



2013/14

# QS TopMBA.com Jobs & Salary Trends Report

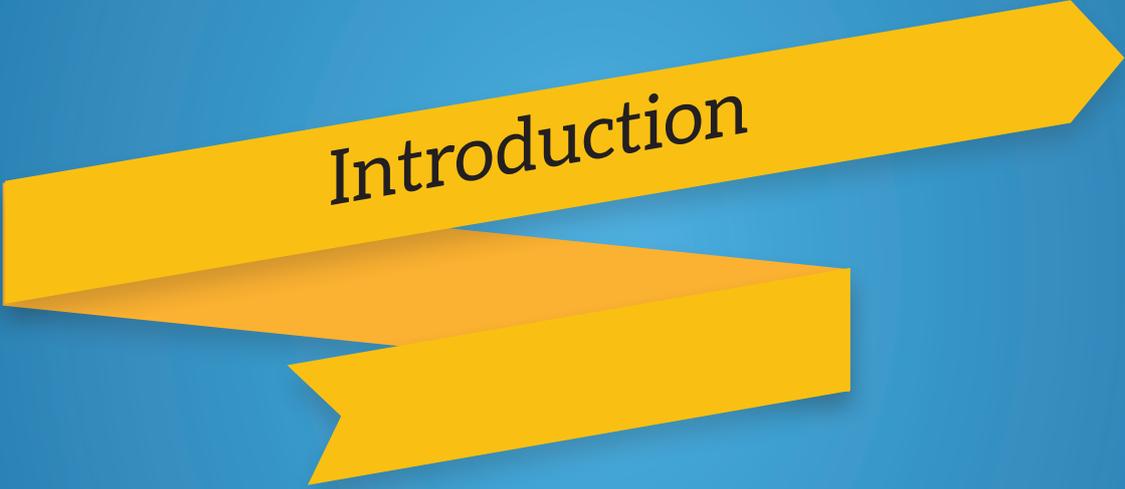
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A yellow ribbon graphic with a 3D effect, featuring a top arrowhead and a bottom tail. The word "Introduction" is written in black text across the top section of the ribbon.

# Introduction

# Introduction

The MBA (Master of Business Administration) is a graduate management degree, which prepares professionals for management responsibility. It is one of the best-known degrees in the world, with more people taking it than any other postgraduate course. Deciding to take an MBA is a crucial step in an individual's career.

Since 1990 QS Intelligence Unit, in collaboration with TopMBA.com, has conducted an annual survey of MBA employers worldwide to determine trends in international salaries and recruitment. QS is proud to produce the longest established, geographically broadest and most comprehensive global review of MBA jobs & salary trends.

The 2013 Global Employer Survey is as extensive as ever and presents an unrivalled overview of the world MBA recruitment market. For the purpose of this report, responses were received from 4,318 (3,305\*) respondents from companies in 39 (42) countries, actively recruiting MBAs\* over a three year period, with 1,011 brand new respondents in 2013. This represents approximately four times the response of the GMAC MBA Employer Survey and approximately ten times the response level of the Business Week MBA Employer Survey.

The 2013 QS Global Employer Survey was conducted between March and July 2013.

\* Comparative figures for 2012 are shown in brackets throughout the report

\*\* QS Global Employer Survey also collects responses from companies seeking to hire Masters and undergraduate level students. In total 27,000 employer respondents contributed to our reports in 2013

## Who will be interested in the report?

This research will be of interest to all who follow the international MBA and recruitment market. It will help three groups in particular to make informed strategic decisions:

- ⊙ Companies and agencies that recruit MBAs
  - National and international recruiters will find the report useful in managing human resource policies, such as whether to determine salaries globally or locally, and whether to benchmark their salaries against peer institutions
- ⊙ Business school administrators and career services offices worldwide
  - MBA program administrators and career services professionals will find the report valuable for providing guidance to students and managing relationships with recruiters.
- ⊙ Current and future MBA graduates
  - MBAs can use the research to determine which industries and geographies to prioritize in their MBA jobs search, and to help negotiate an optimum compensation package.

## About the contributors

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A graphic consisting of two overlapping yellow ribbons. The top ribbon is wider and has a pointed right end, containing the text 'Methodology and'. The bottom ribbon is narrower and has a pointed left end, containing the text 'Scope'.

Methodology and  
Scope

## Methodology and scope

**QS TopMBA.com Global Employer Survey, from QS Intelligence Unit, collects primary data on the state of the recruitment market and predictions of future trends from recruiters in general industry, consulting, financial services and technology.**

QS obtains information directly from employers who hire MBA graduates, offering a unique up-to-date insight into salary and MBA jobs trends around the world. Each respondent is designated as being responsible for MBA recruiting within his or her company, whether as a whole or in a division. They are asked to identify their geographical responsibilities, confirming whether they recruit locally, regionally or globally. The data includes specific analyses by sector, geography and year. Time trend analysis as well as sector and regional variations have been incorporated into this final report.

As the demand for MBAs grows around the world, it is increasingly important to differentiate between local employers who seek MBAs purely from local institutions, versus employers with an international recruitment mandate seeking MBAs from a top tier of up to 200 business schools. In particular, throughout the report, we seek to distinguish salaries offered by local employers versus international employers.

QS produces a separate report – the QS Global 200 Business Schools Report – that identifies the institutions most sought after by international MBA employers.

QS TopMBA.com also collects data directly from business schools, which report average salaries achieved by graduating students; this data is included in section six for comparison with the data reported by employers.

QS further differentiates its research by the objectivity of its position as a third party, operating between recruiters and business schools. By virtue of the long-established contacts with recruiters that share their information with QS, and by the bank of data on MBA recruitment and remuneration built up by QS over the last 20 years, it allows meaningful trends to be identified over time. QS operates the website [www.global-workplace.com](http://www.global-workplace.com) which provides career opportunities and networking facilities exclusively for member business schools. Over 100 business schools and 1,000 employers subscribe to QS Global-Workplace.



# 1. Summary of key MBA hiring trends in 2013

Each year, QS continues to conduct the largest survey of employers worldwide, with 4,318 MBA employer respondents contributing to this year's report, including 1,011 brand new respondents, from a total of 27,000 respondents globally to our Global Employer Surveys.

## Fast facts:

- ⦿ 14% growth in global MBA hiring in 2013
- ⦿ Down from 15% growth in 2012, but big increase on 5% decline in 2009

QS TopMBA.com Jobs Index shows an overall 14% increase in MBA job opportunities in 2013. While this is a drop from the 15% growth recorded in 2012, it is still very favourable compared to the -5% decline experienced as recently as 2009, and remains in line with the long-term trend growth rate of 15% per annum as reported by QS TopMBA since 1990.

It seems the MBA qualification continues to play a central role in the battle for global economic supremacy, with companies in emerging markets fuelling worldwide growth in demand for MBAs.

*MBAs = Mobile, Bright, Ambitious = Average 15% Growth in Demand Worldwide 1990–2013*

## 1.1. Summary of key MBA recruiting trends

### Fast facts:

- ⦿ Asia is world's most dynamic MBA market, with a 20% growth rate, ahead of Middle East (8%), Latin America (6%), and Central Europe (6%)
- ⦿ Market is comparatively flat in North America and Europe, with 2% and 1% growth respectively

### By region:

- ⦿ The QS TopMBA.com report highlights that across North America MBA demand has been pretty flat in 2013, up just 2%. This is very much in line with our forecast from last year's report. However the QS Global Employer Survey exclusively reveals that MBA employers are forecasting a much stronger 2014—with resumed healthy growth of 16% in MBA hiring. It seems that as confidence in economic recovery arrives in North America, we are likely to see renewed demand for MBA graduates from globally oriented and local employers.
- ⦿ The story in Western Europe is similar, with reported net growth in MBA demand of 1% in 2013. Growth in demand in Germany, UK and Scandinavia is offset by Greece, Spain and Ireland, which all continue to report zero or negative growth in MBA demand as austerity measures hit local employers. However there is some good news for Europe's MBAs. Growth across Europe is forecast to accelerate in 2014, with Western European employers projecting 6% growth.

- ⊙ Central European employers reported growth of 6% in 2013, but are projecting a dramatic 34% growth rate in 2014. The growth figures for next year are boosted by the fact that many global companies have expanded their operations in Central Europe during 2013. Poland, Romania and Czech Republic are forecasting demand growth, particularly in the automotive, engineering and consultancy sectors, while Russia and Kazakhstan remain strong markets.
- ⊙ Asian employers reported another bumper year with 20% growth in MBA demand in 2013 as employers, particularly in India and China, continue to embrace the qualification. This is especially evident in consulting and professional services, manufacturing, IT/computer services, finance and micro-finance. Since 2011, India has overtaken the US in terms of volume of reported MBA jobs for fresh graduates and there is no sign of this trend reversing, with projected growth for the Asia region of 34% for 2014.
- ⊙ The Middle East was the hottest region for growth in MBA demand last year (21%) and reports a further 8% growth in 2013. Growth has centred on the recovery in the United Arab Emirates and Saudi Arabia, but parts of Africa have also reported increased demand, albeit from a relatively low base, in sectors such as energy, mining, consulting and finance. Demand is forecast to further increase in 2014.
- ⊙ MBA demand in Latin America is becoming much more plentiful and this trend is continuing, albeit at a more sustainable growth rate of 6% in 2013, after a year of 14% growth in 2012. Employers in the region are utilizing MBAs as a key talent pool as companies battle to internationalize across the region. Mexico and Brazil continue to be the engines of MBA growth in the region.

### By Sector:

With emerging markets continuing to thrive, QS TopMBA.com reports another big jump in MBA careers demand in 2013 across the major MBA hiring sectors.

### Fast facts:

- ⊙ Fastest-growing sectors: Consulting (11%), finance (11%), general industry (11%), technology (11%)
- ⊙ Slowest-growing sectors: Media & entertainment, travel & hospitality, metals & mining, pharmaceuticals & healthcare

### Key findings by sector

- ⊙ 2013 has seen the recovery in financial services finally take effect, with an increase of 11% in MBA employment demand in 2013 (compared to a contraction of 3% in 2012). This represents a quarter of all reported MBA jobs, and another big jump in demand is set to follow in 2014. However, this growth is concentrated in Asia, Western Europe and Middle East, and has yet to reach North America.
- ⊙ As we correctly forecast last year, MBA consulting jobs keep growing with a 11% jump in demand in 2013, followed by a more modest 4% increase forecast for 2014. However, the growth is now more concentrated on smaller consulting firms rather than the big multinationals.

- ⊙ Demand for MBAs in the technology sectors has undergone an era of unprecedented growth, especially in Asia. As reported last year, an increasing number of high technology and computer services companies are looking to MBAs to commercialize their products. A concentration of this growth is taking place in Asia, with big US employers actively hiring in the region. Overall high technology demand grew by 11% in 2013, while telecoms grew by 8%.
- ⊙ MBA demand in general industry (consumer goods, construction, energy, manufacturing, mining, retail etc) is strong as many local employers expand their overall demand for MBAs. QS TopMBA.com reports a 11% increase in MBA careers in general industry in 2013, with energy (14%), FMCG/consumer goods (14%), and manufacturing (10%) being particularly attractive sectors worldwide.
- ⊙ The metals and mining MBA boom seems to have finally run its course, with demand falling slightly (by 1%) following a period of dramatic growth in MBA hiring around the world.
- ⊙ Pharmaceuticals and healthcare companies continue to target MBA graduates, albeit in relatively small numbers and targeting only top-tier institutions. They report demand growth of 2% in 2013 with projected growth of 1% in 2013.
- ⊙ Media & entertainment and travel & hospitality were the weakest performing sectors in 2012, both showing falls in demand for MBAs last year, but both sectors are reporting a return to modest growth in 2013.

### By employer requirements:

The MBA recruitment market is probably the most globally flexible recruitment market of any profession, with employers willing to embrace career changers and targeting an incredible breadth of nationalities and skill sets. Our 2013 research reveals that employers continue to seek more experienced MBA candidates, preferably with international experience, combined with strong interpersonal and 'soft' skills, and employers are increasingly willing to look internationally to find the right talent.

- ⊙ Our 2013 research shows that a higher proportion of MBA recruiters are recruiting pan-regionally or globally, rather than on a purely domestic basis.
  - North American employers have revealed a big swing towards global MBA hiring, with 32% of respondents focused on global recruiting compared to 23% last year. 55% of North American recruiters focus purely on national recruiting whilst only 7% are localized in their search. Not surprisingly, Asia is the next biggest source region for these employers.
  - European recruiters are less globally minded than their North American counterparts. Only 22% recruit globally, but 29% are recruiting across the Europe region, up from 19% last year. More employers are reaching out to Central Europe in particular, with 60% now recruiting from the region. Between 23 and 25% of European employers are also actively looking for North American, Asian and Latin American MBAs.
  - Among Middle Eastern employers, 86% are targeting local or domestic MBAs, while 38% are targeting European MBAs. Demand for Asian MBAs has dropped off compared to last year.
  - Among Asia-Pacific employers, 90% are targeting local or domestic MBAs, 47% (39%) are targeting MBAs in North America and 40% (29%) are targeting MBAs in Western Europe.
  - Latin American employers are the most locally focussed, with 99% targeting their domestic and local MBAs.

- ⊙ 67% of MBA employers seek international study experience. Employers strongly agree that screening for language skills and inter-cultural communication skills are an important part of the hiring process for international MBAs. They agree that the type and duration of study experience is important to employers. They most significantly agree that candidates with international experience out-perform those without it.
- ⊙ Employers are, in general, satisfied with the technical skills acquired by MBA students, and this result seems to be independent of which business schools the employers recruit from – this refers to skills acquired in finance, marketing, e-business, risk management, corporate social responsibility, linguistic ability and overall academic achievement. 2013 has revealed a big jump in employer demand for entrepreneurial skills among MBAs and these employer expectations are not being fully met.
- ⊙ Business school graduates are still not meeting expectations in terms of ‘soft skills’ such as communication, interpersonal and strategic thinking. However, employers are now acknowledging that MBAs bring excellent leadership skills. For the first time in the 20+-year history of this report, MBA graduates are meeting expectations of employers in terms of leadership skills.
- ⊙ For the sixth year in succession, there has been a drop in employer demand for MBAs with less than three years of experience, and especially for MBAs with less than one year of work experience (attracting only 5% (6%) of employers in 2013). MBAs with three to eight years of work experience, account for 65% (60%) of MBA employer demand worldwide. Demand for young and pre-experienced MBAs is almost zero in Western Europe and Latin America – in both these regions there is an above-average demand for MBAs with 5–8 years of work experience. By contrast, Asia-Pacific employers are much more willing to recruit younger MBAs with 0–3 years’ experience.
- ⊙ Some significant changes have appeared in the functions offered to MBAs in 2013. Finance, ‘other’ and strategic planning have both increased considerably in 2013 to become the most popular functions alongside general management. Finance advisory has also shown an increase. Consulting remains a popular function. Marketing has dropped in 2013.
- ⊙ The favourite study specializations among employers are strategy and leadership, which have extended their lead.



## 2. Summary of Key MBA Salary Trends



in 2013

## 2. Summary of Key MBA Salary Trends in 2013

MBA salaries have continued to increase substantially in Asia, up 8%, and have been fairly stable in Western markets, but overall MBA compensation has increased almost everywhere as companies increase their bonus payments.

QS TopMBA.com Jobs & Salary Trends Report provides the first view of MBA compensation trends in 2013 based on our survey of 4,318 actively hiring MBA recruiters, including 1,011 new respondents. With no evidence of MBA demand abating in emerging markets, we continue to predict that MBA salaries are likely to increase again in 2014, supported by renewed confidence in North America and Europe.

