

2008 Corporate Recruiters Survey—Illinois Regional Outlook

Key Findings

- It appears that participating business schools do not actively work with IL manufacturing companies, instead focusing on their relationships with products and services, finance and accounting, and consulting businesses. The decision to focus elsewhere may have helped graduating students avoid recent troubles in the state's auto manufacturing industry.
- In 2008, more companies in IL expect to hire MBA graduates, and those that will hire MBAs plan to increase their new-hire headcount compared with 2007. Overall, the hiring outlook in IL is more positive in comparison to that of other regions, but the results could be driven by higher MBA turnover rates in the state.
- The compensation offered in 2008 to MBA graduates in IL, including average starting salary, is expected to be slightly but not significantly higher than that offered in other U.S. regions.
- Although a quarter of responding employers in IL (26%) represented accounting and finance firms, MBA graduates will have significantly fewer chances of finding an accounting job in IL (11%) than in other U.S. regions (28%).
- IL firms that seek MBA talent appear to rely more on on-campus recruitment than do companies in other U.S. regions. In addition, a greater proportion of companies in IL (63%) than in other regions (43%) would consider MBA graduates from part-time programs.
- Employers in IL report higher short-term and lower long-term retention rates for their MBA employees.

Employer Profile

Nearly three-fourths (74%) of participating employers in IL were in products and services (31%), finance and accounting (26%), or consulting (17%) businesses (Figure 1). The proportion of firms in products and services in IL was significantly greater compared with representation in other U.S. regions, and the proportion of those in the healthcare and pharmaceutical industry (1%) lesser than in other regions (7%). Compared with companies in the rest of the U.S., participating companies from IL were slightly, but not significantly, smaller (Figure 3).

Figure 1: Industries Represented—IL and the Rest of the U.S.

