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WOMEN AND THE MBA: GATEWAY TO OPPORTUNITY

CATALYST

CENTER FOR THE EDUCATION OF WOMEN AT THE UNIVERSITY OF MICHIGAN

UNIVERSITY OF MICHIGAN BUSINESS SCHOOL

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INTRODUCTION

PURPOSE OF THE STUDY

This study was launched in March of 1998 by three prominent organizations concerned about the future of women in business: Catalyst, the University of Michigan Business School, and the Center for the Education of Women at the University of Michigan.

We sought to gain insight on the issue of the relatively low enrollment of women in business school by asking MBA recipients in our study why they thought women were underrepresented in MBA programs. The study's main objectives were: 1) To understand the experiences and career outcomes of men and women MBA graduates, 2) To explore what educational and business organizations can do to encourage more women to apply for and enroll in top-tier programs, and 3) To understand the strengths and weaknesses of MBA programs and careers in business for women.

WHY FOCUS ON THE MBA?

MBA graduates are a significant part of the talent pool for corporate leadership. Major corporations and firms compete to fill entry-level management positions with graduates from top-tier business schools. These programs are characterized by student selectivity, success in placing graduates, and a reputation for academic quality among business school deans, program directors, and corporate recruiters.

As *Business Week*, a leading business publication, states, "Companies are very happy with the skills today's MBAs possess. They have a rare mix of financial, technical and communications skills that companies have trouble finding in engineers or other degree holders."

Degrees from the nation's top business schools are increasingly lucrative. According to data from *Business Week's* most recent ranking of the top 20 MBA programs, average first-year compensation for graduating MBAs is \$131,295.²

And yet, women's enrollment in business schools has not equaled their enrollment in law or medical schools. The enrollment of women in both top-tier law and top-tier medical schools currently stands at 44 percent. In contrast, women's enrollment at top-tier business schools has plateaued at 30 percent. 4

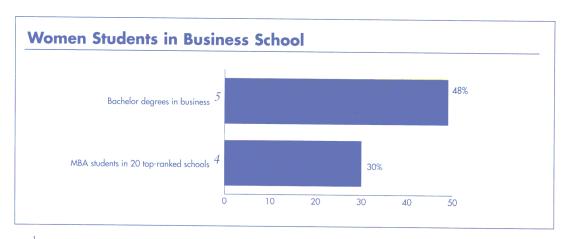


Figure 1

Business Week, "The Best B-Schools," October 19, 1998.

² Business Week's Guide to the Best Business Schools, 6th Edition.

³ U.S. News and World Report: Best Graduate Schools, March 29, 1999.

⁴ U.S. News and World Report: Best Graduate Schools, March 29, 1999.

U.S. Dept. of Education, National Center for Education Statistics. Degrees and other awards conferred by Title IV Eligible, Degree-Granting Institutions: 1996-97. Washington, DC: 1999.

THREE CONSTITUENCIES

- Academia. Twelve of the top-tier business schools in the U.S. participated in this study, an
 indication of the interest in achieving greater representation of women in their MBA
 programs.
- **Business**. Increasingly, leading business organizations recognize that the best and brightest women must be readied for future corporate leadership. These concerns are demonstrated by the 13 companies that provided funding for this research. The interest for business hinges on two major points:
 - With unemployment currently at 1.8 percent for managers and professionals, competition for talent is fierce.⁶
 - Companies are under increasing pressure from a variety of stakeholders to increase the diversity of their executive group.
- **Women**. Based on the enrollment figures noted above and findings from this study, it appears that women as a group do not fully recognize the advantages of an MBA degree. It is our hope that findings from this study will go a long way toward solving that problem.

ABOUT CATALYST

Catalyst is the nonprofit research and advisory organization that works to advance women in business and the professions. It has a dual mission: to enable professional women to achieve their maximum potential and to help employers capitalize fully on the talents of their women employees. Catalyst maintains a pragmatic and solutions-oriented approach that has earned the confidence of business leaders, who count on Catalyst to help them address women's workplace issues and develop cost-effective responses.

ABOUT UNIVERSITY OF MICHIGAN BUSINESS SCHOOL

The University of Michigan Business School (UMBS) is home to top-rated undergraduate, MBA, Ph.D., and executive education programs and has been rated in surveys of business executives as the most innovative business school in the world. UMBS's programs combine full-range academic prowess with intensive developmental experiences to turn out results-producing business leaders. The School is one of the most richly diverse of the top business schools, which UMBS considers vital for excellent management education and development. UMBS has a strong point of view that getting the best talent into business schools and businesses requires tapping and developing people from all demographic groups.

ABOUT THE CENTER FOR THE EDUCATION OF WOMEN AT THE UNIVERSITY OF MICHIGAN

The Center for the Education of Women at the University of Michigan is nationally recognized for its work on women and higher education, employment, careers, and leadership. Since its founding 35 years ago, the Center's mission has been three-fold: research to increase our knowledge of women's lives; advocacy to reduce barriers to women's advancement; and service to help women further their educational and employment goals.

⁶ Bureau of Labor Statistics, Table A-5. Selected Unemployment Indicators, Seasonally Adjusted, September 1999.

OVERVIEW

The number of women in top MBA programs significantly lags behind men, with women typically accounting for about 30 percent of enrollment. While this represents a marked increase over the last 25–30 years, it is a proportion that significantly trails the percentage of women in top medical and law schools. The situation points up dramatic untapped opportunity for women, businesses, and the global economy.

The best MBA programs are, collectively, a significant gateway to individual opportunity. A key reason for this is that these programs are major sources of talent for top companies. Increasing the number of women in business schools would bring greater career and economic opportunity to women. At the same time, it would help accomplish two important objectives for businesses: ensure that these favorite corporate recruiting grounds represent the best of the complete talent pool and contribute to building a more diverse workforce, which is an important competitive advantage.

The study was designed to shed needed light—facts and not speculation—on the environment for women in business schools and in the careers pursued by MBA graduates. There has been much speculation about these issues and about how men's and women's attitudes might differ. This study is the first in which such attitudes and opinions have been captured from such a wide-ranging population of graduates of top MBA programs.

This study reflects the insights of the graduates of 12 of the nation's very best business schools, the women and men who are uniquely situated to offer first-hand experiences, opinions, and attitudes on these issues. Findings reveal the actual experience of business school for men and women, as well as satisfaction with and issues concerning the post-MBA career. MBA graduates also offer insights into reasons for women's relatively low enrollment in business school. The findings suggest strategies business schools and businesses might undertake to appeal to the complete pool of talent.

The study is the product of a partnership among three organizations—Catalyst, the University of Michigan Business School, and the Center for the Education of Women at the University of Michigan. An advisory board of 13 leading companies, representing a reasonable cross-section of the range of MBA recruiting firms, contributed to the formulation of the study as well as to its funding.

Key Finding:

MBA graduates—both female and male—are highly satisfied with the business school experience and the value of the MBA to their careers. (See pages 11 and 21-22.)

- Approximately 95 percent report they are 'very satisfied' or 'somewhat satisfied' with their experiences in business school.
- MBA graduates are highly satisfied with the value of their MBA to their careers. This indicates that the MBA degree fulfills their expectations of career change or career advancement, higher earnings, and enhancement of their professional credibility.
- Respondents report that interactions with other students, curriculum, class size, opportunity
 for group work, and use of case studies are the most rewarding experiences of business school.

Key Finding:

While men and women agree on the rewards of the business school experience, women are more likely than men to perceive some aspects of the business school experience as problematic. (See pages 13-19.)

- Women are less likely to feel they can relate to the people in business school case studies and have the opportunity to work with female professors.
- Women are somewhat more likely to feel that the business school environment is aggressive and competitive.
- African-American women are significantly less likely to feel included in business school, and
 are twice as likely as white women to recommend focusing on diversity education and
 recruiting practices.

Key Finding:

Graduates provide insights as to why women may not pursue an MBA. There is substantial agreement among MBA graduates on critical strategies to increase women's participation in MBA programs. (See pages 16-17, 20, and 41-52.)

- Graduates cite the lack of role models and the perceived incompatibility of business careers with work/life balance as the top two reasons why women may not pursue an MBA.
- A key strategy, cited by both men and women, to attract women to MBA programs is to make the business environment more inclusive of women. Businesses should: feature more women business leaders as role models; involve women students and faculty in recruitment; provide additional guidance and financial support; and improve marketing and outreach to women, especially to create awareness of the opportunities presented by business careers, and particularly among liberal arts undergraduates who seem to have less awareness of business opportunities and the compatibility of these careers with women's personal and professional goals.
- Women especially stress the need to hire more women faculty, increase the overall diversity of business schools, and to sensitize and evaluate faculty on issues of gender, race, and diversity.

Key Finding:

The vast majority of female and male MBA graduates report that they are satisfied with their post-MBA careers; nonetheless women are less satisfied with selected aspects of their work experience, and the level of support they receive from their employers. (See pages 21-29, and 39-40.)

- Women and men report nearly equal satisfaction with their current work environments, the extent to which they have high visibility assignments, and the supportiveness of colleagues.
- Women graduates hold positions in a wide range of industries and functional areas; fewer women than men are in line positions.
- Women report greater difficulty with career advancement and less access to options that facilitate advancement such as mentoring, sponsorship from senior management, and working in line positions.
- Those women who worked continuously full-time since getting the MBA degree, with no gaps or leaves, experience the same rates of promotion as men in a comparable group.

- African-American women are the least satisfied with career outcomes and advancement overall. They are also more likely than white women to believe they must make adjustments to fit in at work, and are less likely to feel that they have supportive colleagues.
- Both men and women see high-visibility assignments and long-range development plans as crucial to their advancement and career satisfaction.

Key Finding:

Both female and male MBA graduates seek flexibility in the workplace and express concerns about work/life balance. (See pages 29-38 and 53-54.)

- Over half of men and women indicate using some type of formal or informal flexible work arrangement, from flexible arrival/departure times to compressed workweeks and telecommuting.
- Women, especially white women, are more likely to experience time out of the workforce and reduced work options because of family responsibilities.
- Graduates in general, and especially women, are less satisfied with work/life balance than with their careers overall. As hours worked increases, satisfaction with work/life balance and leisure time decreases.
- Increasing flexibility/addressing lifestyle issues is the primary reason women cite for starting their own business.

Key Recommendations

The findings strongly suggest that there is much that business schools and companies can do to make women aware of the benefits of the MBA degree and of a business career. Findings also suggest means by which schools and companies can create environments that will be better for men, women, and business. Detailed recommendations, based on the report's findings, are included at the end of the report. Key actions for business schools and businesses include:

Aggressively recruit women to business schools and business careers

- Reach out to women to inform them about business and MBA programs, emphasizing the flexibility of the MBA degree and the power of business people to benefit society
- Feature women executives from diverse backgrounds in recruiting efforts
- Identify and develop talent at an early age
- Identify and aggressively recruit women through personalized recruiting, mentoring, and financial support

Develop inclusive academic and business cultures and environments

- Demonstrate commitment and support of women at the highest levels of leadership in business school faculties and in business organizations
- Have clear accountability for diversity efforts and then measure results
- Engage men and women in a dialogue about how they work together as colleagues and how the environment can be improved to better support all employees

Enhance career outcomes for women MBAs

- Provide structured career support, emphasizing high-visibility assignments, performance feedback, and support from the supervisor
- Improve work/life programs and policies
- Nominate women employees to boards of companies and nonprofit organizations to expand their personal and professional networks

METHODOLOGY

LITERATURE REVIEW

Twenty-five studies, conducted between 1982 and 1996, were reviewed in preparation for developing the hypotheses and methodology for this research. A number of these prior studies compare career outcomes for one class of male and female MBA graduates from a particular business school; a smaller number compare the experiences of graduates from two or more programs.

For the first time this study includes graduates of 12 business schools and allows for analysis of findings by gender and graduation cohort. And, again for the first time, we include African-American MBA graduates of top-tier programs and are able to present their perspectives.

SURVEY

Study findings are primarily based on a written survey of MBA graduates from the following 12 top-ranked business schools that shared contact information for their graduates:

- Columbia University Graduate School of Business
- Dartmouth College, Amos Tuck School
- Duke University, The Fuqua School of Business
- John E. Anderson Graduate School of Management at UCLA
- MIT Sloan School of Management
- New York University, Stern School of Business
- Stanford Graduate School of Business
- University of California at Berkeley, Haas School of Management
- University of Chicago Graduate School of Business
- University of Michigan Business School
- University of Pennsylvania, Wharton School of Business
- University of Virginia, The Darden School

Each school provided alumni lists for the graduating classes of 1981–1995. The University of Michigan Institute for Social Research (ISR)⁷ designed a survey sample as follows:

- The size of the sample from each school represented the relative size of the total population of graduates from that school.
- Equal numbers of men and women were randomly selected in each of three cohorts of graduates, 1981–1985, 1986–1990, and 1991–1995.

Because most of these schools did not maintain information about the ethnic and racial diversity of their graduates, several associations were contacted to augment the survey sample. The National Black MBA Association agreed to provide contact information on MBA graduates who attended the programs of participating schools, enabling us to enrich the sample and analyze the data in a new way.

As part of the survey design process, four focus groups were conducted with MBA graduates from several participating schools. There were 25 focus group participants in total and their input helped identify issues relevant to the survey.

⁷ The Institute for Social Research at the University of Michigan is the world's largest university-based social research unit. A scientific leader for more than 50 years, ISR is known for its methodological innovation and its surveys have set the standard for research design across the country.

The survey was mailed to a total of 4,064 men and women. The response rate for the survey was 41 percent. Of the 1,684 respondents, 53 percent were women and 47 percent were men. Seventy-five percent (1,261) were White/Caucasian and 14 percent (240) were African-American. The remaining 11 percent of respondents (183) was made up of several racial/ethnic groups, each comprising too small a number to be analyzed separately. The responses of that 11 percent, therefore, are included only for whole, gender, and cohort numbers, not for data analyzed along racial lines.

Throughout the report responses are reported primarily by gender. Significant differences by race and graduation cohort are noted when relevant.

Focus Groups

In addition to the survey, we conducted nine focus groups with 66 high-achieving women who were not currently majoring in business or attending graduate business programs.

- Four focus groups were conducted with a total of 31 undergraduate women from top-tier schools. All participants had a GPA of 3.5 or above and were not business majors.
- Five focus groups were conducted with a total of 35 women graduate students who were enrolled in public policy, public health, or law school graduate programs.

Focus-group topics included: perceptions of various professions and graduate programs, influence of family and mentors on career path, decision-making about career choice, and impressions of business and business education. The data were manually coded, and common themes that emerged across focus groups were considered valid findings.

