

# Outcomes and Perspectives of MBA Graduates

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# Our Research Path to Date

2016

The Impact of the  
MBA on Women  
and Men

- Broad insights on the intrinsic and extrinsic outcomes women (and men) achieve from the MBA, and predictive value of key inputs on outcomes

2017

Career Choice and  
Trajectory of MBA  
Women

- Findings on the importance of company commitment to women in the MBA hiring process, first post-MBA career choice, and reasons for career change

2018

Outcomes and  
Perspectives of  
MBA Graduates

- Current study combines MBA Outcomes and Career Trajectory. Also adds two new sections on financing the MBA and gender inequality in the workplace

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# Today's Presentation

Outcomes and Perspectives of MBA Graduates

Part 1

- Career Outcomes



Part 2

- Financing the MBA



Part 3

- Gender Inequality

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# The Current Study

- Data collection: March/April 2018
- Forté database of alumni; sponsor schools; Consortium
  - > At least 1 respondent from 58 of the 59 schools included in the study

These schools/programs had over 25 respondents each

**THANK YOU!**

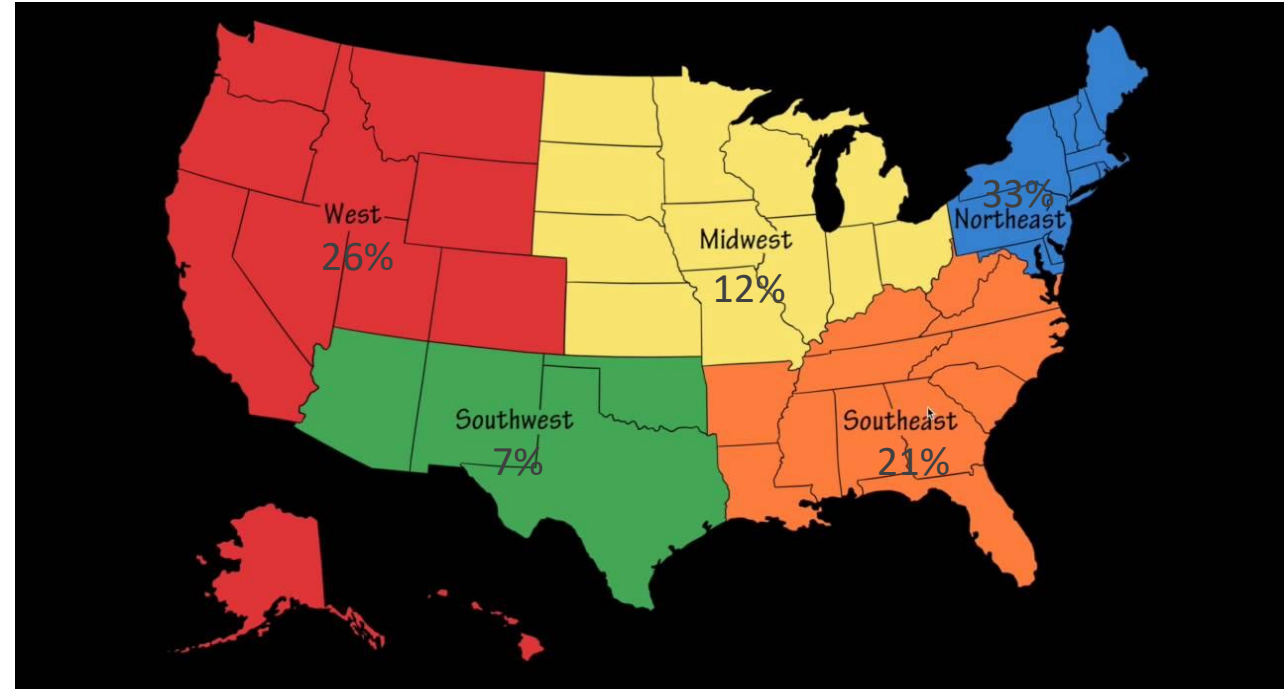


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# Participant Profile

- 900 total respondents (grads from 2005 to 2017)
- 69% female, 31% male
- 46% non-Hispanic white; 21% Black, African American, Latin or Hispanic American
- Work experience
  - > 5.43 Years Pre-MBA (Men: 5.3 years; Women: 5.5 years)
  - > 5.64 Years Post-MBA (Men: 6.6; Women: 5.1)

