

From Carnegie Mellon to a Career

Ken Keeley of CMU's Graduate School of Industrial Administration says it's a tough market but students are still getting placed

Losing a career-services director in the midst of recruiting season could be a tough blow for any business school. But luckily for Carnegie Mellon University's Graduate School of Industrial Administration (No. 19 in BusinessWeek's latest MBA rankings) a B-school veteran like Ken Keeley is there to stay the course. Keeley, the nine-year executive director of the GSIA's Career Opportunities Center, has assumed the school's MBA career-services duties since former director Jean Eisel left for a similar position at Duke University's Fuqua School of Business in February.

Before arriving at Carnegie Mellon, Keeley directed the MBA program at Ohio State University's Fisher College of Business. On Apr. 10, he spoke with BusinessWeek Online management education reporter Brian Hindo about the MBA job market. Edited excerpts of their conversation follow:

Q: How does this corporate-recruiting cycle compare with last year?

A: This is a quantitatively oriented place, so we look at metrics every week. My best guess, if I were trying to do a summary, is most of the [job-placement] metrics are running about 10% to 15% below last year. And last year I thought was not very good.

Q: Can you describe some of the metrics you use?

A: Yes. All schools try to track what's happening to their graduates. One of the vehicles we have is a Web-based system that enables students to enter their own offers. They can go back and edit them, see them, etc. That's how we get a lot of information. We also get some information directly from companies or when students stop in to visit us.

We try to monitor things like what percentage of students have offers at different times and how many companies are making offers. We're not just doing it for our full-time MBAs, but also for our part-time MBAs, for two specialized programs, and for our summer-intern candidates. We do a comparison every Friday -- this is where we are today, and this is where we were one year ago.

Q: How does this MBA job market compare to what you've seen historically?

A: When I got here in 1994, most schools were just coming out of a pretty funky job period from 1990 to 1993. My best guess is that this is equally as bad, if not a bit worse, than it was then.

Q: What's your assessment of hiring in the investment-banking industry?

A: Our niche in Wall Street is on the fixed-income side of the world, typically in the sales and trading areas.

If you think of equities vs. fixed-income, it's the bond side or the fixed-income side that is relatively strong on the Street. That's where most of our graduates are. So we're affected just like everybody else is. But the hemorrhaging on the Street hasn't been as bad for us. At many other schools, people are moving to other segments, such as private-client services or the true dealmaking, investment-banking side of the equation.

Now, we do have people there. So I'm not trying to make it sound like we're not affected. We are. But the side of the banks that are being most successful right now are the sides where most of our graduates are.

Q: Are you seeing any increase in hiring from management-consulting firms?

A: So far in 2003, we have four accepts with McKinsey. Last year, we had three. In 2001, we had eight. With Booz Allen, we have three accepts. Last year none, the year before, eight. At Deloitte, we had two hires this year, three last year, and 12 in 2001. At PriceWaterhouseCoopers, two in 2003, zero in 2002, and eight in 2001.

So you get the picture: This year is a little bit better than last year with the leading firms. But we're still pale by comparison with where we were in the last pretty decent year.

Q: Is prior experience in an industry a big leg up in the MBA job hunt these days?

A: Right now, that's absolutely correct. Those firms that are still recruiting have much smaller appetites than they did in years past. It's just common sense. If you and I, in our own businesses, were going to hire somebody to work for us, and if we had a choice of two talented people, and someone had relevant experience in the same function or the same industry and the other person doesn't, you hire the experienced one. You want to get as much as you can for the bucks you're going to spend.

Q: So what do people do if they want to change careers?

A: They're having much more difficulty. The two groups of people facing the most challenges in the job market are career changers and international students.

The key is just good old-fashioned, basic job-search skills -- developing a focus for what you want to do, figuring out where you can fit in well. It's as basic as understanding what your interests are, what your skills are, and what kinds of things are important to you. Then, identify the companies and industries that might be able to give you what you want, and learn as much about them as you can.

One of our alumni is a managing director at a fixed-income desk for Goldman Sachs in Japan. He came back to Carnegie Mellon to recruit for his company and he said: "The way I broke in was that I found out who the lead players were on the Street. I researched the kinds of things that they were writing and publishing, and learned as much about that stuff as I could. Then I started to communicate with them about it."

Q: Is Carnegie Mellon doing anything differently to deal with special concerns that international students might have?

