

Women in Business**Women still balk at risk of investing in MBAs**

Business schools go to great lengths to lure the best female applicants



One of a few women in class: Meron Myers at the Tippie College of Business campus in Iowa © David Scrivner/FT

MARCH 2, 2017 by Kaye Wiggins

Meron Myers, a 24-year-old Bank of America mortgage officer, was hard at work in Washington DC one afternoon last year when she received an unexpected phone call. On the line was Sarah Fisher Gardial, dean of the [Tippie College of Business at the University of Iowa](#).

Ms Myers had already been offered a place on its MBA programme. Now the institution's most senior figure was calling to persuade her to accept it over a rival business school's offer.

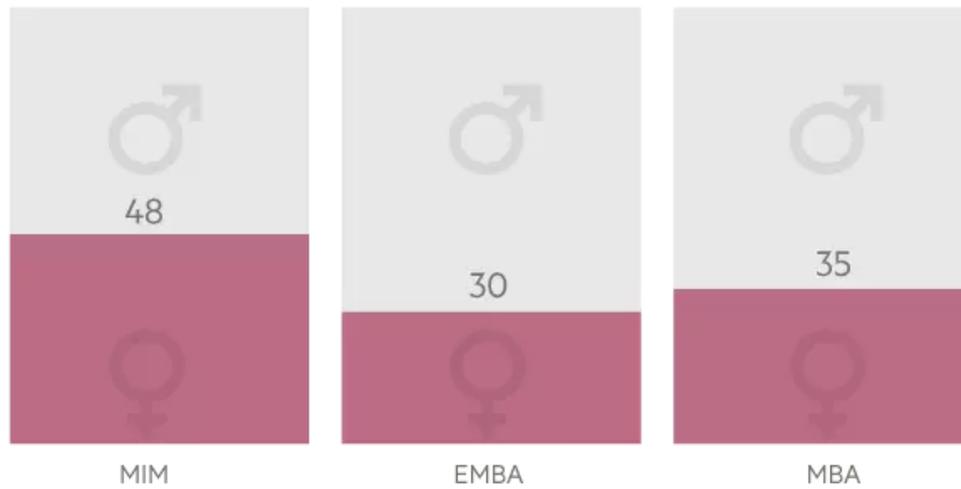
"It was definitely a surprise. You don't expect a call from the dean," Ms Myers says.

The call was part of a push to recruit more women to the MBA programme — and a sign that schools are increasingly determined to improve gender diversity in their classrooms. "They were really personal phone calls," Dr Fisher Gardial says. "I absolutely put the female thing right out there."

Ms Myers accepted the offer from Tippie. But despite Dr Fisher Gardial's efforts, gender balance in business education is a long way off. Ms Myers is one of 10 women in her cohort of 52 students. Worldwide, the average proportion of female MBA students at the FT's ranked schools is just 35 per cent.

Women are more likely to choose a Masters in Management than an MBA

Per cent



FT graphic Source: FT rankings

FT

Because MBA courses are a training ground for the next generation of corporate leaders, low levels of female participation are a cause for concern for schools and for employers. Although the proportion of women enrolled varies significantly by school and by country, with China leading the way, the global picture is not improving much.

For the past five years, the proportion of female MBA applicants worldwide has been stuck at an average of 38 per cent between 2012 and 2016, according to new data from the Graduate Management Admission Council, the organisation that runs the GMAT business school entrance exam.



Sarah Fisher Gardial, Dean of Tippie College of Business, University of Iowa © University of Iowa

FT data on the number of women enrolled in business schools show similarly sluggish progress. In 2006, 29 per cent of MBA students enrolled in the top 100 MBA programmes were women. By 2017, the proportion had increased by just six percentage points to 35 per cent.

