

MBA CAREERS RESEARCH:

What do graduates think they will be doing in the next few years?



Introduction

AMBA is pleased to release the results of the 2018 MBA Careers Research report. This report contains findings of a study looking into MBA graduates' perceptions, predictions and plans of how they see their future careers evolving. This includes new insight exploring the industries in which graduates will work, what they think they will earn and how they intend to apply the skills they have developed during their MBA.

The period in which AMBA has captured these views, in the first couple of years of graduation, marks a point in time where those who take an MBA are most determined to make

a step-change in their careers. This study shines a light on this critical point at which their vision and drive is understandably most focused. MBAs were able to reflect on how their learning experience will feed into what they take forward into their roles within business management.

This study also takes a step aside from some traditional ways in which MBAs have been judged previously, by offering a platform to analyse MBA impact in terms of management approaches and skill implementation, rather than potentially misleading measurements of MBA performance, such as realised salary estimates. The

'This report demonstrates the genuine and tangible contributions an MBA makes, not only to the lives of graduates, but to the wider goal of high-quality management in business. It shows that graduates see their MBA as helping to make purposeful changes to their careers and contributions to business'

collection of salary data across multiple countries is inherently challenging, if not impossible, to measure accurately. Factors such as constant fluctuations in inflation rates, currency conversions and multiple currency income streams can always offer-up inaccurate estimates. This study is looking to get a more balanced sense of how much financial impact recent graduates believe their MBA will contribute.

We hope this report offers you a fresh perspective on how graduates will apply their MBA during the next few years of their lives.

About AMBA's survey – things to know when interpreting the findings

The profile of graduates surveyed closely matches the cohort of AMBA-accredited Schools, meaning we can be confident that they reflect the views of the network

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AMBA members were invited to participate in the study between 3 July and 10 September 2018. Those who had graduated since the start of 2017, or who were due to graduate later in 2018, were asked questions about their future career plans. In total, 1,591 AMBA members responded to the survey, of which 885 completed questions related to their future careers. The data therefore reflects the views, predictions and experiences of recent graduates from AMBA-accredited Schools.

The profile of those surveyed

In total, two fifths (39%) of participants are from Europe, almost a fifth (18%) from Asia and the Middle East, approximately one in eight from the UK (12%) and Africa (13%). Meanwhile, 8% are from Latin America, 6% from North America and the Caribbean and 5% from Oceania.

'The data reflects the views, predictions and experiences of recent graduates from AMBA-accredited Schools'

Almost seven in ten (69%) participants are men and more than three in ten (31%) women. This broadly reflects the regional and gender composition of enrolments from AMBA-accredited Schools, meaning that we can be confident that this study closely reflects the views, experiences and perceptions of AMBA-accredited students from across the globe.

This element of the survey focuses on those who graduated in 2017 or who have or who are due to graduate in 2018. Two fifths (39%) state that they

were due to graduate later in 2018, while three in 10 graduated in 2017 (31%) or had already graduated in 2018 (30%).

Two fifths (41%) of these recent graduates surveyed are aged between 35-44 and almost a third (31%) are aged 30-34. The concentration of these age groups reflects those on AMBA-accredited programmes, which require at least three years' work experience. Meanwhile, a fifth (20%) are aged 18-24 and 9% are aged over 44.

Skills MBA graduates believe they will take into the workplace

66% of MBA graduates are also able to make decisions that consider the implications beyond their own companies

We first wanted to explore the skills graduates think they will take into the workplace. Although these are contributions graduates are anticipating, they are nevertheless informed projections, as graduates from AMBA-accredited Schools have at least three years of appropriate work experience before embarking on their MBA. Graduates were asked which of a range of actions related to the improvement of their business they are likely to take forward to their organisation as a result of completing their MBA programme.

Almost all (98%) graduates state that they are likely to do at least one of the eight aspects.

The most mentioned tend to be related to operational efficiency of

businesses, and while graduates also recognise that they are now likely to be able to contribute towards a more profitable business (cited by 58% of participants), they are even more likely to highlight issues related to specific efficiency of delivery and effectiveness.

