

The singularity of the German doctorate as a signal for talent: Causes, consequences and future developments

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ABSTRACT

Internationally unparalleled fractions of doctoral degree holders among German top managers and superior career perspectives for German university graduates holding a doctoral degree suggest that the traditional German doctorate has not been primarily perceived as a specialized indicator for abilities to conduct research in a certain scientific field, but rather as an indicator for a more general form of human capital, which we refer to as talent. In order to convince on the labor market, educational credentials have to be validated somehow. We discuss alternative validation mechanisms which can be attributed to the higher education systems of the U.S., France, and Germany. By defining specific "model educational paths" the problem of signal validation explains the singularity of the German doctorate. The educational paths of top managers in a sample of the 100 largest companies in these countries is consistent with our theoretical conjectures. A shift from the traditional German chair-based model in doctoral education to formal programs is likely to alter the signaling content of the German doctorate. Future options for signaling talent are closely tied to the reform of the German higher education system. (JEL: D82, I21, J24, J44)

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