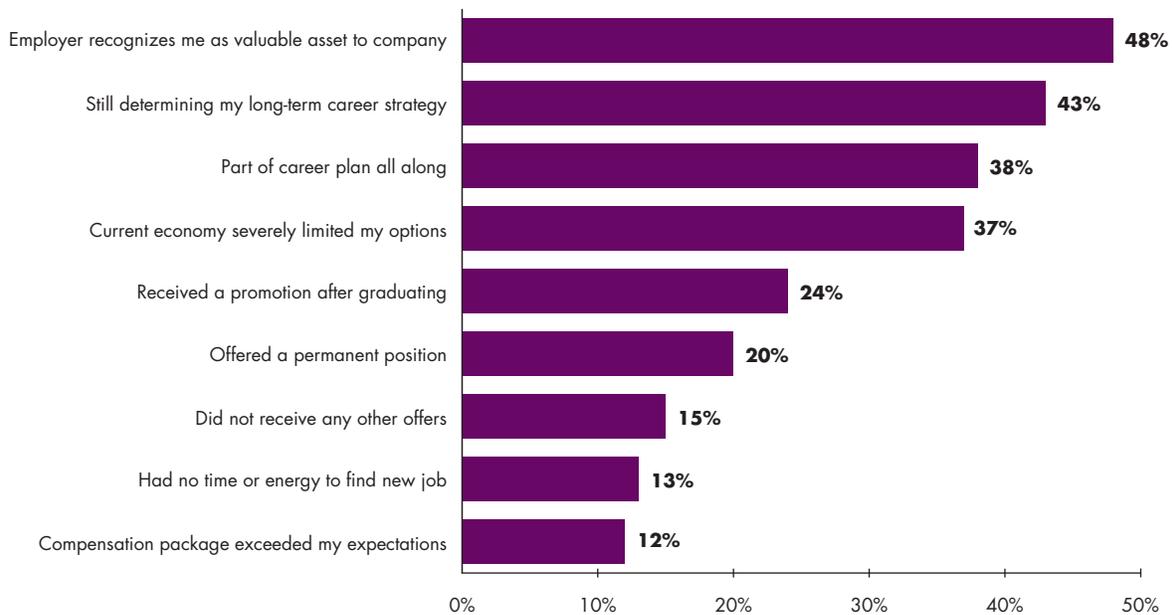
Since the tendency to continue working for a current employer is observed with more frequency in the United States, the importance of job tenure is worth noting. Job tenure has increased over the past few years and is shown to be higher among older workers, according to the employee tenure summary report of the Bureau of Labor Statistics (2010). The same holds true for graduate business alumni. Nearly half (48%) of the class of 2010 continued working with a previous employer or had an internship or work project that continued compared to 36 percent who obtained their first job after graduation. Older alumni (ages 35 and older) were more likely than younger alumni to indicate they held a job while in graduate management school.⁵

Of the class of 2010 alumni who kept the jobs they held while attending graduate business school, nearly half (48%) indicated they continued employment because they were recognized as a valuable asset to their employer (Figure 6). Motivations for continuing current employment were influenced to a large extent by the type of graduate business program attended. Alumni who attended full-time MBA programs and continued working for an existing employer were more likely to indicate their decision was based on the fact that their employer recognized them as a valuable asset. Graduates of part-time MBA programs, however, were more likely to continue employment because they were still in the process of determining their long-term career goals.⁶

Starting Salary

Expanding job search criteria tended to lead to more job offers which in turn may have provided graduate business alumni in 2010 with more leverage for commanding higher salaries. One in eight respondents from the class of 2010 (12%) indicated their starting annual base salary exceeded their expectations and more than half (58%) said their salary expectations were met. Those whose salary expectations were met or exceeded reported receiving two job offers on average, compared with one job offer among alumni whose expectations were not met. The median salary reported by class of 2010 respondents who began a new job after graduation was US\$78,820.

Figure 6.
Reasons for Continuing Current Employment After Graduation (Class of 2010)



⁵ $\chi^2 = 92.906, df = 8, p \leq .05.$

⁶ $\chi^2 = 207.727, df = 33, p \leq .05.$

The slowly recovering economy altered the job search process to some extent, potentially forcing many 2010 graduates to accept entry-level positions. Class of 2010 alumni who reported working in entry-level positions at the time of the survey were more likely to indicate they searched for jobs with lower compensation levels and for which they were overqualified as a result of the sluggish economy.⁷ Alumni working in higher-level positions before graduation reported no such alterations to their search process.

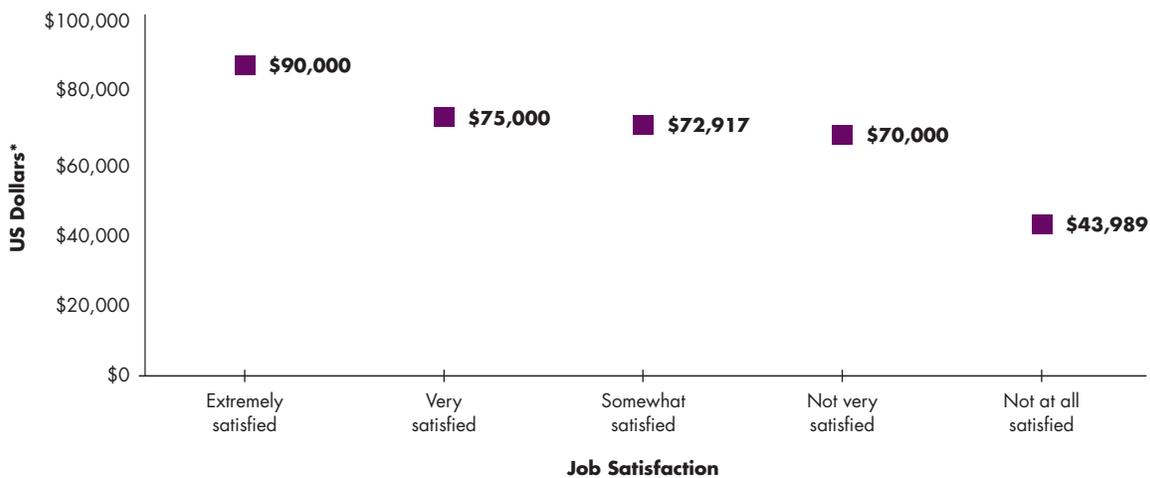
In relation to salary expectations, equity theory states that individuals' judgment about salary is based on how they compare themselves to others and that if they feel inequity, they are likely to be dissatisfied in some way (Klein, 1973). This theory may explain why alumni whose salary exceeded their expectations were more likely to

indicate higher levels of job satisfaction.⁸ As shown in Figure 7, there appears to be a relationship between job satisfaction and median salary. Based on equity theory, it can be inferred that if graduate business alumni feel their starting salary is based on merit, or is equitable compared to what others are receiving, they are more likely to be satisfied. For many alumni, graduate business education translates into greater earning power. The median salary of alumni who reported being extremely satisfied with their current jobs was higher when compared with the overall median salary of the class of 2010.