PROFILE OF SURVEY RESPONDENTS

Table 1

		Women	Men
ype of mployment Prior	For-profit corporations: Health Care/	60%	66%
Pursuing	Government Education:	13	9
MBA	Firm/Partnership:	11	13
	Nonprofits:	8	3
	In School: Own/Families' Business/	6	6
	Self-employed:	2	4
	Not Employed:	1	0
ınctional	Finance, Accounting,		
rea Prior	Purchasing:	23 %	25%
to Pursuing MBA	Marketing and Sales: Administration/General	15	13
	Management:	15	9
	Consulting:	8	8
	Engineering: Operations Management/	6	16
	Manufacturing:	2	6
mily Involvement Business	Mother/Father/Close Relative:	67%	68%
nfluential Person	Parent/close relative:	41%	43%
Decision to	Peer/friend:	38	41
irsue Business ireer	Supervisor:	21	5
e-business	Supervisor:	64%	65%
chool Mentor	Parent/close relative:	22	27
	Peer/friend:	19	28

Table 2

		Women	Men
Type of	Full-time, day:	78%	75%
Program Attended	Part-time or evening:	18	16
	Executive MBA program:	5	9
urrent	For-profit corporations:	54%	67%
mployment	Self-employed/Own business:	21	19
	Unemployed:	9	1
	Partnerships and firms:	8	12
	Nonprofits:	6	2
porting Levels	CEO:	2%	4%
	1-3 from CEO:	60	57
	4-6 from CEO:	30	34
ine/Staff Ratio	Staff:	40%	32%
	Line:	37	45
	Line/staff:	23	21

^{*} Listings may not add to 100% due to rounding or exclusion of infrequently cited categories.

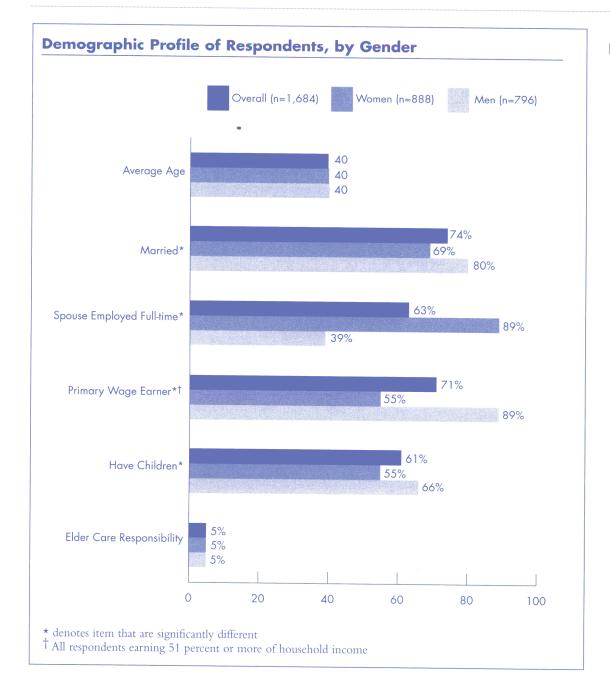
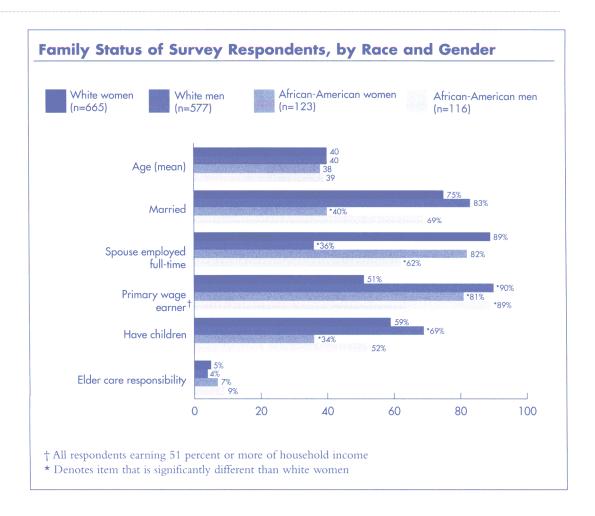


Figure 2

FAMILY STATUS OF SURVEY RESPONDENTS VARIES ENORMOUSLY BY RACE AND GENDER

- Women MBAs are significantly less likely than men to be married, have children, or be the primary wage earner in their household.
- Women who are married are significantly more likely to be in dual-career marriages (89 percent) than men (39 percent).

Figure 3



- White men are the most likely of the key demographic groups to be married and have children but the least likely to have a spouse employed full-time.
- White women are significantly more likely than African-American women to be married, or have children.
- African-American women are the least likely to be married or have children.

CHAPTER 1

BUSINESS SCHOOL EXPERIENCE

A major goal of this study is to clarify MBA graduates' experience in business school. The study findings identify the aspects of the MBA experience that are satisfying or valuable for all, those that are less satisfying for white women and women of color than for men, and those aspects participants recommend changing in order to attract more women students.

Women and Men Are Overwhelmingly Satisfied with the Business School Experience Across Gender, Race, and Age

Approximately 95 percent of all respondents report that they are 'very satisfied' or 'somewhat satisfied' with their experiences in business school. There is little difference along gender or racial lines, or by age cohort.

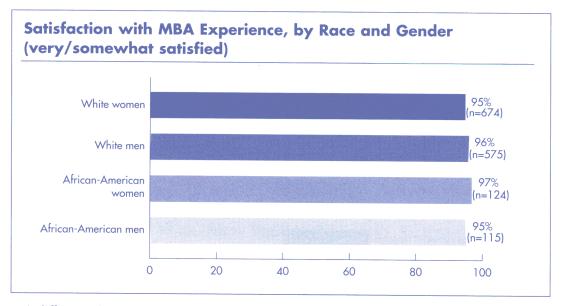


Figure 4

A difference does emerge, however, amongst those who are "very satisfied" with their business school experience. While three-quarters of white men (73 percent) report being "very satisfied," with their business school experience, smaller percentages of white women (66 percent), African-American women (57 percent), and African-American men (69 percent) consider themselves "very satisfied."

Two factors result in higher levels of satisfaction with the business school experience for both men and women, and both are linked to experiences in the workplace:

- the belief that the MBA was of value to one's career; and
- having one's MBA paid for—by an employer or through fellowships or scholarships.

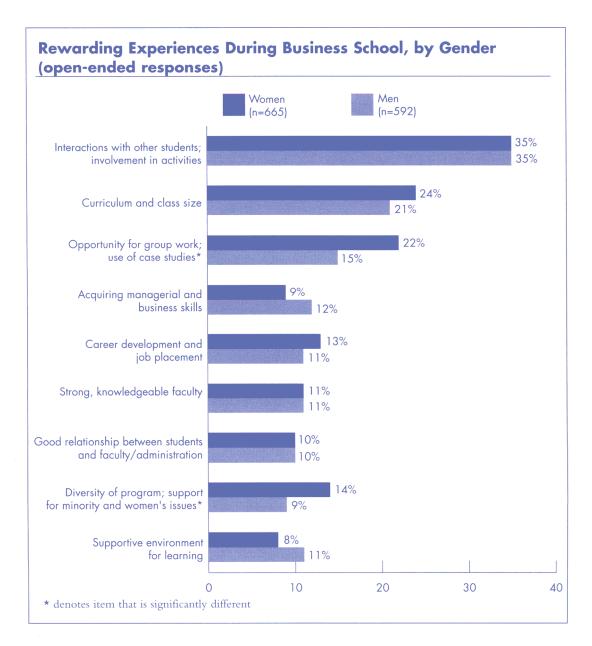
Returning to school several years after college gave me more focus, more courage, more self-confidence, more meaning. There were many opportunities to actively investigate career options, career events, internships, mentor programs, lots of on-the-job vs. scholastic learning.

(white woman, 1981-1985 graduate)

Experiencing discrimination on the basis of race, nationality, or religion, not surprisingly, was associated with lower levels of satisfaction with the business school experience.

The most rewarding aspects in business school for both men and women are interactions with other students, as well as curriculum and class size, and opportunity for group work and use of cases studies.

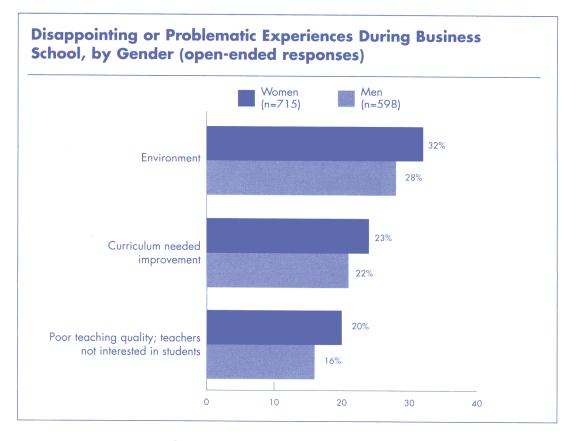
Figure 5



Some of the least rewarding aspects of the business school experience for both men and women are the relationship between students and faculty, and the environment for learning. In addition, women are more likely than men to mention the diversity of the program as rewarding. Women are also significantly more likely than men to find opportunities for group work and the use of case studies to be rewarding.

In open-ended responses about the most problematic aspects of the business school experience, men and women both agree that the area most ripe for improvement is the environment, described variously as "lack of focus on learning, overly-competitive, lack of diversity in class." Some men and women also cite business school curricula and teaching quality as areas needing improvement.

Figure 6



Fewer Women than Men Feel Included in Business School Environments

In spite of their high levels of overall satisfaction with business school, significantly more women than men feel less welcome in the business school environment. While only a minority of respondents report difficulty making points during class or having their points of view ignored, significantly more women than men report this. Further, significantly more women than men report a lack of skill in discussing gender and race on the part of faculty, a lack of gender and racial diversity in the faculty, and a paucity of women featured in case studies.

Women also are more likely than men to describe the business school environment as overly aggressive and competitive, to experience or witness sexual harassment, and to believe they are perceived as less qualified for business school.

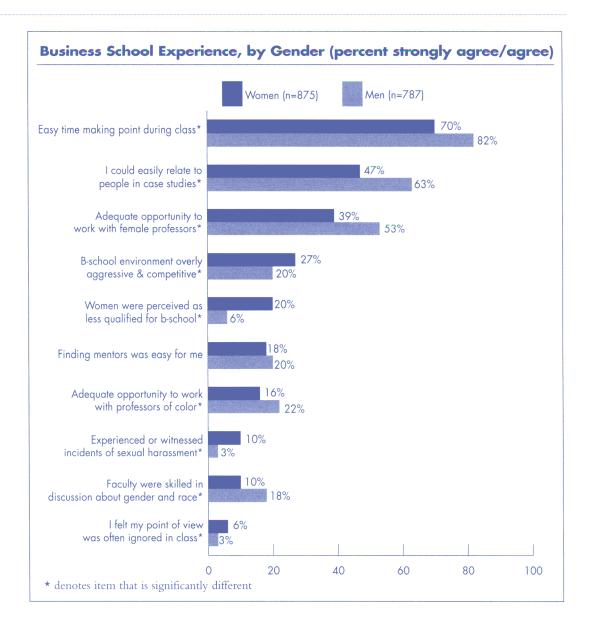
Culture—much more hard-driving, beer-gulping, thigh-slappingly male; I just wasn't used to it.

(White woman, 1991-1995 graduate)

Case study groups are typically male-dominated. It was often difficult to get them to pay attention to a female perspective. The women often had the same or better answers but had a much more difficult time being heard by the group.

(White woman, 1991-1995 graduate)

Figure 7



Women in the youngest cohort (1991-95) are not significantly different from women in the other two cohorts in having experienced or witnessed discriminatory or derogatory behavior based on gender. However, women in the youngest cohort are twice as likely as women in the earliest cohort to report having experienced or witnessed racial or ethnic discrimination.

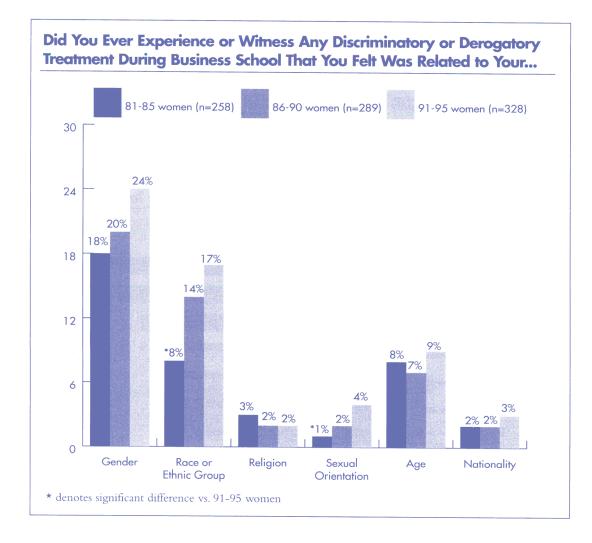


Figure 8

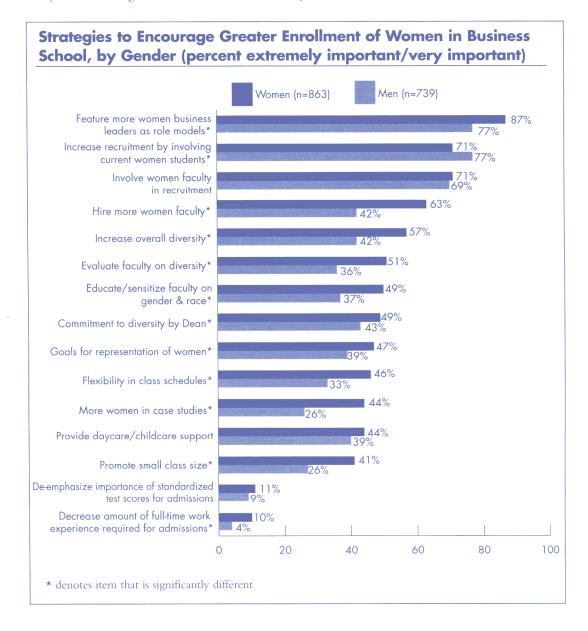
Figure 9

Graduates, Especially Women, Identify Ways to Create a More Inclusive Culture

The top strategy for attracting more women to business school, chosen by both male and female graduates, is to feature more successful women business leaders as role models. Such a strategy could address women's perceptions of the exclusionary aspects of the business world.

The next two most frequently cited strategies involve emphasizing the inclusiveness of business school environments by increasing the role of women in recruitment—both current women students and women faculty.

Women MBAs are significantly more likely than their male counterparts to endorse other aspects of making the business school environment more inclusive, such as by hiring more women faculty and increasing overall business school diversity.