As such, the most commonly cited attributes are that 'I am likely to make better business decisions' (81%), followed by 'I am likely to make my teams operate more efficiently' (73%), 'I am likely to come up with ideas and solutions which change the way the organisation works for the better' (72%) and 'I am more likely to make the organisation more efficient' (71%). The chart to the right outlines the range of attributes MBAs feel that their MBA is likely to offer them.

Which, if any, of the following are you likely to do for your organisation as a result of completing your programme?



The positive attitudes and beliefs MBA graduates believe they will take to their future workplace

MBA graduates were asked which, if any, attributes or improvements related to their personal and professional development had occurred as a result of completing an MBA. The findings also demonstrate that graduates largely recognise that they are

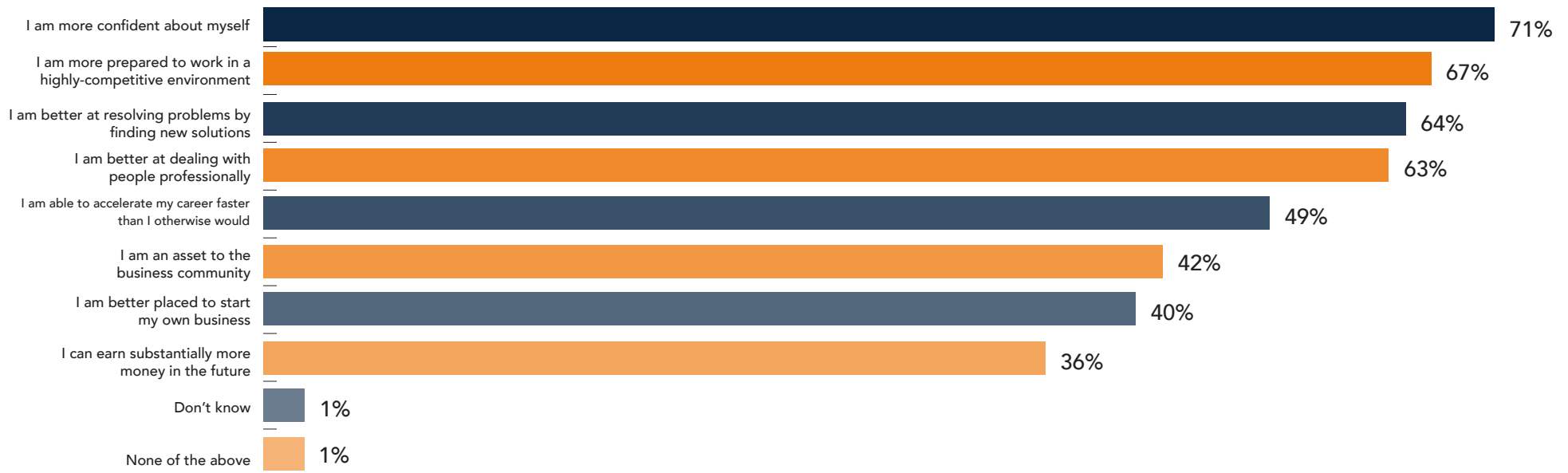
able to resolve issues and work with colleagues more productively in a business environment. More than seven in 10 (71%) state that 'I am more confident about myself'. Meanwhile, approximately two thirds say: 'I am more prepared to work in a highly-competitive environment',

'I am better at resolving problems by finding new solutions' and 'I am better at dealing with people professionally' (67%, 64% and 63% respectively). These findings also link to perceived improvements in their own mental resilience.

'These findings also link to perceived improvements in their own mental resilience'

71% of MBAs believe that they are more confident about themselves

Which, if any, of the following would you say about yourself having completed an MBA?



MBA as a facilitator for change: future job roles and positions

MBA graduates were asked questions related to the roles in which they see themselves in the future. Most graduates see themselves as being either in senior management (37%) or middle management (33%) within the next three years, and just 6% see themselves as being in junior management.