•••••
The median salary reported by class of 2010 respondents who began a new job after graduation was US\$78,820.
 •••••

 For a more detailed look at salary information, download the Alumni Perspectives Interactive Data Reports at gmac.com/InteractiveResearch.

Figure 7.
 Median Starting Salary (US\$), by Job Satisfaction Level (Class of 2010)



* Salary reported in currency of choice and converted to US dollars for purposes of comparison.

⁷ $\chi^2 = 44.805, df = 27, p \leq .05.$
⁸ $\chi^2 = 137.833, df = 8, p \leq .05.$

Alumni Employment Data

• • • • •

55% of alumni indicated they were extremely or very satisfied with how their careers have been progressing since completing their graduate management education.

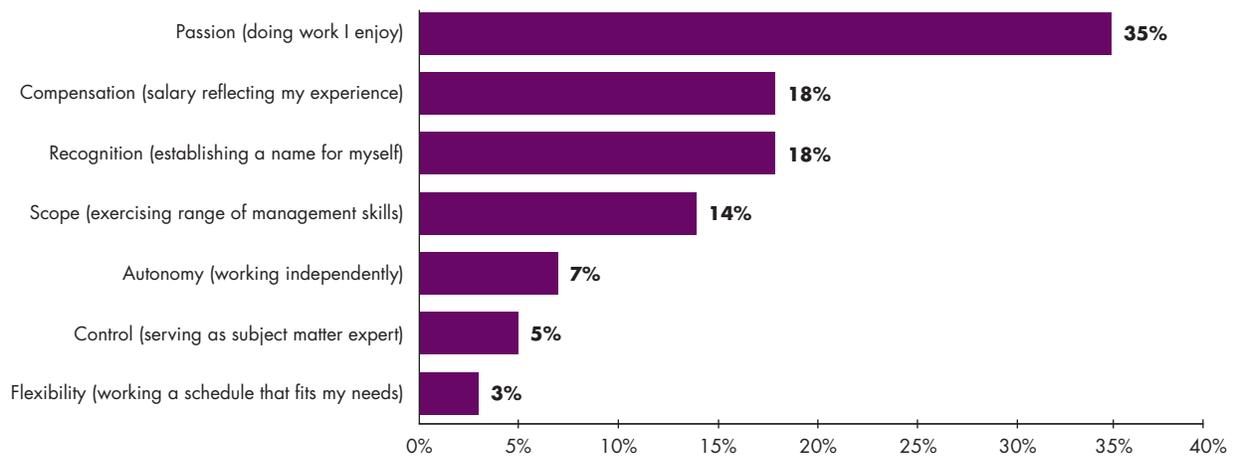
• • • • •

Another sign of an improving post-recession economy is that 93 percent of all survey respondents reported being employed at the time of the survey. This represents a three percent increase over findings reported in the 2010 Alumni Perspectives Survey report. Six out of 10 alumni reported working for an organization with a multinational focus. Alumni who attended graduate business school in the United States were more likely to report working for an organization with a regional or national focus; whereas those who attended school in Europe were more likely to work for a multinational organization.⁹ According to recent interpretations of the human capital theory,

education is increasingly becoming essential for participation in the global economy (Bridgstock, 2009). Survey results from 2010 show that one in six business school alumni are working outside their country of citizenship.

Similarly, graduate management education is expanding globally and this global reach is an important context to consider when evaluating specific employment data reported by business alumni. Job satisfaction, career progression, and skill development are facets of employment. Considering these facets in relation to the global economy provides a promising outlook for graduate business alumni employment.

Figure 8.
Key Drivers of Job Satisfaction (Pratt Index*)



* Pratt Index = $(\beta^2 r) / R^2$, where β is the standardized regression coefficient, r is the bivariate Pearson correlation, and R^2 is the proportion of the variance explained by the regression model.

⁹ $\chi^2 = 58.721, df = 9, p \leq .05.$

Job Satisfaction

Alumni who reported high levels of satisfaction with their current job also were more likely to rate highly the preparation for their chosen careers they received during graduate business school.¹⁰ Understandably, graduate business schools shape the contributions their alumni will make to their professions (Bridgstock, 2009). Once they have gained employment, alumni often work towards achieving a job that meets their needs. Certain job characteristics drive alumni job satisfaction.¹¹ As shown in Figure 8, passion—doing work one enjoys—is a primary driver of job satisfaction as reported by survey respondents. Secondary to passion is compensation that reflects one's experience, closely followed by recognition, which allows individuals to make a name for themselves. Passion, compensation, and recognition can also be classified as motivators.

Previously conducted research explains that motivation is a process that can direct and sustain performance (Tella, Ayeni, & Popoola, 2007). One way employers enhance workers' job satisfaction is to use effective motivation tactics, which leads to increased job satisfaction and commitment. Salary is only one motivator; clearly there are many incentives that serve as motivators for graduate business school alumni to find satisfaction with their current jobs.

Job satisfaction is not limited just to the specifics of employment, but is determined also by alumni career goals and how well their jobs match those goals. Among all respondents, only 14 percent indicated that their current job perfectly matched their varied career goals. Alumni working in consulting and general management job functions were more likely to report their current job perfectly matched their career goals than alumni working in operations and logistics.¹²

The propensity for current jobs to match career goals perfectly may be determined by one's job level. Business school alumni performing general management job functions were more likely than alumni working at any other job function to report working in senior-level positions.¹³ Reaching a higher job level appears to relate to whether a job more exactly matches one's goals. As such, job satisfaction and job linkage with career goals go hand-in-hand.¹⁴ Overall, 55 percent of alumni indicated they were extremely or very satisfied with how their careers have been progressing since completing their graduate management education.



For a detailed examination of career development and job satisfaction data based on job functions and other search categories, download the Alumni Perspectives Interactive Data Reports at gmac.com/InteractiveResearch.

¹⁰ $\chi^2 = 523.502$, $df = 16$, $p \leq .05$.

¹¹Data shown in Figure 8 significantly contributed to the model $R = .832$.

¹² $\chi^2 = 46.600$, $df = 28$, $p \leq .05$.

¹³ $\chi^2 = 226.358$, $df = 21$, $p \leq .05$.

¹⁴ $\chi^2 = 3366.845$, $df = 16$, $p \leq .05$.