The strategies men and women choose least frequently include changing objective admissions standards such as standardized test scores (women 11 percent; men 9 percent) and de-emphasizing work experience prior to business school admission (women 10 percent; men 4 percent).

In open-ended responses, men and women identify more ways for business schools to attract women. Men and women agree that providing additional support—such as academic guidance, career guidance and placement, financial assistance, and emotional help—and improving marketing and outreach would help attract more women to MBA programs.

Encourage women in business to visit junior/senior high schools and talk about job choices/opportunities. You have to get to the girls before they're women.

(male, 1981-1985 graduate)

Perhaps reflecting women's greater awareness of barriers along the path to an MBA, women are more likely than men to respond that business schools' partnering with companies and highlighting the flexibility of the MBA degree would prove useful strategies to attract women.

One in three men responding to this question suggest "do nothing" to attract more women to business school. In contrast, only one in six women make the same suggestion.

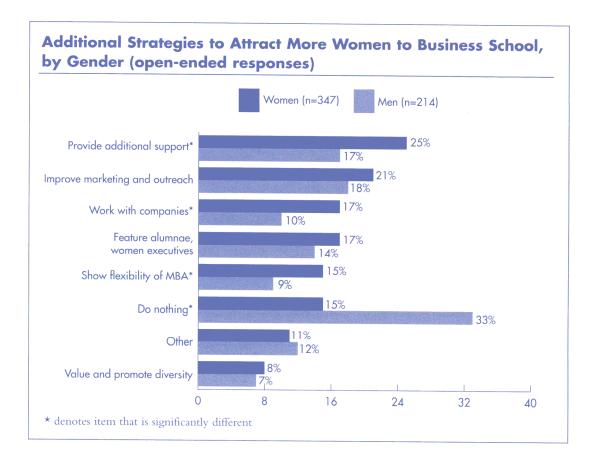


Figure 10

Findings for African-American Women: African-Americans Are Significantly More Likely to Experience or Witness Discrimination

The majority of African-Americans, both male and female, have experienced or witnessed discriminatory or derogatory behavior based on race/ethnicity: 55 percent of men and 62 percent of women. African-American women are more likely to have experienced or witnessed discriminatory or derogatory behavior based on gender than white women (33 percent of African-American women in contrast with 19 percent of white women).

African-American women alumni are also significantly more likely than their white counterparts to agree that:

- the business school environment is overly aggressive and competitive (46 percent of African-American women vs. 23 percent of white women agree).
- their points were often ignored in class (13 percent of African-American women vs. 5 percent of white women agree).

I was frustrated by the level of ignorance the majority of students maintain of minority cultures. There was a climate of tolerance yet not of acceptance and certainly no interest in recognizing value in differences.

(African-American woman, 1991-1995 graduate)

African-American women are significantly less likely than white women to believe they had adequate opportunity to work with female professors and professors of color and less likely to have had faculty skilled in discussions of race and gender in the classroom.

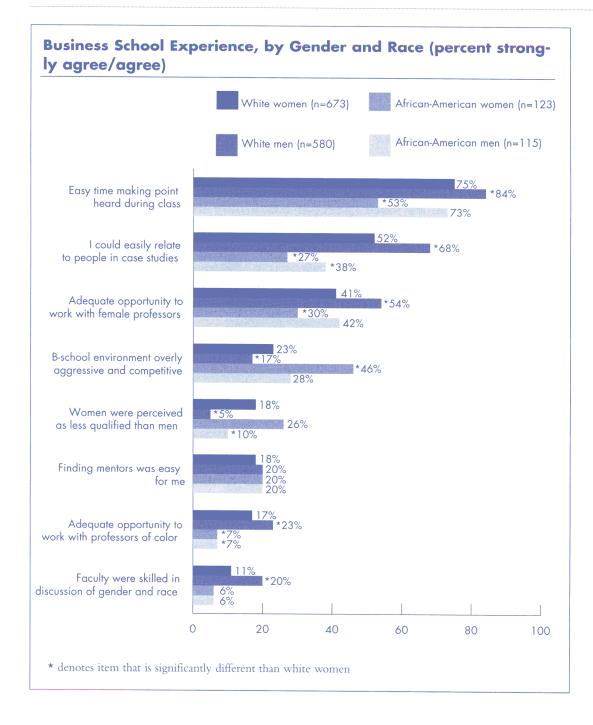
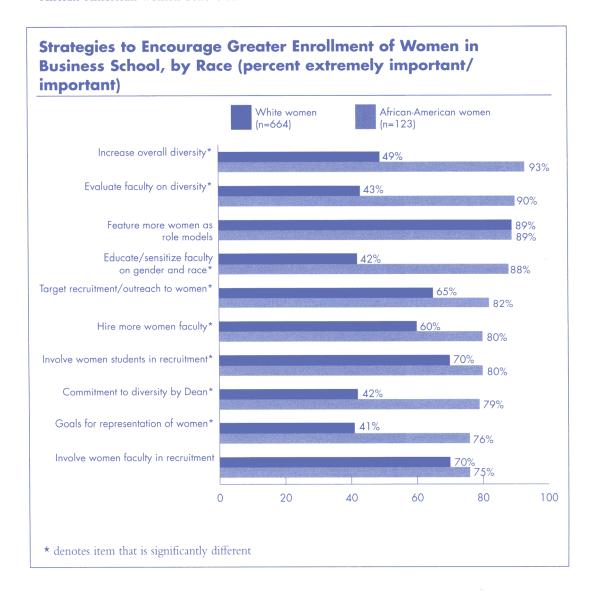


Figure 11

African-American and white women agree on the importance of featuring more women as role models, and involving women faculty in recruitment. However, African-American women are more likely than white women, at times twice as likely, to recommend greater inclusiveness in the business school environment along several dimensions, including hiring practices, recruitment practices, and diversity focus and education. For example, while 43 percent of white women agree that evaluating faculty on diversity will attract more women to business school, 90 percent of African-American women believe so.

Figure 12



CHAPTER 2

CAREER OUTCOMES OF MALE AND FEMALE MBAS

Increasing professional credibility and income are the major reasons for pursuing an MBA, cited by more than four out of every five women and men. A desire to change or advance their existing careers was cited by three of every five women and men. A goal for this study was to understand whether these expectations had been met.

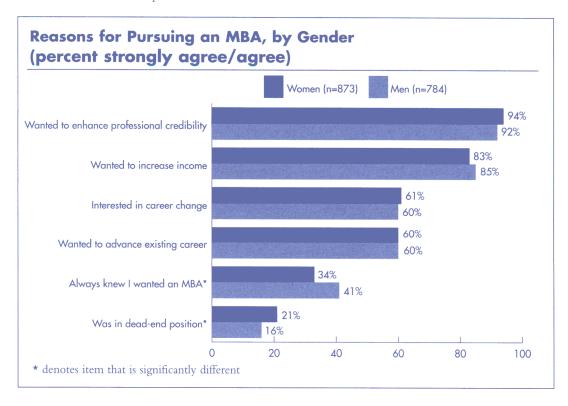


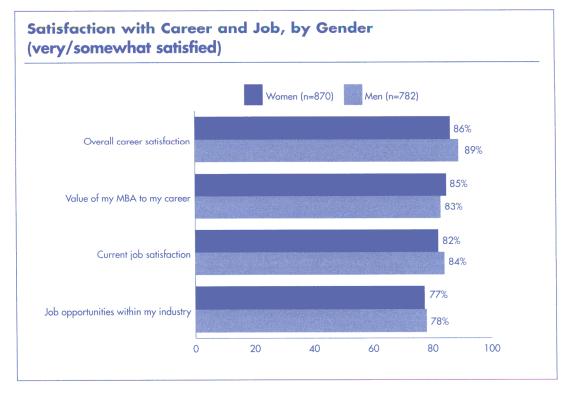
Figure 13

Graduates Are Satisfied with the Value of the MBA and Their Careers

Both male and female graduates are satisfied with the value of the MBA, with their current positions, and with their career overall, even as they are overwhelmingly satisfied with the business school experience itself, as documented in Chapter 1.

Both men and women report extremely high levels of satisfaction with their career as a whole: 86 percent of women and 89 percent of men are very satisfied or somewhat satisfied with their careers overall. They also report high levels of satisfaction with the value their current employer puts on their MBA (85 percent of women and 83 percent of men), as well as with job opportunities in their industry (77 percent of women and 78 percent of men), and with their current positions overall (82 percent of women and 84 percent of men). Taken as a whole, 83 percent of graduates indicated that they are very satisfied or somewhat satisfied with their current position.

Figure 14



Regardless of race or gender, those graduates reporting the highest levels of satisfaction in their careers and their current positions share some similarities. According to the results of multivariate analyses, these individuals are more likely than graduates who report lower levels of satisfaction to:

- hold line jobs
- earn higher salaries
- have positions closer to the top of their organizations

Furthermore, they are more likely to be employees, rather than self-employed, and married. [Marriage is related only to career satisfaction and not to satisfaction with current position.]

Men Have Advanced Farther than Women in Terms of a Variety of Career Dimensions

More Men Are in Line Positions

Women MBAs in our study are less likely than men to work in line positions (37 percent vs. 45 percent of men). Line positions controlling profit and loss are more likely than staff positions to lead to the most senior management positions. Line jobs also, according to our respondents, increase job satisfaction.

However, the line/staff gender gap among these fairly recent MBAs is much less marked than that among current corporate officers in the Fortune 500 where women hold 6.8 percent of line jobs, men 93 percent, as measured in the 1999 Catalyst Census of Corporate Officers and Top Earners. Interestingly, in this study, African-American women are virtually equal to white men in their presence in line positions.

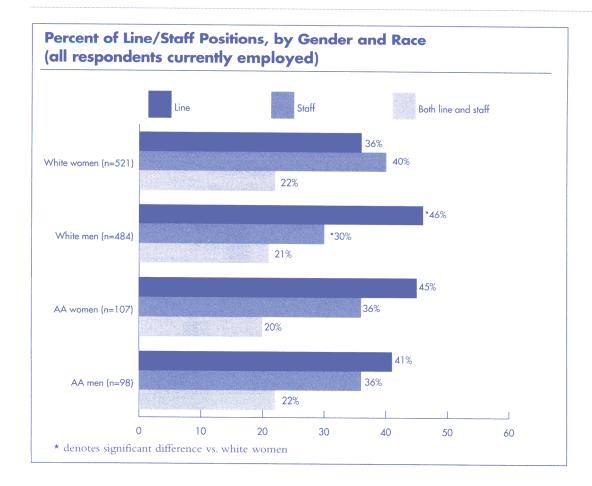
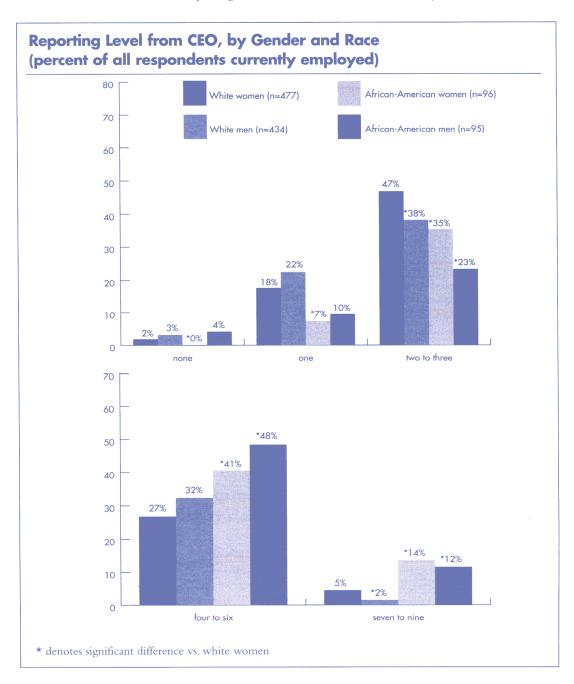


Figure 15

Reporting Level Differs More by Race than by Gender

Of all employees, white men and women tend to cluster 1-3 reporting levels below the CEO in reporting hierarchy. Slightly more than 60 percent of white men and 65 percent of white women describe themselves as being at 1-3 levels from the CEO (3 percent of white men describe themselves as a CEO). In contrast, a higher proportion of African-American men and African-American women tend to cluster at 4-6 reporting levels below the CEO in the hierarchy.

Figure 16



African-American women are underrepresented in the high tech/computer industry, and both African-American and white women are underrepresented in investment banking. African-American women have much more presence in the consumer product industry than any other group.

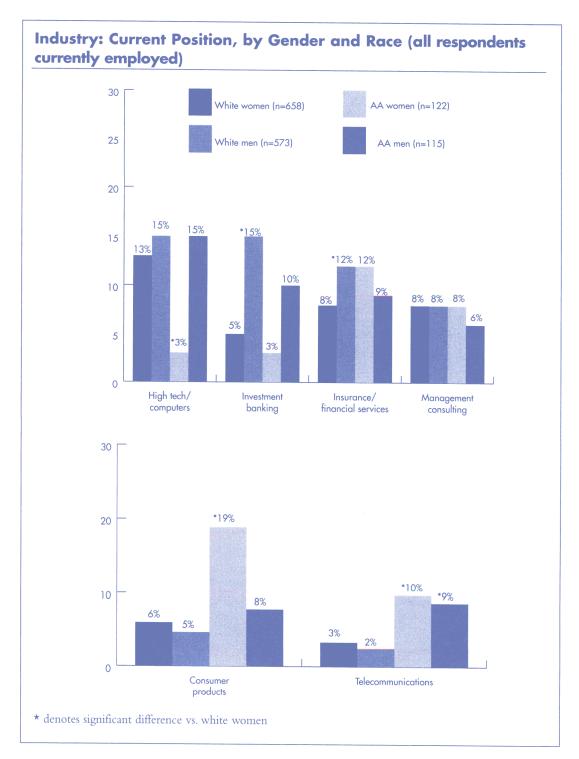
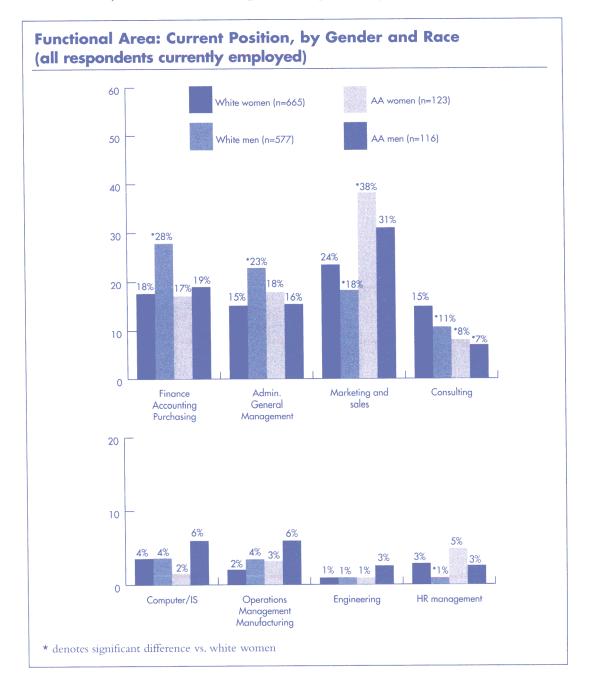


Figure 17

Men Are More Likely to Work in Finance and General Management Positions

The most common functional areas for all graduates' current work are marketing and sales, finance/accounting/purchasing, and administration/general management. However, white men are more likely to work in finance and general management than any other group.