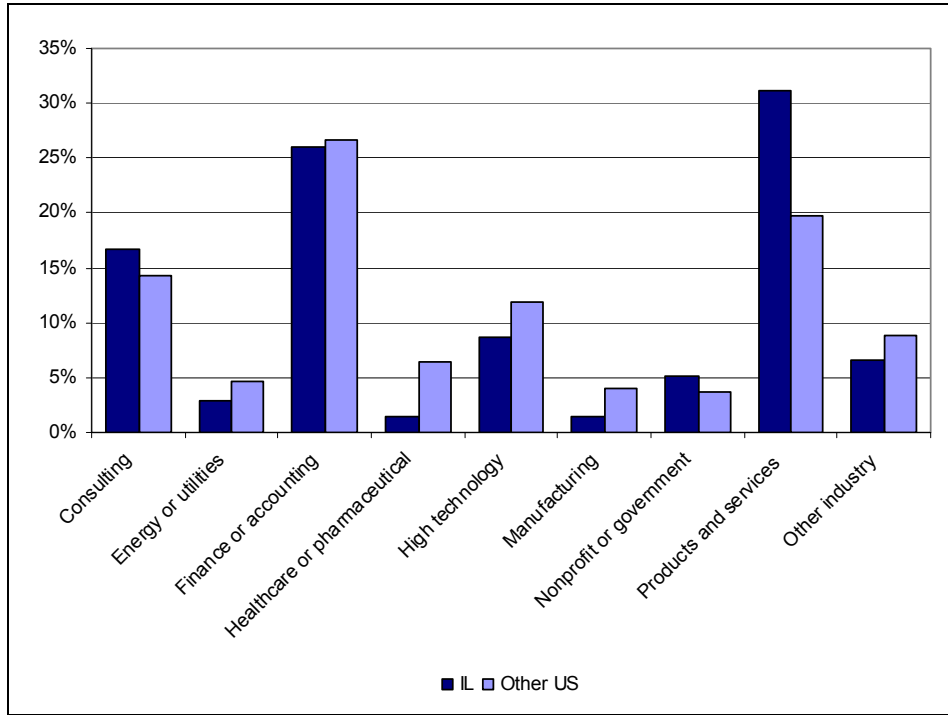
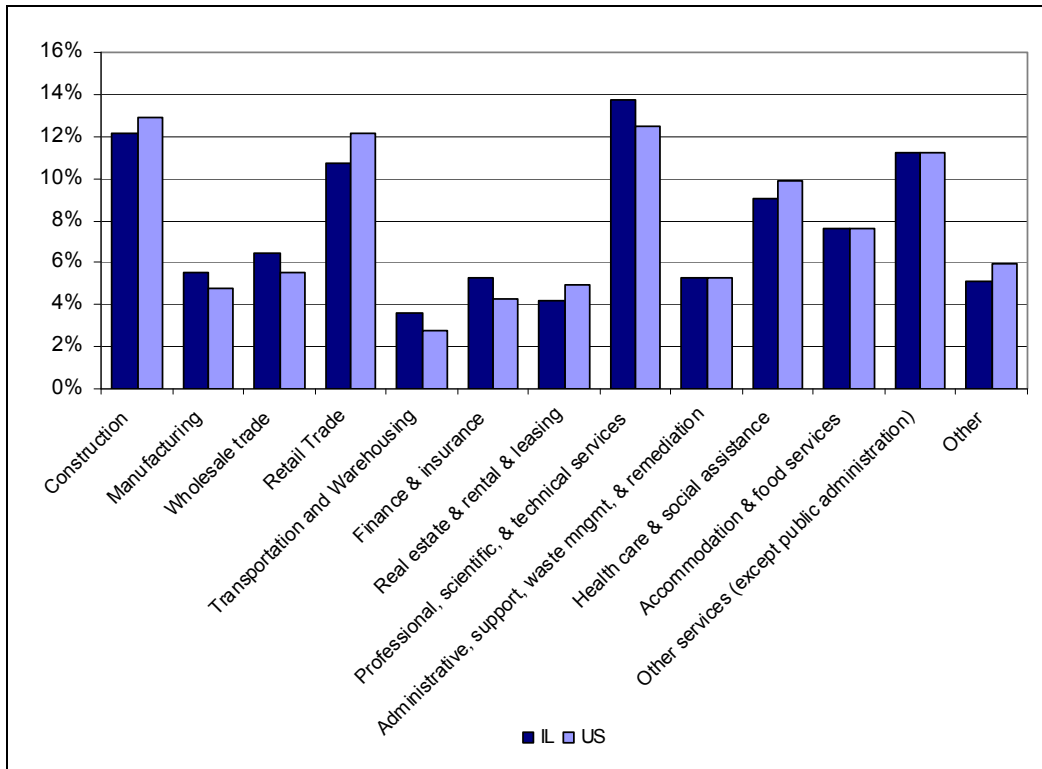
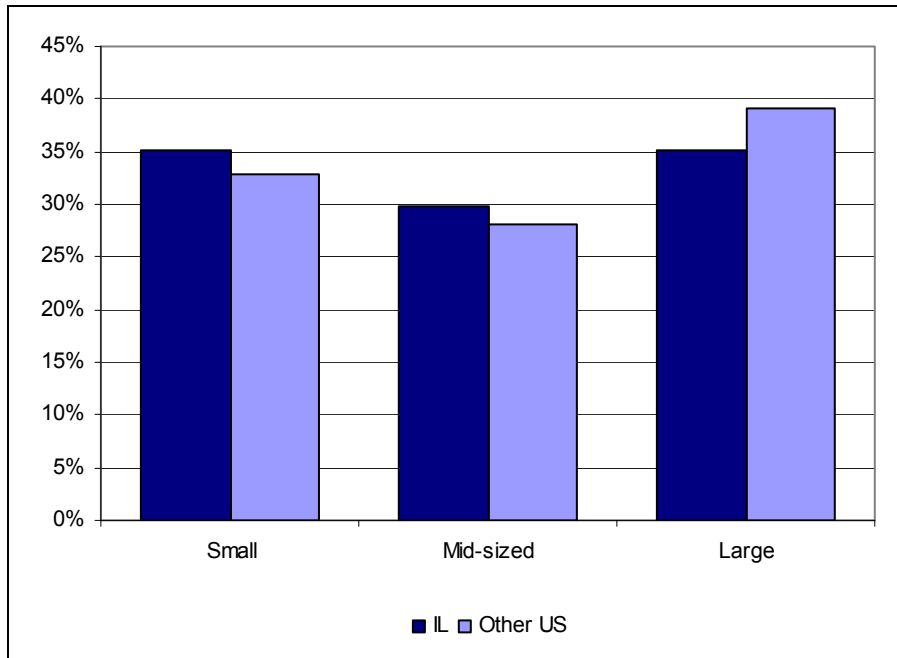


Figure 2: IL and U.S. Industry Profile, Census Bureau



Source: 2005 Statistics of U.S. Businesses, U.S. Census Bureau.