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- ⊙ Total compensation offered by international employers for MBA hires increased by 8% in Asia-Pacific to US\$85,000, by 5% in Middle East to US\$76,400, but was flat in Latin America at US\$72,200. The increases in emerging markets can partly be explained by an increased tendency for employers to pay bonuses to MBA new hires.
- ⊙ Total compensation offered by MBA employers in Western Europe grew by 4% to US\$105,900 but fell by -5% in Central Europe to US\$72,100.
- ⊙ Total compensation offered by MBA employers in North America also increased by 4% to US\$109,200, with salaries of US\$92,000 and bonus of US\$17,000. By contrast salaries offered by domestic-only MBA employers in North America were only US\$82,000.
- ⊙ The top ten countries in terms of average MBA compensation in 2013 are:
- ⊙ Australia (US\$133,100), Switzerland (US\$129,700), Denmark (US\$121,400), UK (US\$106,100), France (US\$100,800), US (US\$98,300), Brazil (US\$97,200), Germany (US\$93,700), Spain (92,900), Canada (US\$91,600).
- ⊙ At the elite end of the MBA hiring market we see salaries between US\$110-\$150,000 as the norm. Strategy consulting firms offer salaries between US\$110-£130,000 in Europe and the US. Among investment banks, offers range between US\$90-\$200,000 – a larger range than in the past, with evidence of some banks reducing their salary offers, especially in North America.

### Fast facts:

- ⊙ Top regions by average salary: North America (US\$109,200), Western Europe (US\$105,900), Asia-Pacific (US\$85,000), Middle East (US\$76,400), Latin America at (US\$72,200), Central Europe (US\$72,100)

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- ◎ Ten years ago an MBA was effectively a passport into a career in strategy consulting and investment banking, with salaries as much as 50% higher than other sectors. These sectors still pay well, but they are no longer the top-paying sectors.
  - *Among all employers in Europe and North America, the highest paying sector in 2013 is metals and mining, offering an average MBA salary of US\$139,600 (offered by both international and domestic employers). Pharmaceuticals has dropped from top spot last year to second in the table in 2013, with an average MBA salary of US\$100,300. Construction/property is third placed this year, with average salaries offered of US\$97,200. Financial services is in fifth place with an average salary of US\$95,300.*
  - *In 2013 average salaries reported by consulting and professional services dropped to US\$89,150, which probably reflects the growth in the number of smaller niche consulting firms around the world offering salaries lower than the established strategy leaders, which are still reporting in the US\$110-130,000 range.*
  - *The lowest average MBA salaries are offered in utilities, law, transportation, travel & hospitality, retail and the public sector, all below US\$80,000 per annum.*
- ◎ There is a significant differential in MBA compensation offered by local compared with multinational MBA employers. In every region of the world, multinational employers are paying higher salaries and bonuses, on average, than their domestic counterparts. This gap between multinationals and local MBA employer compensation is as large as 27% in Asia, 20% in Latin America and 20% in Central Europe as shown in the table below. Even in North America and Western Europe it is apparent that local employers pay 13% and 12% less than their multinational counterparts.
- ◎ As more employers compete in the global market for top MBA talent, we observe a longer-term equalization of MBA salaries across regions (this trend has been on-going for over a decade). Western Europe and North American salaries remain very similar overall and across most industries. The gap between the highest international MBA salary region – North America – and the lowest – Latin America – is now only 30%, compared to 50% a decade ago.

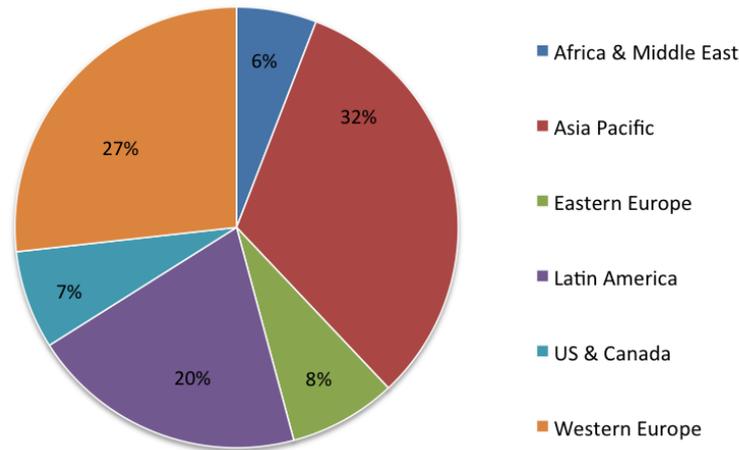
### 3. Demographics & sample of MBA

employer respondents

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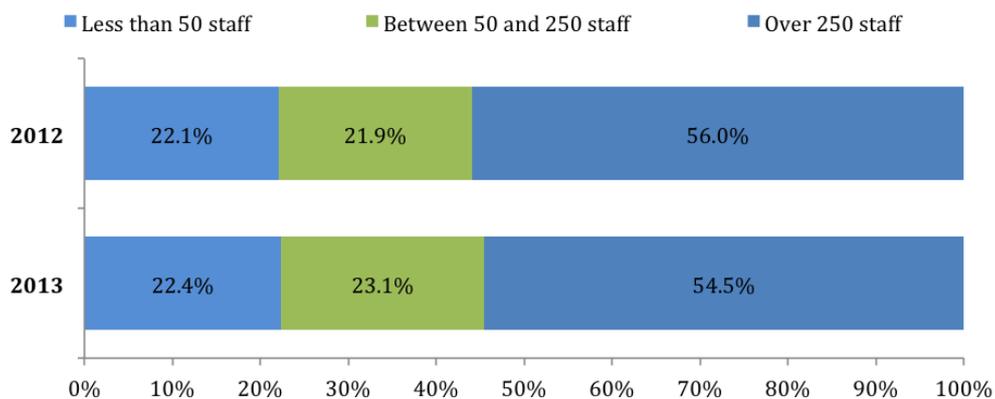
The 27,000 employers responding to the QS Global Employer Surveys between 2011 and 2013 include 4,318 who were actively recruiting MBAs, while the remainder were recruiting only undergraduates or Masters students. All employers that responded to the survey are guaranteed confidentiality for the components of their individual responses, except for any open-ended feedback they have chosen to provide, on the value of an MBA or concerns with MBA hires.

**Chart: Regional breakdown of MBA employer respondents**



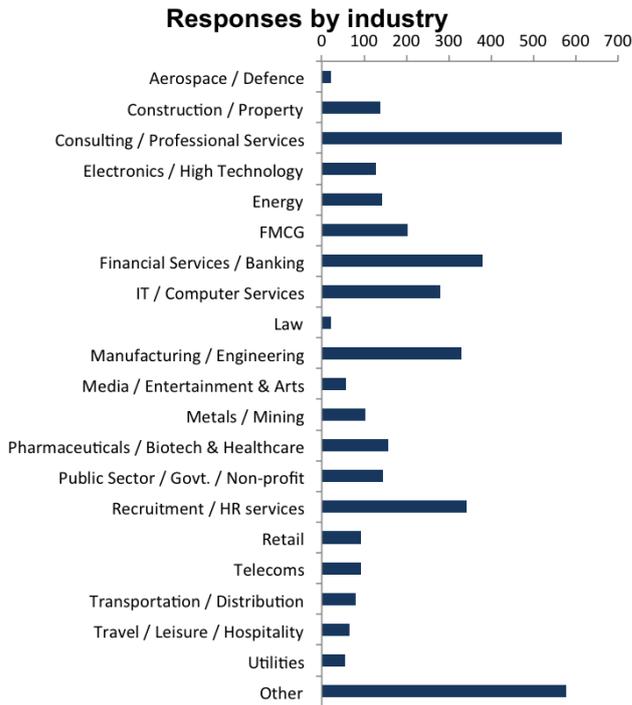
Responses were received from employers across the globe, with 27% of employer respondents based in Western Europe, 7% in North America, 32% in Asia-Pacific, 8% in Eastern Europe, 6% in Middle East and Africa, and 20% (of which the majority were hiring locally) in Latin America. Of the total Asia-Pacific response, 3% was from employers in Australia and New Zealand. This breadth of response provides detailed insights into MBA recruiting patterns across the globe.

**Chart: Employer response by size 2013**



In 2013, a higher proportion of respondents worldwide were made up of medium sized companies with 50 to 250 employees. It is the nature of the MBA employment market that many small-sized consulting firms and financial services boutiques (private equity, asset management, and wealth management) hire MBAs.

**Chart: Employer response by industry 2013**



Consulting and professional services was the largest responding sector in 2012 and once again in 2013, reflecting the continued increase in the number of smaller boutique firms in this sector. Banking and financial services was the second largest responding sector, followed by HR/recruitment services (often engaged in hiring for the banking and consulting sectors around the world). Manufacturing, IT, FMCG and pharmaceuticals were also extremely well represented in the sample. Companies select their own industry definition and the other category is made up of respondents across all sectors who felt their companies did not quite fit the narrow industry definitions provided.

**Table: Sample of responding employers by region 2013**

The following table gives a snapshot of some of the organizations that took part in the survey across the world all of which are recruiting 25 or more MBAs in 2013. A more comprehensive list can be found in the appendix at the end of this document.

	Asia	Europe	US & Canada	Latin America
Consulting	Accenture	A.T. Kearney	Bain & Company	Axxon Consulting
	Booz & Company	Capgemini Consulting	Ernst & Young	Boston Consulting Group
	CT Group	Deloitte	Monitor Group	Deloitte
	Fitco Consulting	McKinsey & Co	Oliver Wyman	Integration
	SERI	Roland Berger	Omnicom Group	McKinsey & Co
Finance	Aust. New Zealand Bank	Allianz SE	Bank of America	Amex
	CIMB	Barclays Capital	CitiGroup	Bancolumbia
	Nomura	Citi	First Bank	Bank of America Peru
	OCBC Bank	Deutsche Bank	ING	JP Morgan
	Prudential	Morgan Stanley	Standard & Poors	Macquarie Bank
Industry	Cemex	ABB	3M	Cargil
	Hyundai	Bayer	Eaton	Chinalco
	Fuisher&Paykol	Fiat	El Dupont	Exxon
	Mattel	GE	Ford	Merk
	Toyota	L'Oreal	Lilly	Nestle
Technology	Weichuan	Schneider Electric	Rio Tinto	Philip Morris
	Cisco	Alcatel-Lucent	Amazon	ATI Informatica
	Intel	Google	Apple	DirecTV
	LG Electronics	Intel	Hewlett-Packard	Huawei
	NCR	Siemens	Microsoft	IBM
	Tata	Sony	Oracle	Siemens
	Samsung	Vodafone	TomTom	Telefonica



## 4. Long-term trends in MBA Jobs



1990-2013

## 4. Long-term trends in MBA Jobs 1990-2013

Since 1990, QS has conducted the largest survey of MBA employers worldwide, the only available long-term study of global MBA employer demand.

MBA = Mobile, Bright, Ambitious = Average 15% Growth in Demand Worldwide 1990 – 2013 (see chart)

2013 represents a return to a steady sustainable growth in MBA demand of 15% worldwide, following a period of unusual volatility. MBA employer demand contracted in 2009 and 2010 but had a stellar year of 36% growth in 2011. Despite the continued battering taken by Western economies, it seems MBAs are playing a central role in the battle for global economic supremacy, with companies in emerging markets fuelling worldwide growth in demand for MBAs. It also seems that as economic recovery arrives in North America and Europe, we are likely to see renewed demand for MBA graduates from globally oriented employers and local employers.

William Platt, a partner in charge of MBA recruiting at BCG observes: “For the last decade, we have increased MBA hiring globally. In general we hire from the top European and US business schools and we are looking to hire from more European schools as they attract better and better people from around the world.”

Fausto Yanez-Siller, Talent Manager at British American Tobacco, Latin America looks for MBAs who will become “Well-rounded business managers and leaders. This is what we most value in our MBAs.”

An MBA is an effective path towards a significant career change. As Graham Hastie, an MBA employment expert and previously head of career services at London Business School, says: “An MBA qualification is usually effective at bringing about a change in up to two of the big variables— either in industry, function or geography – but rarely in all three.” For example, without an MBA, it is almost impossible to change career to become an analyst at a leading investment bank, or a senior consultant at a top consultancy.

An MBA is also a route to career progression for aspiring business leaders. For example, it has become common for engineers and technology managers to take an MBA to help progress from a technical to a managerial position, or if already managing a team, then to reach the next step in their career.

An MBA is also increasingly seen as a facilitator for aspiring entrepreneurs. There will always be the Bill Gates and Michael Dells of this world, who drop out of college only to become wildly successful. Yet ask a venture capitalist or an Angel investor what they look for in aspiring entrepreneurs, and beyond the requisite experience in the chosen field, an MBA is usually mentioned.

The chart below shows the long-term trend in MBA jobs worldwide, by sector. Since 1990 worldwide demand for MBAs has grown at an average of 15% CAGR. This growth was spread

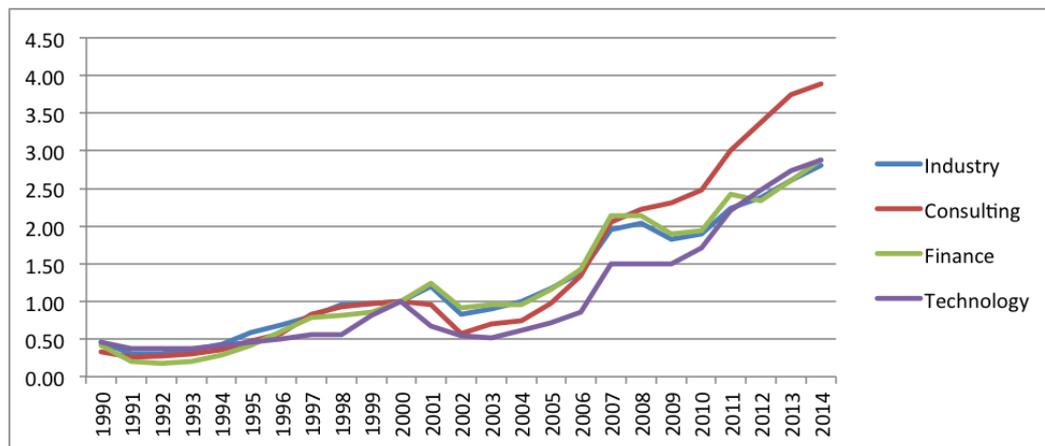
### Fast facts:

- ⦿ Global growth rate for MBA jobs stabilizes at 15%, in line with long-term average
- ⦿ Growth in MBA jobs has outperformed all other sectors over 25-year period

across all the major continents and focused on graduates from all of the world’s top 200 business schools, in particular. Slow growth in major economies as far apart as the US and Japan took its toll from 2001-2004, and demand for MBAs fell by around 20%. From 2005-2008 we witnessed resurgence in MBA employer demand, far exceeding previous levels. The

2009 recession proved to be relatively benign for MBAs, although there was retrenchment within financial services. The upward trend in MBA demand is back at the long-term trend growth rate of 15% pa in 2013.

