

## **MBA jobs: for some, a waiting game**

*Lindsey Gerdes*

*Some companies are now asking graduating MBAs to delay their start dates for months, and many students are expecting the worst.*

For this year's MBA grads, "no" seems to be the answer to everything. No offers. No jobs. No internships. No call-backs. No interviews. Thanks, but no thanks. For those lucky students who already have an offer in hand, even yes comes with a no attached: Not yet.

In recent weeks, cash-strapped employers who have made firm offers have begun delaying start dates for MBA hires, mainly in service-based industries such as consulting, but also in more isolated instances at companies in industries ranging from consumer products to electronics.

Three- to six-month delays

And it's not only new MBA grads who are facing delays. "We've had a couple of companies say to our interns: 'Can you start a couple of weeks later?' " says Jeffrey M. Fischer, director of the MBA Career Management Center at the University of North Carolina at Chapel Hill's Kenan-Flagler Business School (Kenan-Flagler Full-Time MBA Profile).

The delays for post-graduate permanent positions are usually anywhere from three to six months. Some companies such as Deloitte, which has confirmed delayed start dates for a handful of new MBA hires in its consulting practice, are providing graduates with partial compensation. Others are giving them an up-front signing bonus and even health benefits, while still others are offering little more than a handshake and a promise, leaving many wondering if the jobs will exist three or six months down the road.

With no money coming in, they're also wondering how they'll get by. One 28-year-old student at Northwestern's Kellogg Graduate School of Management (Kellogg Full-Time MBA Profile) had her start date with a global beverage company pushed back from just after Labor Day to January 2010. All she got was a relocation payment, and she won't get her signing bonus until 30 days after she starts. As a result, she'll may need to move in with her parents to make ends meet. "I really need that money now," she says, "not in six months."

"Assume you don't have a job"

Like many graduates who told BusinessWeek about their delayed offers, this MBA insisted on anonymity for herself and the company, saying she feared alienating her potential future employer. BusinessWeek contacted all the companies that reportedly delayed start dates for these hires; all but Deloitte were unwilling to discuss them or provide details.

For graduates, delayed start dates create a dilemma: How do they stay on the good side of their intended employer while still hedging their bets to make sure they end up with some kind of paying job? Some have taken short-term opportunities at other employers, while others are secretly looking for other jobs, and still others are working for their future employers without pay until their official start date, just to keep their foot in the door.

Career counselors are advising students who have delayed start dates to seek temporary work to pay the bills and quietly pursue other positions so they can hit the ground running if their hoped-for job disappears. Some are less hopeful than others. Harry Kraemer, a former Baxter (BAX) CEO and current Kellogg professor, advised MBAs at a recent panel discussion at Kellogg

to treat the offers as nonexistent and hope to be proven wrong. "If your start dates get pushed back," he told them, "just assume you don't have a job."

Pushing back start dates during dips in the economic cycle is not unheard of. In fact, employers have been known to delay start dates in every economic downturn, most recently in 2002.

This year, says Roxanne Hori, assistant dean and director of career management at Kellogg, the delays are more widespread, but they aren't yet as long as they were in 2002, when one Kellogg grad waited 18 months before finally starting his job.

But what if the economy doesn't turn around in the next six months? Hori hopes that companies will learn from their past mistakes and realize that in the short term it's not worth the reputational damage to ultimately rescind these offers, as some did in 2002, and in the long term, it is also detrimental to the success of the company. "From the short-term perspective, there is a branding issue. But more important is the impact internally. When you have a gap year when you don't have much talent coming through, it creates some lapses later on. You don't have a pipeline and that becomes a problem."

#### How to hedge your bets

For MBAs, deferred start dates—even if the jobs do, ultimately, materialize—are a real hardship, says Maury Hanigan, president of the MBA Scouting Report. Many have mortgages or have uprooted their families to attend business school, so they don't have a spouse with an income to help pay the bills. "They can't just go and play in Europe for six months," Hanigan says. "They're older and they tend to be more established. They tend to have families or at least spouses. And they've got school debt kicking in."

The problem is that searching for a new job after having already accepted one is sometimes viewed as inappropriate, a violation of an unwritten code between employers and employees. Even so, Hanigan says, many MBA grads with delayed start dates are throwing job-hunting etiquette to the wind. "Realistically, I think students are keeping their eyes and ears open for other opportunities, but trying to do it quietly so they don't risk the job they have in hand."

Some who have accepted some form of payment—be it a relocation stipend, signing bonus, or partial compensation—say they feel they have formally committed to starting at a later date. But many say their future employers are encouraging them to take short-term project assignments with other companies to generate income during the interim.

First and foremost, says Kenan-Flagler's Fischer, students should try to be as honest as possible with their future employers so that they don't burn bridges. "The one thing I would tell students more than anything is how you handle yourself in a crisis situation sets the stage for how you're perceived in your career."

But even Fischer admits it's good to have a back-up plan. To give students one, UNC recently partnered with a training firm to give 40 new MBA grads a four-day crash course in credit analysis, analyzing and restructuring a company's debt. "We asked the question, in a bad market how do you take our finance education, which is quite good, and get the rubber to the road?"

Not a bad back-up plan to have because, while some job offers will eventually pan out, other students may ultimately be forced to get creative.

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