Figure 18



White Men Supervise Larger Staffs

White men have the largest span of control, with one-quarter of white men having 11 or more reports while only 14 percent of white women supervise 11 or more employees.

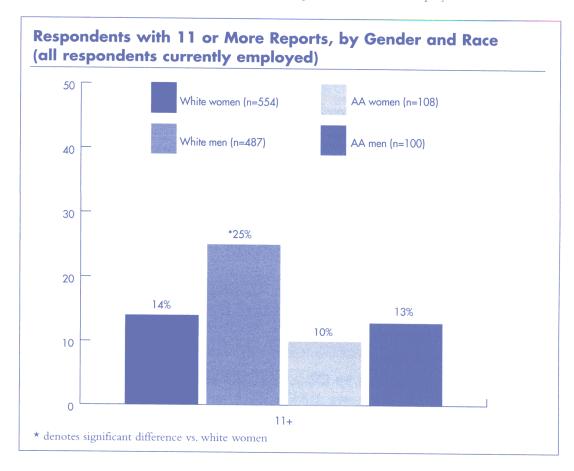
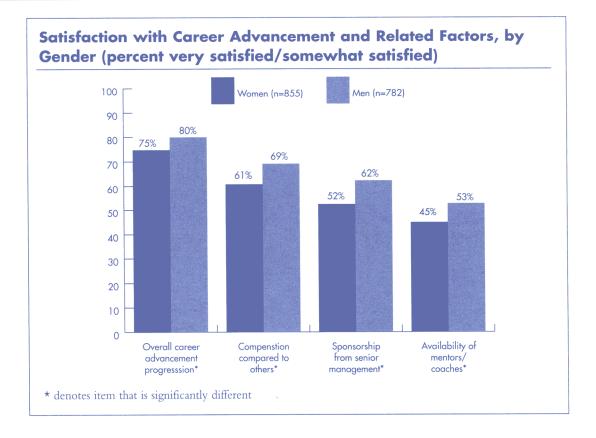


Figure 19

Women Report Having Had a Harder Time with Career Advancement and Less Access to Opportunities for Advancement

In looking back over their careers thus far, women in fact are less satisfied than men with compensation and career advancement, and the factors which facilitate them, such as sponsorship and mentor/coach availability.

Figure 20



Women Report Ability to Obtain High-Visibility Assignments, But Indicate Difficulty Finding Mentors

Both men and women in our survey sample generally see themselves as having job assignments that provide visibility with senior management (81 percent women, 84 percent men), an overall favorable work environment (68 percent/73 percent), and supportive colleagues (62 percent/63 percent).

Despite these positive responses, women do report a significant difficulty—the availability of mentors and coaches. While 42 percent of men indicate that finding mentors has been easy at their current job, only 33 percent of women indicate that this is true for them. This is in sharp contrast to the high percentage of women who had mentors before they attended business school (see page 51).

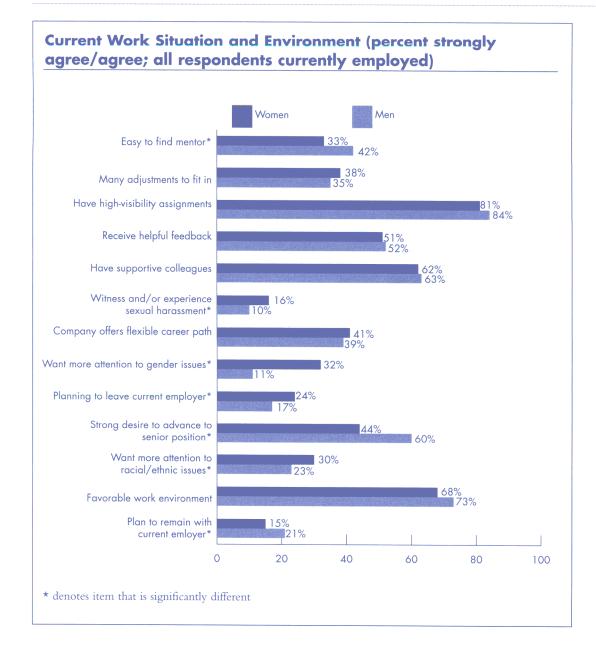


Figure 21

Most Recent Cohort More Satisfied

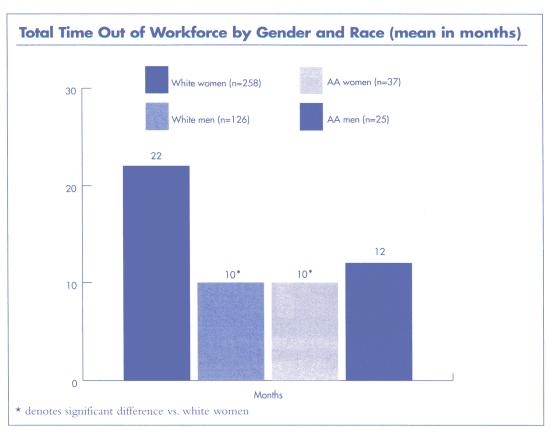
The most recent cohort of women seems more satisfied with career advancement than the oldest cohort (82 percent compared with 69 percent)—perhaps reflecting better opportunities, or, alternatively, the relatively quick upward movement typical of the early phases of professional careers.

Women Are More Likely than Men to Take Time Out of the Workforce, Work Part-Time, and Be Self-Employed for Family Reasons

Time Out of Workforce

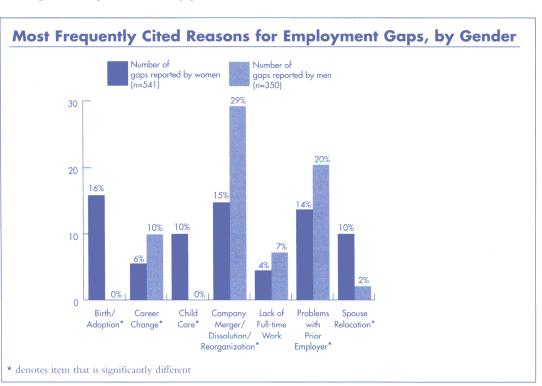
White women report taking approximately twice the amount of time out of the workforce than African-American women or men of either race.

Figure 22



Women are much more likely than men to cite family-related issues as reasons for choosing to take a break from work. While birth/adoption and child care account for 26 percent of the gaps reported by women, no men cite these reasons. Men are more likely than women to cite company mergers, dissolutions, or reorganizations, a problem with a previous employer, or a career change as an explanation for a gap.

Figure 23



Women are much more likely than men to have taken at least one leave (18 percent compared to 4 percent), defined as a break in employment in which the employee plans to return to the same employer. Birth/adoption accounts for 78 percent of leaves for women compared to 18 percent for men. The magnitude of this difference may reflect the lack of universal availability of paid parental leaves, the prevailing belief that the use of leaves—whether paid or unpaid—is less appropriate for men, or the desire of new mothers to remain at home with their babies or some combination of these factors. Certainly it reflects the fact that women are still, under most circumstances, with or without an MBA, the parents who stay home to care for children.

Part-Time Employment

While 71 percent of female respondents and 95 percent of male respondents are employed in the labor force full-time, the lowest incidence of full-time employment is reported by white women. Compared to other groups, white women were most likely to be out of the workforce at the time they completed the survey.

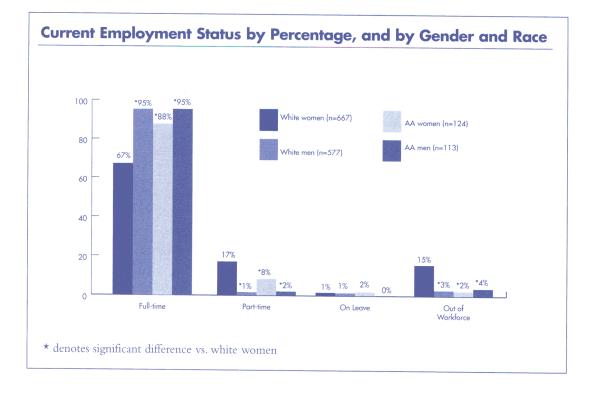
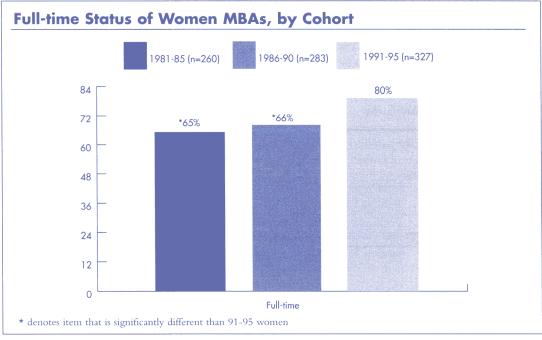


Figure 24

White women are twice as likely to work part-time than African-American women (17 percent vs. 8 percent).

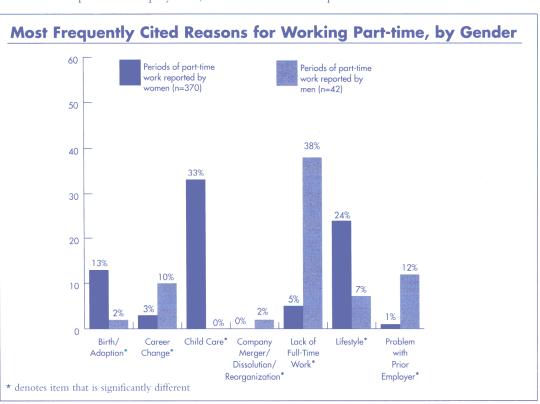
As expected, the younger the cohort, the more likely women are to be working full-time.

Figure 25



Most of the reasons women cite for choosing to work part-time involve family issues, mainly child care and birth or adoption (46 percent), and lifestyle (24 percent). By contrast, of the very few men who report working part-time, more than one-third of their schedules can be attributed to the unavailability of full-time work. Birth or adoption accounts for only 2 percent of men's use of part-time employment, and child care is not reported as a reason at all.

Figure 26



Women More Likely than Men to Plan for Reduced Work Options:

While 72 percent of MBAs surveyed expect to be employed full-time, women are comparatively more likely to plan to take leaves and to choose reduced work options. Women, particularly white women, are more likely to indicate plans for part-time work in the future (27 percent) or being at home full-time (18 percent).

Self-Employment

Twenty-one percent of women respondents and 19 percent of men respondents are currently self-employed or own their own business. Both men and women are about equally likely to cite the desire for control as a motivation. Men are much more likely than women to cite financial incentives as a motivation for starting their own businesses, and in fact white men are the most successful self-employed group when assessed on standard measures such as size of business and gross revenues.

Women, on the other hand, are more likely to cite flexibility and lifestyle issues as the main reasons for starting their own businesses (48 percent), as summed up by one survey respondent:

Desire for flexibility. Wanted to be my own boss. Wanted to work at home. Wanted to work part-time. Wanted to choose my own work.

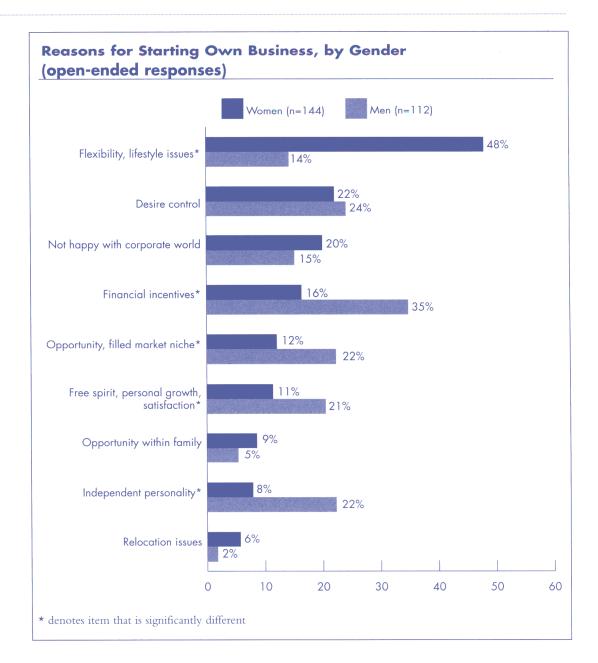
(white female, 1981-1985)

These findings reinforce a 1998 Catalyst study, in which women cite flexibility as the number-one reason for leaving companies to start their own businesses. Women want flexibility not only for child care reasons but for participation in community affairs, personal health concerns, eldercare, and other family obligations.

WOMEN AND THE MBA: GATEWAY TO OPPORTUNITY

⁸ Catalyst: Women Entrepreneurs: Why Companies Lose Female Talent and What They Can Do About It, 1998.

Figure 27



Businesses owned by white men have 150 employees on average, and are most likely to generate revenues of \$1 million and above, as compared to those owned by all women and African-American men.

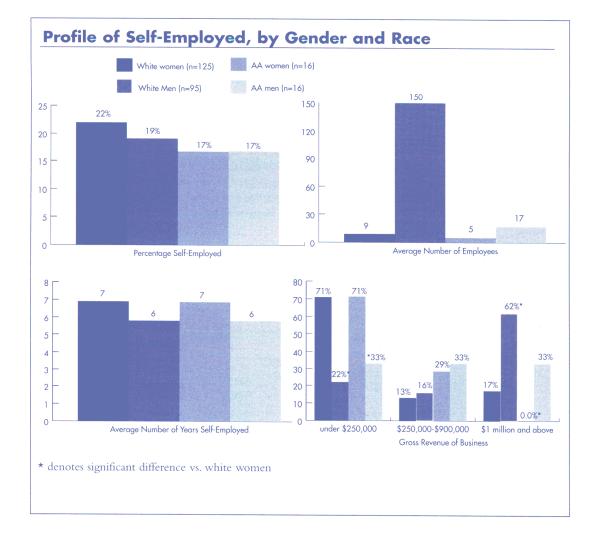


Figure 28

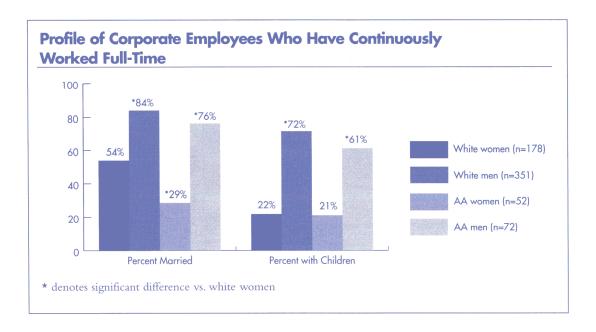
A Small Group of Women MBA Graduates Have Worked Continuously Full-Time Since Graduation—and Have Similar Promotion Rates as Men

Men and women who have continually worked full-time have been promoted, on average, once every two-and-a-half years. Promotion rates for African-American and white MBAs in this group are virtually identical.