**Chart: Index of MBA recruitment 1990-2013 (Year 2000 = 1)**



Source: QS TopMBA.com Jobs & Salary Trends 2013/14 ([www.topmba.com](http://www.topmba.com))

Demand for MBAs in consulting has been growing, with occasional brief cyclical corrections for the last 25 years, and has outperformed all other sectors. As business becomes ever more global and complex, the demand for specialized consultancy skills is growing exponentially, and the MBA qualification is a key selection criterion for a sector which values generalist skills and intellect above all else. The above chart shows that the absolute number of MBAs hired into the consulting sector has more than trebled since 2000, and increased six-fold since 1990. This enormous expansion in MBA demand in the consulting sector simply reflects the enormous growth in this industry since 1990 – consulting services generated an estimated US\$100bn in 2007, up from US\$10bn in 1990 – for which MBAs are the primary talent pool.

The chart also shows that MBA demand in financial services has also increased, albeit less rapidly than consulting. Having doubled between 2000 and 2007 before undergoing a period of retrenchment, demand within the sector has entered a new growth phase since 2012. Despite the financial crisis, MBA demand has remained remarkably resilient in this sector over the long term. Consulting and financial services will account for 50% of MBA hires at many top business schools. However, demand in financial services is not recovering at the same pace as consulting within developed markets.

Since the turn of the millennium, MBA demand in general industry (consumer goods, construction, energy, manufacturing, mining, retail etc) has really taken off, as demand in emerging markets has accelerated. This year's QS TopMBA.com survey reports an 11% increase in MBA careers in general industry in 2012, with energy (14%) and consumer goods (14%) being particularly attractive sectors worldwide.

After a period of boom, metals and mining is the only sector to show contraction in MBA demand in 2013, with no sign of recovery for 2014.

Demand for MBAs in the technology sectors has experienced an era of unprecedented growth, especially in Asia. As reported last year, more and more high technology and computer services companies are looking to MBAs to commercialize their products. A concentration of

this growth is taking place in Asia, with big US employers actively hiring in the region. Overall high technology demand grew by 11% in 2013 and by 8% in telecoms

Paul Danos, Dean of Tuck at Dartmouth College, explains the enduring appeal of top international MBA programs: “Demand for MBA graduates by the great businesses of the world keeps increasing. As businesses grow in complexity and scope, companies need more and more skilled and well-educated leaders.” Danos, who is retiring from the post of dean in 2014, foresees “no end to the insatiable demand of top businesses to employ high-quality MBA talent.”

Perhaps this oversimplifies the picture; in fact, emerging markets are playing catch-up with the West, and many companies are recognising that MBAs represent an important pool of management for businesses seeking to grow rapidly. There is a viral effect as well. As more MBA alumni from top business schools have returned home in recent years, once they have assumed positions of hiring responsibility in the local job markets they seek to recruit other MBAs—often from their alma mater.

A yellow ribbon graphic with a 3D effect, pointing to the right. It contains the text "5. Demand for MBAs around the World".

5. Demand for MBAs around the World

A yellow ribbon graphic with a 3D effect, pointing to the left. It contains the text "in 2013 / 14".

in 2013 / 14

## 5. Demand for MBAs around the world in 2013/14

### 5.1. MBA jobs - trends by region and country

2013 looks like being the year in which employers in Western economies were not quite ready to expand their hiring programs, instead taking a wait and see attitude. This year's QS survey suggests many HR managers believe their companies have been too cautious in 2013 and are forecasting a big jump in MBA demand in 2014.

By contrast MBA demand in emerging markets just continues to grow at pace with little sign of abatement.

This year's QS TopMBA.com report highlights that across Asia the trend which began last year is continuing, as companies, and not necessarily multinationals, recruit large numbers of MBAs. As professor Tom Robertson, dean of The Wharton School says "It is abundantly clear that the emerging worldwide economy is now vibrant with possibility for Asian businesses."

The table below shows the percentage increase (or decrease) in numbers of MBA job opportunities reported by employers in 2013 compared to 2012, by region and their expectation for 2014. The business cycle plays a major part in the short-term trends in MBA hiring, with local demand patterns fluctuating quite rapidly.

**Table: Percentage increase in MBA jobs by region**

Projected change in recruitment levels - by region	Change 2013/12	Change 2014/13
Africa & Middle East	8%	13%
Asia Pacific	20%	38%
Eastern Europe	6%	34%
Latin America	6%	9%
US & Canada	2%	16%
Western Europe	1%	5%

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

The surge in employer demand in emerging markets has inevitably brought about a change in behaviour of international MBA students. A few years ago, an international MBA was a route to a new life in the US, Canada or Western Europe. In 2013, an international MBA is as much about learning international business practices and creating a network which can be a powerful career advantage for MBAs seeking to exploit the rapid growth of China, South East Asia, Latin America, Middle East and other emerging economies.

Mauro Guillen, dean of the Lauder Institute at Wharton points out, "A higher percentage, perhaps as many as two out of every three international students, are returning to work in their home countries, or in emerging markets, rather than staying in the US."

#### Fast facts:

- Worldwide boom in MBA jobs forecast for 2014, led by Asia (38%) and Eastern Europe (31%)
- North America (16%) set to outperform Western Europe (5%)

The table below shows the percentage increase (or decrease) in numbers of MBA jobs reported by employers in 2013 compared to 2012, for the top ten countries by volume of MBA hiring. The trends reported reflect the hiring patterns of the responding companies, year on year. The table provides a good indication of changes in MBA demand given the large overall sample of respondents to QS' survey in each of these countries.

**Table: Top 10 countries for MBA demand in 2013 and projected growth in demand**

Rank 2013	Rank 2012	Country	Growth '2013/12 %
1	1	India	29%
2	2	United States	2%
3	5	China	35%
4	3	United Kingdom	4%
5	4	South Korea	20%
6	6	Mexico	8%
7	7	Argentina	10%
8	8	Brazil	16%
9	10	Japan	17%
10	9	Germany	1%

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

Indian employers reported more MBA job opportunities in 2013 than the United States, with one financial services company in India reporting over 7,000 MBA job opportunities. In India, MBAs are paid far less, on average, than in the West, yet their salaries still compare very favourably with less qualified local managers. The tendency for IT outsourcing and technology companies to recruit MBAs in large numbers is continuing across India.

Marina Garcia of ICICI Bank in India says the attraction of MBAs to her company is the “ability to think logically, communicate sequentially and clearly, use of right expressions, strong foundation in areas of specialization, general business world awareness, an attitude to learn and above all strong in morals / ethics.”

China has now jumped to third place in this table. Banks in China are recruiting large numbers of MBAs. China seems to be maturing as an MBA hiring market with large numbers of opportunities in the professional services and consulting sectors, although these numbers are now growing more slowly than some other sectors. The electronics/high technology sector is also recruiting MBAs in large numbers in China at present.

The United Kingdom and Germany are the only European countries to feature in this top 10 list – a dramatic change from a decade ago when the same list would certainly have featured France and Spain (demand in Spain has contracted by 16% in 2013). The UK shows a continued commitment to MBA hiring, which reflects the dominance of the service sector in the UK economy and the sensitivity of MBA hiring to the performance of the service sector. Yet banking, which remains at the heart of the UK economy, has yet to regain full momentum in terms of MBA hiring. Germany is quite different from the UK in terms of the profile of companies hiring MBAs. Technology, engineering and software companies sit alongside consulting firms as the major MBA employers.

Historically, Latin America has been a relatively inactive region for MBA recruitment, with most Latin American MBAs in the 1990s and the early part of the millennium choosing to study and work abroad in Europe or North America. However, this year’s TopMBA.com survey suggests this is changing, as both multinationals and local employers are more actively targeting MBA hires for the region. Because of the need for internationally minded leaders, Latin American companies are now reaching out to US, Spanish and other European schools to pick up the talented nationals choosing to study overseas.

### 5.1.1. MBA Jobs Trends in USA& Canada

Summary: North America set for spike in growth after sluggish 2013

The QS TopMBA.com report highlights that across North America MBA demand has been pretty flat in 2013 compared to the previous year. **MBA demand in North America has been slow in 2013 at just 2%: very much in line with our forecast from last year's report.** However the survey exclusively reveals that MBA employers are forecasting resumed strong growth of 16% in MBA hiring in 2014. It seems that as confidence in economic recovery arrives in North America and Europe, we are likely to see renewed demand for MBA graduates from globally oriented employers.

#### 26 Projected Increases in MBA recruitment Levels - by region

	2013/12	2014/13
US & Canada	+2%	+16%

The recovery of the US economy has been shaky and this seems to have held back confidence in increasing MBA hiring numbers, but this looks set to change. The stabilization of the financial services, the recovery of some manufacturing industries and the return of new MBA employers, all look set to create strong demand in 2014. Ian Lynes, manager of QS Global-Workplace says “Traditional big MBA employers have recovered from the drought in 2008/9. We are now seeing a pickup in financial services recruitment in Europe and the technology sector is vibrant”.

Internship programs – still the favorite screening mechanism of MBA recruiters – have been a popular first step for companies testing the MBA recruitment market, and this year saw the birth of several. Look for a steady increase in the number of internship opportunities as firms continue the trend towards the “try before you buy” approach.

The pharmaceutical industry – a traditional destination for a significant number of MBAs – will continue its recovery in 2014, with perhaps an increase in campus presence from smaller and less familiar firms. “We’ve taken the approach that MBA recruitment is an important part of building a talent pipeline. Our sense is that companies will continue to recruit on campus so that when the economy improves and MBA recruitment increases once again, they don’t have to regain their footing,” says Jodi Goldman, head of MBA recruitment at Pfizer.

The US job search continues to be a challenge for international students seeking the coveted H-1B visa. HR Manager at KIMC in USA says, “Visa issues can cause problems. However, in our case, the STEM (Science, Technology, Engineering and Management) visa extension has helped.”

## 5.1.2. MBA Jobs Trends in Latin America

Summary: Brazil leads, as healthy growth continues

In recent years MBA jobs within Latin America have become much more plentiful. The trend has continued this year, albeit at a more sustainable growth rate of 14%. Employers in the region are utilizing MBAs as a key talent pool, as companies across the region battle to internationalize. Mexico and Brazil continue to be the engines of MBA growth in the region.

### Projected increases in MBA recruitment levels - by region

	2013/11	2014/13
Latin America	+6%	+9%

This year's QS TopMBA.com survey reveals an 8% increase in MBA demand in Mexico, 16% in Brazil, and 10% in Argentina.

Claudia Vila of L'Oreal, Mexico explains why her global luxury goods company seeks MBAs in Latin America: "We look for MBAs because they can bring analytical skills, innovation, strategic thinking, someone who deals effectively with all races, cultures, ages. Someone who has the functional and technical knowledge and skills to do the job, someone who is good at bringing the creative ideas of others."

Jose Antonio Cruzado, Regional Director for QS TopMBA.com in Latin America, sees "Brazil experiencing dynamic economic growth and growing demand for MBAs. Brazil is also the engine of Latin America at present, with connected economies, especially Peru, booming from the regional growth in demand. Another factor in the region is China's quest for raw materials, resulting in a growing demand for Chinese-speaking MBAs across Latin America.

In the past, Latin America has been a relatively inactive region for MBA recruitment, with most Latin American MBAs choosing to study and work abroad in Europe or North America. However, the QS Global Employer Survey suggests this is changing, as both multinationals and local employers are more actively targeting MBA hires for the region. Because of the need for internationally minded leaders, Latin American companies are now reaching out to US, Spanish and other European schools to pick up the talented nationals choosing to study overseas.

Mexico and Argentina are being used as a base for multinational companies to grow their Latin American operations. In Mexico, MBA hiring is spread broadly, but with a big impact from North American-headquartered automotive, pharmaceutical and industrial holding companies. Mexico is by far the largest MBA recruitment market still in Latin America, and has grown dramatically in recent years. Alejandra Herrera of Asturer in Mexico says companies are beginning to hire more MBAs because they can offer "great potential to grow into leaders within the organization" as Mexico moves away from the family business model.

Professional service companies like Ernst & Young, Deloitte, KPMG, Accenture and IBM all report big jumps in MBA hiring throughout Latin America, with the biggest increases coming in Argentina. The attractions of Buenos Aires seem to be a factor for these professional service companies.

"We are seeing a region-wide improvement," confirms William Davilla of IE Business School. Many European banks now own the major Latin American banks and they actively recruit MBAs, as do consultancies and major industrial companies. The biggest such recruiters are BBVA and Banco Santander, which have emerged as regional banking leaders in Latin America, though HSBC is not far behind.

### 5.1.3. MBA jobs trends in Western Europe

**Summary: Sluggish growth continues as austerity takes its toll**

The story in Western Europe is similar to North America, with reported net growth in MBA demand of 1% in 2013. Growth in demand in Germany, UK and Scandinavia is offset by Greece, Spain and Ireland, which all continue to report zero or negative growth in MBA demand as austerity measures hit local employers in particular. Switzerland also reported a fall in MBA demand in 2013, perhaps due to legislative changes relating to the country's banking laws. Italy is the surprise story of 2013, with growth in MBA demand of 12% boosted by an especially strong performance by the automotive sector.

And there is more good news for Europe's MBAs. Growth across Europe is forecast to accelerate in 2014, with Western European employers projecting 6% growth.

The return to hiring of the big banks in London, combined with the vibrancy of the consulting sector within the region, underpins this better growth forecast for 2014.

#### Projected increases in MBA recruitment levels - by region

	2012/11	2013/12
Western Europe	+1%	+6%

Another source of growth in Europe is bilingual Chinese-European language speakers. Europe gradually has to acclimatize to Chinese investment in European business, and China is also becoming a major market for European exports. As a result, future business leaders with experience of both China and Europe are rapidly increasing in demand amongst recruiters.

"We do see increased interest in hiring Chinese MBAs and international MBAs who speak the major Chinese languages," reports Vinika D Rao, head of Asia at INSEAD business school's career services, which has campuses in France and Singapore where MBA students study.

"Currently, the focus continues to be primarily on China, Hong Kong and other Asia-based positions. However, as Chinese investment in Europe grows, we anticipate increased interest in hiring bilingual MBAs who can communicate effectively and adapt comfortably to both the site office in Europe and the HQ in China."

Ursula Schwarzmann, staffing manager at GE Energy Europe, says: "We are experiencing a very dynamic hiring trend. We hire employees in almost all European countries with an emphasis on nine main countries: Austria, France, Germany, Hungary, Italy, Norway, Poland, Russia, and the UK. Typically 15-20% of all new hires are for entry-level positions (MBA or Masters)."

The UK market has been helped by ongoing strong demand in the consultancy sector. William Platt, a partner in charge of MBA recruiting at BCG observes: "In general we hire from the top European and US business schools and we are looking to hire from more European and UK schools, in particular, as they attract better and better people from around the world."

2013 has seen some improvement in MBA hiring within financial services. The financial centres of London and Frankfurt are recovering and bank profits begin to pick up once again, but MBA hiring is still restrained. The threat of increased government austerity measures, regulation and banking reform seems to be a major cause of these conservative hiring policies. HSBC is among the banks that are upgrading their MBA hiring targets. Many European banks

have strengthened their capital/asset ratios and are now highly liquid and looking for talented traders to make good use of all the cheap government money available in the system.

A sample of over 50 companies in Germany indicated a rise in MBA demand in 2013. The German economy is usually the engine of MBA demand in Western Europe. Strong demand for German goods in Asia in particular, has fuelled a demand for Asian MBAs to join German companies. Likewise, many service companies are desperate to recruit German MBAs to serve their successful German clients.