Career Development

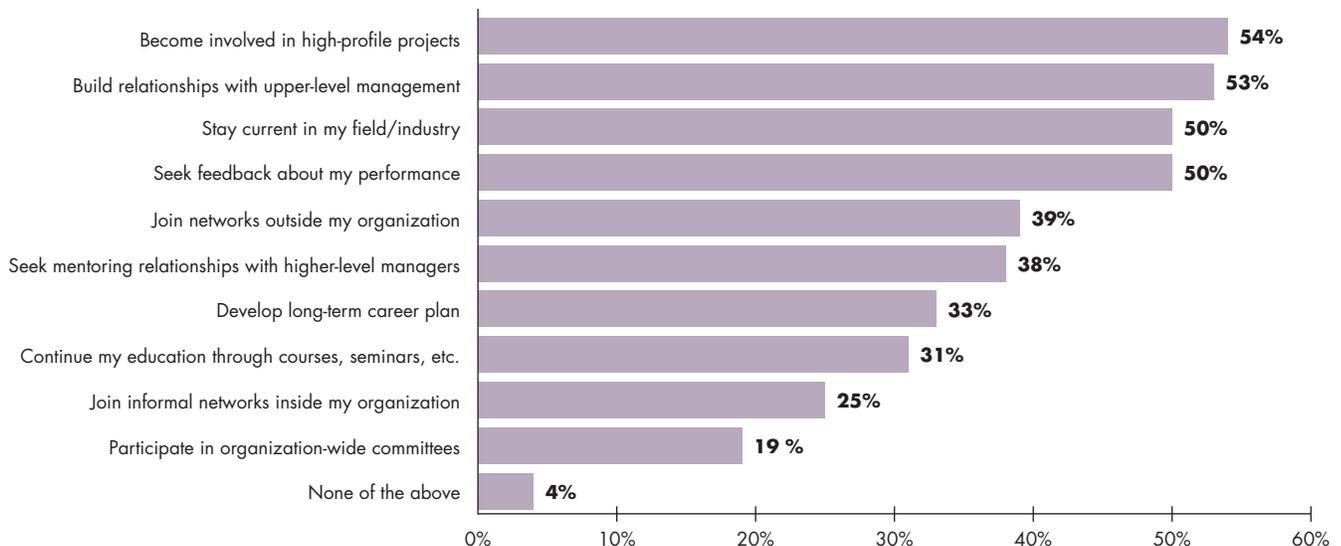
Enhancing one’s career is a process that extends over time and obtaining a graduate management degree provides many avenues for progress. Those who earn a graduate business degree can vastly expand their career options. Continuing career development tends to lead to career progress. Some employers may offer a formal path for career progress but most business school alumni largely work on their own career development strategies. One of the many ways graduate business school alumni advance their careers is by developing network-based and project-based strategies (Figure 9). Data collected from the April 2010 Alumni Perspectives Survey revealed that 53 percent of alumni built relationships with upper management, the most common network-based strategy to help develop their careers. Fifty-four percent of alumni reported becoming involved in high-profile projects, which survey respondents rated the most popular strategy for career development.

Career development also can be evaluated to some extent based on the autonomous characteristics of current jobs held by alumni. Today’s global economy is fast-paced, competitive, and increasingly dynamic, requiring workers to be self-directed in developing their careers (Simmering, Colquitt, Noe, & Porter, 2003). Career development mostly needs to be self-initiated, including tasks such as goal setting to promote development (Simmering et al, 2003).

Alumni survey respondents were asked about their level of autonomy in relation to goal setting, task development, work processes, and work schedules. A composite autonomy score was calculated for all survey respondents using each of these aspects, which yielded an average of 2.5, on a scale where 1 was low autonomy and 3 was high autonomy. As shown in Figure 10, the average composite autonomy score increases as job level increases.¹⁵ Understandably, as careers develop and higher levels of employment are achieved, the propensity for managing the work environment

• • • • •
54% of alumni reported becoming involved in high-profile projects, which survey respondents rated the most popular strategy for career development.
 • • • • •

Figure 9.
 Alumni Strategies for Career Development



¹⁵One-way ANOVA with Bonferonni post hoc analysis, F = 52.569, df = 8, p ≤ .05.

itself is increased. Autonomy in the workplace is a factor of employment that relates to alumni's proactive socialization and career development. In addition, as alumni satisfaction with career progression increased, so did their average composite score for autonomy.¹⁶ Such data are further evidence that levels of workplace autonomy are highly related to the development and progression of alumni careers.

For many business school alumni, career progression is related to career advancement. Fifty-two percent of survey respondents reported they received a promotion with their current employer. For many, promotions included a change in job title, pay increase, and an increase in responsibilities. For less than half, a promotion also included an increase in budgetary authority and an increase in the number of direct reports. Respondents who reported receiving a promotion were more likely to indicate they were satisfied with their career progression.¹⁷ The longer you remain with the same employer, the more likely you are to grow professionally.¹⁸

Compensation

Knowing that compensation is one of the top three drivers of job satisfaction and that salary increases are tied to promotions, it is also important to know salaries reported by graduate business alumni. The median salary reported by all alumni regardless of graduation year was US\$94,542. In addition, survey respondents reported median bonus compensation of US\$17,565. Those who have received three or more promotions reported higher median salaries compared to alumni reporting only one or two promotions. Thus, the more years alumni spent with the same employer, the higher median salary they received (Figure 11). Consistent with previous findings, compensation appears to be a byproduct of career progress and an integral part of job satisfaction.

Figure 10.
Average Autonomy Composite Score, by Job Level

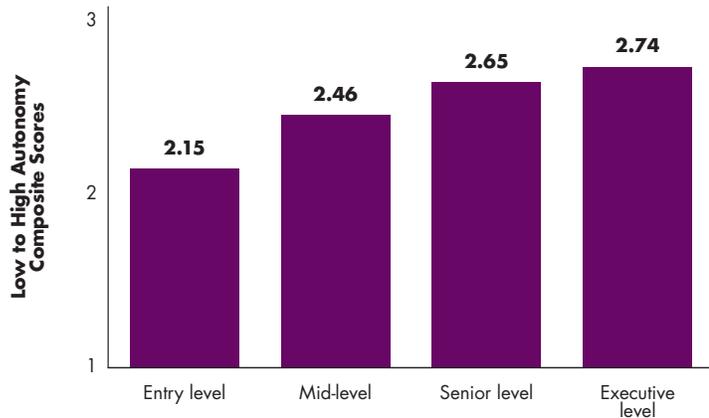
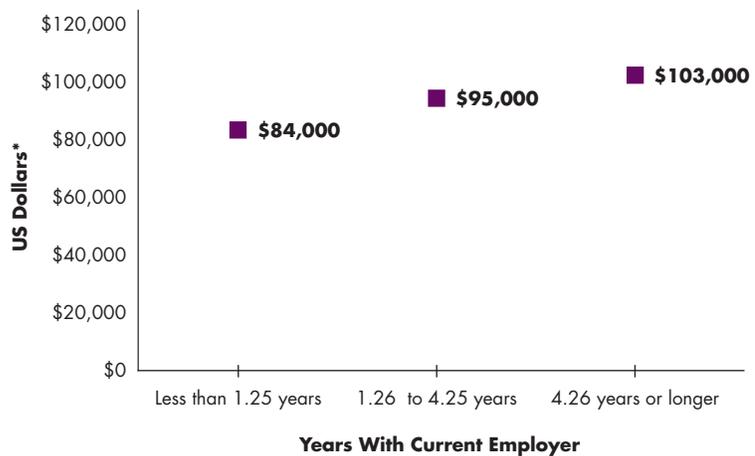


Figure 11.
Median Starting Salary (US\$), by Length of Employment



* Salary reported in currency of choice and converted to US dollars for purposes of comparison.