Although white men have the highest average number of promotions, when time since degree, leaves taken, gaps in employment, and part-time work are constant, men and women have similar promotion rates.

A much smaller proportion of women than men in our survey have worked full-time continuously since graduation—29 percent compared to 61 percent of men. The women who have done so, however, have very different family situations from the men. They are much less likely to be married or to be parents. African–American women in particular are much less likely to be married.

Figure 29



Graduates in General—Particularly Women—Are Less Satisfied with Work/Life Balance

Over half of men and women indicate using some type of alternative work arrangement, the most frequently cited being flexible arrival/departure. Women are significantly more likely to use reduced work schedules/part-time work. Similar numbers of men and women cite telecommuting.

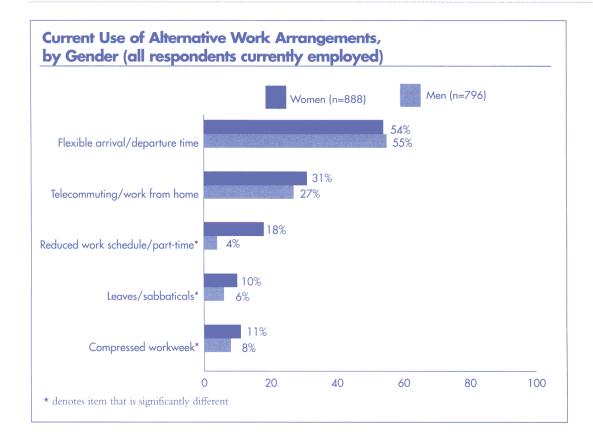


Figure 30

Graduates Report Less Satisfaction with Work/Life Balance

Sixty-eight percent of women and 74 percent of men report being very or somewhat satisfied with the balance between their work responsibilities and personal and home responsibilities. This means that one of three women and one of four men are not satisfied with their current balance. This is in sharp contrast with graduates' career satisfaction. White men are significantly more likely to be satisfied than white women or African-Americans.

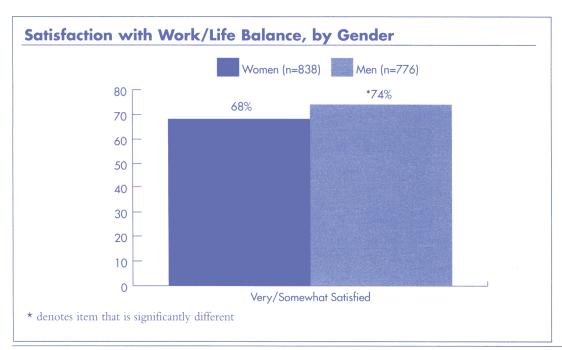


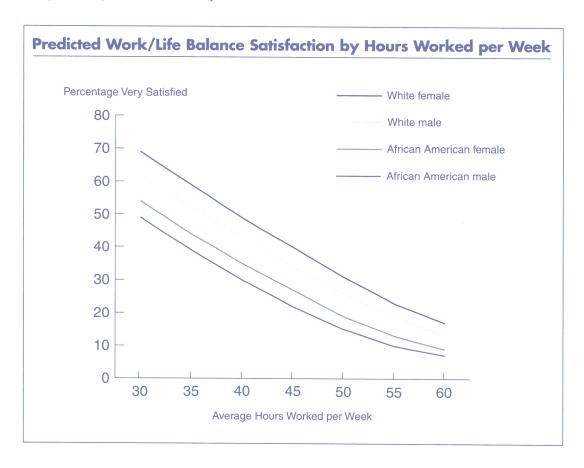
Figure 31

As Hours Increase, Satisfaction with Work/Life Balance Decreases

The average number of hours worked per week by survey respondents who work full-time in the private sector is 53.5 hours. When level of position, line vs. staff responsibilities, and type of organization are taken into account, there are no significant differences by gender in hours worked by full-time employees.

Further analysis shows that earning more money does not significantly increase satisfaction with work/life balance. However, both genders evince a negative connection between hours worked and level of satisfaction with work/life balance. As Figure 32 shows, the more hours individuals work, the less satisfied they are with the balance between work and other parts of their life. This is particularly true of women respondents.

Figure 32



Both men and women were even less satisfied with the time they have for leisure than with their work/life balance—only 60 percent of women and 61 percent of women are very or somewhat satisfied with their leisure time. Satisfaction with leisure time decreases as hours worked increases.

Findings for African-American Women: African-American Women See Themselves at a Marked Disadvantage in Career Outcomes

African-American women have stronger perceptions of lack of opportunities for advancement, and slightly lower satisfaction with their current position, though they are the most likely of all gender/race groups in the survey to believe that the MBA degree is valuable to their careers.

However, African-American women are least satisfied with other facets of their career, apparently seeing themselves at a disadvantage when compared to white women and African-American men in several areas, such as overall advancement.

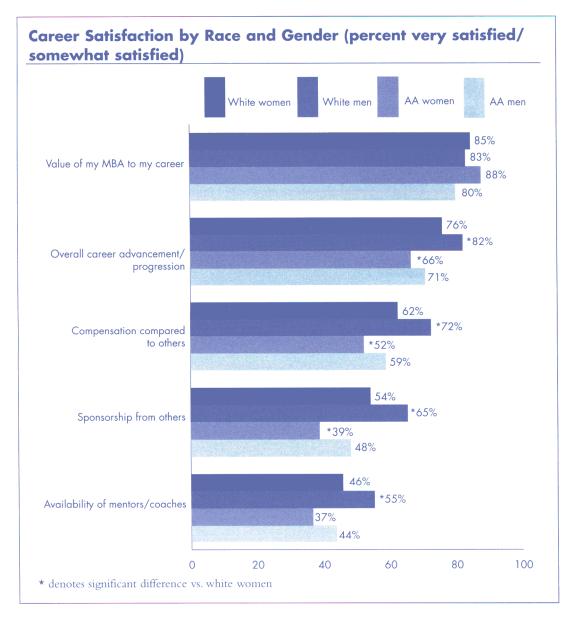


Figure 33

The majority of women report having an overall favorable work situation. At the same time, white women are significantly more likely to perceive their colleagues as supportive than African-American women. And, African-American women are significantly more likely to believe that they must make adjustments to fit in Almost seven in ten African-American women would like attention given to race issues.

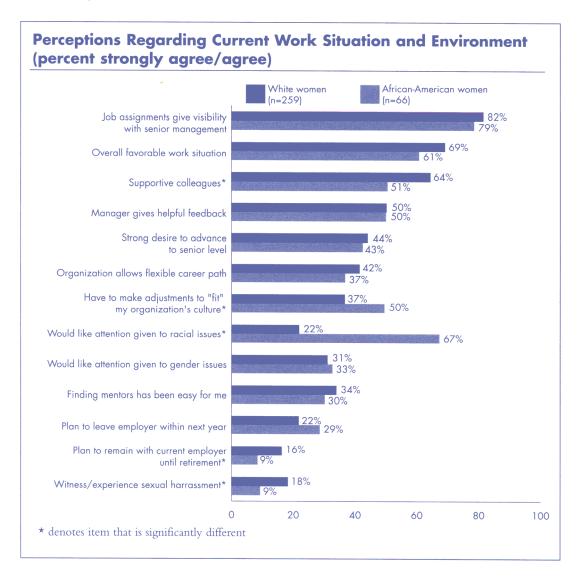


Figure 34

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CHAPTER 3

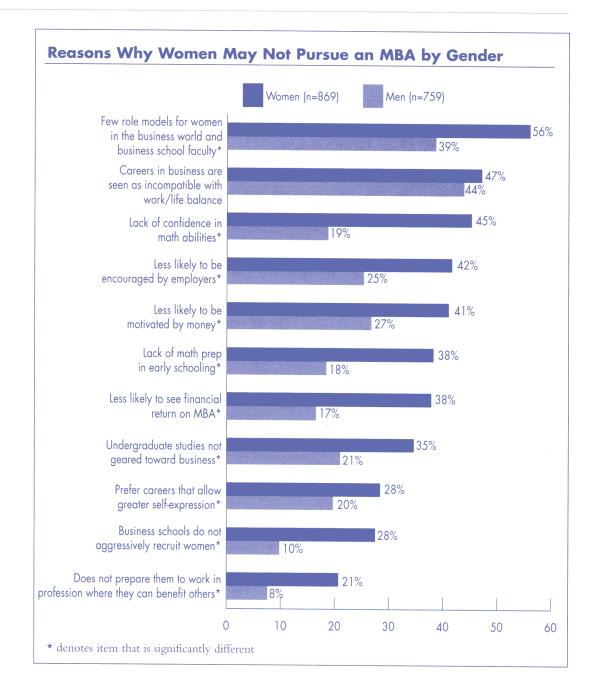
INSIGHTS ON THE ENROLLMENT OF WOMEN IN BUSINESS SCHOOL

A major goal of this study, given the comparatively low percentage of women enrolling in business schools, was to gain insight into ways to increase women's presence in this important conduit to business leadership. The graduates surveyed helped to clarify factors that they believe steer women away from business school. The factors they identify include the following:

- Both men and women MBA graduates perceive a lack of female role models in business and business schools.
- Both men and women MBA graduates perceive that business is incompatible with work/life balance.
- Some women are perceived to lack confidence and preparation in math skills, viewed as
 critical to business education, though the most recent cohort is significantly less likely to cite
 this.
- Employers are perceived to be less encouraging of women's pursuit of the MBA degree.
- Some women are perceived to be less motivated by money, which is viewed as a primary reason for entering the business world.
- There is a perception that women are less likely to see a financial return on the investment in the MBA
- The undergraduate degrees women select and prior work situations are less likely to encourage business careers.

All of these reasons work together to deter women from pursuing a business education.

Figure 35



Women Have Fewer Female Role Models

Women cite the lack of strong, successful female role models, both at business schools and in the business world, as the leading deterrent to business school enrollment. Female survey respondents cite a lack of female role models as the main deterrent to women entering MBA programs (56 percent). Male graduates rate this deterrent second (39 percent).

The lack of women role models in business school mirrors the lack of role models in the business arena. While women comprise nearly half of the U.S. labor force and are 49 percent of managerial and professional specialty positions, only 11.9 percent of corporate officers are women. To date, there are only three female CEOs in the Fortune 500.

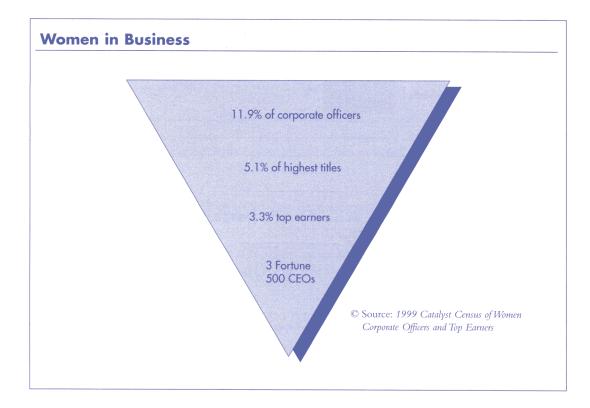
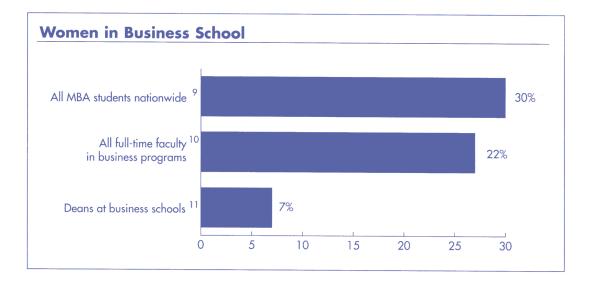


Figure 36

Similarly, women comprise 30 percent of all MBA students nationwide,⁹ only 22 percent of full-time faculty in business programs are women,¹⁰ and a mere 7 percent of deans are women.¹¹ Women are lacking critical role models on both sides of the MBA experience.

Figure 36



Business and Business Schools Are Perceived as Incompatible with Family

As noted in Figure 35, male survey respondents believe that the number one reason women do not pursue MBAs is the degree's incompatibility with work/life balance. It was cited as the number-two response by women.

Many focus group participants, women who were not enrolled in business programs, view business as a place where they would have to work "110 hours a week" and therefore sacrifice the ability to balance work and personal responsibilities. They see other professions allowing greater flexibility and balance over the long run.

When you think about a corporate life, it seems very unbalanced. It seems that to get ahead and be successful and do the whole MBA thing and then go work for a corporation really requires 110 hours a week. I didn't want to feel like I was going into a career where you then had to prove yourself for five years by working really long hours.

Master of Public Administration student

In fact, women are less likely than men to be married when they enter business school, and if married are less likely to have spouses willing to relocate with them. At the time that survey respondents applied to business school, men were more likely than their female counterparts to be married (32 percent/21 percent). Additionally, of married respondents, men report a much higher rate of spouses relocating with them to attend business school (23 percent/10 percent).

⁹ U.S. Department of Education, National Postsecondary Student Aid Study: 1995–96, Statistical Analysis Report, May 1998

¹⁰ AACSB School Fact Form, Newsline, Spring 1999

¹¹ AACSB, 1998

Respondents Believe Women Are Not Confident about Their Quantitative Skills

A large percentage of female survey respondents agree that lack of confidence in math abilities (45 percent) and lack of math preparation in early schooling (38 percent) deter some women from entering business school. Men are significantly less likely to report that these factors deter women from MBA programs (19 percent and 18 percent, respectively). These women do not believe the solution lies in changing admission criteria, however. Furthermore, the most recent cohort of female MBAs is less likely to feel that math preparation is a barrier, suggesting that this barrier may be lessening with time. Only 41 percent of the most recent female cohort believes women lack confidence in math as compared with 55 percent of the oldest cohort. Only 32 percent of the most recent cohort believes women lack math preparation in early schooling compared with 48 percent of the oldest cohort.