#### 5.1.4. MBA jobs trends in Eastern Europe

**Summary: Eastern Europe set for MBA hiring boom following years of stagnation**

Over a five-year period, Eastern Europe has been the slowest growth region in the world, but reports a 6% increase in MBA demand in 2013. This figure is helped by strong growth in Poland, which reported a stellar 18% growth in demand this year, outstripped in the region only by Bulgaria, which reported 20% growth in demand. Russia, Kazakhstan and Romania also reported growth in demand in 2013, with several multinationals hiring MBAs for outsourcing operations in the country. This improvement has been offset by falling demand in Hungary, the worst performing country in this year's report, with a fall in MBA demand of 33%.

#### Projected increases in MBA recruitment levels - by region

	2013/12	2014/13
Eastern Europe	+6%	+34%

Russia has sustained strong growth in MBA demand throughout the recent world financial crisis and is projected to have a further surge in MBA hiring in 2014, fuelled by the energy boom and expansion of their financial services sector.

Elizaveta Komolova, an HR consultant with Morgan Hunt in Moscow, says Russian companies "are looking to hire more and more MBAs compared to recent years. An MBA is becoming a default attribute of a successful manager."

Komolova adds "MBAs in Russia are expected to be more practice-orientated, have more structured knowledge and a broad business network. MBAs are known for their ability to think long term and use their business contacts for the best."

There are also many consultants in finance gravitating towards Russia. Aleksey Elizarov of LC Community Consulting in Moscow says, "The basic motive for choosing MBAs is [a young professional's] readiness to answer strategic questions for our clients."

Kazakhstan and Azerbaijan are oil economies which are encouraging their local young professionals to study for an MBA. Strong demand in energy and finance resulted in a 65% uplift in MBA demand in Kazakhstan in 2010 and a small increase in 2011, though this has slowed in 2012. Central governments are also encouraging state-backed companies to recruit more MBAs, both locally and internationally.

Good Czech or Hungarian candidates are highly sought after, but mainly outside their home country, with demand locally showing a decline in 2012 and again in 2013. As mentioned, Romania has a growing domestic demand for MBAs, and increasingly EU recruiters are hiring these nationals who now hold EU citizenship.

### 5.1.5. MBA jobs trends in Asia-Pacific

#### Summary: Asian MBA boom set to accelerate in 2014

The real story is the continued astounding appetite of Asian employers for the MBA qualification. Asian employers reported another bumper year, with 20% growth in MBA demand in 2013. Employers, particularly in India and China, are embracing the qualification, especially in consulting and professional services, manufacturing, IT/computer services, finance and micro-finance. Since 2011, India has overtaken the US in terms of volume of reported MBA jobs for fresh graduates. There is no sign of this trend reversing, with projected growth for the Asia region of 38% for 2014.

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The QS TopMBA.com report highlights that across Asia employers are continuing to embrace the MBA qualification as they pursue global expansion. The MBA is in vogue. Asian candidates are among the highest GMAT scorers in the world, and are focused on developing excellent technical skills, often at the expense of integrating fully into the social aspects of the MBA. But Asian recruiters are looking for ambitious, well-rounded MBAs. Amy Low of Visa International in Singapore says, "MBAs bring intellect, a fresh approach and strong determination to excel in their delivery."

Yonsik Kim, staffing manager at ASE Group in South Korea, says they look for MBAs for their "multi-lingual, strategic management skills."

#### Projected increases in MBA recruitment Levels - by Region

	2013/12	2014/13
Asia Pacific	+20%	+38%

The QS TopMBA.com Global Employer Survey clearly reflects the emergence of ever more Asian companies seeking MBAs – they represent over a quarter of total respondents. Some employers are willing to hire from local business schools at relatively low salary levels, whilst other Asian employers remain fully committed to hiring from top North American, European and Australian business schools and are often willing to pay the higher salaries expected by graduates of those schools, with a slight 'cost of living' adjustment. The rise of an elite cadre of Asian business schools is underway, but will probably take another ten years to be fully established.

For the last few years, the really hot MBA market has been India, which has experienced an explosion in employer demand for MBAs: up 43% in 2010 and 57% in 2011 and 16% in 2012, with an astonishing 29% growth achieved in 2013, in line with our forecast. India has now overtaken the USA in terms of volume of reported MBA jobs for fresh graduates. But among the many Indian companies that responded to the QS Global Employer Survey, there are several distinct groupings. Whilst multinational employers still have a strong preference to recruit MBA graduates from international business schools, local companies concentrate on locally educated MBAs. The majority of Indian employers are actively looking to recruit from local business schools like the IIMs, Indian School of Business as well as many others. Other local Indian companies that are looking for MBAs without work experience, almost as an alternative to a fresh undergraduate, are offering salaries below US\$30,000 and these employers have been excluded from the results of the survey.

Demand for MBAs in China is also strong and getting stronger, up 35% in 2013, for the sample of responding employers. As reported last year, demand is so strong that the Municipality of

Shanghai has funded the launch of its own local business school – Shanghai Advanced Centre for Finance—to compete with other local schools like CEIBS and Cheung Kong Business School. Employers in China could not find enough Chinese MBAs returning from US and European business schools, spurring the local government into action.

Edward Hyun, vice president of strategic relationship management for American Express Global Network Services Asia, continues to report strong demand for international MBA hiring to meet pipeline leadership needs throughout the Asia region. He comments: “MBAs bring the maturity, business and cultural awareness as well as the leadership skills to take our company forward. Even during difficult economic conditions we remain committed to our MBA hiring program, not just in Asia but around the world.”

South Korea is joining the MBA party in Asia. Fuelled by big multinationals like Samsung, LG and Hyundai, South Korea is reporting 20% growth in MBA demand in 2013.

Japan is a mature MBA market, with a long tradition of companies sponsoring students to study at Western business schools. Yet here too we see vibrancy with 17% growth in 2013. T Takenouchi of Copernicus Associates in Japan says, “Japanese companies favor MBA holders who have an international perspective, strong interpersonal skills, as well as a good understanding of marketing, finance or strategic planning.”

### 5.1.6. MBA jobs trends in Middle East & Africa

**Summary: Strong growth continues, but at more sustainable level**

The Middle East was the hottest region for growth in MBA demand last year (21%) and reports a further 8% growth in 2013. Growth has centred on the recovery in the United Arab Emirates and Saudi Arabia, but parts of Africa have also reported increased demand, albeit from a relatively low base, in sectors such as energy, mining, consulting and finance. Demand is forecast to increase further in 2014.

Murali Krishnan, Head of HR, Byrne Investments in Dubai, says the biggest constraint on more MBAs coming to the Middle East is their “willingness and ability to relocate to the Middle East.”

#### Projected increases in MBA recruitment levels - by region

	2013/12	2014/13
Africa & Middle East	+8%	+13%

Dr Abdulkader Alfantookh, vice-minister of higher education in Saudi Arabia says, “We are still in the early stages of becoming a knowledge economy, but Saudi Arabia is investing in scholarships for 40,000 students a year to study undergraduate, Masters and MBA degrees overseas, and we expect them to bring their knowledge back to companies within Saudi.” Employers report a 21% increase for 2013, led by energy and financial services companies – Saudi Aramco is the largest MBA employer in the region. The UAE seems to be on the path to recovery, also showing a 3% increase in MBA demand, led by banking, energy and IT companies with offices in the UAE. Banks like Standard Chartered are now basing many of their global back-office operations in Dubai.

By contrast, MBA demand in Africa, except for a few multinationals hiring in the region, remains subdued. Meryll Folb of Standard Bank of South Africa observes, “Salary is a big barrier for African employers.”

## 5.2. MBA jobs by sector in 2013 and forecast for 2014

The biggest MBA job markets by volume of job opportunities have always been financial services(24% of total MBA demand) and consulting(12%), which demand the technical skills and high levels of motivation that MBAs are so well suited to provide. In the table below, HR/recruitment services represent responses from agencies who largely are recruiting for both consulting and banking positions, so we estimate these two sectors account for between 40 and 46% of total MBA demand in 2013.

The next largest sectors for MBA demand are IT/computer services at 9% of total MBA jobs, telecoms at 6%, manufacturing at 6%, high tech at 5% and pharmaceuticals/healthcare at 5%.

In addition to showing these shares of the MBA job market, the table below also shows the 2013 growth in reported jobs by sector, both in 2013 and forecast for 2014.

**Table: Growth in MBA demand by industry sector worldwide 2013 and forecast 2014**

Sector	Share (%) MBA Jobs 2013	Growth 2013 Growth 2013/122	Growth 2014/13
Aerospace / Defence	1%	7%	-1%
Construction / Property	2%	4%	7%
Consulting / Professional Services	12%	11%	4%
Electronics / High Technology	5%	11%	5%
Energy	3%	14%	14%
FMCG	1%	14%	13%
Financial Services / Banking	24%	11%	11%
IT / Computer Services	9%	12%	5%
Law	1%	5%	43%
Manufacturing / Engineering	6%	10%	9%
Media / Entertainment & Arts	1%	5%	10%
Metals / Mining	1%	-1%	0%
Pharmaceuticals / Biotech & Healthcare	5%	2%	1%
Public Sector / Govt. / Non-profit	2%	14%	8%
Recruitment / HR services	10%	21%	7%
Retail	1%	28%	0%
Telecoms	6%	8%	7%
Transportation / Distribution	1%	-8%	0%
Travel / Leisure / Hospitality	1%	1%	7%
Utilities	0%	5%	6%
Other	7%	11%	2%

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

### Fast facts:

- ⦿ Fastest-growing sectors (forecast 2014): Law (43%), energy (14%), FMCG (13%), financial services / banking (11%)
- ⦿ Slowest-growing sectors (forecast 2014): Aerospace / defence (-1%), metals / mining (0%), transportation / distribution (0%), pharmaceuticals / biotech & healthcare (1%)

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### 5.2.1. MBA jobs in consulting

**Summary:** Growth set to slow after period of expansion

MBA jobs in consulting continue to grow, with an 11% jump in demand in 2013, which is less than we forecast last year. It also appears that growth will slow to only 4% in 2014, as consulting firms look to retrench after a period of growth. To some extent, consultancies have prospered during periods of uncertainty, undertaking restructuring and strategic realignment projects for many companies.

The table below looks at growth in consultancy demand by region. As we enter a likely period of economic growth, consultancies will have to look for new reasons to be granted big projects. This particularly seems to be the case in North America, with growth of just 1% in 2013. By contrast, consulting firms are experiencing something of a boom in Latin America and the Middle East and are hiring accordingly, creating lots of opportunities for internationally flexible MBAs willing to undertake assignments in these emerging markets.

**Table: Growth in MBA demand in consulting**

Region	Demand growth 2013/12
Africa & Middle East	26%
Asia Pacific	11%
Eastern Europe	18%
Latin America	33%
US & Canada	1%
Western Europe	16%

The MBA remains the entry level qualification of choice for consultancy firms worldwide.

James Platt, partner in charge of MBA hiring at Boston Consulting Group in London, states: “The great thing about an MBA education is the tool kit it provides. Quality MBAs could not be better matched to the needs of the consulting industry. We can draw upon the full range of their knowledge as we allocate them to different types of client assignments. They have the knowledge and confidence to hit the ground running, utilizing both their hard skills and their well-developed interpersonal skills, which are so important in our client facing business.”

The consulting industry had been growing at phenomenal rates for the last 20 years, becoming a US\$100 billion industry. Normally cyclical by nature, the consulting industry has defied the credit crunch and continued to grow.

Platt confirms, “We have been growing at double digit rates since 2003 and we expect that to continue for the foreseeable future. We expect companies to continue to require organizational change as a result of the recession and then strategic support as they enter the recovery phase. The constraint on our growth will be our ability to hire good people of the right quality. MBAs will continue to be crucial to our growth.”

Responses to the QS TopMBA.com Employer Survey suggest that larger strategy consulting recruiters continue to defy the dreary economic outlook and continue to seek many fresh MBA graduates each year. Virtually all of the leading strategy firms are hiring MBAs. In particular, the big strategy players like McKinsey, BCG, Accenture, Bain, and Booz are recruiting

actively. Accenture and IBM Consulting are large players in outsource consulting projects and expect continued growth in this activity as companies look to reduce costs. For this type of consulting, Sej Butler of IBM UK looks for “Specific pre-MBA skills—either deep industry and process knowledge or knowledge of solution areas.”

In addition, the professional services, technology and outsourcing firms are re-staffing their strategy departments. Deloitte, KPMG, Ernst & Young and Capgemini all actively recruit for their business advisory/business consultancy divisions worldwide. There has been an expansion of hiring by these companies in emerging markets, with literally thousands of MBAs being hired into regional hub offices in Argentina, Brazil, China, India as well as consistent recruitment within the Western economies.

QS Global-Workplace ([www.global-workplace.com](http://www.global-workplace.com)), the career platform for global professionals, including the community for 100 top business schools around the world, has seen the number of jobs listed on its site grow throughout the past four years. Ian Lynes from Global-Workplace says, “Typically, over 1,000 consulting jobs are listed on the site each year. Consulting MBA job listings feature all the major consulting firms as well as many smaller firms.” “In particular we are witnessing many more smaller consulting firms entering the MBA recruitment market”, Lynes continues.

There are also a growing number of small specialist consultancies looking to hire MBAs. Chris Lavin of Sierra Systems, Canada finds MBAs the perfect talent pool: “They have a strong management toolkit that is the basis for good management consulting, and maturity and analytical skills to interact with senior clients.” Many such firms are using search agencies, or web services such as [www.global-workplace.com](http://www.global-workplace.com), rather than visiting schools.

### 5.2.2. MBA jobs in financial services

**Summary: Demand finally recovers to top pre-recession levels**

MBA demand in financial services is finally recovering from the 2008/9 crash. Growth of 11% in 2013 following on from 16% growth in 2012 suggests an industry that is back in love with MBAs. MBA demand in financial services is now substantially above 2007 levels and this growth is forecast to continue, with strong growth in demand in Asia, Middle East and Western Europe in particular. However, demand in North America and Central Europe has yet to recover.

Financial services firms have recovered quickly from the credit crunch, as banks take advantage of cheap capital. For the last two years, the large hiring volumes were concentrated in emerging markets, as shown in the table below. There has been much shallower growth in MBA hiring in the developed economies, which are overshadowed by the threat of banking reforms and the sovereign debt issue. However, forecasts for 2014 suggest that banks in North America and Europe are going to be aggressively hiring MBAs once again.

Banks have to make up for five years of cautious recruiting, which could result in a hiring boom, although further financial shocks could always cause these plans to alter.

Region	Demand growth 2013/12
Africa & Middle East	29%
Asia Pacific	21%
Eastern Europe	-8%
Latin America	27%
US & Canada	-1%
Western Europe	5%

Almost all major investment banks actively recruit MBAs. The credit crunch caused huge cutbacks in MBA hiring among some banks – especially CitiGroup and Bank of America, which received the largest US government bailouts. However, despite redundancies among experienced bankers, entry-level recruitment remained steady in most other banks throughout the crisis.

Demand for MBAs collapsed during the 2001-2003 recession. Goldman Sachs, Morgan Stanley and others cut MBA hiring by up to 80% in some offices. 2009 was completely different, with many banks still actively hiring. Diane Morgan of LBS believes that, “Banks took a longer-term view of their MBA hiring. Several of them made the mistake of cutting back in 2002 and were left with a big gap in talent when the markets picked up.”

Employers and students are backing up this viewpoint. Sarah Thomas, head of MBA recruitment at Standard Chartered says, “MBA hires are critical to building our leadership”. Those banks most exposed to Asia, Russia and Brazil are continuing to perform well. Belinda Regan of Fidelity International prioritizes MBA hiring because of “intensive training from business schools and the fact that candidates are usually very motivated to commence a new career.”

