

Finding Jobs for Stanford MBAs

Andy Chan

Andy Chan, the school's career-management director, talks about the challenges facing today's grads and how Stanford tries to help them

Stanford Graduate School of Business

Andy Chan is assistant dean and director of the MBA Career Management Center (CMC) at the Stanford Graduate School of Business (No. 4 in BusinessWeek's 2002 MBA rankings). Chan, who has both undergraduate and MBA (1988) degrees from Stanford, returned to the school in October, 2001.

It's his first academic post, but Chan is no stranger to recruiting. Most recently, he was president and CEO of eProNet, an online recruiting and career network of alumni associations at 22 top universities, including Stanford. Before that, Chan led MindSteps, which makes career-development software for corporations. His résumé also includes stints at educational-software outfit The Learning Company; WorldRes; educational video and audio publisher SyberVision Systems; Clorox; and Dole Foods. Prior to earning his MBA, Chan was a consultant at Bain & Co. He recently spoke with Mica Schneider, BusinessWeek Online's management education reporter. Here are edited excerpts of their conversation:

Q: You're an example of someone who used an MBA to change careers. In your case, you switched from consulting to marketing, and later to recruiting. Is the MBA still a job-changing tool in such a depressed job market?

A: What I did was over 20 years. It's not as if I got an MBA and then changed right away. The MBA can help you change careers or feel confident because you're given a fundamental knowledge of business that can be applied in a number of areas.

I've been able to take advantage of the network I became part of at B-school. At Stanford, I heard from companies and was able to pursue something new that I was interested in. Since I had come from consulting, recruiters valued my analytical approach to problem-solving. After the MBA, I tapped into friends, or friends of friends, from B-school. The two startups that I've had leadership roles in I found because of my relationships with B-school alumns.

Getting an MBA can be a stepping stone to a new career, but it's not an automatic ticket. It was never that way. An MBA opens doors, but you have to do a lot on your own to persuade employers to hire you.

And some industries are more open to career-changers than others. For instance, consulting firms are looking for bright, personable, strategic thinkers, so having industry-specific knowledge isn't a prerequisite. But if you go to a pharmaceutical company, generally they want people who have a history of working in that industry, as a scientist, or a doctor, for instance. They want proof that you're committed to the field, that you have a passion for the area. Recruiters can have their pick of MBAs, so they're not going to go for you if you're not passionate about the job.

Q: How is recruiting for 2003 graduates panning out?

A: At graduation in 2002, about 88% of our students had job offers. That was one of the highest placement rates among B-schools in the country. But it was the lowest rate in our school's history, so in that sense it was a tough year. And this year will be similar. We've seen more companies looking to hire, and the number of companies posting jobs on our internal, online system has increased. Company visits to campus were up 22% this year. And the number of jobs posted online is 36% higher than it was last year at this time.

But the companies that came [to campus] aren't hiring as many people as they were. Or they thought they'd hire, but as the year unfolded they cut back on hiring. So I don't expect our numbers to change that much.

Q: Are summer-internship seekers having any more luck?

A: Last year, 99% of students looking for summer internships got them. It's easier for the first-year MBAs for two reasons. First, companies can envision hiring someone for the summer to work on a specific project, but they don't have to make a commitment to that person. The employer knows that [the job assignment] has a start and an end.

Second, because the internship isn't a long-term commitment, MBAs can find internships that maybe aren't perfect but are interesting. It's not as big a decision [as accepting a full-time job], so it's easier for them to say yes.

Q: What's the school doing to coax recruiters to campus?

A: We want companies that are interested in recruiting outstanding MBA talent to know that we offer a high-quality, customer-service-oriented process for recruiters. They will have an outstanding experience recruiting at Stanford.

We developed a monthly newsletter in 2001 that's e-mailed to recruiters and alumni who are interested in Stanford MBAs. We talk about how to recruit students, even if an employer can't travel to campus. If we're not in front of the recruiters often, we can easily get forgotten.

The second thing we've done is reassign a long-time staffer, Marie Mookini (see BW Online, 12/20/99, "Meet Stanford's Admissions Director"), to address corporate outreach. Marie was director of MBA admissions from 1991 to 2001. She's now responsible for building relationships with companies that hire MBAs. She reaches out to many alumni executives and managers -- and they'll answer her calls because she admitted many of them to Stanford in the first place.

Q: What's the role of Stanford's CMC Committee?

A: It's a group of about 12 students who meet every week to talk about the key issues that students are worried about. They make sure that the CMC and the student clubs are working together to help students find the career of their dreams.

For instance, there can be tension in the recruiting process if students accept a job and then renege. Or perhaps a company rescinds a job offer. Generally, students don't like talking about it. And sometimes when I talk about it, I sound a bit overbearing. So the committee took the responsibility for talking to the students about it. And we've had very few students renege this year -- fewer than you can count on one hand, and fewer than in the past.

Also, last summer, we had a student do a study of recruiters, interviewing the recruiters to find out how students could do better. We got feedback that MBAs weren't as prepared as they should be for interviews. The student turned the research into a presentation that the committee took out to the student clubs.

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Q: Are MBA interviews really any more difficult than the average job interview?