MBA graduates were then asked about the job role they see themselves in within the

next 10 years. A common prediction is again a senior management role (33%), but three fifths (61%) see themselves as being CEO, owner or Board member of an organisation within this time frame.

The findings demonstrate that MBAs largely see an upwardly mobile career trajectory. The chart below tracks estimations of MBAs' job positions

from now to 10 years in the future. It describes the growth in expectations for more prominent senior roles – such as those at board level and a shift away from junior management roles.

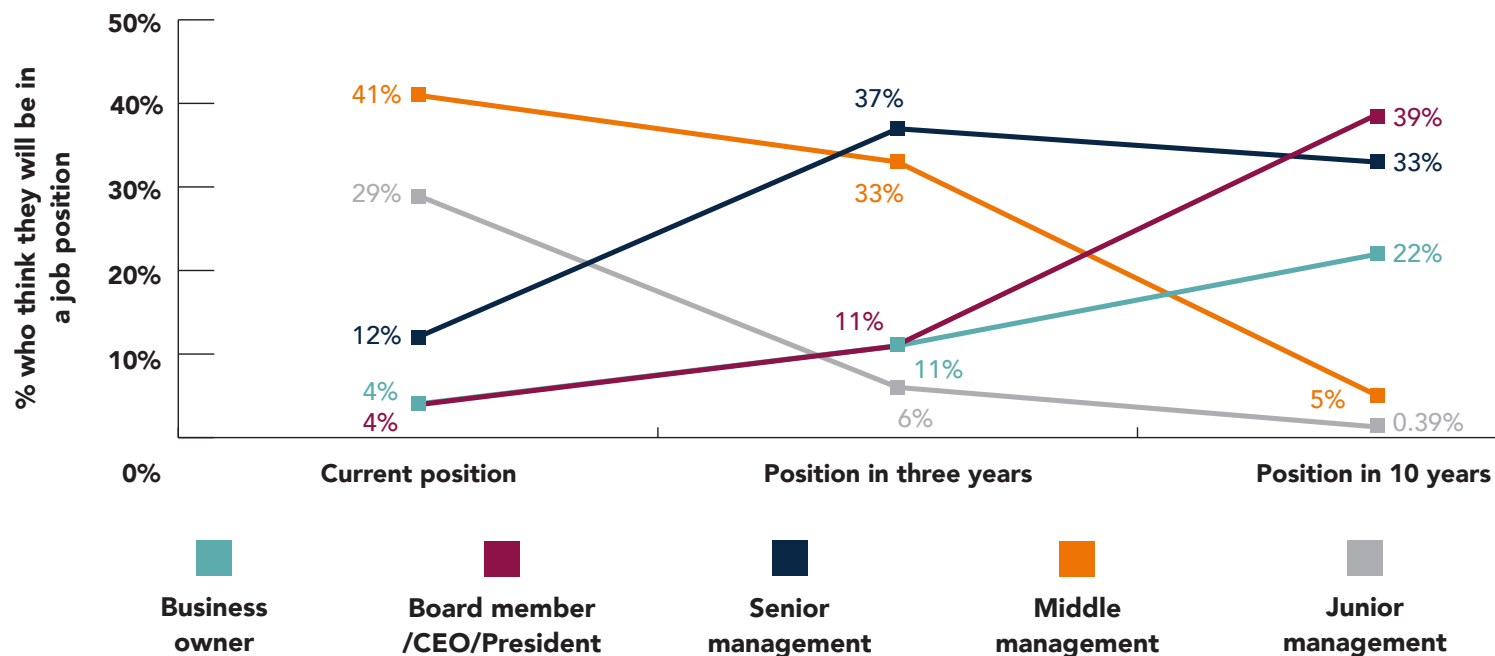
Indeed, more than nine in ten (94%) see themselves as operating at a senior management level. A small proportion in the 'other' category – less than 1% overall – state that they were unable to

envisage their position in 10 years.