So what turns a bright new business school graduate into a successful banker? According to Angela Cassidy, a recruiter at Deutsche Bank, her firm looks for “high achievers who are both focused and motivated and who can demonstrate a good understanding of our industry. We also want people who are bright and energetic and not afraid of working hard. We don’t just look at what an individual has achieved in the workplace, but also take into account what they have been doing outside their academic activities.”

Most people associate investment banking with mergers and acquisitions, but most of the top banks look to recruit MBAs into global markets (sales and trading securities, fixed income and derivatives), managing assets, structured finance, corporate finance and increasingly on-and-off balance sheet hedge funds. There are also many back office positions in risk, financial control and technology.

According to Dr Simon Taylor of Judge Business School, changes in regulations are seeing more MBA opportunities. Market risk and compliance departments are seeing increased MBA hiring as banks seek greater security and control of risky investment classes. In fact, an overall emphasis on compliance experience may be spreading throughout the financial services industry. Dennis Nason, CEO of Nason&Nason, an executive search firm specializing in the financial services industry says, “[Financial services recruiters] want to see others who have been in a controlled environment, where they are used to following rules and being in compliance.” In contrast, opportunities in credit derivatives, which expanded to US\$trillions in value in recent years and were a major source of the credit crisis, are unlikely to recover.

It is not just banks which recruit MBAs into financial services. GE Capital is now one of the biggest recruiters of MBAs worldwide. American Express is also emerging as a major player. Insurance steadily hires MBAs. In the US there are a number of insurance companies that recruit ten or more MBAs each year such as AIG, Travellers (part of Citigroup), CIGNA and Liberty Mutual.

A new feature in recent years has been the entrance of hedge funds, private equity and venture capital houses into MBA recruiting in significant numbers. In the past they have focused on more experienced MBA alumni recruited through a network. Today, they are recognizing the need to recruit younger MBA graduates to meet the growing market opportunities.

Dr Taylor remains convinced that “the prospect is for strong long-term growth in financial services and for MBA career opportunities, after a period of unparalleled financial market uncertainty.”

### 5.2.3. MBA Jobs in Technology & Telecoms

#### Summary: Asia drives era of unprecedented growth

Demand for MBAs in the technology sectors has undergone an era of unprecedented growth, especially in Asia. As reported last year, more and more high technology and computer services companies are looking to MBAs to commercialize their products. A concentration of this growth is taking place in Asia, with big US employers actively hiring in the region. Overall high technology demand grew by 11% in 2013, with 8% growth in telecoms.

Technology was the place to be for new MBA graduates in 2013, with particularly strong growth in Asia, Middle East and North America. Even Central Europe saw strong growth.

Region	Demand Growth 2013/12
Africa & Middle East	30%
Asia Pacific	15%
Eastern Europe	14%
Latin America	2%
US & Canada	21%
Western Europe	3%

Central Europe is back in the picture as a base of engineering projects. India continues to boom for computer services. Asia is embracing technology like never before. The only technology sector likely to experience cutbacks in 2014 will be defence and aerospace, as governments reign in military spending after the excesses of the last decade.

Apple is now the most successful high-tech company in the world and, along with Microsoft and Oracle, is undertaking an MBA hiring drive, recruiting into finance, sales, marketing and product management. Chloe Chometon of Oracle Ireland looks for MBAs with “International exposure [and] structured thinking.” Tom Kozicki, director of career services at UC Irvine says, “The high tech corridor on the west coast remains vibrant”.

The web is attracting MBAs, with household names like Google and eBay snapping up entrepreneurially minded graduates. Staffing programs director Judy Gilbert says Google is “still looking for risk-takers—that means having a start-up on your résumé is a plus, even if the company went bust. Yet a career at Google offers MBAs much more stability and longevity than offered at dotcoms past.”

Avaya Communications is one of the largest recruiters of MBAs in the technology field, riding the wave of mobile phone growth in Asia. Telecommunications companies such as British Telecom and Vodafone are very active.

Asian technology recruiters are hiring actively in China, Taiwan and Korea. Although we still lack many Chinese recruiter respondents in the research, Korea is an example of the dynamism of technology in Asia.

## 5.2.4. MBA Jobs in General industry

Summary: Emerging markets driving growth in demand

MBA demand in general industry (consumer goods, construction, energy, manufacturing, mining, retail etc) is strong, as many local employers in emerging markets expand the overall demand for MBAs. QS TopMBA.com survey reports a 11% increase in MBA careers in general industry in 2013, with energy (14%), FMCG/consumer goods (14%), and manufacturing (10%) being particularly attractive sectors worldwide.

Media & entertainment and travel & hospitality were the weakest performing sectors, with both showing falls in demand for MBAs in 2012. However, both sectors have seen slight improvements in 2013, with a repeat performance forecast for 2014.

Region	Demand Growth 2013/12
Africa & Middle East	15%
Asia Pacific	20%
Eastern Europe	-2%
Latin America	6%
US & Canada	15%
Western Europe	9%

Manufacturing and general industry was one of the success stories of the North American market in 2013, with many companies repatriating operations from overseas back home, creating a demand for general managers. But Asia will not give up the fight easily, and still outstripped the US in terms of demand growth. Our 'general industry' category is a broad grouping of industries covering aerospace, automotives, chemicals, logistics, manufacturing and steel. Each industry reveals individual trends, but a common theme is the continued recovery in MBA hiring.

An increasing number of industrial companies are fully embracing globalization, and understand that MBAs represent an essential pool of international managers who are capable of working in diverse cultures and business situations. In particular, multinational supply chains and procurement require internationally minded, multilingual managers, making MBAs a natural talent pool.

A sizeable number of MBAs who do find roles in the industrial sector will do so with multinational companies such as General Electric, Samsung, Toyota and Motorola, where specific MBA induction programs have been the norm for over a decade. Internationally minded European companies like Siemens have established MBA entry programs.

The energy sector continues to report strong MBA recruiting, with a 14% increase in MBA careers in energy in 2013. There seem to be two main drivers of this trend. First of all the search for alternative energy sources is attracting many MBAs into smaller, entrepreneurial organizations. Secondly, as London Business School reports, "many of the big oil companies will need to replace their senior management over the next ten years as they come up for retirement. These companies have identified that they need new MBAs for their leadership programs and are offering exceptional packages to get the best people." Exxon Mobil and BP are among the largest MBA employers in the energy sector, though the impact of the Gulf of Mexico oil spill cast a shadow over the prospects of all big players in the oil sector as governments increase regulations to limit drilling.

Consumer goods companies have been committed to MBA hiring in the US for many years, and demand in the sector has seen an overall expansion of 14% in 2013, despite comparatively slow growth in Europe and Asia. Johnson & Johnson Consumer Products traditionally hires many MBAs in the US and around the world, and this program has remained unchanged in recent years. By contrast, Procter & Gamble have tended to hire a relatively small number of MBAs, but the situation is changing. It is now also common for both local operations and head offices of such companies as Diageo, BAT and Coca Cola to hire MBAs.

MBA hiring in the industrial sector remains closely correlated with global trade and GDP growth. Given the continued high growth rates in economies like China and India, demand for MBAs is buoyant and spreading throughout the North Asia and Southeast Asia regions. Exporting companies in the West are also benefiting from the recovery, with a rising number of MBA careers in industry and manufacturing in Germany and the US.

Eaton Corporation is a diversified power management company with sales of US\$11.9 billion. Casey Rasata, head of MBA hiring, says: "At Eaton, we lowered our overall hiring forecasts for both full-time and internships in 2008 and 2009, as a result of the recession. However, numbers improved for 2010 and 2011 hiring and we're expecting normal hiring levels going into this fall's recruiting season." She adds: "Our emphasis around 'Doing Business Right' and the fact that our products are sustainable by design are two major factors that attract MBA students to the opportunities we have to offer."

The increasing globalization of international trade, growing interdependence of common markets and the increased international competition have all fuelled interest in MBAs across the sector, but also made it vulnerable to a global recession.

For local industrial companies, the high level of multinational salaries remains a barrier and can discourage MBAs from pursuing local opportunities that may bring them rewards in the longer term. Manel Gasca of Rittal Disprel, a consumer products/retail company based in Spain, has the following advice for MBAs: "Too much relevance is placed on salary straight after an MBA. Since the year I graduated I had to learn that the true value of my MBA was the knowledge I acquired and not the job I got straight after graduation. MBA recruitment is very sensitive to economic conditions and we should not value studying an MBA by the salary we obtain after graduation."

Inflated MBA salaries remain a problem for MBA recruiters in the industrial sectors. A consistent message from recruiters in industry is that they are having to look outside the top-tier business schools to find the talent they need. However, they are almost all reporting success in their search.

## 5.2.5. MBA Jobs in pharmaceuticals and healthcare

Summary: 'Steady rather than spectacular' growth continues

MBA jobs in pharmaceuticals and healthcare continue to be a big recruiter of MBA graduates and report growth of 5% in 2013, with projected growth of 2% in 2014. Several pharma companies have invested in Central Europe, which reported demand growth. Western Europe was second in regional demand growth, followed by Asia.

Region	Demand Growth 2013/12
Africa & Middle East	0%
Asia Pacific	9%
Eastern Europe	33%
Latin America	7%
US & Canada	0%
Western Europe	10%

The major pharmaceutical companies have always been very active MBA recruiters and pay the best salaries after consulting and investment banking. They also offer attractive benefits and international mobility. They have remained committed to MBAs throughout the last decade, and growth in recruitment numbers is steady rather than spectacular. Merck has had a fairly traumatic few years in terms of patent losses and has significantly cut back MBA hiring. The loss of patents on blockbuster drugs may affect the ability of some big pharmaceutical companies to maintain a high level of MBA intakes – Eli Lilly may be the next company to be affected. At the same time there are many smaller pharmaceutical and healthcare companies that are aggressively pursuing MBA hiring to help them meet their growth potential.

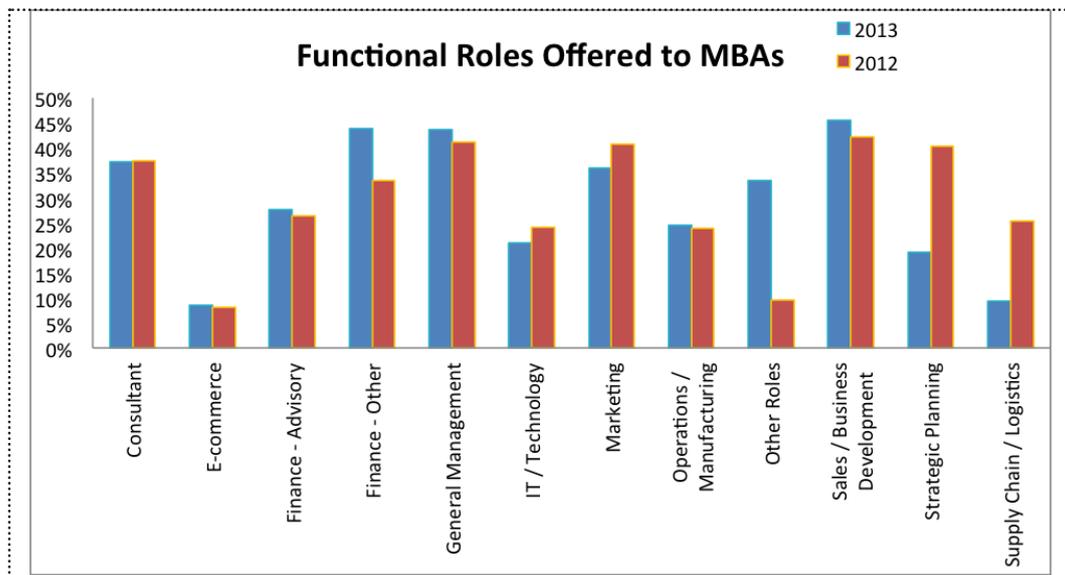
As in other industries, pharmaceutical companies are increasingly looking to find the recruits who truly want to build a career in their industry. Neil Currie of Johnson & Johnson says, "I recruit international MBAs—candidates often are reluctant to share vital information about their personal and career objectives; we waste their time and ours going through several interviews on campus and on site [and] make offers only to discover that they want to work in consulting after all."

### 5.3. Functional roles on offer to MBAs

MBAs come from very diverse backgrounds and industries, and as many as 50% will look to make a career change after their MBA. This is reflected not just in the wide variety of companies seeking to employ MBAs, but also the variety of functions they enter after completing their course. Many companies recruit MBAs into more than one function. For example, the head of MBA hiring at 3M confirms: “Our MBAs are generally found in one of three functions: HR, finance and/or marketing/strategy” .

The chart below shows some significant changes in the functions offered to MBAs in 2013.

Finance-other and strategic planning have both increased considerably in 2013 to become the most popular functions alongside general management. Finance advisory has also shown an increase. Consulting remains a popular function. Marketing has dropped in 2013.



**Table: Functional roles offered to MBAs 2009-2013**

	2013	2012	2011	2010	2009
Consultant	37%	37%	39%	33%	40%
E-commerce	9%	8%	10%	9%	8%
Finance - Advisory	28%	26%	29%	30%	40%
Finance - Other	44%	33%	39%	37%	32%
General Management	44%	41%	44%	44%	48%
IT / Technology	21%	24%	26%	25%	18%
Marketing	36%	41%	44%	55%	43%
Operations / Manufacturing	24%	24%	23%	30%	18%
Sales & Development	34%	42%	40%	50%	41%
Strategic Planning	46%	40%	42%	32%	41%
Supply Chain / Logistics	19%	25%	23%	21%	19%
Other	9%	10%	11%	10%	12%

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

## 5.4. Preferred MBA experience levels

For the sixth year in succession, there has been a drop in employer demand for MBAs with less than three years of experience, and especially for MBAs with less than one year of work experience (attracting only 5% of employers in 2013). MBAs with three to five years experience remain most in demand, and together with MBAs of five to eight years of work experience account for 65% of MBA employer demand.

The least popular experience range is 0-1 years of experience. This contradicts the policy of several top-tier US business schools, which are actively recruiting pre-experience candidates in the pursuit of ever higher average GMAT scores, a policy which employers clearly do not agree with.

Joanne Kim, talent acquisition manager at GE, South Korea says the key to successful MBAs at GE is not just academic excellence, but “hands-on work experience.”

James Prazak, operations manager at Trizon Energy in the US, argues strongly against pre-experience MBAs: “They lack maturity, and feel they can command more money and prestige than undergrad counterparts when they really have a minimal advantage. Too many simply get an MBA because they couldn’t get a job after undergrad—too long in school so don’t understand the real world, plus they have no business experience.”

Six percent of employers are seeking eight plus years of work experience. However, this experienced group typically falls outside of the needs of mainstream on-campus MBA recruiters, and the true demand for this group is unlikely to be reflected fully in this research. They are more likely to find a post-graduate career through means other than campus recruiting.