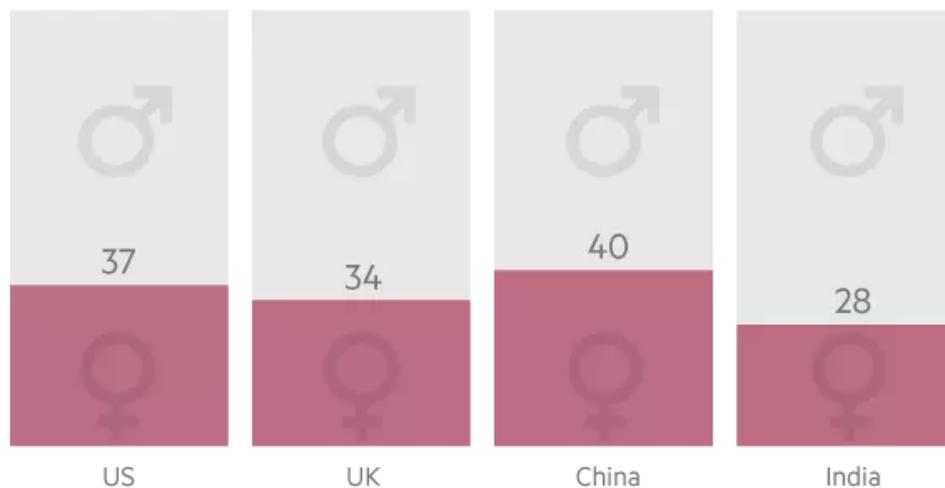
The GMAC data found that although women took more than 45 per cent of entrance exams worldwide last year, they were less likely than men to use their score to apply for an MBA. Just 37 per cent of applications for full-time, two-year MBA programmes were made by women in 2016. Women were more likely to use their score to apply for specialist masters programmes in marketing, accountancy and management, which are often taken by applicants at a younger age and with less business experience.

“Women will come out of undergraduate education and go straight in to getting a masters in management,” says Sangeet Chowfla, president of the GMAC. “They are less willing after four or five years of experience to give up their jobs and do a full-time MBA programme.”

The prospect of two years out of working life without pay is a particular problem for female applicants. The GMAC study found that in the US, 30 per cent of female business school applicants said funding was their biggest obstacle, compared with 9 per cent of male applicants.

“We know that in most cases women earn less than men,” says Alice Leri, associate dean for diversity and inclusion at the University of South Carolina’s Darla Moore School of Business. “It’s going to take them longer to make up for the money they have spent on their education.”

Business schools in China have higher proportions of female MBA students
Per cent, by country



FT graphic Source: FT 2017 MBA ranking

FT

The gender gap may be a bigger problem in schools in the west than in China. Some 66 per cent of Chinese entrants for the GMAT test in 2015 were female. Among the FT’s 100 ranked MBAs, programmes at Chinese schools had a higher proportion of female students on average than in the UK and in the US.

For schools in China the average proportion of female students was 40 per cent, compared with 34 per cent in the UK and 37 per cent in the US.

Chris Rowley, a visiting fellow at Oxford university's Kellogg College and co-editor of *The Changing Face of Management in China*, says a culture that places an emphasis on the importance of education is one reason for this. "There is an awareness that [business school] opens doors."

However, as in the west, Chinese women who have taken the GMAT often use it for qualifications that can be taken shortly after graduation rather than the MBA. In 2015, 21 per cent of Chinese women who took the GMAT used their score to apply for an MBA compared with 32 per cent of men. In the US the proportion of MBA applicants was far higher and the gender gap was smaller, with 76 per cent of women and 81 per cent of men using their score to apply for an MBA.

"Many [female Chinese students] are coming straight out of their undergraduate [degree]," says Elissa Sangster, executive director of the Forté Foundation, a non-profit group that aims to improve women's access to business schools. "Few of them would be able to get into a top-ranked MBA, unless they got work experience first."

Fixing the business education gender gap will be difficult. FT data show there is no significant correlation among the top 100 MBAs between schools with higher proportions of female students, and other factors that may be relevant to applicants, such as the proportion of female faculty members or female board members, or programmes ranked highly in the value for money category.

Many deans are not convinced that change will happen soon. "It's not unreasonable to think that an MBA education could be 50-50, but I would say not in the next 10 years," says Urs Peyer, dean of degree programmes at Insead. "It will be a while before there's such a high percentage of females interested."

Meanwhile, Ms Myers is getting used to being one of a few women in class. She is trying to persuade female friends outside school to consider studying for an MBA, and says women's under representation is a "huge deal".

An equal proportion of men and women in class, she adds, would mean "gender equality and sexism will be addressed. They will not just be brushed aside or avoided. This will open conversations on how to solve those problems."

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