Graduates increasingly believe that they will become business owners over time. Just 4% currently own their business while 22% think that they will own their business in 10 years' time. For more than a fifth of individuals to hold the view that they will run their own organisation is a mark of the entrepreneurial vision of MBAs.

Which of the following best describes the current position you hold within your organisation?

Which of the following best describes the position you think you will hold within an organisation in the next three / 10 years?



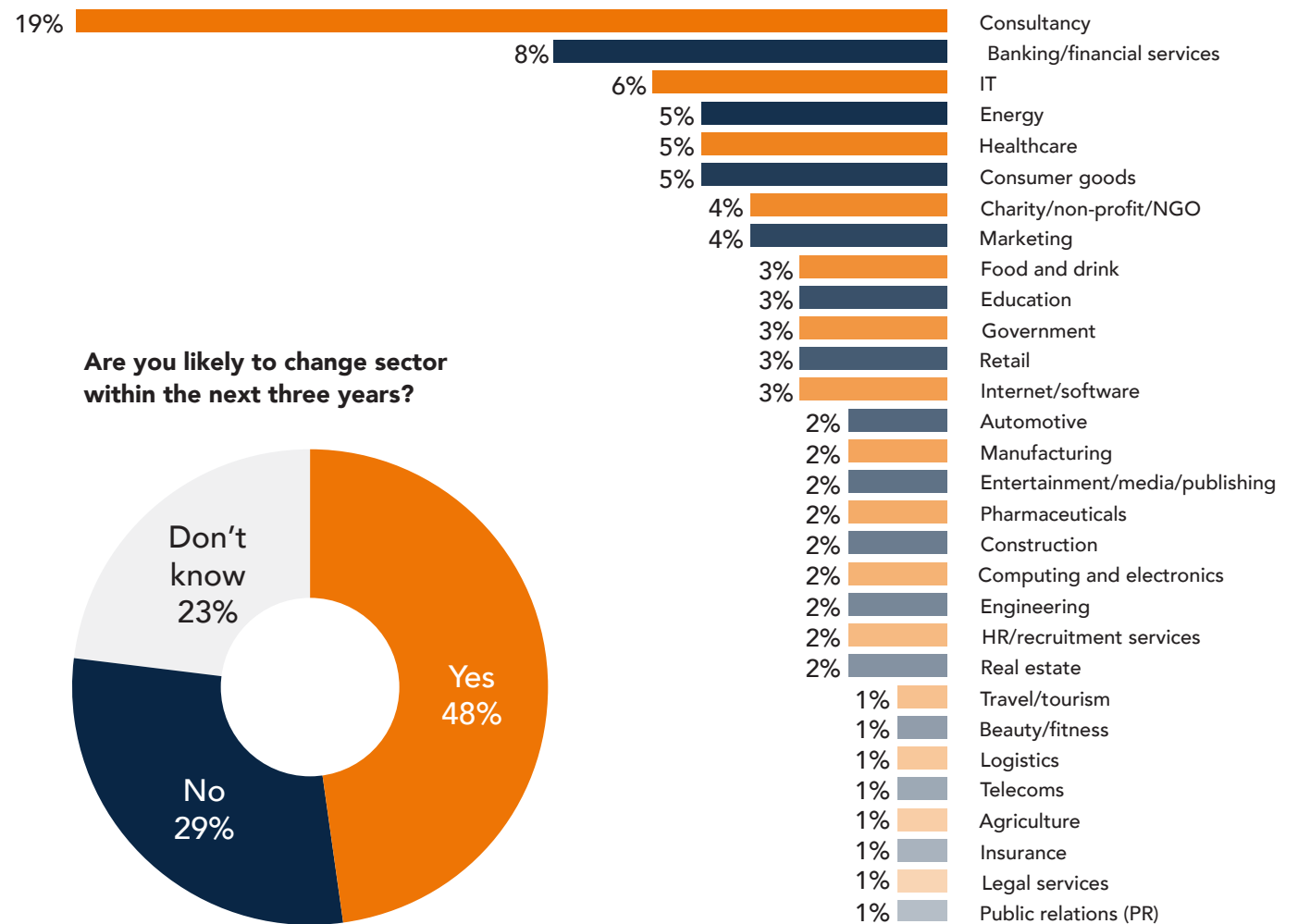
61% of graduates see themselves as being either a Board member, a CEO or owner of a business within the next 10 years