**Table: Preferred levels of experience of MBAs**

	2013	2012	2011	2010	2009
0-1 Years	5%	6.5%	7%	7%	12%
>1-3 Years	29%	28	28%	30%	34%
>3-5 Years	40%	39%	37%	33%	35%
>5-8 Years	20%	20%	19%	25%	12%
>8+ Years	6%	6.5%	8%	5%	4%

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

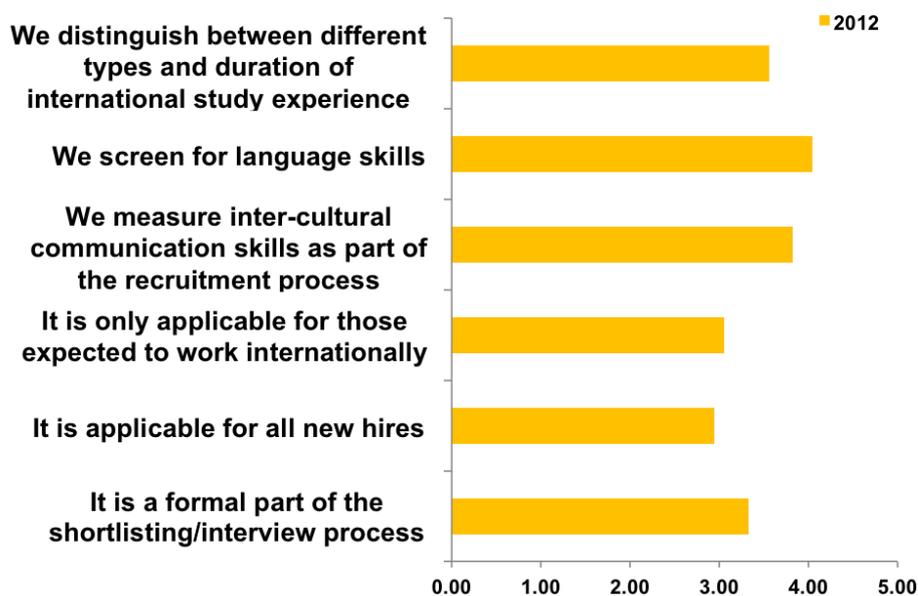
Demand for young and pre-experienced MBAs is almost zero in Western Europe and Latin America. In both these regions there is an above average demand for MBAs with 5–8 years of work experience. By contrast, Asia-Pacific employers are much more willing to recruit younger MBAs with 0–3 years’ experience.

## 5.5. Key MBA skills

QS TopMBA.com Jobs & Salary Trends Report attempts to quantify the value of international experience among employers around the world. We asked a series of questions aimed at determining the value placed by employers on international study experience. Amongst the MBA employers responding to our survey, 67% said that they highly value international study experience.

We then asked more detailed questions, asking them to agree or disagree with the issues featured in the chart below, on a scale of one to five, with the average results reported below.

**Chart: Value of International Study Experience amongst Employers**



Source: QS TopMBA.com Jobs & Salary Trends Report 2013/2014. ([www.topmba.com](http://www.topmba.com))

Employers strongly agree that screening for language and inter-cultural communication skills is an important part of the hiring process for international MBAs. They agree that the type and duration of study experience is important to employers. They perhaps most significantly agree that candidates with international experience out-perform those without.

Olga Bulatova, partner at Ernst & Young, Russia says the biggest challenge in MBA hiring is “finding the right cultural fit.” International experience is a big advantage for a new hire to an internationally minded company.

QS TopMBA.com Jobs and Salary trends report has also for many years reported on the importance and satisfaction of key skills attained by MBA students during their studies.

Employers are in general satisfied with the technical skills acquired by MBA students, and this result seems to be independent of which business schools the employers recruit from, supporting the view that many of the core components of the MBA are broadly available to a high standard. This refers to skills acquired in finance, marketing, e-business, risk management, corporate social responsibility, linguistic ability and overall academic achievement.

However, soft skills such as interpersonal, strategic thinking, communication and leadership are more important than ‘hard’ MBA skills according to MBA employers around the world. According to these international recruiters, business school graduates are still not meeting expectations in terms of their soft skills. There has been a long-standing shortfall in terms of leadership and interpersonal skills, which is apparent year after year in this research.

Gustavo Martin of Skanska confirms his firm selects MBAs based primarily on “Personal skills like leadership, communications skills, and negotiation skills.”

However, in 2013 for the first time this research reports that MBA employers are satisfied with the leadership skills of the MBAs they are hiring. This is not by chance. MBA programs have been actively developing their curricula to focus more and more on leadership development.

#### Chart: Importance and satisfaction with MBA skills among employers in 2013

	Importance		Satisfaction	
	2013	2012	2013	2012
Academic Achievement	2.08	2.08	2.08	2.13
E-Business	1.91	1.89	1.91	2.00
Entrepreneurship	2.60	2.18	1.97	1.94
Finance Skills	2.27	2.23	2.27	2.10
International Awareness	2.27	2.26	2.00	2.01
Interpersonal Skills	2.70	2.59	2.02	2.03
IT / Computer Skills	2.21	2.17	2.21	2.14
Leadership Skills	2.55	2.49	2.55	2.02
Marketing	1.00	2.12	1.00	2.08
Multi-lingual	2.27	2.21	2.25	2.09
Relevant Experience	2.44	2.34	2.44	2.05
Strategic Thinking	2.63	2.51	2.05	1.99
Communications Skills	2.60	2.63	2.09	2.07
Risk Management	2.18	2.11	1.95	1.92
Corporate Social Responsibility	2.32	2.07	2.32	1.99

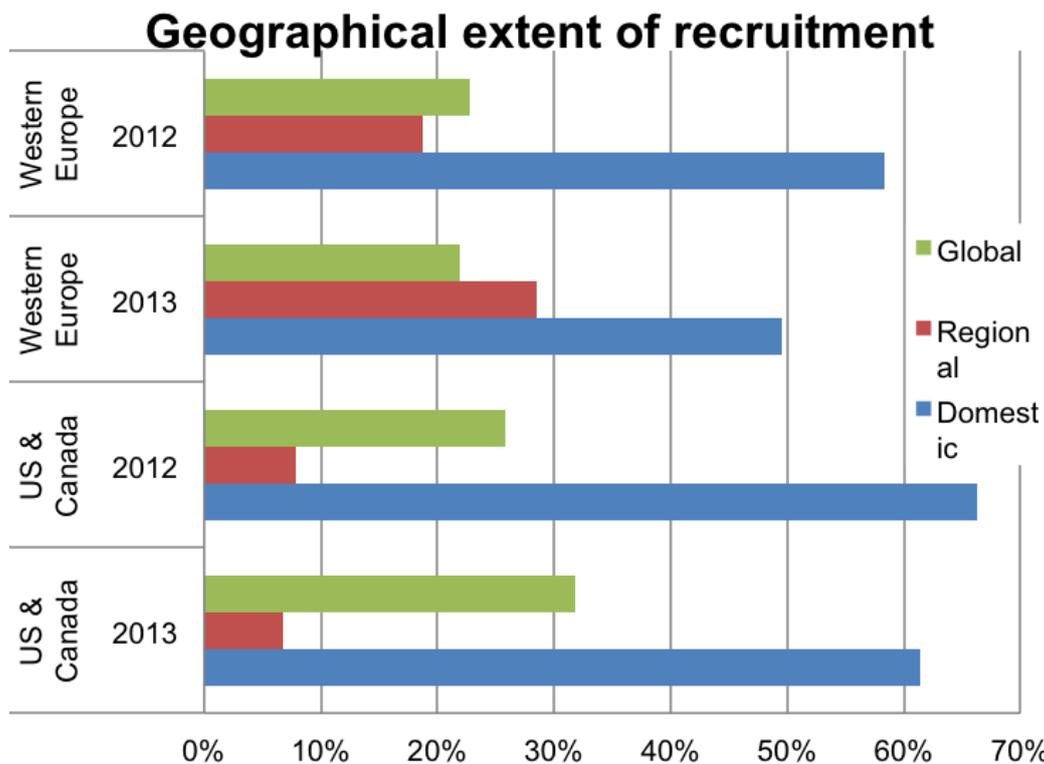
Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

## 5.6. The global MBA recruitment market: a profile of employer recruiting patterns and target nationalities by region

The MBA recruitment market is probably the most globally flexible recruitment market of any profession. The MBA qualification is geographically mobile and this section looks at what proportion of MBA employers recruit globally, regionally or locally and which nationalities they are targeting.

In 2013, we identify that a higher proportion of MBA recruiters are recruiting on a pan-regional or global basis, rather than on a purely domestic basis.

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North American employers have revealed a big swing towards global MBA hiring, with 32% of respondents focused on global recruiting compared to 23% last year. 61% of North American recruiters focus purely on domestic recruiting. Not surprisingly, Asia is the biggest source region for these employers, after their own.

Western European recruiters are less globally minded than their North American counterparts. Only 22% recruit globally, but 29% are recruiting across the Europe region, up from 19% last year.

These international recruiting mandates are reflected in the broad range of nationalities targeted by MBA employers. The table below shows the extent to which employers in each region target MBAs from other regions, (location of employers is shown in the left hand column).

Location of Employer	US & Canada	Latin America	Western Europe	Central Europe	Middle East & Africa	Asia, Australia
Africa & Middle East	31%	3%	38%	17%	86%	24%
Asia Pacific	47%	26%	40%	33%	35%	90%
Eastern Europe	15%	15%	38%	92%	12%	12%
Latin America	19%	99%	10%	8%	8%	10%
US & Canada	96%	16%	27%	16%	16%	31%
Western Europe	25%	23%	84%	60%	22%	24%

The percentage of Western European employers reaching out to Central Europe is up to 60%, while between 23-25% of European employers are also very actively looking for North Americans, Asian and Latin Americans.

Among Middle Eastern employers, 86% are targeting local or domestic MBAs, while 38% are targeting European MBAs. Demand for Asian MBAs has dropped off compared to last year.

Among Asia-Pacific employers, 90% are targeting local or domestic MBAs and 47% are targeting MBAs in North America and 40% are targeting MBAs in Western Europe.

Latin American employers are the most locally focused, with 99% targeting domestic and local MBAs.

## 6. MBA salaries and compensation

## 6. MBA salaries and compensation

What is happening to MBA compensation in 2013? QS TopMBA.com Jobs & Salary Trends Report provides the first and best review of MBA salary and total compensation (salary & bonus) trends in 2013 based on our survey of 1,011 brand new MBA respondents and 4,318 actively hiring MBA recruiters contributing salary data between 2011-2013. We also compare our survey results with average salaries self-reported to TopMBA.com/Scorecard by top schools in each major country and region around the world in 2012 (NB: business schools will not self-report their results for their graduating classes of 2013 until the end of 2013).

### 6.1. Overview of regional MBA compensation in 2013

#### Fast facts:

- Top regions by average salary: North America (US\$109,200), Western Europe (US\$105,900), Asia-Pacific (US\$85,000), Middle East (US\$76,400), Latin America at (US\$72,200), Central Europe (US\$72,100)

From the table below, we see that total compensation offered by employers for MBA hires increased in all regions in 2013 (except Central Europe). The largest increase was by 8% in Asia to US\$85,100 from US\$78,434. MBA compensation in Middle East increased by 5% to US\$76,500, and by 4% in Western Europe to US\$105,900. Total MBA compensation in North America also increased by 4% at US\$109,100, and was stable in Latin America at US\$72,200. Only Central Europe saw a fall in total MBA Compensation in 2013, by 7% to US\$70,600.

MBA compensation has increased substantially in emerging markets over the last four years and has been fairly stable in Western markets. This pattern has continued in 2013. With no evidence of MBA demand abating in emerging markets, we continue to predict that MBA salaries and bonuses are likely to make further progress in 2014. But with the threat of a new global recession seemingly receding, we also expect MBA compensation in North America and Europe to pick up in 2014.

For the purpose of comparison, we look at MBA salaries and bonuses reported by global, regional and national employers (excluding local employers or employers reporting figures of less than \$25,000 per annum).

**Table: Comparison of total MBA compensation offered by global, regional and national employers: 2013 vs 2012 (US\$)**

Region	2013	2012	% Change ('13/'12)
Africa & Middle East	\$76,457	\$72,540	5%
Asia Pacific	\$85,076	\$78,434	8%
Central Europe	\$72,109	\$76,032	-5%
Latin America	\$72,234	\$72,198	0%
US & Canada	\$109,191	\$104,866	4%
Western Europe	\$105,901	\$102,071	4%

\*Excludes local employers and any employers offering salaries less than US\$25,000 and employers in USA paying salaries of more than US\$250,000

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

Within these compensation figures we include bonuses reported by employers, and in all regions the MBA bonus figures have increased in 2013 compared to 2012 (except Central Europe). A big attraction of an MBA qualification is not just the salary uplift, but also the likely bonuses. Bonuses continue to ensure that the MBA qualification offers superb returns on investment for almost all MBA candidates, with an average payback period of between two and five years. Many MBAs receive a sign-on bonus, to help pay back tuition, as well as a performance-related end-of-year bonus.

If we look at base salaries, we see great year on year stability. Only Asia has reported a significant change in base MBA salaries in 2013, jumping by 8%. Even Latin America, which saw a 20% jump in 2012, reported stable salary figures in 2013.

Nevertheless, at the elite end of the MBA hiring market we continue to see slight increases in salaries offered by mainstream global MBA employers. Among strategy consulting firms, offers of between US\$110,000 and US\$130,000 have become commonplace in Europe and the US. Among investment banks, offers are generally between US\$90k and US\$200,000 – a larger range than in the past, with evidence of some banks reducing their salary offers, especially in North America.

### Table: Comparison of MBA salaries by region 2011-2013

(Global, regional and national employer respondents only – excludes local)

Region	2013	2012	2011	% Change ('13/'12)	% Change ('12/'11)
Africa & Middle East	\$63,122	\$63,164	\$58,593	0%	8%
Asia Pacific	\$71,635	\$66,416	\$65,773	8%	1%
Central Europe	\$64,818	\$65,295	\$67,261	-1%	-3%
Latin America	\$59,257	\$59,145	\$49,398	0%	20%
US & Canada	\$90,602	\$91,814	\$92,386	-1%	-1%
Western Europe	\$91,258	\$90,944	\$92,944	0%	-2%

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

In summary, as more employers compete in the global market for top MBA talent, we observe an equalization of MBA salaries across regions, a trend that has been on-going for over a decade.

- ⊙ Western Europe and North American salaries remain very similar overall and across most industries.
- ⊙ The gap between the highest international MBA salary region (North America) and the lowest (Latin America) is now only 30%, compared to 50% a decade ago.
- ⊙ MBA salaries in Asia-Pacific vary widely between countries. Australia and Japan are among the highest MBA salaries in the world, five times the level of those in Thailand, South East Asia, where employers offer among the lowest MBA salaries in the world.

## 6.2. Comparing local and international employer compensation offers in 2013

There is a significant differential in MBA compensation offered by local compared with multinational MBA employers, and in fact the number of multinational employers who report that they are recruiting globally or regionally is increasing year on year. In every region of the world, multinational employers are paying higher salaries and bonuses, on average, than their domestic counterparts.

This gap between multinationals and local MBA employer compensation is as large as 27% in Asia, 20% in Latin America and 20% in Central Europe as shown in the table below. Even in North America and Western Europe local employers pay 13% and 12% less than their multinational counterparts respectively.

This explains why MBA candidates are often competing for the finite numbers of jobs at these multinational companies. There are lots of MBA jobs available in the world but only limited numbers of companies offering superior packages in excess of US\$110,000 per annum.

Multinational companies coordinate recruitment on a global level, and do not want to drive top candidates away from key regions because of a salary differential. As international companies set up operations in emerging markets, they are increasingly willing to pay more for MBAs, who they see as critical for building a foothold in each region. Over time, it is likely that differentials with local companies will diminish, as they respond by trying to attract talent for equivalent positions globally with more competitive salaries and bonuses.