¹⁶One-way ANOVA with Bonferonni post hoc analysis, F = 86.125, df = 8, p ≤ .05.

¹⁷ $\chi^2 = 62.317$, df = 4, p ≤ .05.

¹⁸Pearson's r = .206, n = 2934, p ≤ .05.

Self-Employed Alumni

Historically, in the decade since this survey was first launched, fewer than 10 percent of graduate business alumni have indicated they were self-employed. Though this is a small group, it is important to understand the perspectives of small business owners, since their pursuit of graduate management education may be deeply rooted in their desire to start their own businesses. In the April 2010 Alumni Perspectives Survey, 6 percent of alumni reported being self-employed. Of this group, 27 percent indicated they owned more than one business. Financial experts convey that starting your own business during a time of economic turbulence or recovery can be an optimal method for reducing tax liability and increasing revenue (Kitchen, 2010). As such, it is no surprise that 69 percent of survey respondents who were self-employed indicated that they established their businesses between 2009 and 2010 and

99 percent of self-employed alumni reported that their business ownership structure was for-profit.

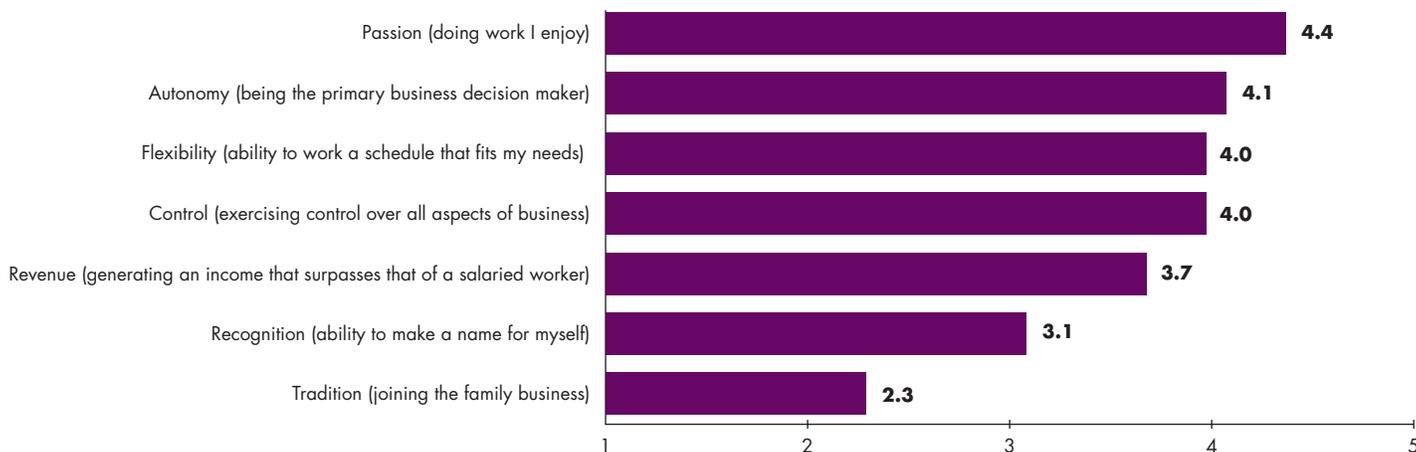
The top factor that influenced the decision to start one's own business was the desire to follow one's passion—doing work one most enjoyed (Figure 12). Among self-employed alumni, passion also was the key driver for job satisfaction. The ability to do the kind of work that drives an individual appears to be paramount in making pertinent career choices. This group of respondents rated three other factors as very influential in their decisions to go into business for themselves: autonomy (being in charge of major business decisions), flexibility to set one's own schedule, and maintaining control over all aspects of the business. Overall, the tradition of joining a family business was the least influential factor influencing entrepreneurship.

Whether alumni were employed by an organization or were self-employed, doing work they were passionate about was a

key factor in job satisfaction, as shown previously in Figure 8. Survey respondents who indicated they were self-employed or a small business owner reported higher levels of satisfaction with career progression since graduation than did other business school alumni.¹⁹ Overall, 63 percent of self-employed alumni indicated they were extremely or very satisfied with how their careers have been progressing since leaving their graduate business school.

According to the 2010 Gallup-Healthways Well-Being Index, business owners have the highest level of job satisfaction and the highest percentage who report they can utilize their strengths in the workplace on a daily basis (Witters, 2010). Despite the inherent challenges of owning one's own business, graduate business alumni who are self-employed have provided positive feedback regarding their employment choices that parallels other alumni.

Figure 12.
Influential Factors in Choosing Self-Employment (Level of Importance*)



*Scale: 1 = Not at all important, 2 = Not very important, 3 = Somewhat important, 4 = Very important, 5 = Extremely important

¹⁹ $\chi^2 = 126.527$, $df = 8$, $p \leq .05$.

Value of the Degree

The impact of graduate business education on alumni careers can be understood through many variables, one of them being the employment data discussed previously. Another variable, the value of the degree, offers a different perspective on the impact of graduate business education. Since the inception of the GMAC Alumni Perspectives Survey in 2001, graduate business school alumni have continuously rated the overall value of their degrees very highly. In 2010, survey results showed that among all graduate business alumni, 95 percent rated the value of their degree as outstanding, excellent, or good. Among those who were business owners, four out of five rated the value of their graduate business degree as outstanding or excellent.