In contrast, some female focus group respondents admit they perceive business school as being primarily about quantitative skills and that they lack the confidence in their quantitative and test-taking abilities; as a result, they do not apply to business schools.

My perception is that an MBA is just about economics and quantitative skills. For me, thinking about taking the GMAT is a joke. It is something that I could never do. When you think about the big picture, you think econ, you think math.

Law School student

Women Are Less Likely to be Encouraged by Employers to Pursue an MBA

Women Seek Careers that Allow "Social Utility" and Self-Expression and Do Not View Business in that Way

Forty-one percent of women and 27 percent of men surveyed agree that women are less likely to be motivated by money. Women in the focus groups indicate that they perceive business as incompatible with women's goals and values, and see the business world as a male-dominated environment unfriendly to women.

Stereotypes about Business Environments

The women in the focus groups spoke candidly about their decision processes in making career choices. They frequently used terms such as "aggressive," "power hungry," and "self-interested" to describe people who went into business. More positive attributes were often applied to law, medicine, public policy, and public health. Even with the proliferation of negative stereotypes about law, for instance, the women often recognized and rewarded the potential for service in a career in law. They used words like "altruistic," "compassionate," and "honorable" to describe these other professions.

I definitely think that I could have gone into business. I took a lot of economics and international kind of business classes in college. But after seeing the type of people who are going — it's just the reason why I didn't want to go into business. I felt that it was less intellectual . . . and really an old boy's club. I think that completely deterred me from going down that path.

Law School student

Social Utility

Some 21 percent of women graduates surveyed believe that the perception of an MBA as not providing preparation for work that can benefit others is a deterrent to women choosing business school. More than 40 percent of female survey respondents and 27 percent of men agree that women are less likely to be motivated by money and therefore may not pursue an MBA degree.

Just working on Wall Street, what really turned me off was the fact that everything was driven by money. It's always about the dollar. That was really terrible to me. The world does revolve around money, and that is the reality and I am glad I know this so I can explore from that. My friends always tease me about that because I have a "save the world" mentality.

Masters of Public Administration student

There is no room for the unconventional in business. It doesn't matter if you are smart. It doesn't matter if you have the skills that it takes or the desire to work in a certain field. It is so conformist. For women there are just these expectations that you have to fit into...you sort of have to play by the rules of the game to move up in the ranks...it is very claustrophobic. You are forced into this image or this role.

Undergraduate

Personal Expression

Based on experiences from summer internships, interactions with peers in business, and some general perceptions, the women in the focus groups reported their belief that the business arena requires too great a sacrifice of personal expression. Some 28 percent of female survey respondents agree that women prefer careers that allow for greater self-expression than business, and this may steer them away from obtaining an MBA.

Women focus group participants discussed at length their perceptions of business as an over-whelmingly male-dominated environment—and their resulting rejection of business school and a business career.

I worked as an executive secretary this summer and it sort of solidified my negative impressions of business. Very male dominated, very much like all the executives were men. [I]t was the sort of typical jock, middle-aged men, white men, that I would have conceived business to be.

Undergraduate student

I spent time at an investment bank. Take everything you are afraid to say and triple it. It is just a joke. You can literally have two people apply for the same job one's a man and one's a woman, the man gets the research associate the women gets the assistant job. In my experience, you have only token women executives. It is beyond the boy's club. It is sexist. It is racist. Start there. It's a challenge and a fight every single day as a woman.

Masters of Public Administration student

Male-Dominated Environments

Perhaps because of the perception of business as an old boy's network, in which women are less likely to be successful than men, some women are not very optimistic about achieving career success and financial gains and therefore question the value of a business education. Some fear the investment required for an MBA will not guarantee them adequate financial returns. It is important to note, then, that more than twice as many women as men surveyed (38 percent of women vs. 17 percent of men) report that women are less likely to see a financial return of the MBA as a reason why women may not pursue the degree.

If women know they are at a disadvantage, you would think they would make sure they invested in themselves more in order to put themselves ahead. But it's almost like we are afraid to invest in ourselves because it costs so much money up front.

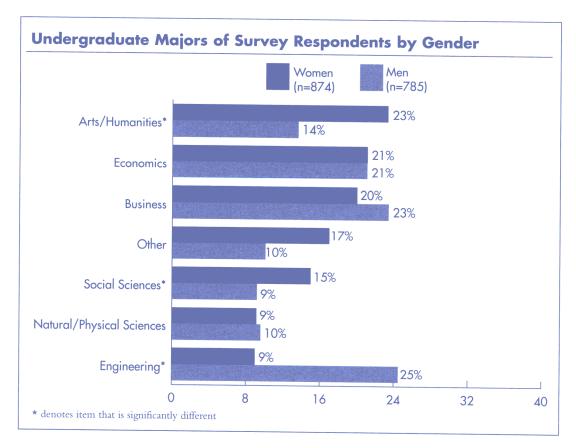
Masters of Public Administration student

Women Are Less Likely to be in Situations that Are Currently Key Feeders for Business School

More than 40 percent of women and men were undergraduate business majors and economic majors. Together, these two fields are the primary feeders into graduate business programs.

However, the predominant undergraduate degree for male business school graduates was engineering (25 percent). The predominant undergraduate degree for women was arts/humanities (23 percent); another 15 percent majored in social sciences. Thirty-eight percent of women, therefore, have undergraduate degrees offering a broad range of career choices, as opposed to just 23 percent of men with degrees in these fields (arts/humanities, 14 percent; social sciences, 9 percent).

Figure 38



A little over a third of female survey respondents agree that women's undergraduate studies are not geared toward business (see figure 35), thereby decreasing women's likelihood of pursuing a career in business. In fact, several focus group participants—women who chose graduate education other than business—acknowledged that their liberal arts backgrounds left them in the dark about a business career and about the range of possibilities opened up by an MBA degree.

Seventy-one percent of women and 79 percent of men worked in a for-profit corporation or professional firm, where an MBA is highly valued, prior to attending business school. Among our survey sample of graduates from top-tier business schools, women were more likely to be employed prior to matriculation by educational institutions and nonprofits, where a variety of graduate degrees are relevant, than were men: 13 percent of women vs. 5 percent of men.

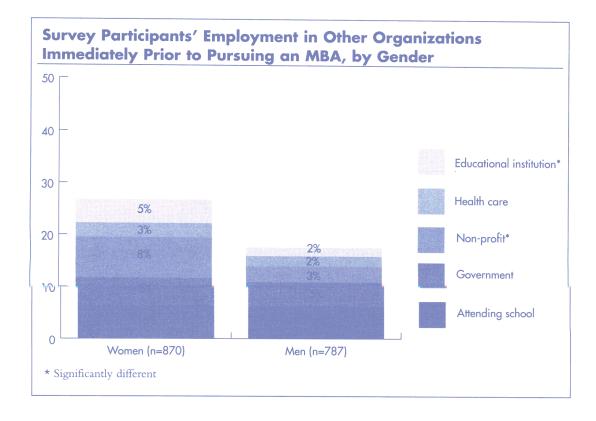


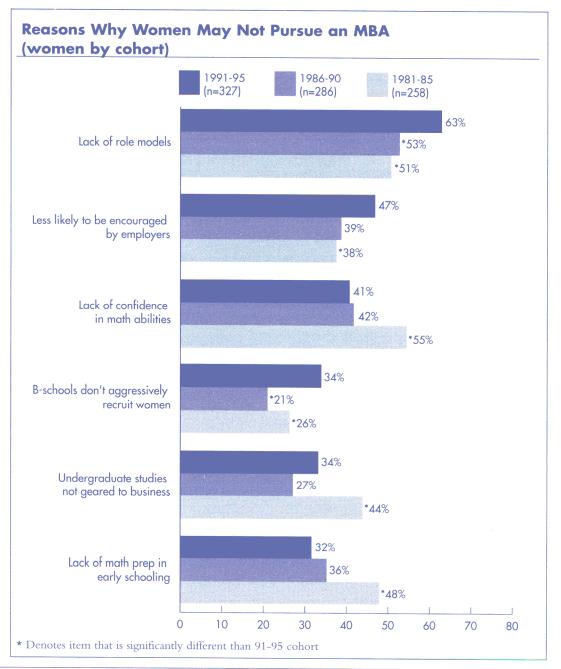
Figure 39

Findings for Graduation Cohorts: Women in Recent Cohorts Are More Confident, but Expect More

Some 50 percent or more of women in all cohorts cite lack of role models as a reason women may not pursue an MBA. However, the youngest cohort is much more likely to identify that as the primary reason, perhaps because the youngest cohort is conditioned to expect more women in important roles.

Other differences suggest that younger women are more confident in their abilities. Women in the youngest cohort are less likely than the oldest cohort to cite the following as reasons why women might not pursue an MBA: women's undergraduate degrees not being geared to business, women not being confident of math abilities, and women lacking math preparation. This confidence may lead to expectations that business schools and employers should encourage women's involvement in business and actively recruit them.

Figure 40



Findings for African-American Women: African-American Women Face Additional Hurdles

The reason most frequently cited by African-American women for why women may not pursue an MBA is a lack of encouragement from employers (chart 41). This is a significant difference from the responses of white women. African-American women are also significantly more likely to cite a lack of math preparation in early schooling; interestingly, however, they are less likely than white women to cite a lack of competence in math abilities as a factor dissuading women from pursuing MBAs. African-American women also report business schools not aggressively recruiting women as a reason, and women being less likely to see the financial return on the MBA.

African-American women are less likely to report that co-workers or supervisors influenced their decision to pursue a career in business. African-American women are also less likely to report that their mentor between college graduation and business school was a supervisor (52 percent/21 percent) or a spouse (6 percent/2 percent).

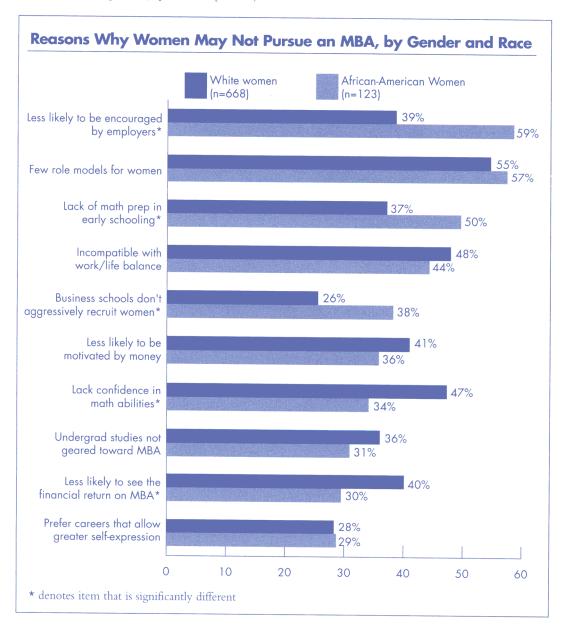
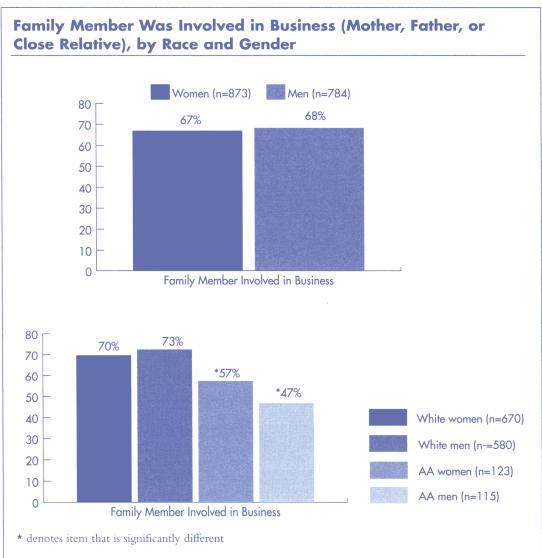


Figure 41

Finally, African-American women are much more likely to report that a peer/friend was their mentor at this critical juncture in their career development (22 percent/9 percent)—implying that in their mentor-mentee relationships they received relatively more socio-emotional support than career-oriented advice.

More than half of all respondents have a mother, father, or close relative involved in business; but white women and men are much more likely than African-American women and men to fall in that category.

Figure 42



Interestingly, African-American women are the demographic subgroup most likely to have had a long-standing desire to obtaining an MBA—51 percent cite it as a reason for wanting to attend business school as compared with 29 percent of white women.

CHAPTER 4

BUSINESS ORGANIZATIONS CAN DO MUCH TO IMPROVE WOMEN'S CAREER SATISFACTION

A major goal of the MBA study was to gain insight into improving women's enrollment in toptier business schools. The study findings clarify organizational strategies that can improve the satisfaction, success, and retention of women in business. Such strategies can work to both improve perceptions of business by women and increase the number of female role models in business.

Structured Support Vital to Career Satisfaction

Both men and women see long-range development plans and high-visibility assignments as crucial to their advancement and career satisfaction. Over three-quarters of men and women indicate support from their supervisor and feedback on their performance; women care about these significantly more than men do. In fact, provision of these factors positively impacts the intent of women to stay with their employers. Such women overwhelmingly are satisfied with their employers' provision of recognition for good job performance (89 percent), which may translate into monetary rewards, appreciation for an employee's business education (86 percent), and advancement opportunities (83 percent).

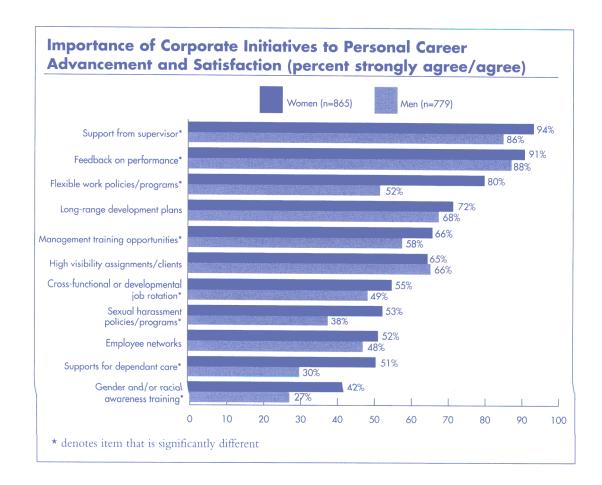


Figure 43

Women Desire Career Paths that Allow Work/Life Balance

Another important factor that influences women's intention to stay with their current organizations is adequate provision of support for work/life balance.

