

MBA dropouts: business school, interrupted

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When opportunity knocks, MBA students sometimes drop out, for a semester or a lifetime. The good news? You can come back.



Sometimes destiny gets in the way of business school. You land upon a once-in-a-lifetime job opportunity, you get pregnant, the military calls your number, someone in your family falls ill. And it interrupts the MBA learning process. "For lots of students, leaving is the right thing to do," says Ann Harvilla, associate dean of students for the full-time MBA program at the University of Chicago Booth School of Business (Booth Full-Time MBA Profile). "One plans to spend two years in school, but life happens."

Officials at most top business schools will tell you that "life happens" to a couple of students per year. These aspiring MBAs usually have to take off for a semester or a quarter. Few students leave the program for good. Most take some time off and then return to graduate. All of them have a unique personal story and a good reason for stepping away. None of them take the decision lightly.

One would think that during an economic crisis, more students would be leaving B-school to pursue job opportunities or startups that become available midway through the program—and may disappear by graduation. That has not been the case, say administrators. In fact, the last time business schools saw an increase in the number of MBA dropouts was in the 1990s when dot-coms were flourishing. Even then, the numbers were small. Candidates are more likely never to join the MBA program than to drop out, says Michael Stepanek, MBA program director at the University of North Carolina Kenan-Flagler Business School (UNC Kenan-Flagler Full-Time MBA Profile), where 11 students have left the program in the last five academic years, including those who became ineligible because of poor grades.

Big name dropouts

While there are challenges involved in returning to business school after an absence, career advancement typically is not one of them. Even so, big name MBA dropouts—including Microsoft (MSFT) CEO Steve Ballmer, who left Stanford Graduate School of Business (Stanford Full-Time MBA Profile) to work with his college pal Bill Gates, and filmmaker Georgia Lee, who left Harvard Business School (Harvard Full-Time MBA Profile) and was discovered by Martin Scorsese—are the exception and not the rule.

For many people, dropping out, even if for just a little while, is still the best choice. Having to decide between continuing an MBA program you've already started and seizing an exceptional

job opportunity is a good problem to have, especially during an economic crisis. Still, Tristan Handy, a student at Kenan-Flagler, was anxious when he had to discuss such a decision with the administrators at his school in August 2009, after having just completed his first year of studies and the traditional summer internship.

At the time, Handy's college buddy asked him to come on as the director of operations for Squarespace, a startup dedicated to online publishing and content management that grew from nearly \$270,000 in revenue in 2005 to \$2.2 million in revenue in 2008, and continues the upward trajectory, according to data provided by Squarespace to Inc. magazine. The idea behind the company is to make Web site publishing accessible and possible for anyone, not just professional Web designers.

While classmates in the MBA program were struggling to find any job, Handy was given a chance to take on a leadership role at a promising new company. But he didn't like the idea of leaving his MBA half-finished. And he didn't know if the school would support him—or allow him to keep his fellowship, which made attending business school financially feasible.

Startup vs. school

Kenan-Flagler's administration surprised him with its support. "[The administrators] want you to be successful," says Handy. "Anything that makes you successful is in their interest. "Ultimately, the chance to contribute to this growing startup beat out the second year of Kenan-Flagler's full-time MBA program for Handy. But he could return to Kenan-Flagler within two years, keep his scholarship, and graduate. The school offered to help him finish his studies while working, which is something he is also considering.

For now, Handy says he is putting what he learned in the first year of his MBA program to good use at work—and he hopes for a bright future. "If I'm COO of a publicly traded company in two years, then I won't return to school," he says. "If it falls apart, which could happen to a startup with 20 or so employees, then I'll be back in business school quickly." Regardless, the MBA seems like unfinished business for him, and he might consider eventually finishing his studies in an executive program, Handy says.

Of course, there are rules for leaving and returning to school. Kenan-Flagler, for example, is keeping Handy's seat warm—and his scholarship intact—for two years. Most schools, including Kenan-Flagler and University of California at Berkeley's Haas School of Business (Haas Full-Time MBA Profile), allow students to take leave only after completing the core. Administrators usually have lengthy conversations with students before they decide to leave. And they keep up the dialogue even after the student moves on.

Varying policies

Although these students make an otherwise clean break from the MBA program, the schools still support them. For instance, at Booth, students who leave the program temporarily during the recruiting season can still get a helping hand in the off-campus job search if they'd like, says Harvilla. Every school's policy, however, is slightly different.

Schools explain to students that they will have a different class and perspective if and when they return to business school. They also point out that there will be ramifications for their financial aid packages. Some students, in fact, have to make loan payments during their leave of absence, says Stepanek. Managing your choices is a necessity, he adds. "You must be prepared to explain your leave to recruiters," says Stepanek. "Why was it necessary? What did you learn from your time away?"

For some students, the type of MBA program they pursue can alleviate some of the challenges. A part-time program, for instance, allows more flexibility than its full-time counterpart. That's what drew Carol A. Bonacossa to the part-time program at Florida International University (FIU Part-Time MBA Profile) when she was pregnant with her now four-month-old daughter. The mom of two daughters under the age of four needed a program that could fit into her busy life. "I feel like a juggler in a circus," says Bonacossa. "You have to plan your time wisely."

A part-time business management consultant, who works from home, she completed one semester while pregnant and then took off one semester to have her baby. Now she is taking one class and plans to step up her school schedule next semester. Considering the bevy of options—from one-year to executive MBA programs—is a smart move for anyone who thinks life might interrupt a full-time experience. The important thing is to get your education, says Bonacossa. "People will tell you there is no right time to have kids because you're never really ready until it happens," she adds. "The same is true with school. ...You should just jump in."

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