The value of the degree is slightly correlated with employment status.²⁰ Other factors also are related to alumni perceptions about the value of the degree. All survey respondents were asked to rate how well their graduate business education prepared them for their chosen career and for leadership positions (Figure 13). Alumni who felt

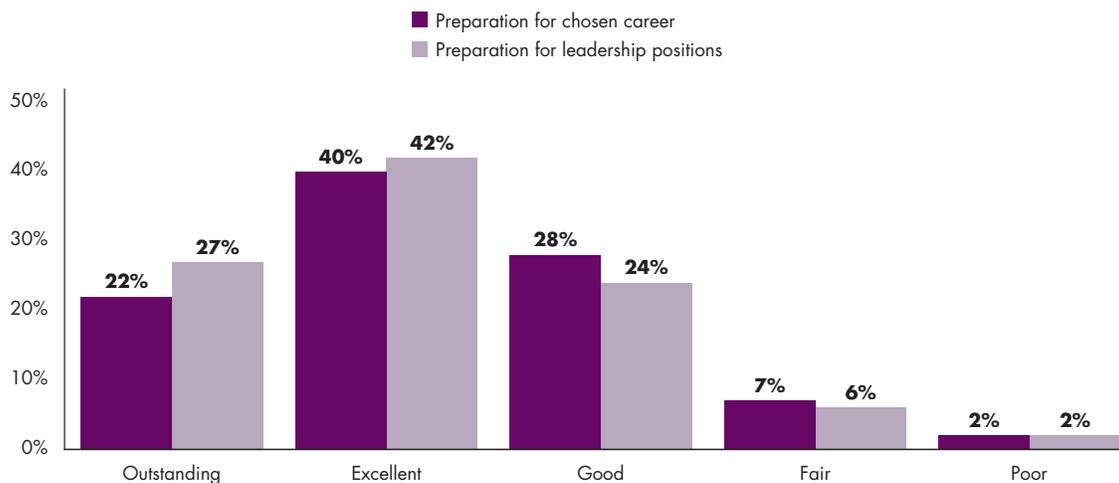
their graduate business education prepared them well for their chosen career²¹ and for leadership positions²² were likely to rate the value of their degree more highly than those who didn't share that view.

One intervening factor that may shed more light on the value of the degree in relation to careers is job level. Alumni employed in senior- or executive-level positions were more likely to report higher ratings for the degree's ability to prepare them for leadership positions²³ compared with those working in entry and mid-level jobs. Similarly, executive-level alumni were more likely to rate the degree as outstanding for preparing them for their chosen career.²⁴ It should be noted, however, that on average, alumni employed in entry and mid-level positions were likely to rate the overall value of the degree as good and senior- and executive-level alumni were likely to rate it outstanding.²⁵

From the human capital theory (Heijke, Ramaekers, & Ris, 2005), it can be concluded that individuals can increase their capabilities in the workplace as a result of education or training, as well as through their professional experience.

•••••
95% of all alumni rated the value of their degree as outstanding, excellent, or good.
Of those who were business owners, 4 in 5 rated the value as outstanding or excellent.
 •••••

Figure 13.
 Career Outcome Ratings for Graduate Business Degree



²⁰ Pearson's $r = .119$, $n = 3433$, $p \leq .05$.

²¹ $\chi^2 = 3112.507$, $df = 16$, $p \leq .05$.

²² $\chi^2 = 2620.096$, $df = 16$, $p \leq .05$.

²³ $\chi^2 = 67.433$, $df = 12$, $p \leq .05$.

²⁴ $\chi^2 = 44.687$, $df = 12$, $p \leq .05$.

²⁵ One-way ANOVA with Bonferonni post hoc analysis, $F = 19.478$, $df = 4$, $p \leq .05$.

Knowledge, Skills, and Abilities

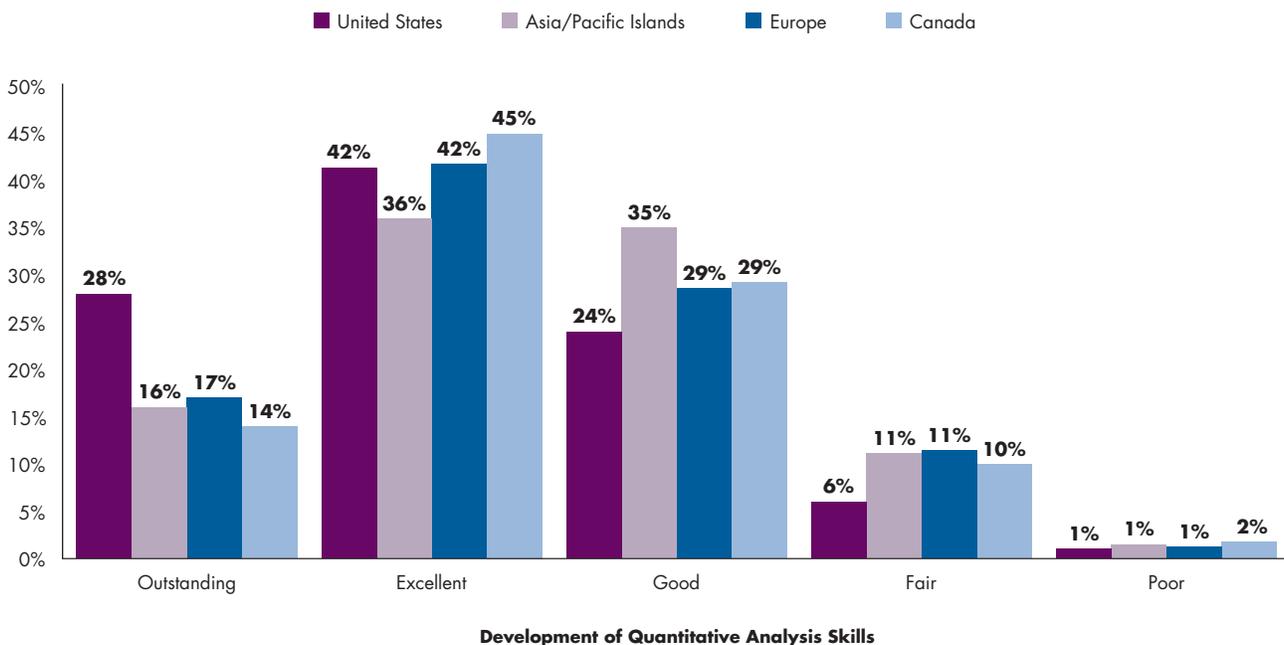
Changes in labor markets require educational institutions to produce alumni who are well prepared for employment (Bridgstock, 2009). Overall, 33 percent of survey respondents indicated they were very well prepared for their career as a result of their graduate business education and 50 percent reported being well prepared. Today’s workforce faces a knowledge-intense economy that is driven by rapid changes in information (Bridgstock, 2009). Employability rests on a combination of general management and specific technical skills. Business schools tend to emphasize the development of qualitative and quantitative analytical skills and the vast majority of alumni indicated their education succeeded in this goal. Most alumni felt their schools did an outstanding or excellent job of developing their quantitative and qualitative analytical skills.

The outcome ratings based on the development of quantitative skills through graduate management education varied for alumni based on their school location, but there were no significant differences by school location for qualitative analysis skills. As shown in Figure 14, alumni who attended business schools in the United States were more likely to rate quantitative analysis skills as outstanding than were alumni who attended business schools in Europe, Canada, or the Asia/Pacific Islands region.²⁶ Notwithstanding the differences in the top-most rating, the majority of alumni at schools in all locations rated the development of quantitative skills as outstanding or excellent.