Survey findings show that women's desire for employer supports for dependent care is much higher than men's (51 percent compared to 30 percent), and subsequently women are more much more likely than men to value flexible work policies and programs—80 percent of women see them as contributing to their success and satisfaction compared with 52 percent of men.

A flexible career path—defined in the questionnaire as individuals' ability to control the pace of career advancement, with the option to decline a promotion and have it be offered again later, or to turn down a relocation—is another factor linked to women's retention. Those who intend to stay with their organization are more likely to believe that their organization allows for a flexible career path. Such flexibility contributes to both greater work/life balance and career success. In a 1998 Catalyst research study of dual-career couples, almost two-thirds (65 percent) of men and almost three-quarters (72 percent) of women reported that they would like the option of customizing the pace of their career advancement, slowing it when family responsibilities are most pressing without harming their chances for eventual success. ¹²

Women Desire Inclusive Work Environments

Negative factors that undermine retention of women employees relate to environments that are exclusionary and not accommodating to women:

- an organizational culture that requires women to make many adjustments to fit in
- the incidence of sexual harassment
- inadequate attention given to race.

¹² Catalyst, Two Careers, One Marriage: Making it Work in the Workplace, 1998.

Fifty-eight percent of women who intend to leave indicate that they must make adjustments to fit in compared to 26 percent of women who intend to stay. Ten percent of those who intend to stay have experienced or witnessed sexual harassment compared with 27 percent of those who intend to leave. And 26 percent of those who intend to stay would like more information given to racial/ethnic issues as compared with 38 percent of those who intend to leave.

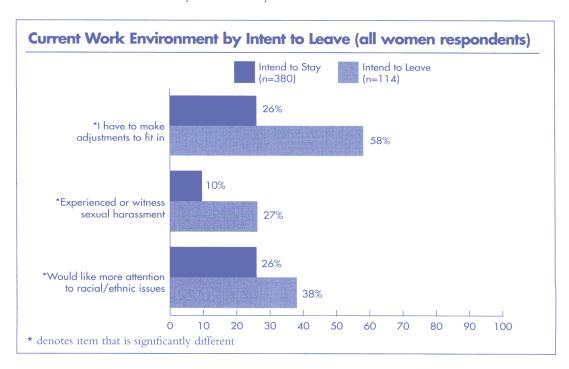


Figure 44

On the other hand, the top three attributes influencing women to stay with their organization are having an overall favorable work situation; having high visibility assignments; and having supportive colleagues.

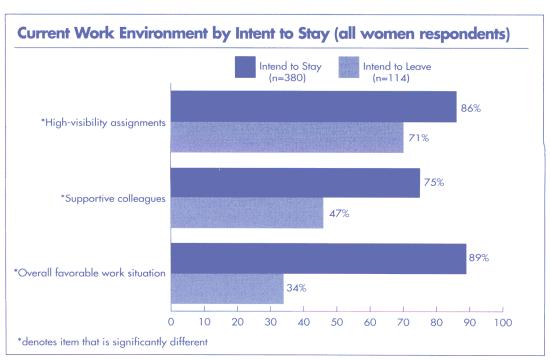
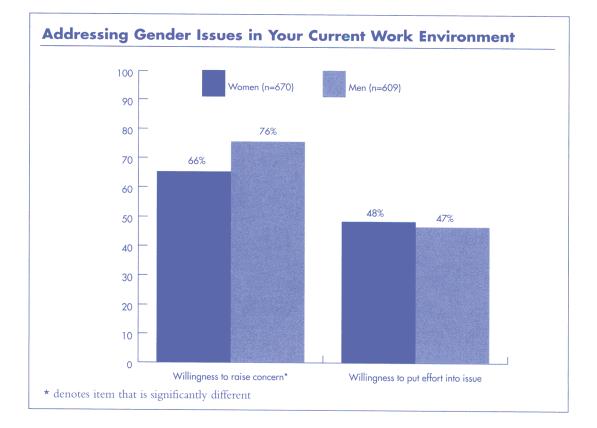


Figure 45

Those in Business Are Ready to Make Change

Almost three-quarters of MBAs surveyed indicate that they would be willing to raise issues concerning how women are treated in their workplace with their male colleagues. About half of both genders indicate that they would be willing to put effort into the issues once they were raised. These findings underscore the need for formal, funded corporate initiatives that address gender.

Figure 46



Interestingly, both white and African-American women are less likely than their male counterparts to say they would be willing to raise issues concerning how women are treated in their workplace.

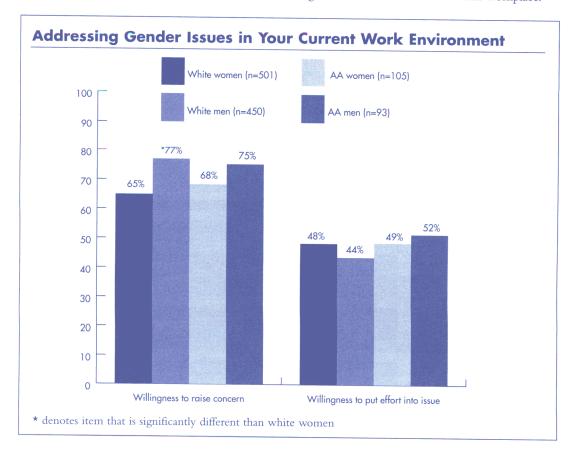


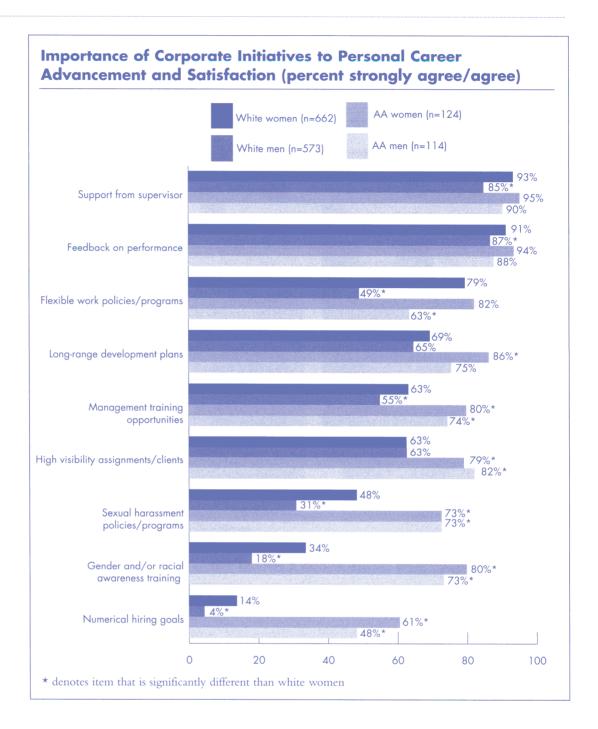
Figure 47

Findings for African-American Women: Formal Supports and Strategies Are Even More Critical

African-American women and men are more likely than white women and men to cite an inclusive work environment and tangible development opportunities as critical to advancement/satisfaction. For example, about three-quarters of both African-American men and women cite management training opportunities as important to advancement, as compared with 63 percent of white women and 55 percent of white men.

- African-American men and women are much more likely than whites of either gender to cite gender and/or racial awareness training as important to their satisfaction and success.
- African-American women (61 percent) and men (48 percent) are overwhelmingly more likely to cite the importance of numerical hiring goals than white women (14 percent) and men (4 percent).
- African-American women (and men) are much more likely to cite sexual harassment
 policies/programs as important to advancement than white women (and men), even though
 they are significantly less likely than white women to report having actually experienced or witnessed sexual harassment.

Figure 48



CHAPTER 5

RECOMMENDATIONS FOR BUSINESS SCHOOLS AND BUSINESS ORGANIZATIONS

This study identifies ways to improve the enrollment of women in top-tier business schools, a major talent pool for the business community and a pathway to corporate leadership.

We clarify challenges women face on the path to enrolling in top-tier business schools; identify positive factors in business school experiences that can be leveraged and aspects to improve; examine career outcomes and long-term career management for women MBAs; and identify what aspects business organizations need to change to attract more women into the field of business.

Recommendations and insights in this section are drawn directly from the findings of this study and reflect the experience of the three study partners. Some existing initiatives, sponsored by business schools and business organizations, have already achieved great strides in attracting women and creating more inclusive environments. They are featured throughout the Recommendations chapter.

Reducing Barriers Women Face along the Path to an MBA Degree

Barriers identified in this study include women's lack of awareness of and educational preparation for business school; women's lack of professional preparation for business school, such as being in work situations that are less likely to lead to business school; and the negative image of business held by some women.

Improve Women's Awareness of and Educational Preparation for Business School

The business community and business school educators can work to help young women understand the value and rewards of business careers. In fact, sharing the findings from this study about the satisfaction of women graduates with their MBA education and careers is an important means of doing this. Businesses and educators should:

- Work with local youth organizations and educational institutions to support and create experiential programs in business for young women or sponsor internship programs, summer camps.
- Develop speakers bureaus, career panels, and mentoring programs with local high schools.
- · Work with organizations seeking to improve young girls' ability and confidence in math.

It is also critical to identify and aggressively recruit women during their undergraduate careers and at early points in their work experiences.

- Identify high-potential women and market the MBA program directly to them via mail, the Internet, and phone calls.
- Create a consortium of schools and companies that work together to provide information about MBA programs and MBA careers. In particular, have corporations and business schools develop relationships with historically African-American colleges, women's colleges, and undergraduate institutions with strong Hispanic and Native American populations.
- Arrange for MBA alumnae to host undergraduate women from their school at local business school club events.

ees about MBA programs.

- Invite MBA admissions professionals to make in-company presentations to women employ-
- Arrange for MBAs and MBA alumnae to mentor undergraduate women.
- Use MBA graduates as a resource. MBA admissions professionals should ask their school's graduates to identify young women of talent in their organizations. Admissions staff can then reach out to those young women and invite them to learn more about the MBA program.

Improve Women's Professional Preparation for Business School

- Sponsor company internships for young women, particularly those in arts and humanities undergraduate programs.
- Identify high-potential women employees for Executive MBA program sponsorship.

Counter Negative Images of Business Held by Women

Young women often perceive business negatively, as illustrated in chapter three, seeing it as failing to fulfill values and goals important to women, and not being inclusive of women. To counter negative images, business schools and companies need to promote the positive aspects of business and business people, highlighting successful women and people of color in business. Further, business schools and companies should develop relationships with publishers and writers of women's magazines with the objective of providing stories of interest to their readers about women in business. Important points to make:

- The opportunity afforded to women in business leadership to help other women.
- The potential for business as a force for social change, emphasizing the good that corporations can do in society.

Top-tier business schools can also improve the fit between some women's values and business school by enhancing the curriculum and offering targeted financial support.

- Develop socially responsible curricula and internships; schools that already have such curricula need to market them better to women.
- Give scholarships to women who are entering business school.
- Provide loan forgiveness programs for those who enter the nonprofit field after the MBA program.
- Offer joint degree options for MBA students (e.g., law, public health, public policy, public administration, engineering, social work, environmental studies).
- Support development of entrepreneurship courses and opportunities in business schools; highlight women entrepreneurs on campus.

Developing Talent at an Early Age: Independent Means

Independent Means is a company that offers products and services for girls' financial independence. The following is a list of some of the programs it provides:

- An Income of Her Own Conferences These are one-day programs that bring women entrepreneurs together with teenage girls for activities and discussion to explore ownership and entrepreneurship as career options and work styles
- The National Business Plan Competition A business plan competition for teenage girls sponsored by Charles Schwab Home Depot, Fleet Bank, and Babson College.
- Camp \$tart-Up A summer camp that acquaints teenage girls with business concepts and creation of a business plan. The camp is available to other camps and after-school programs.

Girl Scout troops, intervention programs for at-risk girls, youth entrepreneurship programs, and other grassroots groups throughout the country are using these programs to speak directly to girls about economic empowerment and careers in business.

Developing Talent at an Early Age and Improving the Image of Business: Hewlett-Packard Company: Diversity in Education Initiative

One-quarter of the male participants in the MBA study had undergraduate degrees in engineering compared to just one-tenth of female graduates. We can argue that increasing the number of female engineering undergraduates increases the feeder pool of female MBA students. Hewlett-Packard's Diversity in Education Initiative is a multi-year, \$5 million commitment with several universities and partnering K-12 school districts that attempts to increase the number of women and underrepresented minority students graduating in engineering. The partnering universities receive money to fund math and science enrichment programs for high school students and money to fund programs that increase the success and retention rates of female and minority students majoring in engineering and computer science. Each of the university's K-12 school district partners receives funds to improve math and science curricula at all grade levels. In addition to providing funds to the universities and school districts, HP offers \$12,000 scholarships to ten high school and college students from the targeted urban areas and opportunities to work at HP while going to college.

Identifying and Developing Talent at an Early Age: INROADS

This program, which targets minority youth, serves as a model that can be adapted for female students. INROADS develops and places talented students of color in business, and prepares them for leadership in both corporate and community arenas. This program is unusual in reaching students at an early age: it targets high school as well as college students. INROADS provides college internships with year-round academic instruction, and the program's more than 10,000 graduates are pursuing professional and managerial careers.

Recruiting Women: Consolidated Edison of New York: Management Intern Program

Con Ed's Management Intern Program provides engineering, and business internships. Each program recruits between 30 and 40 college graduates annually. Each program involves several short-term rotational assignments where interns receive on-the-job supervision and mentoring from an assigned adviser. While women make up only 17 percent of engineering students nationally, they are more than 30 percent of the participants in the Management Intern Program. All graduates are eligible for entry-level positions upon completion of the program. About 15 to 20 women are hired per year. From 1993 to 1997, women held an average of 22 percent of nontraditional jobs at Con Ed.

Improving Educational and Professional Preparation: Wellesley Business Leadership Council

When Wellesley College initiated the Business Leadership Council in 1989, one of its goals was to connect Wellesley students to networking opportunities in the business world. This group of global women business leaders has helped provide internships and summer employment opportunities for Wellesley students, and job contacts for recent graduates. With its students fully prepared to work in business, Wellesley was able to attract 75 recruiting corporations to its campus in 1994, slightly more than the number of companies at larger colleges like the University of Chicago (70) and much more than similar-sized elite colleges such as Smith (41) and Bryn Mawr (34).

Leveraging Positives of Business Programs and Improving Negatives

The study also clarifies the advantages of business degrees, in terms of the overall quality and value of business school education, as well as the drawbacks, in terms of the perceived lack of inclusiveness of the business school environment for some women.