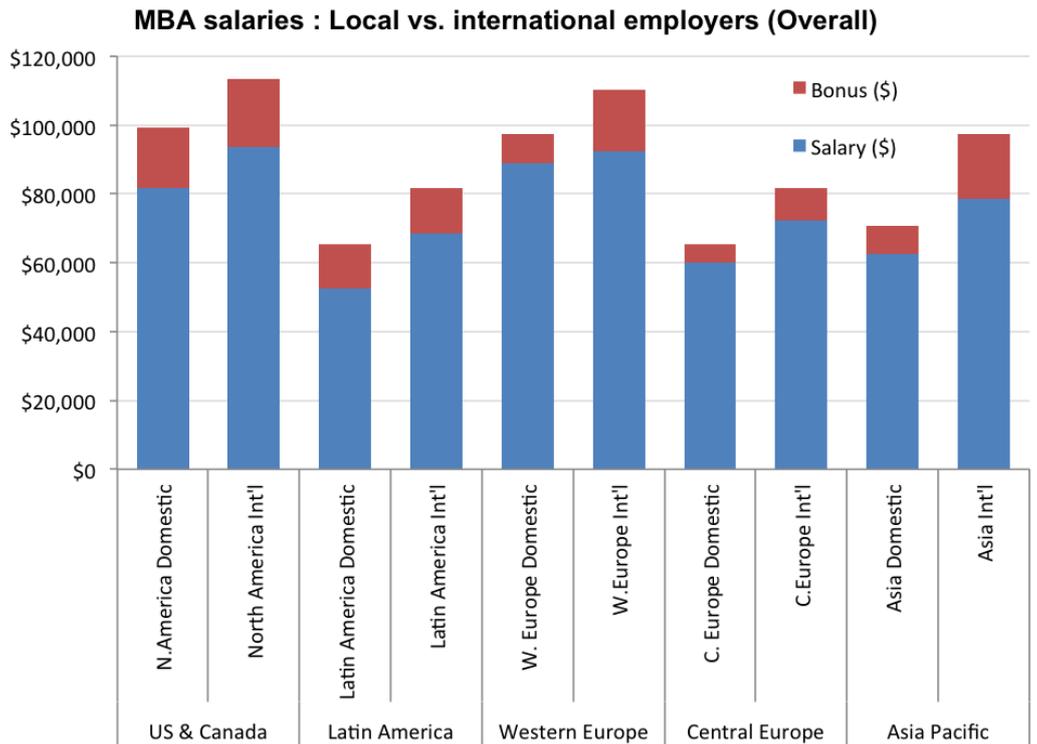
For the time being though, local companies around the world are salary sensitive when hiring MBAs. Mauricio Rodriguez of CBS Steel India says, “The most crucial decision is to decide about their pay package.” Deepra Ramrakiani of Grafton Consulting in Hungary says the “Biggest challenge (is) disharmony between gained skills and expected salary. Generally MBAs want more than we think they are worth.” Eva Qin of Lowe’s Companies in the US says, “Finding students that have realistic views of needed experience and salary expectations remains a challenge.”

**Table: MBA salary and bonus differentials between local and multinational employers by region in 2013**

Region	Scope	Salary (US\$)	Bonus (US\$)	Compensation Gap
US & Canada	N.America Domestic	\$81,620	\$17,559	
	North America Int'l	\$93,778	\$19,726	-13%
Latin America	Latin America Domestic	\$52,426	\$12,878	
	Latin America Int'l	\$68,672	\$13,132	-20%
Western Europe	W.Europe Domestic	\$88,776	\$8,704	
	W.Europe Int'l	\$92,262	\$17,913	-12%
Central Europe	C. Europe Domestic	\$60,098	\$5,323	
	C.Europe Int'l	\$72,410	\$9,312	-20%
Asia Pacific	Asia Domestic	\$62,699	\$7,993	
	Asia Int'l	\$78,431	\$18,846	-27%

The chart below summarizes this comparison of total compensation offered by local employers compared to international MBA employers (those declaring a mandate to recruit at a regional or global level). In every region, there are substantial differences between compensation packages offered by these two distinct groups of employers. (Note: any local employers responding with salaries below \$25,000 have been excluded – in India and South East Asia this represented a significant number of employers).

**Chart: Comparison of MBA salaries offered by domestic-focused vs global/regional-focused MBA employers**



MBA salary differentials across regions have been steadily narrowing over the last ten years. This gradual equalization in MBA salaries has been driven by several factors:

- ⦿ More multinationals looking to hire MBAs on standard packages irrespective of the country in which they work (except for perhaps small cost of living adjustments)
- ⦿ An overall rise in job opportunities for MBAs, relative to supply. As this report indicates, we have seen a doubling or trebling in demand for MBAs since 2000, yet the number of graduating MBAs has grown at a much slower rate (and the number of MBAs graduating from the top 200 business schools most highly sought after by employers has remained virtually the same)
- ⦿ An expansion of global trade, hence the growth in the number of companies in each country looking to recruit MBAs
- ⦿ An increase in the number of MBA alumni in senior management or in roles responsible for hiring, who are better informed of the value of MBAs compared to traditional HR managers
- ⦿ Increased availability of information on average MBA salaries available online, enabling candidates to demonstrate their true value when negotiating with local employers

It is inevitable that differentials between regions will remain, not least due to:

- ⊙ The big variations in cost of living between countries
- ⊙ The tendency for MBA students to be much younger in some regions (especially Asia) compared to others
- ⊙ Variations in the extent to which MBAs are accepted as a generally required qualification for senior managers in a country. The US still remains the most MBA-centric job market for managers, although Canada, the UK, Mexico, Australia, India, China, Korea and Japan are following suit
- ⊙ As mentioned previously, the growing number of local companies seeking MBAs at salary costs benchmarked against lower local managerial salary levels, especially in India and South East Asia and Latin America
- ⊙ Availability of locally educated MBAs from less prestigious business schools willing to accept significantly lower salaries

### 6.3. Comparing MBA salaries in North America and Western Europe 1999-2013

The financial crisis and subsequent recession in the West certainly had a negative impact on MBA salaries, but the impact was not severe and from last year there is evidence of resumed upward pressure on MBA salaries.

MBA salaries offered by employers in North America in 2013 have continued to drift downwards slightly compared to the previous year, by -1%. This small movement can largely be explained by changes in the mix of employer respondents and is not significant.

MBA salaries in Western Europe increased by 1% in 2013.

This stability in MBA salaries in 2013 despite weak demand, suggests that there may be some salary inflation as demand picks up in 2014.

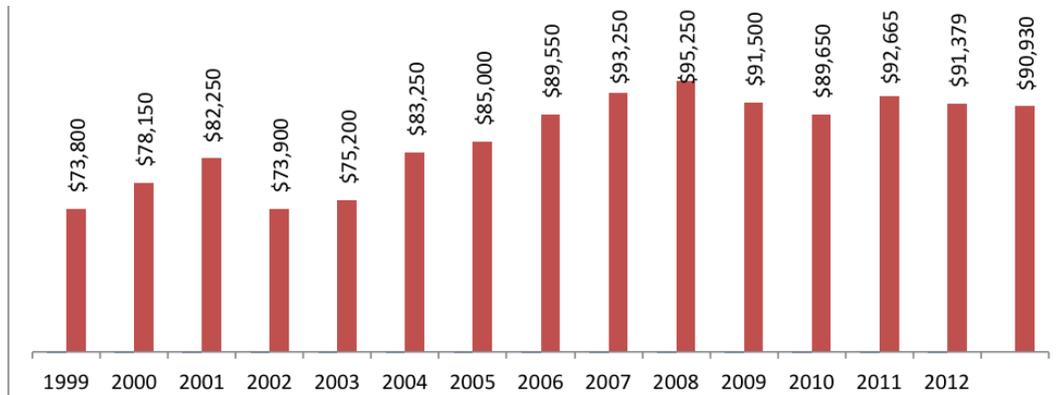
**Table: Average salaries: International MBA employers in US & Western Europe (US\$)**

Region	2013	2012	2011	% Change ('13/'12)	% Change ('12/'11)
US & Canada	\$90,602	\$91,814	\$92,386	-1%	-1%
Western Europe	\$91,258	\$90,944	\$92,944	0%	-2%

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

Looking at the longer term trend in average MBA salaries across Western Europe and North America, QS TopMBA.com Jobs & Salary Trends Report reveals that they are roughly 10% higher than they were a decade ago, but are still below their peak in 2008.

#### Chart: Long term trend in MBA salaries across North America and Western Europe



Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

An average salary of US\$91,00 across Western Europe and North America is still roughly three times the salary being achieved by fresh undergraduates entering the job market for the first time – not bad for MBA candidates who on average have just three years of work experience post first degree.

What is happening at the top end of business schools? There are a small number of business schools that report average salaries significantly above the TopMBA.com average.

#### 6.4. MBA salaries and bonuses by industry sector in 2013

Ten years ago an MBA was effectively a passport into a career in strategy consulting and investment banking, with salaries as much as 50% higher than other sectors. These sectors still pay well, but they are no longer the top paying sectors.

Among all employers in Europe and North America, the highest paying sector in 2013 is metals and mining, offering an average MBA salary of US\$139,600 (offered by both international and domestic employers). Pharmaceuticals has dropped from top spot last year to second in the table in 2013, with an average MBA salary of US\$100,300. Construction/property is third placed this year, with average salaries offered of US\$97,200. Financial services is in fifth place with an average salary of US\$95,300.

In 2013 average salaries reported by consulting and professional services dropped to US\$89,150, which reflects the growth in the number of smaller niche consulting firms around the world offering salaries lower than the established strategy leaders, which are still reporting in the US\$110-130,000 range.

The lowest average MBA salaries are offered in utilities, law, transportation, travel & hospitality, retail and the public sector, all below US\$80,000 per annum.

**Table: Breakdown of average salaries and bonuses by sector–North America and Western Europe 2013 (US\$)**

North America & Western Europe Average			
Industry Sector	Avg Salary	Avg Bonus	Total
Aerospace / Defence	\$75,500	\$2,500	\$78,000
Construction / Property	\$97,200	\$8,250	\$105,450
Consulting / Professional Services	\$89,150	\$15,050	\$104,200
Electronics / High Technology	\$92,500	\$11,700	\$104,200
Energy	\$97,150	\$13,150	\$110,300
FMCG	\$94,250	\$9,300	\$103,550
Financial Services / Banking	\$95,350	\$12,100	\$107,450
IT / Computer Services	\$92,700	\$13,650	\$106,350
Law	\$67,500	n/a	\$67,500
Manufacturing / Engineering	\$83,050	\$12,800	\$95,850
Media / Entertainment & Arts	\$83,950	\$16,250	\$100,200
Metals / Mining	\$139,600	\$51,600	\$191,200
Pharmaceuticals / & Healthcare	\$100,350	\$22,700	\$123,050
Public Sector / Govt. / Non-profit	\$82,000	\$7,850	\$89,850
Recruitment / HR services	\$87,350	\$9,300	\$96,650
Retail	\$79,800	\$10,250	\$90,050
Telecoms	\$94,100	\$7,000	\$101,100
Transportation / Distribution	\$85,450	\$9,550	\$95,000
Travel / Leisure / Hospitality	\$78,650	\$4,250	\$82,900
Utilities	\$81,750	\$6,850	\$88,600
Other	\$89,600	\$9,050	\$98,650

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

Salary is not the only aspect of MBA compensation. Employers recognise the investment MBA candidates have to make in paying for their qualification and the vast majority of MBA employers who completed the salary section of our survey – over 70% in North America and Western Europe – will pay a bonus in addition to base salary to their MBA hires.

The average bonus payable to new MBA recruiters across North America and Western Europe in 2013 is over US\$14,000 in Europe and US\$18,000 in North America, representing approximately one fifth of their total compensation. The highest reported first year bonus in this year's survey was US\$250,000.

The table on page 53 also shows average compensation for key industry sectors.

- ⊙ Most sectors are paying total MBA compensation in excess of US\$100,000 for MBA candidates in 2013
- ⊙ In terms of total compensation, the highest paying sector in 2013 is metals and mining, reporting an incredible US\$191,000, followed by pharmaceuticals and energy
- ⊙ Financial services reports average total compensation of US\$107,000, and consulting reports an average of US\$104,000, no longer topping the table of highest paying sectors for MBAs
- ⊙ The lowest average MBA compensation is paid in utilities, law, aerospace, transportation, travel & hospitality, retail and the public sector, all below US\$95,000 per annum

## 6.5. Strategies for MBA salary analysis

The downside to such high average salaries for MBA graduates is that some employers become disaffected with MBAs, or have excessive performance expectations relative to non-MBA staff on lower salaries. Patrick Smith, of Bank of America, believes many MBAs “have unrealistic expectations about starting salaries and the speed of advancement.”

Most MBA Recruiters agree with Sebastian Pav, director at Sage Solutions India, that the key to a successful MBA career is “making them understand not to focus too much on money in the initial phase of the career, but to focus on learning.”

In the last five years, more and more employers are looking to recruit MBAs from non-toptier business schools, having found salaries and candidates to be unapproachable at the elite institutions. This trend has continued in 2013, with a regionalization of demand, as employers seek the best MBAs from the best schools in each region, rather than competing with investment banks, pharmaceutical and consulting firms, which tend to prioritize the top 50 business schools globally.

Mesha Mott, MeadWestvaco US, confirms: “Depending upon the universities’ reputation and the skill sets required, salary requirements may be misaligned with what the candidates actually bring to the table.”

Such recruiters have reported greater success looking beyond the traditional pool of schools.

The message for newly graduating MBAs is not always to chase the highest short-term salary offer, but to look for an organization which will lay the foundations for a successful long-term career; otherwise recruiters will look elsewhere; especially in the current economic environment.

MBA graduates are known for their analytical ability. In negotiating salary offers or deciding on target regions for a job search, it is important to take a step back from the numbers and think

of the bigger picture. Job applicants should consider the cost of living when comparing salary packages across regions – the real, versus the nominal, wage a company and country offers.

The OECD publishes annual research comparing purchasing power between countries (a good proxy for the cost of living). According to the OECD, the purchasing power in Mexico is over 25% more than in the US. Even though the survey reveals that MBA graduates are paid 20% less in Latin America than in the US, graduates working in Mexico will enjoy a standard of living comparable with that of their US counterparts. By contrast, purchasing power in Japan is 20% lower than in the US, so, the higher cost of living will result in a lower standard of living if the same salary is paid as elsewhere.

## 6.6. Regional and country review of MBA salaries and bonuses in 2013

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In the tables below we provide some average compensation by country for selected countries. We do not normalize for national versus multinational responses in the country figures, which means that there can be significant variation year on year. We exclude local responses and for this table we have also excluded global respondents that pay the same salary in every country. These country figures should be used as an approximate guide only, whereas the regional figures are based on large response samples and are much more robust.

The top ten countries in terms of average MBA compensation in 2013 are (US\$):

**Australia** (\$133,100), **Switzerland** (\$129,700), **Denmark** (\$121,400), **UK** (\$106,100), **France** (\$100,800), **USA** (\$98,300), **Brazil** (\$97,200), **Germany** (\$93,700), **Spain** (\$92,900), **Canada** (\$91,600).