The degree to which graduate management programs succeed in developing students’ knowledge, skills, and abilities depends on the strength of the curriculum and its relevance to the

students’ educational needs. According to survey findings, a challenging curriculum created a positive educational experience for 59 percent of graduate business alumni. Concurrently, curriculum that was relevant created a positive educational experience for 77 percent of alumni. After having completed their graduate business education, however, some alumni reported there were still some knowledge or skills areas they wished to improve through continued education. As shown in Figure 15, the top area targeted for further education and training was career management skills. Given that developing one’s management abilities is a path that can lead to increased levels of autonomy and higher job levels, it is understandable why there would be such strong interest in further education in this particular skill set.

Figure 14.
Outcomes Rating: Development of Quantitative Skills in Graduate Business School, by School Location



²⁶ $\chi^2 = 67.037, df = 12, p \leq .05.$

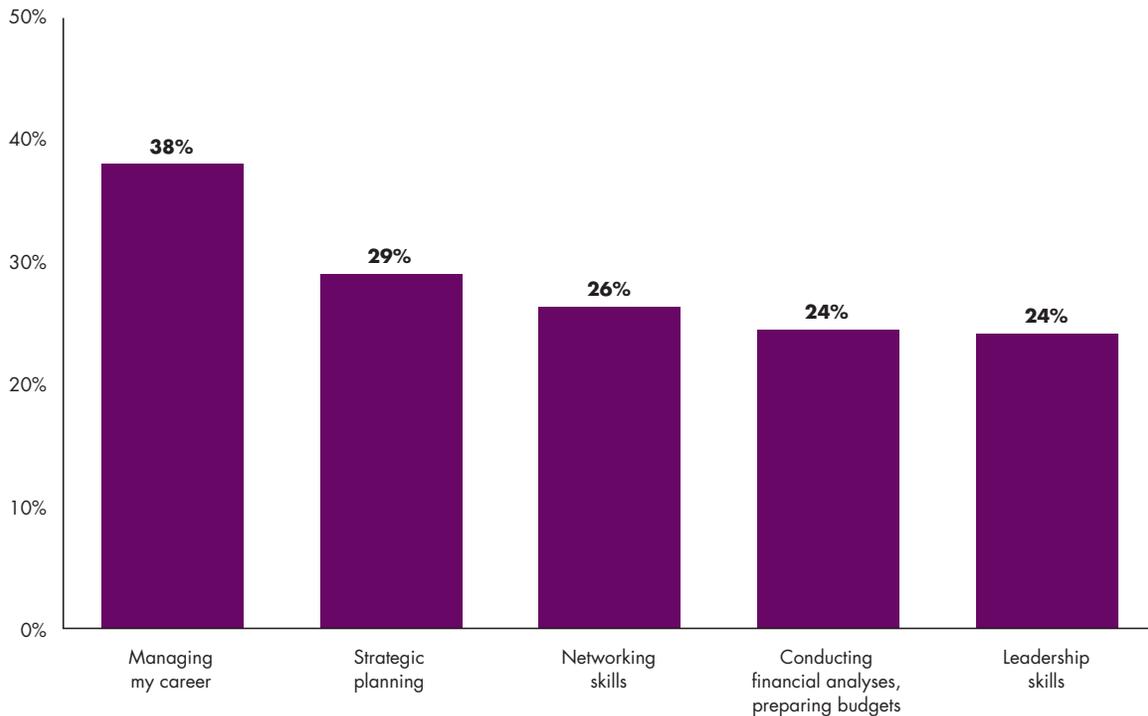
Alumni Services

Slightly more than three quarters of survey respondents (77%) rated overall alumni services as outstanding, excellent, or good. While they were asked to rate various aspects of alumni services overall, they also were asked specifically to rate the quality of career services offered through their alumni services office. It is especially important to understand the role of alumni career services since many alumni rely on career services support to help them identify career needs and goals (Parker, Arthur, & Inkson, 2004) and navigate current economic uncertainty.

Among all survey respondents, 55 percent rated career services as outstanding, excellent, or good. Self-employed alumni rated alumni career services higher than alumni working for a company.²⁷ Alumni who were unemployed were more likely to rate career services poorly. Survey respondents who were working for an employer were more likely than others to indicate that alumni career services were not applicable to them. Alumni who had worked for the same employer for less than one year reported being more satisfied with alumni career services than those who either had been with their employer for four years or more or were not using such services.²⁸

•••••
A challenging curriculum created a positive educational experience for 59% of alumni; curriculum that was relevant created a positive experience for 77%.
 •••••

Figure 15.
 Top Five Skill Sets Alumni Target for Continuing Education



²⁷ $\chi^2 = 58.608, df = 10, p \leq .05.$

²⁸ $\chi^2 = 35.259, df = 10, p \leq .05.$

We can conclude that alumni at the beginning of their careers rate their alumni career services more highly than those who have already progressed in their careers to some extent. Alumni who rated career services as outstanding also were more likely to rate overall services as outstanding. As shown in Figure 16, nearly two-thirds of alumni rated alumni career services highly. Bear in mind, however, that this category received the lowest rating out of all alumni services that were evaluated.

The evaluations accorded to various alumni services differed based on the program type. Alumni who graduated from full-time or executive MBA programs were more likely to rate overall alumni services as outstanding or excellent than alumni from part-time programs. The structure of the programs often can determine the type of alumni community that is formed. Thirteen percent of alumni respondents from part-time programs selected “not applicable” when rating overall alumni services. It

may be likely that part-time students were not provided with or seeking many of the alumni services typically offered to full-time and executive program alumni.

Alumni networking opportunities garnered the highest ratings on average from alumni of full-time and executive programs. Alumni from part-time programs gave their highest rating to alumni events offered by their schools. Differences based on program type were apparent only among alumni who attended schools located in the United States. Program type made no difference in how alumni of programs in Asia, Europe, or Canada rated their alumni services.



