

Health care: Rx for MBA job blues

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Health care is one of the few bright spots in an otherwise dismal job picture for b-school grads, and reform, if it happens, has the potential to make it brighter still.

For two years, MBAs have suffered mightily, as the credit crisis, recession, and bursting of the housing bubble have wreaked havoc on the job market. One by one, starting with investment banking, whole industries have erected "MBAs Need Not Apply" signs. One big exception is health care.

With the prospect of health-care reform on the horizon, many MBAs are suddenly showing an interest in an industry that until now has attracted only a smattering of business school graduates, and with good reason. In the fall, according to a survey by the MBA Career Services Council, health care is one of a small handful of industries generating a surge in recruiting on campus, with 31% of the 78 schools surveyed reporting an increase in health-care recruiting. While many MBAs are pinning their job hopes on passage of a health-care reform bill, which is now anything but certain, for many the industry is a good bet regardless of the outcome.

"I feel like a kid in a candy shop," says Joy Somerset, a second-year MBA student at Indiana University's Kelley School of Business (Kelley Full-Time MBA Profile), who will be joining the Eli Lilly (LLY) leadership development program in a marketing capacity when she graduates in 2010. "When I see health care, with so many unmet needs and challenges, even if I decide to change my role over time, there will still be so much I can do."

Innumerable problems to solve

Part of the reason health care attracts MBAs is that it's such a mess. The impetus for health-care reform in the first place was high cost, ineffective treatments, and millions of uninsured Americans—problems that will require solutions whether reform passes or not. Jeff Freude, a second-year student in the Healthcare MBA program at Vanderbilt University's Owen Graduate School of Management (Owen Full-Time MBA Profile) believes an aging population requiring more care, a financially challenged Medicare system, and ever-rising costs make health care one of the greatest challenges facing the American people. "We must bring consumption and cost to a sustainable level," he says. "Health care accounts for 20% of the economy, which is a lot. It's a real challenge and opportunity for MBAs."

He's not the only one who thinks so. At Duke University's Fuqua School of Business (Fuqua Full-Time MBA Profile), 10% of the class of 2009 took jobs in health-care industries, up from 3% in 2007. At the University of Pennsylvania's Wharton School (Wharton Full-Time MBA Profile), the number entering health-care fields increased from 4.3% in 2007 to 8% in 2009. At Indiana's Kelley School, the number doubled from 8% in 2007 to 16% in 2009, and administrators had to turn away applicants for the 35 slots in the business of life sciences program, which attracts recruiters from across health care, including Boston Scientific (BSX), Pfizer (PFE), and Abbott Labs (ABT).

A whopping 29% of Owen's Class of 2009 took jobs in health-care industries, up from 11% two years earlier. That's more than in any other industry, including financial services.

Many business schools are reporting, at least anecdotally, an increased interest in health-care courses, internships, and jobs among MBAs. And some schools are noticing more medical doctors going back to school for an MBA or management degree. Seth Lee, vice-president for talent acquisition at Bon Secours Health System, headquartered in Marriottsville, Md., which oversees 17 hospitals across six states, says the greatest opportunity for MBAs at the moment

lies in electronic medical records. There are also posts available for MBAs at health-care companies in departments dedicated to human resources, finance, information systems, and improving delivery of patient care, Lee adds.

A start with medical records

Thanks to the 2009 stimulus package, the implementation of electronic medical records, also known as health information technology, is already creating work for MBAs. The Obama Administration set aside as much as \$36.5 billion in spending to create a nationwide network of electronic health records, one goal being to save money by avoiding duplicate diagnostic tests and other inefficiencies. MBAs are needed to design the system, implement its use, and manage those who will be using it. It's a massive undertaking that requires many of the skills that MBAs already possess—from good communication to strategic management.

Ayman El Tarabishy, a research professor who teaches a popular course on electronic medical records at the George Washington University School of Business (GW Full-Time MBA Profile) in Washington, D.C., says it could potentially be a \$20 billion market. "The money is there," says El Tarabishy, who is also executive director of GW's International Council for Small Business. "Business people want to be a part of it." About 100 business students have signed up for his class.

While MBAs have many skills that lend themselves to helping reform health care, they need to acquire other talents should they decide to enter the field, say professors who teach courses on the subject. They must educate themselves on public policy and health-care legislation and how that will affect the business of medicine. They don't need a medical degree, but they should have some basic understanding of the work doctors, nurses, and other health-care providers do. Strengths in finance and change management will come in handy as well.

Doctors need managers' help

A need for good managers is obvious, says El Tarabishy. "MDs can't run the show alone," he adds. "The discussions about health-care reform are happening in medical school. But they need to be happening in business school, too."

And not just among those who hope to land jobs in health care. As managers in virtually any field, business school graduates will confront the issue of health care head on, whether it's the high costs of insurance for employees and retirees or the complex web of health-care regulations. Any change on the scale of those being contemplated in health care will be a challenge for anyone in business, says El Tarabishy. "It's exciting," he says, "but also messy."

For those entering the health-care industry and playing a role in reform, though, the challenges will be particularly acute. Like a surgical intern operating on a live patient, MBAs will be helping to repair a broken system—without killing it in the process. For that, El Tarabishy says, it helps to be a team player and to have a tolerance for the great unknown.

"An effective health-care program will feature innovation and perspectives from people of all different backgrounds," says Ryan Schwarz, a medical and MBA student at the Yale School of Management (Yale Full-Time MBA Profile) who hopes to help create health-care systems for other countries. "There's no clear answer about what's the best path forward."

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