

Business Education

Push to help find the keys to the C-suite

Women at business school

An MBA helps US women get to the top, but globally female students remain only a third of the intake, writes Liz Bolshaw

Enrolling on an MBA programme, particularly at an elite school, is for some the equivalent of taking an elevator to the executive suite. While the majority of Fortune 500 company chief executives do not hold MBAs, a significant 35 per cent do.

If you want to see more women in the boardroom, you could do worse than ensure that higher proportions study for an MBA, one argument goes.

Cagla Bekbolet, of Egon Zehnder International, the executive search firm, says: "I don't think I've ever been asked whether a candidate has an MBA or not." However, that does not mean the MBA is not an asset on the resumé.

"It gives me confidence in a candidate's intellectual curiosity and rigour," she says. While there are more men than women on board shortlists she adds, there does not appear to be any gender difference proportionately in those with MBAs.

The MBA remains a "badge of eligibility for top roles", says Moira Benigson of London-based executive search firm MBS Group. She is handling an assignment to recruit a European chief executive for a US group, run by a woman with a Stanford MBA who is "incredibly disappointed by the level of what she calls 'the smarts'". Now we've had to realign the brief, so that they have to have an MBA from a great school," she says.

The number of women chief executives of Fortune 500 groups will, assuming no unforeseen changes, hit a record 18 in January. Of those who lead the US's largest groups – seven Fortune 100 companies are run by women – five have MBAs: Meg Whitman, president and chief executive officer of Hewlett-Packard (Harvard); Lynn Elsenhans, chairman, CEO and president of Sunoco, (Harvard); Irene Rosenfeld, chairman and CEO of Kraft Foods (Cornell); Indra Nooyi, chairman and CEO of PepsiCo (Yale); and

Ellen Kullman, chair and CEO of DuPont (Kellogg).

When, earlier this year, London Business School set a diversity target for its MBA programme, it did so in the belief that diversity in the boardroom starts at business school. "We are committed to seeing more women in business and when we looked at ways of achieving that, we thought ensuring our own MBA student intake was 30 per cent female could be one way of doing it," says Diane Morgan, associate dean of degree programmes.

Female participation in the school's MBA had stalled at about 28 per cent. By setting a target, extending application deadlines and focusing on countries such as Russia and Japan, where the number of female applicants had been historically low, that has risen to 31.4 per cent this year.

However, the proportion of women enrolling on MBA courses globally is still under a third and has remained at this level for the past eight years.

Ms Benigson says: "MBAs have the edge. It's not just the teaching but also to do with your peer group – it

'Not only did it [MBA] give me very good skills in all business disciplines . . . it also taught me how to solve problems'

gives you incredible access if you've been to a top school. It's a very, very good club to join. It is still very male-dominated, but that is changing."

The Financial Times' ranking of the top 50 women in business includes 12 MBA alumni (24 per cent), clearly below the average for Fortune 500 chief executives. Of these, six are from US universities, four from Indian business schools and two from European schools. The majority (52 per cent) of women in the elite ranking have postgraduate qualifications.

These data reveal that some nationalities are more MBA-focused than others. Top US and Indian female chief executives are far more likely to have an MBA than their European or non-Indian Asian counterparts. Almost all Indian chief executives in the ranking, whether or not now located in India, hold MBAs.

The list includes six women who



started and built up the enterprises they lead. They are all in Asia and none has an MBA. Like some of the Fortune 500 high-tech entrepreneurs – Oracle's Lawrence Ellison, Michael Dell, Facebook's Mark Zuckerberg, visionary college dropouts all – they tend not to have studied for advanced business degrees. That may change with the growing focus on entrepreneurship in business schools.

Some women chief executives completed masters and doctorates in disciplines other than management. For example, Ursula Burns, chief executive of Xerox, decided against an MBA in favour of a masters in mechanical engineering.

"I joined Xerox as an engineer in a research lab and I was ambitious to be a very good engineer, hands-on, analytical, running experiments," she says. "I didn't know about corporate

structures and treasurers and CEOs, but I did know about chief engineers."

Women who qualified as accountants or lawyers do not generally have MBAs: others got into a fast-paced career and never looked back. Maggie Wilderotter, chief executive of Frontier Communications, is one. "I felt MBAs were for people who didn't really know what they wanted to do, or felt they didn't have opportunity where they were and they needed this to boost them to the next level."

Yet those who did invest in an MBA place high value on the experience. "Not only did it give me very good foundation skills in all disciplines of business . . . it also taught me how to solve problems," says Nancy McKinstry, CEO of Wolters Kluwer.

"To this day I take a very analytical approach."

A wide academic portfolio 'essential'

Irene Rosenfeld is never far from the top of any significant ranking of executive women. This year she heads both the Financial Times' list of the top 50 women in business as well as Fortune's list of Power Women.

Ms Rosenfeld, who has an MBA from the Johnson Graduate School of Management at Cornell, has been chief executive of Kraft Foods, the self-styled "global snacks powerhouse," since 2006.

She was a super-achiever from the start. The elder of two daughters, she credits her father with making her "a fabulous sportswoman" and both parents with encouraging their children to believe they could achieve whatever they wanted.