The changing sectors in which MBA graduates believe they will be working

Many graduates are motivated to study as a means of triggering change in their careers. Almost half (48%) of all MBAs say that they are likely to change sector within three years. A fifth (23%) 'don't know' whether they will change career. The chart (right) outlines the range of sectors into which MBAs see themselves moving. The most popular move is into consultancy (19%), although MBAs also think they will move into a wide range of sectors including banking and financial services (8%), IT (6%), energy (5%), health care (5%), consumer goods (5%), the not-for-profit sector (4%), marketing (4%), food and drink (3%), education (3%), retail (3%) and government (3%).

48% of graduates believe they will be working in a new sector in the next three years

Into which sector are you most likely to move within the next three years?



MBA earnings – MBAs project their future salaries

MBAs were asked how much more or less money, as a percentage change, they think they are going to earn in the future without factoring-in future inflation (i.e. their real salary change). Three fifths (61%) think they will earn at least 20% more next year than they currently earn, with just 3% saying they will earn less. Looking three years ahead, more than three quarters (78%) of those who gave an estimate, predict they will earn at least 20% more in their salary and almost half (47%) estimate they will earn at least 50% more. There is no statistical difference in the proportion of men and women falling in each band, suggesting that among MBA graduates both men and women hold similar projections of what they will earn in the future.

MBA graduates aged 25-29 are most bullish about their salary expectations within the next three years. Two thirds (67%) say that they will earn at least 50% more in the next three years (compared with 54% of MBAs aged 30-34 and 50% aged 35-44).

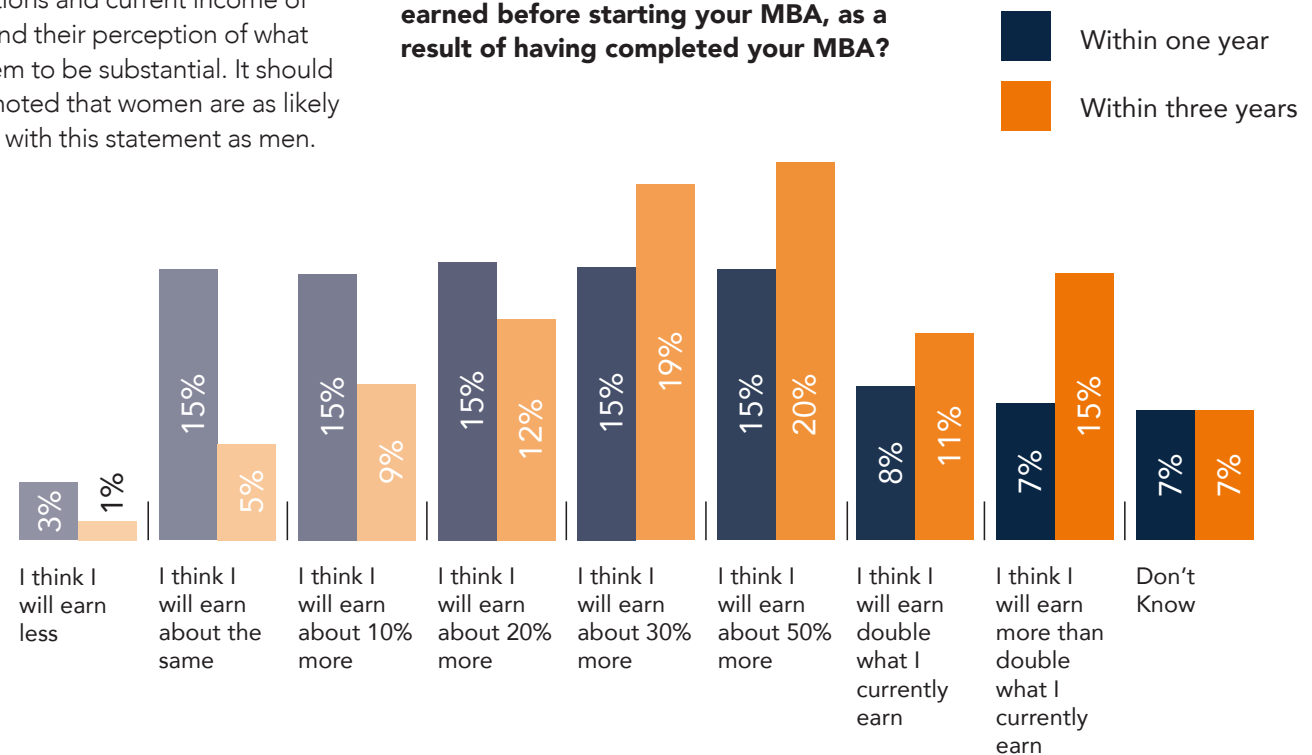
This is most likely to reflect the starting salary point for each age bracket, with