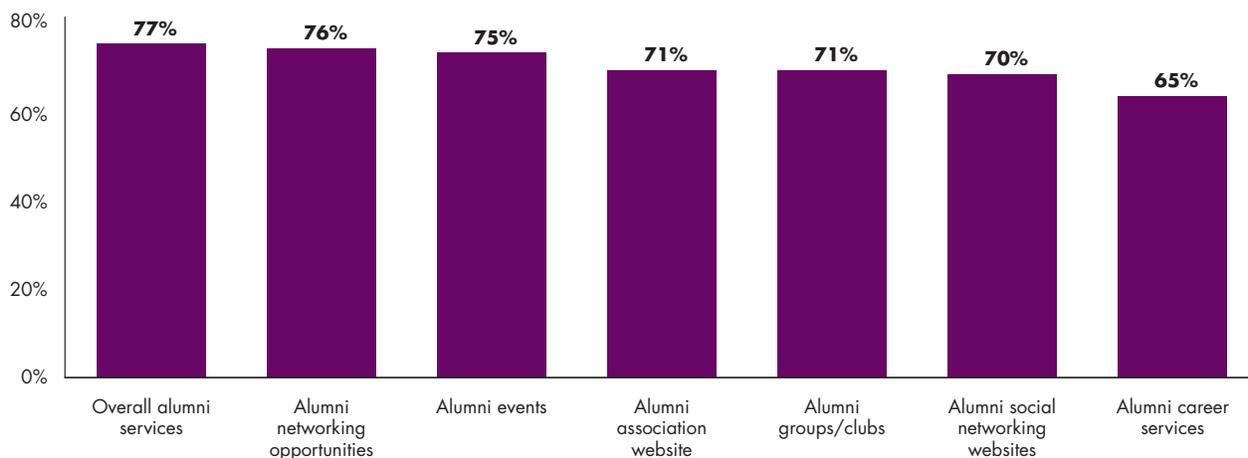
For detailed survey responses based on program type, school location, and world region, download the Alumni Perspectives Survey Interactive Data Reports at gmac.com/InteractiveResearch.

Alumni Recommendations

There were significant correlations seen between the evaluations for various alumni services and alumni likelihood to recommend their graduate management education program to someone else. Among survey respondents who graduated from full-time programs, the evaluation of alumni career services had the highest correlation with recommendations.²⁹ For those who graduated from executive MBA programs, networking opportunities had the highest correlation with recommendations.³⁰ These correlations may reflect alumni perspectives on educational and career choices to some extent. Full-time alumni are using methods to help them with their career and executive alumni are using methods to increase their networking.

According to an article published last fall in *The Wall Street Journal*, business school administrators have indicated that alumni referrals are among their top sources for finding qualified candidates for executive

Figure 16.
Alumni Services Ratings (Percentage Rated Outstanding/Excellent/Good)



²⁹ Pearson's $r = .211$, $n = 2136$, $p \leq .05$.

³⁰ Pearson's $r = .285$, $n = 294$, $p \leq .05$.

MBA programs (Dizik, 2010). According to GMAC survey data, alumni of full-time MBA programs statistically are more likely than alumni of other graduate business programs to recommend their program to others;³¹ yet 91 percent of alumni from executive MBA programs also reported they would recommend their program to others. The 2010 GMAC Application Trends Survey revealed that last year, 59 percent of executive MBA programs reported an increase in the number of applications received. Executive programs saw a larger increase in application volume last year than any other MBA program (Murray, 2010).

The perceived value of the degree also appears to determine the likelihood of recommendations. Alumni who rated the value of their graduate management degree highly were more likely to make recommendations.³² Statistically, the likelihood to make recommendations did not vary based on age, gender, or school location. The lack of variation is promising. Since graduate management education is global in scope, the consensus of alumni willing to recommend their graduate business education or program to others bodes well for the market and adds to the value of the degree.

Market research concerning graduate business education has revealed that many prospective students turn to alumni for advice. Knowing that the most recent class of alumni has had such a positive experience despite a challenging global economy may further inspire alumni, business schools, and prospective students.

Methodology

Launched by GMAC in 2001, the Alumni Perspectives Survey is a longitudinal research study of graduate business school alumni who have agreed to let GMAC follow their career progression. The survey is conducted twice each year, in April and September. The objective of these biannual surveys is to document job characteristics both for the first jobs alumni held after graduation and their current jobs, alumni career and salary expectations, their assessment of the value of their education, and general market trends.

The survey sample represented in this report includes business school graduates who participated in past Global Management Education Graduate Surveys administered to the 2000 through 2010 classes and who agreed to further follow-up through these alumni studies. This summary report combines data collected from both the April and September Alumni Perspectives Surveys conducted in 2010. Table 1 shows the response rates for each of the surveys by graduation year.

Explore Interactive Data

Findings presented in this publication are based on analysis of survey data found in both the April 2010 and September 2010 Alumni Perspectives Interactive Data Reports. GMAC offers these interactive online data reports as companions to this 2011 summary of the Alumni Perspectives Survey findings.

Exploring the interactive reports enables you to experience and interact with deep information streams in ways not possible through a traditional print report. Opportunities where readers may want to consult these interactive reports for customized data are noted with an icon throughout this report.

To access the Alumni Perspectives Survey Interactive Data Reports and view other interactive report releases from GMAC, please visit our website at gmac.com/InteractiveResearch. Information on the Quick Start tab provides a brief overview of the general setup and navigation of our interactive reports. Please contact us at research@gmac.com if you have any questions.

Table 1.
Response Rates

Graduation Year	April 2010	September 2010
N	3,387	3,490
Response rates	13%	13%
2000	3%	2%
2001	4%	3%
2002	4%	3%
2003	4%	4%
2004	9%	7%
2005	10%	8%
2006	12%	9%
2007	12%	11%
2008	17%	12%
2009	27%	18%
2010	Not applicable	24%

³¹ $\chi^2 = 19.826$, $df = 3$, $p \leq .05$.

³² $\chi^2 = 1272.702$, $df = 4$, $p \leq .05$.

CONTACT INFORMATION

For questions or comments regarding the study findings, methodology, or data, please contact the GMAC Research and Development department at research@gmac.com.

Authorship

The following individual made significant contributions to the concept and design or analysis and interpretation of data and the drafting/revising of the manuscript for intellectual content: Sabeen Sheikh,

Survey Research Manager, Research & Development, Graduate Management Admission Council (GMAC).

Acknowledgements

Gregg Schoenfeld, Director, Management Education Research, GMAC, review of questionnaire, analysis, and report; Lawrence Rudner, Vice President, Research and Development, GMAC, review of report; Michelle Sparkman-Renz, Director, Research Communications, GMAC, editorial review;

Veronica Sinz, Publications Manager, Research and Development, GMAC, editorial review; and Paula Bruggeman, editorial review and editing services.

GMAC especially wants to thank the total of 6,877 graduate business alumni who completed the April and September 2010 questionnaires. Without you, this report would not have been possible.