A: One of the first questions I ask any international student when I sit down to work with them -- knowing what our own economy is like -- I say, "Is the economy any better in the country you come from than it is here?" Only one group of students, by the way, gives me an affirmative answer -- students from China. They feel that the opportunities back there are much more significant right now than they are here in the States.

Two industries that frequently will absorb a good percentage of the international students are consulting and the banking industry. The relative demise of those two industries recently makes it more challenging to place internationals.

One of the things that we do is try to get the international students to focus on situations where their background or skills are an advantage. I'm not just talking about my job-specific skills, but also about language skills and cultural understanding.

I was doing work with a student from Japan yesterday, and trying to get him to identify Japanese companies doing business in the U.S. or U.S. companies doing business in Japan or greater Asia.

And when you start to think that way, then you start focusing on a group of employers who regard you as an asset rather than a liability.

Q: How are first-year students doing in the internship hunt? Is it relatively easier to land a summer gig than a full-time job?

A: I think so. One of my experiences with the MBA population every year is that second-year MBA students are always a bit more relaxed about the job search than first-year students. And I've come up with a reason for that. After you've worked with students for a full year, they understand the process. You've been able to teach at least some of them more effective ways of going about it. They have confidence in you, your staff, and the school to be able to help them make things happen.

First-year students have a blank page. You have to earn their trust and respect. They enter with a great deal of anxiety, and until you prove to them that you're going to work hard to help them realize something, there's an element of distrust there.

As a comparison to last year, as of this morning -- and, again, this is not a strong job market -- 100 of our students looking for a summer internship had an offer. Last Apr. 9, 100 students had an offer of summer internship on that date -- a perfect match. This year's class is a little bit larger, so the percentages wouldn't be the same, but the raw number is.

We had 64 companies so far this year make offers, and it was 57 companies last year. Having more companies make offers feels good to me.

Q: Are students relying on their summer internship to turn into a full-time job at graduation more than they have in the past?

A: What we're hearing is that more companies are making the first thrust of their full-time hiring via their internship program. With their reduced appetite, they're trying to fill as many of their full-time slots from their internships as they can.

In theory, if they could fill all their full-time needs, they wouldn't even come back to campuses to recruit. So that does put pressure on the students in the first year. That doesn't mean that 100% of the firms are doing that, but that's certainly a trend.

Q: Has managing expectations been easier to do with the current first-year class than it was with the classes that applied and matriculated during the boom times?

A: You know, contrary to what you and I would both think, I don't think it has been. The first-year class, to me, has appeared to be more anxious than most first-year classes that I've worked with. And yet, if you think about the time span on this stuff, it's the first class that entered when the market was really already down.

Q: What does the current hiring picture look like industry by industry?

A: If I look at our full-time hiring, right now manufacturing -- which, for us, is always large -- is running at 53.6% of our accepts. Financial services is running at 28.6%, of which I'd say more than half -- 16% -- is in investment banking. So there's a small percentage in commercial banking or venture capital or something like that.

And we're running so far at about 11% in consulting, which is about where we were last year. If you compare that consulting number to 2001 -- I think we were at about 36% or 37%.

Q: Are there any other industries that have picked up at all, even though they might be a small percentage of the overall class?

A: Within the manufacturing group, the three industries that are the largest percentage of our accepts so far are pharmaceuticals, biotech, and health care. Consumer products companies are 9.5%, and automotive companies -- believe it or not -- are at 8.3%.

Q: As you talk to employers, what must MBAs have in their tool kit when they get out of the program that will help them get jobs?

A: I think one of the reasons they like our students is that they come with very strong analytical skills and very strong teamwork skills. Employers want people who can hit the ground running and be productive right from the beginning. People with good technology, analytical, and teamwork skills can produce pretty quickly.

Q: Is there any end in sight for this hiring downturn?

A: I'd rather you asked Alan Greenspan, or Allan Meltzer or Kathryn Shaw on our faculty. I'm 56, and if this lasts too much longer, I'm going to be a really old man very fast.

The companies coming in always say that the people managing their businesses have to be confident that they're making money before they're going to open their purse strings. Most of them are defining making money as showing black ink for two successive quarters.

Q: Do you think it's still a good strategy to use an MBA program to change careers?

A: As difficult as it may be, with the economy the way it is right now, there's no easier way to change careers than to reeducate yourself. It's pretty tough just to stop being an engineer or stop being a journalist and to jump into a business career.

Now, common career-counseling advice is to try as best you can to figure out what you think you want to do after business school before you make a choice of schools. And then, once you think you know what you want to do, look for a school that you think has the potential to get you there.

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