older professionals already earning higher salaries, not expecting that their salary will grow by as much.

Separately, MBAs were provided with a list of different things they think they will do or experience after graduating. Approximately a third (35%) of MBAs think that they can earn substantially more money in the future. This finding is likely to reflect the relative salary expectations and current income of MBAs, and their perception of what they deem to be substantial. It should also be noted that women are as likely to agree with this statement as men.

47% of graduates anticipate that their salaries will increase by at least 50% in the next three years

How much more or less do you think you are going to earn in the next year / three years time compared to what you earned before starting your MBA, as a result of having completed your MBA?



The value of the MBA

MBA graduates were asked about their future earnings in terms of whether it will cover the financial cost of completing their MBA. Approximately two thirds (65%) who gave an estimate believe it will cover at least all the cost if not more. Meanwhile, 26% estimate that their earnings will cover most of the cost and 9% say it will cover half

or less of the cost. Those who do not think the cost of their MBA will be covered by future additional earnings were asked whether they feel that other benefits associated with their MBA (e.g. their experiences, knowledge and networks) will make up for the gap between the future income their MBA will derive and the MBA cost.

The large majority agree that it would (71%), while 12% disagree and 16% 'don't know'.

Those who think that other benefits of an MBA make-up for the financial costs mention the networking opportunities, as well as personal development aspects such as their confidence and skills they have learnt.

Graduates were then asked to what extent their programme represented good or poor value for money.

More than four in five (82%) MBA graduates think their MBA represents good value for money, and almost two fifths (39%) feel it was 'very good value for money'. Just 5% believe it was poor value for money.

'The qualification is international, which gives me the opportunity to immigrate should I wish to.'

'It also allows me the opportunity to work across sectors which is very liberating.'

'I've developed knowledge for interest. Additional salary doesn't drive me as I'm already content with my salary level. I'm keener to develop my understanding and skills for personal development. If that leads to a better grade/salary as well then that's great but it's not my main aim'

'I've developed a wide knowledge in the business community, the new trends, the inside information from a lot of entrepreneurs on how to make their business grow and expand as well as the start-up environment, innovation and sustainable growth are some pillars that benefit the student during the MBA programme.'

Graduates were then asked whether they felt that their MBA would have a positive or negative impact across different areas of their life.