**Table: Average MBA compensation (salaries and bonus) in major markets worldwide**

	Count of responses	Salary	Bonus	Overall
Australia	21	\$117,800	\$15,300	\$133,100
Switzerland	23	\$120,000	\$9,700	\$129,700
Denmark	34	\$116,800	\$4,600	\$121,400
United Kingdom	44	\$86,500	\$19,600	\$106,100
France	16	\$87,600	\$13,200	\$100,800
United States	95	\$82,200	\$16,100	\$98,300
Brazil	38	\$74,600	\$22,600	\$97,200
Germany	30	\$84,100	\$9,600	\$93,700
Spain	100	\$85,400	\$7,500	\$92,900
Canada	11	\$81,300	\$10,300	\$91,600
Japan	20	\$76,000	\$15,000	\$91,000
Mexico	61	\$73,600	\$15,000	\$88,600
United Arab Emirates	22	\$79,900	\$8,600	\$88,500
Italy	16	\$78,900	\$8,800	\$87,700
Colombia	17	\$58,800	\$16,000	\$74,800
South Korea	49	\$64,000	\$5,000	\$69,000
China	55	\$52,800	\$14,700	\$67,500
Russia	26	\$60,500	\$6,500	\$67,000
Peru	42	\$50,700	\$14,100	\$64,800
India	83	\$57,100	\$6,700	\$63,800

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### 6.6.1. US & Canada

North American companies have a long tradition for MBA hiring, and although MBA salaries have fluctuated downwards slightly over the last five years, given the extent of the financial shock experienced in 2008, MBA salaries today remain very similar.

The US still has the largest number of MBA employers in the world and has by far the greatest range of MBA salaries. This report does not include any salaries above US\$250,000 (prevalent in the US amongst private equity and venture capital companies and within selected departments of investment banks, and only offered to candidates with highly relevant work experience), which would distort results year on year depending on the number of respondents.

MBA salaries in North America fell by -1%, but overall compensation rose by 4% as bonuses were restored. The recovery in the US market is stronger than recruiters were anticipating last year, and as a consequence MBA hiring companies are becoming more optimistic once again, which is likely to lead to compensation growth in 2014.

The average reported salary in the US is US\$82,200 among domestic employers and US\$93,800 among international employers. The average MBA salary for Canada is US\$81,300.

**Table: Average MBA Salaries by Country 2013**

Country	Average Salary (US\$) Domestic	Average Salary (US\$) Int'l Employers
United States	82,200	93,800
Canada	81,300	91,500

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

Some of the best known US business schools listed salaries of 10-30% above the average of US\$89,000, as reported for the graduating class of 2011. These business schools typically have between 30-40% international students in their class. There is significant variation in salaries paid in different states across the US, with schools close to major cities of New York, Boston, San Francisco and Chicago yielding the highest salaries.

**Table: Highest MBA average salaries reported By US b-schools by state in 2012**

School Name	State	Average Salary 2011 (US\$)	Average Salary 2012 (US\$)
Stanford University GSB	California	127,189	129,692
Harvard Business School	Massachusetts	121,785	120,000
The Wharton School, University of Penn.	Pennsylvania	118,029	120,000
Kellogg, Northwestern University	Illinois	115,000	120,000
Sloan, MIT	Massachusetts	115,345	118,406
Tuck School of Business at Dartmouth	New Hampshire	115,143	115,302
Chicago Booth School of Business	Illinois	113,220	115,079
Fuqua Duke University	N. Carolina	107,833	112,626
University of Michigan Ross	Michigan	106,502	111,047
Darden, University of Virginia	Virginia	104,478	109,335
SC Johnson, Cornell	New York	103,600	106,900
McCombs, U. Texas Austin	Texas	101,412	105,112
Yale Management School	Connecticut	106,157	104,417
Columbia Business School	New York	113,340	103,343
Goizueta Business School Emory University	Georgia	100,683	103,343
Kennan-Flagler, University of North Carolina	North Carolina	99,267	102,130
UCLA	California	103,367	100,000
Carnegie-Mellon University	Pennsylvania	101,130	100,000
Georgetown University	Washington	97,225	99,799
Jones, Rice University	Texas	96,836	99,500
Boston College	Massachusetts	91,100	97,734
Indiana University Kelley	Indiana	93,000	97,489
UC Berkeley Haas	California	114,232	97,000
Vanderbilt University Owen	Tennessee	94,200	95,314
NYU Stern	New York	105,798	94,968

Source: [TopMBA.com/Scorecard 2013](http://TopMBA.com/Scorecard 2013)— Data supplied by schools according to MBA Career Service Council standards

**Table: Highest MBA average salaries reported by Canadian b-schools by state in 2012.**

School	State	Average Salary 2011 (US\$)	Average Salary 2012 (US\$)
Athabasca University	Alberta	N/A	98,000
Western Ontario University, Ivey	Ontario	89,238	93,078
McGill University, Desautels	Québec	90,000	90,000
University of Toronto, Rotman	Ontario	85,542	89,848
York University, Schulich	Ontario	90,000	86,587
Ryerson University	Ontario	85,327	85,327
University of British Columbia, Sauder	British Columbia	73,000	81,028
University of Alberta	Alberta	82,100	73,329
HEC Montreal	Québec	74,836	72,776
Concordia University, John Molson	Québec	72,846	72,707

Source: [TopMBA.com/Scorecard 2013](http://TopMBA.com/Scorecard 2013)— Data supplied by schools according to MBA Career Service Council standards

## 6.6.2. Latin America

In Latin America there remains quite a large disparity between multinational MBA salaries compared to local company MBA salaries. Multinationals are offering between US\$60-80,000 for new MBA hires returning to the region. However, local companies are offering between US\$30-60,000.

Even including local and regional employers, an average MBA salary of US\$59,300 in Latin America represents a significant gap with non-MBA salaries, reflecting the increasing relevance of MBAs to multinationals in the region. It remains a fact, however, that MBA employers still primarily target international business schools, with a gap remaining in the supply of internationally recognized MBAs within the region.

The table below shows average salaries by country from companies supplying salary data in Latin America. Mexico reports the highest average salary among multinationals, at US\$72,800. Mexico has the largest number of MBA employers, with over 50 taking part in this survey.

**Table: Average MBA salaries by country 2013**

Country	Average Salary(US\$)	Year on Year Trend
Argentina	58,200	Increase
Brazil*	74,600	Increase
Chile	41,100	Decrease
Mexico	73,600	Increase
Peru	50,700	Decrease
Venezuela	47,900	Decrease

Source: QS TopMBA.com Jobs & Salary Trends Report 2011/2012 ([www.topmba.com](http://www.topmba.com))

**Table: MBA salaries reported by schools in Latin America in 2013**

School Name	Country	Average Salary 2011 (US\$)	Average Salary 2012 (US\$)
Business School Sao Paulo	Brazil	68,000	69,000
IPADE Business School Universidad Panamericana	Mexico	41,917	46,000
INCAE Business School	Costa Rica	38,000	30,000
IAE	Argentina	30,000	27,000

Source: TopMBA.com/Scorecard 2013 – Data supplied by schools

### 6.6.3. Western Europe

MBA compensation in Western Europe grew by 4% in 2013. There is a sense of renewed optimism with recovery in sight.

Switzerland reports the highest average MBA salaries in Europe, at US\$120,000, and the second highest average MBA compensation in the world in 2013. Denmark reports consistently high MBA salaries among responding employers, averaging US\$116,800 in 2013. The UK reports the third highest average MBA compensation in Europe at US\$106,100, and an average salary of US\$86,500. MBA salaries in France, Germany and Spain were all above US\$80,000.

The strength of Swiss MBA salaries in 2013 can partly be explained by the predominance of financial service companies in Switzerland, which actively recruit MBAs, partly by the strengthening of the Swiss currency, and partly by many multinationals and hedgefunds moving their headquarters away from London and Frankfurt to Switzerland to reduce their tax bills, resulting in the need for significant hiring of MBA talent.

Average German MBA salaries – at US\$84,100 – are significantly lower than Switzerland. This does not reflect a lack of demand, but quite the contrary as more MBA employers in Germany are recruiting international MBAs from Asia and the Indian sub-continent.

**Table: Average MBA salaries by country 2013**

Country	Average Salary (US\$)	Year on Year trend
Denmark	116,800	Increase
France	87,600	Decrease
Germany	84,100	Decrease
Italy	78,900	Increase
Spain	85,400	Increase
Switzerland	120,000	Decrease
United Kingdom	86,500	Decrease

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

The highest average salaries reported by European business schools in each country tend to exceed these country averages for several reasons. As mentioned, several schools target much more experienced executives for senior management positions and these schools will typically report salaries above their competitors in each country. Schools that target candidates for the consulting and banking industry also tend to exceed these averages, like INSEAD in France, IE and IESE in Spain, and IMD in Switzerland. In the table below, the figures for IESE and IMD include some elements of bonuses not included by the other schools listed.

**Table: Top MBA salaries (US\$) reported by schools in 2012**

School Name	Country	Average Salary (US\$) 2011	Average Salary (US\$) 2012
Ashridge Management School	UK	146,000	163,000
IMD	Switzerland	129,600	142,412
INSEAD	France	122,900	122,900
Vlerick Leuven Gent Management School	Belgium	100,000	116,475
London Business School	UK	118,328	113,779
St. Gallen	Switzerland	105,000	110,000
HEC Paris	France	109,000	109,880
Judge, University of Cambridge	UK	98,000	108,300
IE Business School	Spain	110,460	102,500
Copenhagen Business School	Denmark	103,500	100,031
Saïd, Oxford University	UK	98,674	99,000
Cranfield School of Management	UK	89,500	98,100
Imperial College Management school	UK	102,000	97,000
Manchester Business School	UK	98,000	96,000
ESMT	Germany	99,000	90,000
SDA Bocconi	Italy	95,200	88,000
RSM, Erasmus University	Netherlands	90,000	88,000
Cass, City University	UK	79,000	87,500
ESADE	Spain	89,900	86,400
EDHEC	France	86,300	85,400

Source: *TopMBA.com/Scorecard 2013 – Data supplied by schools*

#### 6.6.4. Central Europe

The experience of MBAs in Central Europe in 2013 has been a repeat of 2012. Central European economies have experienced a difficult year, with several, including Ukraine, Hungary and Bulgaria, battling to maintain financial solvency, hit by austerity in major trading partners like Greece and Germany. Not surprisingly, MBA salaries have undergone downward pressure in the region.

The table below shows average salaries by country from companies supplying data in Central Europe. Russia reports the highest average salary at US\$77,200.

**Table: Average MBA salaries by country 2013**

Country	Average Salary (US\$)	Year on year trend
Hungary	35,000	Decrease
Russia	60,500	Decrease
Greece	41,700	Decrease

Source: *QS TopMBA.com Jobs & Salary Trends Report 2013/2014. (www.topmba.com)*

**Table: MBA salaries reported by schools in different Central European countries in 2012**

School Name	Country	Average Salary (US\$) 2011	Average Salary (US\$) 2012
Central European University CEU Business School	Hungary	69,062	65,000
Moscow University - Touro	Russia	70,000	68,000
Warsaw University of Technology Business School	Poland	43,000	45,000
CMC Graduate School of Business	Czech Republic	55,000	50,000
Corvinus University	Hungary	35,000	30,000

Source: TopMBA.com/Scorecard 2013 – Data supplied by schools

### 6.6.5. Asia-Pacific

Within Asia-Pacific, Australia remains a big story in 2013, keeping its lead to report the highest average MBA compensation in the world at US\$133,100 (though the salary component remains well below Swiss levels, the bonuses are much higher). Japan reports the next highest compensation, in the region of US\$91,600, followed by South Korea at US\$69,000. The rank order in terms of MBA salaries is the same for the top three countries. India reported strongly increasing MBA salaries in 2013.

Asia-Pacific is a large territory and MBA salaries vary significantly between countries. South East Asia, India and China have typically reported much lower MBA salaries than more mature markets like Japan, Korea or Australia.

This differential is really emphasised if we look at salaries offered by the many local MBA employers entering the marketplace. They offer salaries as low as US\$25,000 and are targeting the increased supply of MBAs from local business schools, especially within India and China, many of whom are happy to accept these lower salaries – a sharp contrast with the graduates of established international business schools.

The table below shows average salaries by country from over 500 companies supplying data in Asia-Pacific separating local from multinational employer salaries.

**Table: Average international MBA salaries by country 2013**

Country	Average Salary (US\$)	Year on year trend
Australia	117,800	Decrease
China	52,800	Decrease
India	57,100	Increase
Japan	76,000	Decrease
South Korea	64,000	Increase

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

\*Employers that are recruiting locally and not requiring work experience have been excluded. This included significant numbers of employers in India and China offering salaries below US\$30,000.

Asian multinational employers targeting top international business schools are becoming more competitive and offering salaries that compare directly with their Western counterparts. In addition, salaries at local business schools are catching up with Western schools as they increasingly attract international candidates to meet the needs of local employers.

**Table: Top MBA salaries reported by schools in Asia in 2013**

School Name	Country/ Region	Average MBA Salary (US\$) 2011	Average MBA Salary (US\$) 2012
HKUST	Hong Kong	92,595	127,600
Hitotsubashi GSICS	Japan	97,000	108,462
Vlerick Business School China	China	n/a	95,000
CEIBS	China	51,000	79,516
University of Hong Kong	Hong Kong	72,000	70,000
IIM Ahmedabad	India	62,000	66,899
Int University of Japan	Japan	53,000	54,000
Nanyang Business School, Singapore	Singapore	60,306	53,016
Seoul National University	South Korea	50,000	53,000
Indian School of Business	India	78,841	44,000

Source: *TopMBA.com/Scorecard 2013 – Data supplied by schools*

The high salaries reported by Australian business schools are partly a function of the strengthening of the Australian dollar, but even adjusting for this effect reveals an increase in MBA salaries in Australia, driven by the strong demand for MBAs among multinational employers across Asia, and the strength of Australian business schools in recruiting and placing Asian candidates throughout the region.

**Table: Top MBA salaries reported by schools in Australia in 2012**

School Name	Country	Average MBA Salary (US\$) 2012
MGSM, Macquarie University	Australia	143,353
Melbourne Business School	Australia	112,000
La Trobe University	Australia	110,000
Sydney Business School, Wollongong U.	Australia	102,500
The University of New South Wales AGSM	Australia	85,308
Monash University	Australia	85,000
Australian National University	Australia	63,000
Bond University	Australia	58,000
Simon Fraser University Beedie	Australia	52,000
RMIT	Australia	47,000

Source: *TopMBA.com/Scorecard 2013 – Data supplied by schools*

### 6.6.6. MBA salaries in Africa and Middle East

For the first time, QS TopMBA.com Jobs & Salary Trends Report has received a significant number of respondents from the Middle East. More and more Western companies are active in the Middle East and they are creating greater demand for MBAs, and this trend is only likely to continue and MBA salaries are likely to rise accordingly.

The following table shows average salaries by country from companies supplying data in Africa & Middle East, of which the majority were in UAE. UAE reports the highest average salary, at US\$62,000.

**Table: Average MBA salaries by country 2013**

Country	Average Salary (US\$)	Year on year Trend
Saudi Arabia	52,300	Increase
United Arab Emirates	62,000	Increase

Source: QS TopMBA.com Jobs & Salary Trends Report 2013/14 ([www.topmba.com](http://www.topmba.com))

**Table: MBA salaries reported by schools in different Middle Eastern & African countries**

School Name		Average Salary (US\$) 2011	Average salary 2012
United Arab Emirates University	UAE	50,000	52,000
University of Cape Town Graduate School of Business	South Africa		50,000
University of Stellenbosch	South Africa		50,000
University of Wits	South Africa		50,000
Bar-Ilan University Graduate School of Business	Israel	55,000	48,000

Source: TopMBA.com/Scorecard 2013– Data supplied by schools

Appendix: Media partners for the QS Global

Employer Survey

## Appendix: Media partners for the QS Global Employer Survey









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