Figure 3: Company Size Represented—IL and the Rest of the U.S.



Recruiting Plans and Compensation

IL employment projections for MBAs are more positive than those reported in other U.S. regions—more employers in IL plan to hire MBA graduates and the number of new hires planned per hiring company is greater (Table 1). Whereas employers in other U.S. regions have rather conservative projections, increasing the number of new MBA graduate hires by 9.5%, hiring companies in IL plan to nearly double their headcount. This optimistic outlook may be partially attributed to a smaller proportion of employers in manufacturing, including auto manufacturing—the sector in IL most affected by the economic downturn.

Table 1. Categories of Candidates Companies Hired in 2007 and Plan to Hire in 2008, by Location

	IL (n = 92)		Other U.S. (n = 1,109)	
	2007	2008	2007	2008
Recent MBA graduates	67%	76%	67%	72%
Average number of hires per company (#) ^a	8.9	15.2	12.6	13.8
Recent MSc in Business or Management graduates	11%	12%	14%	16%
Other specialized Masters in Business graduates	21%	28%	29%	31%
Graduates from disciplines other than business	28%	33%	36%	37%
Recent graduates with a bachelor degree	59%	53%	53%	54%
Experienced direct-from-industry hires	51%	46%	47%	50%
Did not hire or plan to hire any of the above candidates	9%	5%	8%	4%

^a. (IL, 2007-2008) The mean difference is not statistically significant.

New hires with MBA degrees—both seasoned and newly graduated—made up 31% of the 2007 hiring mix at companies in IL, compared with 21% in other parts of the U.S. (Table 2). Although the proportion of MBA graduate hires is greater at IL firms, IL firms are less likely than companies in other regions to draw their employee pool from interns.

	IL (n = 34)	Other U.S. (n = 306)
Direct-from-industry hires	20%	48%
Hold MBA degree	14%	12%
MBA graduate hires	28%	15%
Required additional legal documents (e.g., visa, work permit, etc.)	19%	15%
Were interns at the hiring company	26%	39%
All 2007 hires with MBA degree	31%	21%

^a The mean difference between subgroups is not statistically significant.

Expected Compensation for Recent MBA Graduate Hires in 2008

In 2008, total annual compensation for recent MBA graduates in IL, including average starting salary, is expected to be slightly, but not significantly, more than in other U.S. regions (Table 3). Similar to those that reported in other regions, most employers in IL (76%) plan to increase the annual base salary offered to MBA graduate hires (Table 4). None planned to cut 2008 salaries.

	IL (n = 43)	Other U.S. (n = 428)
Total compensation, in U.S. dollars		
Mean (\$)	\$106,369	\$105,243
Median (\$)	\$108,000	\$100,000
Base salary		
Mean (\$)	\$90,093	\$85,218
Median (\$)	\$90,000	\$90,000
Employers offering signing or starting bonus (%)	69%	60%
Mean (\$)	\$15,478	\$15,021
Median (\$)	\$14,874	\$15,000

^a The mean difference between subgroups is not statistically significant.

Table 4. Expected Change in the 2008 Annual Base Salary for Recent MBA Graduate Hires Compared with the 2007 Annual Base Salary, by Location^a		
	IL (n = 54)	Other U.S. (n = 590)
Increase above the level of inflation	61%	57%
Increase at the level of inflation	15%	17%
No change	24%	25%
Decrease	—	1%
Total	100%	100%
Increase	76%	74%
No change	24%	25%
Decrease	—	1%
Total	100%	100%

^a. The difference between subgroups is not statistically significant.