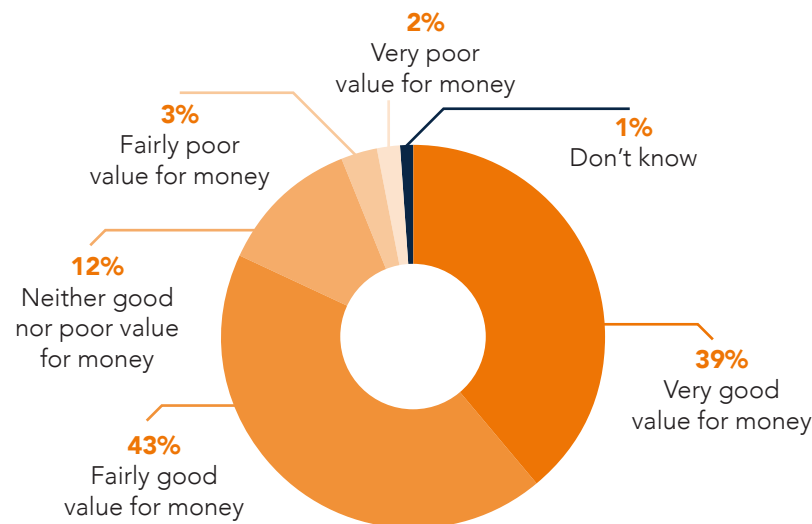
From the range of options given, 'the way you are able to solve problems' is most often acknowledged as being

a positive impact (93%), followed by 'your ability to do your job' (92%) and 'the way you conduct professional relationships' (92%). Positively, results indicate that MBA programmes have a largely positive impact on how MBAs feel personally about themselves and others' mental

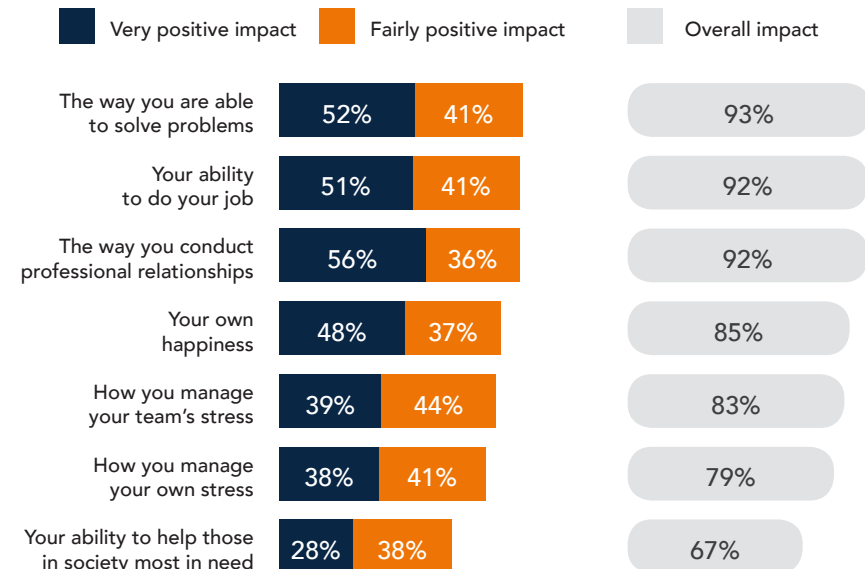
health. More than eight in 10 (85%) say that it has had a positive impact on their own happiness, how they manage their team's stress levels (83%) and how they manage their own stress levels (79%).

The majority of MBAs also recognise

how it will positively impact on helping those in society most in need (67%), with just 2% saying it will have a negative impact on this area. This further demonstrates that MBAs largely recognise the societal impact of their MBA's management learning development.



To what extent do you think your MBA was good or poor value for money?



To what extent, if at all, are your experiences of taking an MBA likely to have a positive or negative impact on the following areas of your life?

Conclusions

This report demonstrates the enduring capability of MBAs to substantially enhance career prospects. The majority of these graduates see themselves as business owners or Board members within the next decade.

This report highlights that this not only comes in the form of opportunities for promotion and earnings potential, but also in terms of skills development, personal growth and a broader mind-set which develops through the rigours of an MBA.

It also suggests that MBA graduates want to use their skills in a range of ways, from making business work better for society, to starting their own businesses.

The findings suggest that completing an MBA is not only a means to get a better job, but that across the world it acts as a catalyst for wider positive influence and impact in business management.





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