Highlight the Value of Business Programs

- Market the value of the MBA in relation to careers and the high satisfaction levels of women and
 people of color, as shown in this study's findings. Emphasize the flexibility and portability of an
 MBA education, along with the opportunities it affords for leadership, high income, and a wide
 range of career choices over a lifetime.
- Emphasize and market the quality of a top-tier business school education, publicizing the quality of the curricula and highlighting the fast-growing areas such as globalization, technology, and the environment.

Improve the Inclusivity of the Business School Environment for Women

- Aggressively recruit women.
- Feature women executives from diverse backgrounds in recruiting efforts.
- Improve the diversity of business school professors by providing scholarships and other support for women and minority doctoral students in business.
- Address representation issues by bringing in women executives to speak in business school
 classes. Develop case studies that feature women and people of color in key leadership roles.
 Increase the proportion of women on business school faculties. Make sure that corporate
 boards, business school advisory boards, and other high-level committees include women and
 people of color as members.
- Schools can understand more about barriers to entry for women by interviewing and surveying women who applied to the program but chose not to attend, to understand the reasons behind their decision and compare those interview results with those of male MBA applicants who chose not to attend.
- Gain a greater understanding of cultural barriers to inclusion through focus groups and student/employee surveys; use exit interviews to learn from past experiences.
- Reinforce internal commitment to inclusion with external activities, such as rewarding
 faculty for service to professional and community organizations that foster diversity, and for
 instituting project coursework that involves MBA students with service organizations that
 foster diversity.
- Articulate and enforce a sexual harassment policy and a confidential process for addressing inappropriate behavior of faculty, staff, and students.

Developing an Inclusive Business School Culture: The Ph.D. Project

The purpose of the Ph.D. Project is to increase the diversity of business school faculty by attracting people of color to business doctoral programs and providing support during the doctoral program. Through the Ph.D. Project's support network, approximately 380 minority students are currently pursuing a Ph.D. in all business disciplines. The Ph.D. Project's ultimate goal is to increase minority student representation in undergraduate business and MBA programs through the presence of minority professors as highly visible role models and mentors. This best practice can be adapted to focus on gender.

The Committee of 200

The Committee of 200 (C200) is the professional organization of preeminent businesswomen who exemplify and promote entrepreneurship and corporate leadership among women of this generation and the next. In addition to services for its members, The Committee of 200 Foundation supports scholarship, research, and outreach in order to mentor the next generation of women business leaders. Two current activities directly support MBA women: 1.) the C200 Scholars Program, in which MBA women are awarded a scholarship, an internship with the company of one of its members who also serves as a mentor to the student, and the opportunity to attend the annual C200 conference and 2.) the C200 outreach seminars, in which C200 members serve as speakers and panelists in one-day conferences created by MBA students. The personal interaction provided by these seminars provides an outstanding opportunity for MBA women to learn from successful women business leaders and entrepreneurs.

Enhancing Career Outcomes for Women MBAs

This study shows the impact of women's time out of the workforce on the outcomes of their careers. While women MBAs are moderately satisfied with their career progress, they still lag behind men on standard measures of success such as representation in line positions. To improve the image of business for women, corporations need to increase the probability that women in business will achieve both success and satisfaction. Doing so means creating supportive, inclusive work environments that value women and that include optimal work/life support.

Improve the Inclusivity of Business Environments and Provide Structured Career Support to Women

- Aggressively recruit women for professional and managerial positions.
- Benchmark the progress of women in the organization. Monitor representation of women by race, level, location, function, and access to key developmental opportunities.
- Have clear accountability for diversity efforts and then measure results.
- Monitor salaries and promotion rates to ensure parity of compensation and career development opportunities. Address any disparities in compensation or rates of promotion.
- Create individual development plans for entry-level MBA graduates. For corporate employees, this should include rotations through line, staff, headquarters, field, and international assignments.
- Nominate women employees to board positions for nonprofit organizations and public companies.
- Encourage and support women's networks (e.g., student clubs, alumni organizations, employee networks).
- Encourage alumnae of business organizations to stay in touch with the company or firm, so that a source of networking is available when women candidates are being sought by the company or firm.
- Send corporate representatives to national meetings of organizations such as The National African-American MBA Association and The National Hispanic MBA Association.
- Include support of women in the performance expectations for senior managers.
- Educate organizational members: teach multicultural competencies as an integral part of the business school curriculum and in employee development programs, and institute teaching approaches that reward teamwork and encourage cooperation rather than competition.
- Articulate and enforce a sexual harassment policy and a confidential process for addressing inappropriate behavior of managers and employees.

Provide Support for Work/Life Balance

- Provide formal programs such as child care resources.
- Create MBA programs and career paths that can be lengthened and in other ways customized for students and employees to accommodate work/life balance needs.
- Explore options for increasing the flexibility of class and recruiting schedules for MBA students juggling class, career search, and family responsibilities.
- Ensure that faculty and staff have processes in place (e.g., to reschedule exams) to support MBA students who are expecting a child or who experience medical emergencies with their children or other family members.
- Provide informal flexibility along with formal programs, which higher-earning and more senior employees are more likely to use.
- Ensure that employees have the opportunity to take family leave when needed. Even where excellent policies exist, employees especially men may feel it is too "risky" to use them. Articulate the company's approval of men using family leaves through positive role modeling and written communications. Provide support for male MBA students who need to use family leave while in the MBA program.

Recruiting Women: Booz. Allen & Hamilton's Targeted Recruitment Program

The purpose of Booz-Allen's initiative is to increase the number of women MBA recruits to their consulting firm. To do this, they hold women-only dinners with tables hosted by the firm's senior women at its eight core business schools. Panel presentations by successful female consultants are followed by moderated discussions at tables that give the students a chance to raise questions and discuss issues that they might not raise in an interview. These dinners also provide visibility and networking opportunities for current women consultants. In 1994, only 30 percent of female recruits accepted offers from the firm. In 1995, the first year of the initiative, the number of women who accepted increased to 52 percent. Although this program is aimed at MBA recruits, this type of panel presentation and discussion could be used to educate undergraduate women about business careers and to recruit them to specific companies.

Inclusive Corporate Culture: Charles Schwab

Charles Schwab has created an inclusive work environment, with women at very senior positions, and maintains it through leadership commitment, accountability, and effective communication. The Schwab culture is reflective of its core values (including trust, empathy, and respect) and is intended to allow all employees and customers to flourish. Formal programs focus on filling the pipeline with women and people of color. Women comprise 37 percent of employees from the manager/senior manager level to the executive vice president level. Women account for 35 percent of the management committee.

Recruiting Women: Hewlett-Packard Company

HP sponsors the SEED (Student Education and Employment Development) program to funnel students into internships and, in many cases, into employment. Teams of HP recruiters – volunteers who hold line positions at the organization – interview more than 10,000 students annually at 84 colleges and universities. To broaden their reach to women and minorities, HP attends seven annual conferences run by associations like the Society of Women Engineers and the Society of Hispanic Professional Engineers. In 1996–97, HP successfully recruited an incoming class that was 36 percent women and 18 percent underrepresented minorities.

Corporate and Foundation Fellowship Programs

This best practice illustrates recommendations on identifying and aggressively recruiting women. Some of these fellowship programs also offer experience in the sponsoring company to provide job experience as well as mentoring opportunities for students.

A number of firms, particularly in the investment banking industry (Goldman Sachs, Morgan Stanley Dean Witter, and Chase Manhattan), have created fellowship programs for students of color. Students admitted to an MBA program apply for the fellowship, which typically includes two years of tuition and a summer internship.

The Committee of 200 sponsors several fellowships each year for second-year women MBA students. Its C200 Scholars Program includes an internship with the company of one of its members; that C200 member also serves as a mentor to the student. Further, the student may attend the annual C200 conference, providing further opportunities for learning and networking with successful women in business.

Ford Motor Company sponsors fellowships for women MBA students at the University of Michigan Business School through a partnership with the Center for the Education of Women. The Karla Scherer Foundation provides assistance to women from the U.S. and abroad who are preparing for careers in business, particularly the manufacturing sector.

Successful Corporate Work/Family Program: Baxter Healthcare

Baxter's Work and Life Strategic Initiative began with an 18-month study to investigate work and life issues. The study evaluated current work and life programs, employees' work and life needs, and management attitudes toward employees' work and life conflicts. Baxter used the study's fact-finding process to motivate senior managers to address work/life as a critical business issue, and to dispel fears and stereotypes surrounding work/life issues. The study refocused Baxter's human resources strategy, giving increased importance to and emphasis on respect for the "whole" person, including their responsibilities and interests outside of work. Four components were identified that encompassed the scope of work/life needs: Respect, Balance, Flexibility, and Programs. Baxter's Work/Life Initiatives focus on addressing each of these needs, and Baxter incorporated work/life support mechanisms into all of its operational aspects. Managers credited the initiative for the increasing representation of women in leadership roles. From 1996 to 1998, the number of women increased by 8 percent at the manager level, 17.7 percent at the director level, and 29.6 percent at the vice president level.

In summary, in order for more women to believe it is worth their time and money to invest in an MBA degree, they need to believe that business careers will be satisfying and rewarding. They need to see that they will have the same access to opportunities for income and advancement that the MBA has afforded males. Changing the business school culture may encourage greater enrollment of women, but it cannot address barriers in the corporate culture that work against women's recruitment, retention, and advancement. Concomitantly, corporate culture change cannot occur in isolation from requisite changes in the recruitment practices, curriculum, and environment of business schools.

Those women who have attended business school are highly satisfied with the value of the degree. This satisfaction needs to be more widely marketed to current undergraduates and entry-level women—if more women knew this, more women might consider business school.

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APPENDIX I: METHODOLOGY

In analyzing ordinally-scaled items from the survey, chi square tests and t-tests were used to test statistical significance to help ensure that any reported difference is real and not a matter of chance. Graphs indicated where statistically significant differences of at least p<.05 exist between percentages reported by pairs of sub-samples, such as men as compared to women.

Three types of regression equations were specified in order to allow an in-depth analysis of the responses to several questions, primarily those questions dealing with respondents' reported level of satisfaction with various aspects of their MBA and post-MBA experience. For these questions, a series of ordered probit models were estimated.

The number of promotions that a respondent had received was analyzed using a Poisson regression. Finally, a linear regression model was specified in order to estimate the impact that various other factors have on the number of hours worked per week. This particular model was run since hours worked appears to influence the level of satisfaction for several questions. For all of the regression models, a marginal analysis was conducted to determine the impact of various independent variables.

APPENDIX II: RECOMMENDATIONS FOR BUSINESS SCHOOLS AND BUSINESS ORGANIZATIONS

Recommendation	Business Schools	Business Organizations
Educate Young Women About Business and MBA Programs		
Create a consortium of schools and companies that work together to provide information about MBA programs and MBA careers and provide scholarship funding.	~	V
Develop speakers bureaus, career panels, and mentoring programs with local high schools and universities/colleges and encourage women students and graduates to participate, thus providing role models.	V	~
• Invite MBA admissions professionals to make in-company presentations to women employees about MBA programs.		V
Identify and Develop Talent at an Early Age		
• Work with local youth organizations and educational institutions to support and create experiential programs in business for young women or sponsor internship programs, summer camps, etc.	•	V
Sponsor company internships for young women, particularly those in arts and humanities undergraduate programs.		V
Develop relationships with historically black colleges, women's colleges, and undergraduate institutions with strong Hispanic and Native American populations.	~	V
• Conduct research on undergraduate women and men to understand their perceptions of business careers and business programs.		
Carefully examine admissions policies requiring significant full-time work experience.	~	
Improve the Image of Business and the Value of the MBA Degree		
Identify and Aggressively Recruit Women		
• Identify high-potential women (e.g., using GRE, GMAT, and undergraduate GPA records) and market the MBA program directly to them via mail, the Internet, and direct phone calls.	~	
• Identify high-potential women employees for Executive MBA program sponsorship.		V
Provide funding for scholarships and internships for women MBA students.	V	V

Recommendation	Business Schools	Business Organizations
Provide funding for scholarships and other support for women entering business school.	V	V
• Identify and recruit executive women for involvement on business school advisory boards, as well as panels, workshops, and conferences involving students.	V	V
Develop an Inclusive Culture and Environment		
• Address representation issues by bringing in female executives to speak in business school classes.	V	
Develop case studies that feature women and people of color in key leadership roles.	V	
Increase the proportion of women on business school faculty.	V	
• Ensure that corporate boards, business school advisory boards, and other high-level committees include women and people of color as members.	~	~
• Understand the barriers to entry for women into your particular business school by interviewing admitted female MBA applicants who chose not to attend your MBA program to understand the reasons behind their decision. Compare those interview results with those of admitted male MBA applicants who chose not to attend your program.	V	
• Gain a greater understanding of cultural barriers to inclusion through focus groups and student or employee surveys; use exit interviews to learn from past experiences.	V	~
• Educate organizational members: teach multicultural competencies as an integral part of the business school curriculum and in employee development programs, and institute approaches that reward teamwork and encourage cooperation rather than competition.	V	~
• Reinforce the organization's commitment to inclusion and community by activities such as: rewarding faculty and managers for service to professional and community organizations that foster diversity and instituting project coursework that involves MBA students with service organizations that foster diversity.	~	~
 Articulate and enforce a sexual harassment policy and a confidential process for addressing inappropriate behavior of faculty, staff, and stu- dents or managers and employees. 	•	~

Recommendation	Business Schools	Business Organizations
Ensure Organizational Leadership and Commitment for the Promotion and Support of Women		
• Include support of women in the performance expectations for senior managers and university administrators and faculty chairs.	~	~
• Benchmark the progress of women in the organization: the representation of women by race, level, location, function, and access to key developmental opportunities; their salaries and tenure decisions or promotion.	~	✓
• Create individual development plans for entry-level MBA graduates or new faculty members/doctoral students. For corporate employees, this should include rotations through line, staff, headquarters, field, and international assignments.	~	~
• Help women build their personal and professional networks by encouraging and supporting women's networks (e.g., student clubs, alumni organizations, employee networks).		~
Nominate women employees to board positions for nonprofit organizations and public companies.	•	V
• Send business school and corporate representatives to national meetings of organizations such as The National Black MBA Association and The National Hispanic MBA Association.	~	~
Improve Work/Life Programs and Policies		
• Provide formal programs such as child care resources and customized career paths that include promotions to employees who make career choices to accommodate family or other personal circumstances.		V
• Explore options for increasing the flexibility of corporate work schedules and MBA class schedules, allowing employees and students to demonstrate they can deliver results while still choosing the flexibility they need.	~	V
• Ensure that business school faculty and staff have processes in place (e.g., to reschedule exams) to support MBA students who are expecting a child or who experience medical emergencies with their children or other family members.	•	
• Ensure that employees have the opportunity to take family leave when needed; articulate approval of men using family leaves through positive role modeling and written communications.		✓