MBA Jobs

Unlike for other regions, where a strong correlation between industry representation and the availability of expected job function was observed, the substantial proportion of finance and accounting firms among respondents in IL did not lead to more jobs in the accounting area for the group (Table 5). Furthermore, job availability in accounting in 2008 is significantly lower for MBA graduates in IL (11%) than in other U.S. regions (28%).

Table 5. Job Areas for which Employers Plan to Hire Recent MBA Graduates in 2008, by Location		
	IL (n = 70)	Other U.S. (n = 802)
Accounting ^a	11%	28%
Consulting	26%	24%
Business development	36%	31%
Investment banking	17%	17%
Finance other than investment banking	39%	47%
General management	33%	30%
HR or organization management	10%	15%
Information technology or MIS	11%	17%
Marketing or sales	44%	40%
Operations and logistics	27%	25%
Other job areas	9%	7%

^a. $\chi^2 = 9.201$; df = 1; p < .05.

Employers in IL have work experience requirements for graduating MBAs that are similar to those of other regions (Table 7). IL employers also plan to offer graduating MBAs job position levels similar to those offered by employers in other areas of the U.S. (Table 6).

Table 6. Job Levels for which Employers Plan to Hire Recent MBA Graduates in 2008, by Location^a

	IL (n = 70)	Other U.S. (n = 802)
Entry level	44%	53%
Mid-level	70%	67%
Senior level	6%	14%
Executive level	3%	4%

a. The difference between subgroups is not statistically significant.

Table 7. Years of Work Experience Employers Seek in Recent Graduates, by Location^a

	IL (n = 75)	Other U.S. (n = 877)
No work experience	9%	10%
1–3 years	47%	40%
4–5 years	40%	46%
More than 5 years	4%	4%
Total	100%	100%
Mean	3.3	3.4
Median	3.0	3.0

a. The difference between subgroups and the mean difference are not statistically significant.

MBA graduates of part-time programs have better chances of landing a job in IL than in other parts of the U.S.—63% of those who hire MBAs in IL would consider graduates from part-time programs, compared with 43% of employers in other regions (Table 8).

Table 8. Employer Willingness to Consider Candidates from Part-Time, Executive, or Online MBA Programs, by Location

	IL (n = 75)	Other U.S. (n = 877)
Part-time ^a	63%	43%
Executive	45%	38%
Online	13%	12%
None of the above (full-time only)	33%	44%

^a. $\chi^2 = 10.317$; df = 1; p < .05.

Compared with firms in other regions, companies in IL seem to rely more on on-campus recruitment for their MBA hiring (Table 9).

Table 9. Recruitment Effort of Respondents that Recruit On Campus, Percentage of Recruitment, by Location^a

	IL (n = 53)	Other U.S. (n = 609)
On-campus recruitment effort	75%	65%
Off-campus recruitment effort	25%	35%
Total	100%	100%

^a. t = -2.714; df = 64; p < .05.

Although respondents in IL reported a higher short-term retention rate for their MBA hires, long-term retention rates in IL seem to be lower than those reported by other U.S. regions (Table 10). The higher turnover of MBA employees in IL might explain the greater MBA hiring needs in the state versus other U.S. regions (Table 1).

Table 10. MBA Retention Status in Early 2008, by Hiring Year and Location

	2003		2005		2007	
	IL (n = 14)	Other U.S. (n = 174)	IL (n = 23)	Other U.S. (n = 308)	IL (n = 39)	Other U.S. (n = 518)
Retained all MBA hires	14%	19%	13%	30%	80%	68%
Retained some MBA hires	71%	78%	78%	68%	18%	29%
Did not retain MBA hires	14%	3%	9%	2%	2%	3%
Total	100%	100%	100%	100%	100%	100%
Retention rate ^a						
Mean	58%	66%	67%	77%	95%	90%
Median	60%	70%	75%	80%	100%	100%

^a. Retention rate is calculated as the number of MBAs hired in 2003, 2005, or 2007 that continue working for the company, divided by the total number of MBAs hired that year.

Findings presented in this paper are based on analysis of the 2008 GMAC Corporate Recruiters Survey data. For questions or comments regarding the study findings, methodology, or data, please contact the GMAC Research and Development department at research@gmac.com.

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