"I did my thing and just assumed the rest would follow," she says.

With a school career festooned with A-grades, basketball trophies and Brownie badges, her admission to Ivy League Cornell University was no surprise.

"It's fair to characterise me as competitive and determined," she says. At Cornell, where she now sits as a trustee, she followed her first degree in psychology with an MBA and a PhD in marketing and statistics. "Exposure to a diversity of disciplines has been exceptionally helpful to me," she says of her postgraduate education.

"The opportunity in the course of one's career to be exposed to strategic frameworks and disciplined analytical tools is essential if one thinks of managing a company of the size and scope of [Kraft]."

While not a lifer, Ms Rosenfeld has spent most of her career with Kraft, occupying a variety of executive roles, after her first job with New York advertising agency, Dancer Fitzgerald Sample. A significant interval as chief executive of PepsiCo's snack division, Frito-Lay, was the perfect hors d'oeuvre to the meaty role as chief executive of Kraft that followed it.

Earlier this year Ms Rosenfeld decided to split Kraft into a North American grocery business and a global snacks business. Surgically dividing a company of the complexity of Kraft is no mean feat and history will judge whether or not it will be the crowning achievement of Ms Rosenfeld's career.

However, the legacy that she would like to be remembered for is: "My willingness to take some bold actions to get this company, this portfolio of iconic brands, on a better trajectory and to enable it to deliver top-tier performance."

WOMEN AT BUSINESS SCHOOL

For women-related features and news: www.ft.com/business-education/women-business-school

Women need to learn the value of an MBA

Soapbox

By Elissa Ellis Sangster

Recent news that Virginia Rometty will become the first female chief executive of IBM, and separate debate about country quotas for women's representation on boards, have sparked a renewed dialogue on what it will take to catapult more women to the upper ranks of companies.

If we want to pick up the pace of women's advancement, increasing the number of women MBAs would level the playing field in business globally. In countries including the US, UK, Germany, China, India and Japan, the percentage of female board directors ranges from 16 per cent in the US to less than 1 per cent in Japan. Women's representation in the C-suite is also abominably low. In the US, there are currently only 16 women chief executives in the Fortune 500, despite women's high workforce participation and education, including advanced degrees.

Research has shown there are three key areas of difference between women and men that contribute to gender inequity in business: pay; expectations and confidence; and mentors and sponsors. The MBA helps to address all three by providing women with the skill sets, confidence and credentials to be successful, key insights on salary negotiation and a strong network to build mentor and sponsor relationships.

While it is not necessary to have an MBA to become a chief executive, 42 per cent of Fortune 100 chief executives have an MBA or master's degree in finance or economics. Women's enrolment in MBA programmes in the past

decade has climbed 8 from 26 per cent to 31 per cent on average across US and European schools, although some schools have made large increases this year.

The Fort2 Foundation was formed 10 years ago after groundbreaking research found that while both sexes equally pursue law and medical degrees, there was a significant gender gap in pursuing an MBA.

It is possible to reach the figure of 50/50, but many obstacles remain: young women's understanding of business as a career; lack of access to female business role models who recommend business school to women; and inadequate planning during undergraduate years when women need an internship, leadership experience, business coursework and a strong GMAT score to lay the groundwork to get into business school.

Beyond college, women in their 20s face several key decision points around starting a family and moving to pursue a full-time MBA. Women are more risk averse and likely to stay close to home for their education and future employment, and are more willing to sacrifice their career prospects for those of their significant other.

A number of things could be done to influence these various inflection points in a woman's pre-MBA career path: educating and motivating women to pursue internships and majors beyond liberal arts, educating campus advisers to relay the value of an MBA to women, and steering women to resources to help them plan their college experience to better prepare for career success. Companies and organisations could offer financial incentives and support to women to relocate with their family, or significant other, to pursue a full-time MBA.

We also need to raise awareness of the impact women can make on society, culture, the environment and the economy through their business career and emphasise research that demonstrates companies with more women in senior leadership have better bottom line performance, corporate governance and risk management.

And instead of comparing women with men in business, we might compare women with other women. What is interesting is a comparison of salary, career advancement and career satisfaction for women with undergraduate degrees versus an MBA. Figures from the Graduate Management Admission Council 2010 show that women significantly benefit from an MBA, regardless of industry, experience, geography, or other variables. Encouraging women to pursue an MBA benefits their careers and holds the key to opening doors for women in the C-suite and on boards.

Elissa Ellis Sangster is executive director of the Fort Foundation. Comment online: www.ft.com/soapbox

Men more sceptical of boardroom quotas

How do you get more women managers on to corporate boards? This is a question that divides men and women, writes Adam Palin.

While men appear to be largely sceptical about the introduction of a legally binding quota aimed at increasing the number of females in boardrooms, women view the suggestion more favourably, according to a recent Financial Times survey.

A poll of more than 700 European business school alumni ± 475 men and 242 women ± currently working in Europe, was conducted by the FT in October.

The survey revealed that almost half (47 per cent) of women believe that the EU should introduce legislative quotas.

Only 19 per cent of men, however, agreed, with approximately half (49 per cent) describing the potential impact to businesses as negative.

For more on this story and further poll data go to: www.ft.com/board-quota-poll