REFERENCES

- Association of Graduate Recruiters. (2010, July 6). Class of 2010 faces uphill struggle for jobs. *AGR* press release. Retrieved January 26, 2011 from <http://www.agr.org.uk/Content/Class-of-2010-Faces-Uphill-Struggle-for-Jobs>.
- Bridgstock, R. (2009). The graduate attributes we've overlooked: Enhancing graduate employability through career management skills. *Higher Education Research & Development*, 28(1), 31–44.
- Bureau of Labor Statistics. (2010). *Labor force statistics from the current population survey*. Washington, DC: U.S. Bureau of Labor Statistics.
- Burnsed, B. (2010, June 18). More M.B.A. graduates will get jobs in 2010. *U.S. News & World Report*. Retrieved December 8, 2010 from: <http://www.usnews.com>.
- Dizik, A. (2010, September 2). Rewarding referrals. *The Wall Street Journal*. Retrieved January 4, 2011, from <http://online.wsj.com>.
- Glod, M. (2008, March 14). Panel urges schools to emphasize core math skills. *The Washington Post*. Retrieved December 29, 2010, from <http://www.washingtonpost.com>.
- Graduate Management Admission Council. (2009). *Economics, education and the business school pipeline*. McLean, VA: Graduate Management Admission Council.
- Hansen, R., & Hansen, K. (n.d.). What do employers really want? Top skills and values employers seek from job-seekers. *Quintessential Careers*. Retrieved December 29, 2010, from <http://www.quintcareers.com>.
- Heijke, H., Ramaekers, G., & Ris, C. (2005). Do business administration studies offer better preparation for supervisory positions than traditional economic studies? *Education Economics*, 13(3), 315–329.
- Kitchen, B. (2010, September 2). Financial success in a bad economy is possible for self-employed and small businesses. *PR Log*. Retrieved December 22, 2010, from <http://www.prlog.org>.
- Klein, S. (1973). Pay factors as predictors to satisfaction: Comparison of reinforcement, equity and expectancy. *Academy of Management*, 16(4), 598–610.
- Murray, M. (2010) *Application trends survey report*. Reston, VA: Graduate Management Admission Council.
- National Association of Colleges and Employers. (2010). *Job outlook 2010 spring update survey*. Retrieved on January 27, 2011 from http://www.naceweb.org/Research/Job_Outlook.
- Parker, P., Arthur, M., & Inkson, K. (2004). Career communities: A preliminary exploration of member-defined career support structures. *Journal of Organizational Behavior*, 25(4), 489–514.
- Sheikh, S. (2010) *Alumni perspectives survey, April 2010 data report*. McLean, VA: Graduate Management Admission Council.
- Simmering, M., Colquitt, J., Noe, R., & Porter, C. (2003). Conscientiousness, autonomy fit and development: A longitudinal study. *Journal of Applied Psychology*, 88(5), 954–963.
- Tella, A., Ayeni, C., & Popoola, S. (2007). Work motivation, job satisfaction and organizational commitment. *Library Philosophy and Practice*, 9(2), 1–16.
- Witters, D. (2010). Business owners still lead in wellbeing among job types. *Gallup Poll Briefing, 1*. Retrieved from EBSCOhost at <http://www.gallup.com/poll>.
- Yueuang, M. L. (2010, June 23). Asia-Pacific finance job market hots up, pay jumps. *Reuters*. Retrieved December 8, 2010 from <http://www.reuters.com>.

Stay on top of the latest trends in graduate business education with our ever-expanding online research database. Here is a sample of the resources you will find along with our annual survey series at

gmac.com/research

- **The Profile of Graduate Management Admission Test® Candidates**—Gauge the size and characteristics of your school's potential applicant pool with this annual summary of demographic data about GMAT examinees over the last five testing years. Search tables for testing volumes and mean GMAT Total scores by gender, age group, intended degree, undergraduate major, citizenship, location, and world region.
- **The Profile of Graduate Management Admission Test® Candidates (Interactive Edition)**—Dig deeper with this new online companion to the annual report. This tool offers nearly all the data included in the print version of the Profile with the added benefit of chart depictions, user-selected data views, download options to save data for reference or analysis, and a faster view of GMAT testing trends.
- **Geographic Trend Reports for GMAT® Examinees**—Map out smart recruiting visits with data on where students want to study. These annual reports merge score-sending patterns from GMAT examinees with their biographical data, such as citizenship and location of residence, submitted with the exam to determine preferences and changes by group. The series includes an overall World report and region-specific reports for Asia, Europe, and North America.
- **GMAC Interactive Research**—Sort through detailed data collected through our annual surveys with the ease of user-friendly graphical displays to work with deep information streams in ways not possible with print reports. Drill down to relevant data, customize your searches by program type and geographic location, and quickly visualize trends in the B-school pipeline with just a click of your mouse. Search the site by Public, GMAT Using Schools, and GMAC Member Schools categories to see what's available for each user group.
- **GMAC® Data-To-Go**—Find quick facts and topic-specific analysis from our large-scale research studies in compact presentations and data briefs. Analysis varies from overall highlights to key findings by group and regional outlooks. Share findings of interest with colleagues and use pertinent material in your own meetings.
- **The Research Report Series**—Learn about the latest research on GMAT validity, management education program specifics, alumni concerns, minority and diversity issues, high-stakes testing innovations and more in white papers authored by GMAC staff and Management Education Research Institute (MERInstitute) awardees.
- **The GMAC® Research Library**—Peruse our comprehensive online archive for copies of all research publications, survey reports, data reports, and analyses publicly released by GMAC, all in downloadable formats. The library contains many publications no longer accessible through our primary research pages on gmac.com.

Visit us online today at gmac.com/research

The **Alumni Perspectives Survey** is one in a series of five annual or biannual surveys produced by the Graduate Management Admission Council® that explore relevant issues in graduate management education. Survey reports provide an overview of data in addition to offering context for and discussing implications of the research. They frequently are used to help drive strategic decision-making processes in graduate business schools. All survey reports are available online at gmac.com/surveys. Print copies are free upon request from the GMAC® Research and Development Department at research@gmac.com.

Other GMAC® surveys include—

mba.com Prospective Students Survey

Who is in the pipeline for a graduate business degree? What factors influence their enrollment decisions? Launched in 2003, this annual survey (formerly known as the mba.com Registrants Survey) profiles prospective students, tracking 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 its debut in 1999, this annual two-part survey compares current and previous year application data for business school programs worldwide, highlighting trends by program type and world region.

Global Management Education Graduate Survey

What value do business school students place on their education as they prepare to graduate? Premiering in 2000, this survey is conducted every February to provide a comprehensive picture of soon-to-be graduates: who they are, how they chose their schools, how satisfied they are with their education, and where they are headed after they graduate.

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.

© 2011 Graduate Management Admission Council® (GMAC®). All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system, distributed, or transmitted in any form by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of GMAC. For permission contact the GMAC legal department at legal@gmac.com.

The GMAC logo is a trademark and GMAC®, GMAT®, Graduate Management Admission Council®, and Graduate Management Admission Test® are registered trademarks of the Graduate Management Admission Council in the United States and other countries.



11921 Freedom Drive, Suite 300
Reston, VA 20190
gmac.com/mba.com

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