

[For MBAs, it pays to be well-rounded](#)

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Jennifer Merluzzi, assistant professor of management, finds that elite MBA grads who specialize tend to earn less bonus compensation and receive fewer job offers than candidates with more diverse resumes. Her research finds that the specialist discount occurs in job markets that have in place strong screening ability among job candidates and when specialized candidates are more common than rare. (Photo by Kathy Anderson)

Specialization has become the new mantra at business schools, with students pursuing increasingly narrow tracks of study in hopes of gaining an advantage in the job market. [New research](#) suggests that some highly specialized students may not be getting the advantage they're hoping for.

[Jennifer Merluzzi](#), an assistant professor of management at the [A. B. Freeman School of Business](#) at Tulane University, says graduates of elite MBA programs who specialize receive lower starting-bonus compensation and are less likely to receive multiple job offers than graduates with more diverse resumes.

“People think that if they can demonstrate an expertise in something, it's going to be rewarded, but we actually found the opposite,” Merluzzi says. “The people who were more focused were actually being penalized.”

Merluzzi and co-author Damon Phillips, professor of management at Columbia University, tracked two cohorts of recent graduates from a top-ranked MBA program. All graduates tended to earn similar base compensation for similar jobs, but the graduates who opted to specialize in terms of academic concentration, extracurriculars and summer internships received smaller bonuses and were less likely to receive multiple job offers than their less-focused peers.

While the paper focused exclusively on investment banking, they found evidence of the specialist disadvantage in marketing and corporate finance as well.

“It's just basic supply and demand,” Merluzzi says. “If there's a market where specialization is rare, it's going to be more valued. But with the market for top MBA graduates, where the focus is on creating really specialized resumes, specialization becomes commodified, and the person who shows accomplishment across a lot of areas then becomes more unusual and more valuable to hiring firms who deem these candidates as offering more.”

The [paper](#), “The Specialist Discount: Negative Returns for MBAs with Focused Profiles in Investment Banking,” was published in [Administrative Science Quarterly](#).

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