A: Interviewing can be difficult whether you're an MBA or not. Expectations of MBA recruiters are always high. This is because MBA students have more work and academic experience, and have

been admitted to schools through a selective process. So they expect each student to be darn good at interviewing.

The MBA student has to be able to clearly articulate why he or she is an outstanding fit for the job and company. You want the recruiter to see you as logical and articulate. You must prove that you're the best person for this job. You don't want to be arrogant, but at the same time you don't want to be too humble and miss the opportunity to sell yourself.

With the abundance of information available via the Internet, recruiters expect candidates to have done a lot of research [on employers]. That's a measure of how badly you want the job. For instance, I once hired a woman who told me things I didn't know about Stanford and its competitors during her interview. Her research was so much deeper than any other candidates, that it was a no-brainer to hire her.

Q: Are certain MBA skills selling more than others this year?

A: Not necessarily. This year, we witnessed an increase in on-campus recruiting and job postings across nearly all industries except government, which was flat, and investment banking and investment management, which decreased.

Students have to be well-prepared to interview and be passionate about the companies and jobs they're applying for. They have to clearly communicate why they are the best match, among all possible candidates, with the company and the job.

The skills they're learning in this economy -- interviewing skills, networking skills, persistence, and patience -- are all great skills that will make a difference over their careers. This is the silver lining when compared to times when it's too easy to find a job.

Q: What are your MBAs willing to sacrifice in 2003 to get a job that they may not have considered when the bubble was expanding in the late 1990s?

A: You use the word sacrifice, but it's more about being open-minded. The perfect job doesn't exist in the perfect city all the time. A lot of students, when they go to B-school, think that they can get any job they want. Now, people are more realistic. They're O.K. working in places that aren't their first choice. And they may not get as much money [as in the past].

Q: Speaking of money, how might post-MBA salaries change in 2003?

A: Given the preliminary numbers, base salaries are a little bit higher than they were last year. Last year, the median base salary [for Stanford grads] was \$95,000, and this year it's \$100,000. The median total compensation, including a signing bonus and other first-year compensation, was \$130,000 last year, and \$125,000 this year, so bonus compensation is down.

Overall, salaries are down from 2000, but they're comparable to what MBAs were making in 1998 and 1999. And average job offers have typically been about two per MBA at Stanford.

Q: How does your office differentiate a Stanford MBA from MBAs at other top-ranked B-schools?

A: Stanford is among the most highly ranked schools, but it has one of the smallest class sizes. We're selective about who we accept, and when they're here, they're in a community that's collaborative and teamwork-oriented. If you attend a school that's two or three times the size of Stanford, you can just go through the motions. Here, you're almost pushed by one another to be positive, community-oriented citizens. It carries through when the MBAs become alumni, helping future students and one another.

And it benefits employers, because they're more likely to get people who are team players and leaders at the same time. The MBAs care about themselves, their organization, and the community around them. Many [graduates] are volunteers, board members in nonprofits, or leaders in their communities.

Q: Most schools are keeping an eye out for MBA jobs from nontraditional MBA recruiters -- in packaged goods or manufacturing companies, for instance, instead of investment banks. But many aren't set up to recruit dozens of MBAs at a time.

A: There are sectors in the U.S. economy, and the world economy, that are starving for great businesspeople. And if they could get the best businessperson possible, they would. The challenge is that they wouldn't think about recruiting on campus as a way to find that person. They don't want to waste time, since they have no guarantee that they're going to hire someone.

We offer inexpensive events, such as a career fair, which is cost-effective for the company. We also offer videoconferencing [to interview students], and a résumé book. Marie Mookini can [find out] what kind of person a company is looking for, and then use our student tracking database, which tells us what the students are looking for, so we can identify if there's a student that matches the vacancy].

Q: Your office offers an International Student Visa Workshop to help MBAs from outside the U.S. figure out what they need to do to find work in the U.S. What's the routine advice for those who hope to stick around after graduation?

A: There's hope, but it's challenging. This is the case at any business school, if your objective is to stay in the U.S. to work. The general advice I'd give, and the advice we give most [non-U.S.] students, is that as you think about making [career] changes, the things you can change are your location, your industry, and your job function. If you're an international student, it's good to determine what your No. 1 objective is out of those three.

If working in the U.S. is your goal, then go for a job in a similar industry, and a similar job function [to what you did before the MBA]. If you're trying to change those three things at the same time, and you're an international student in this economy, it's close to impossible.

Q: Where do most Stanford MBAs find their post-MBA jobs?

A: Approximately 40% of Stanford MBAs end up working in Northern California. The second-highest destination is the New York City area, with about 10% to 15% of the class. If you look at most other B-school programs, anywhere from 40% to 50% of students stay in the general region of the school. It's a regional game, but all of the top schools have reach and networks to get students to global locations.

Q: Looking ahead one year, do you see an improvement in MBA recruiting?

A: It is totally determined by where the economy goes. We play the hand we're dealt. But we're committed to delivering high-quality experience for recruiters, and we try to provide the information, tools, and resources students need to help find their dream job.

I have a staff of 17, serving 720 students. So there's a lot of personal attention for students. Four of those people focus on management communications to help students with their presentation and media skills and with their general ability to communicate effectively and professionally.

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