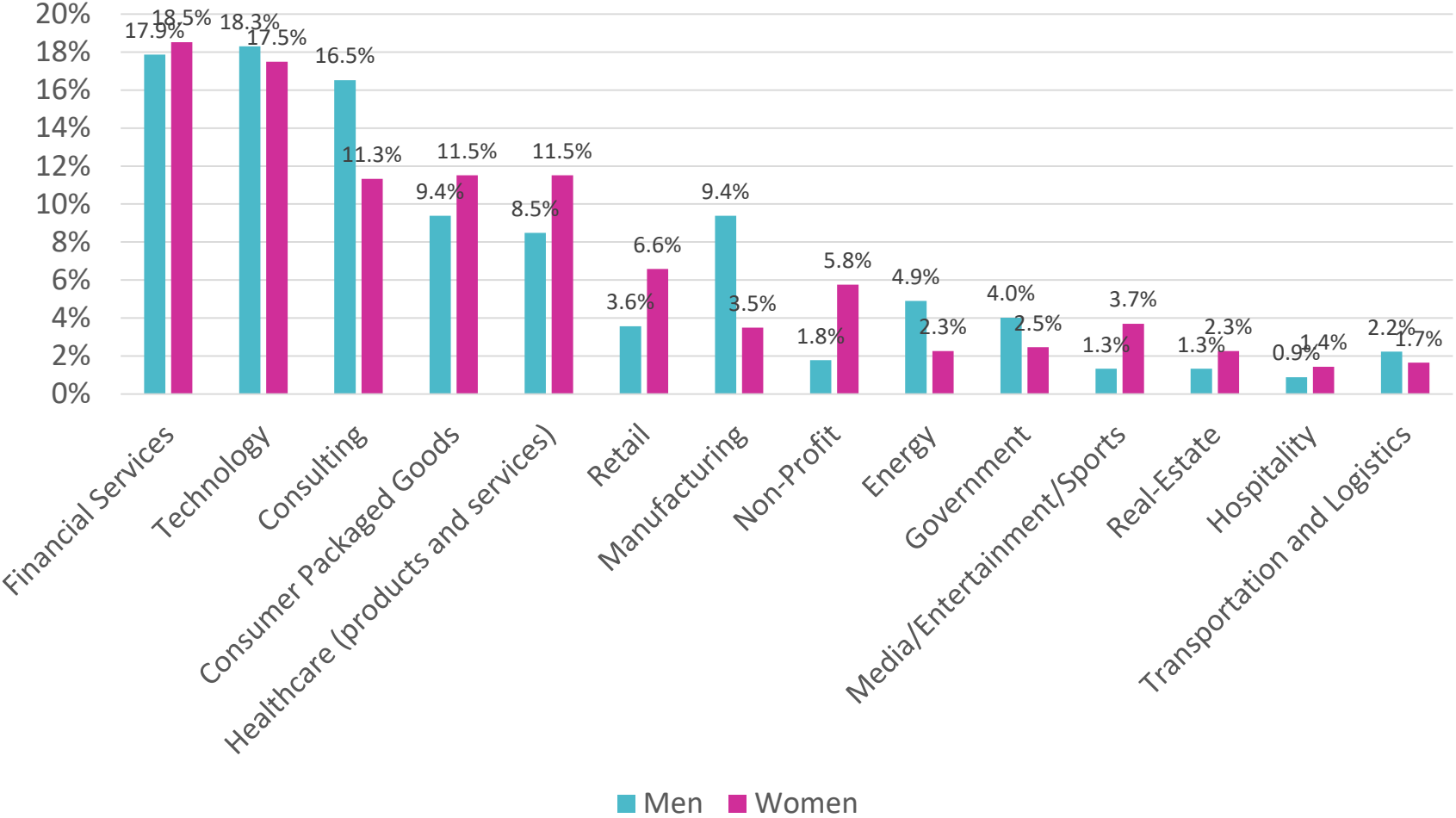


89.5% of respondents live in the U.S.

11.5% live in 35 other countries

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# Industries



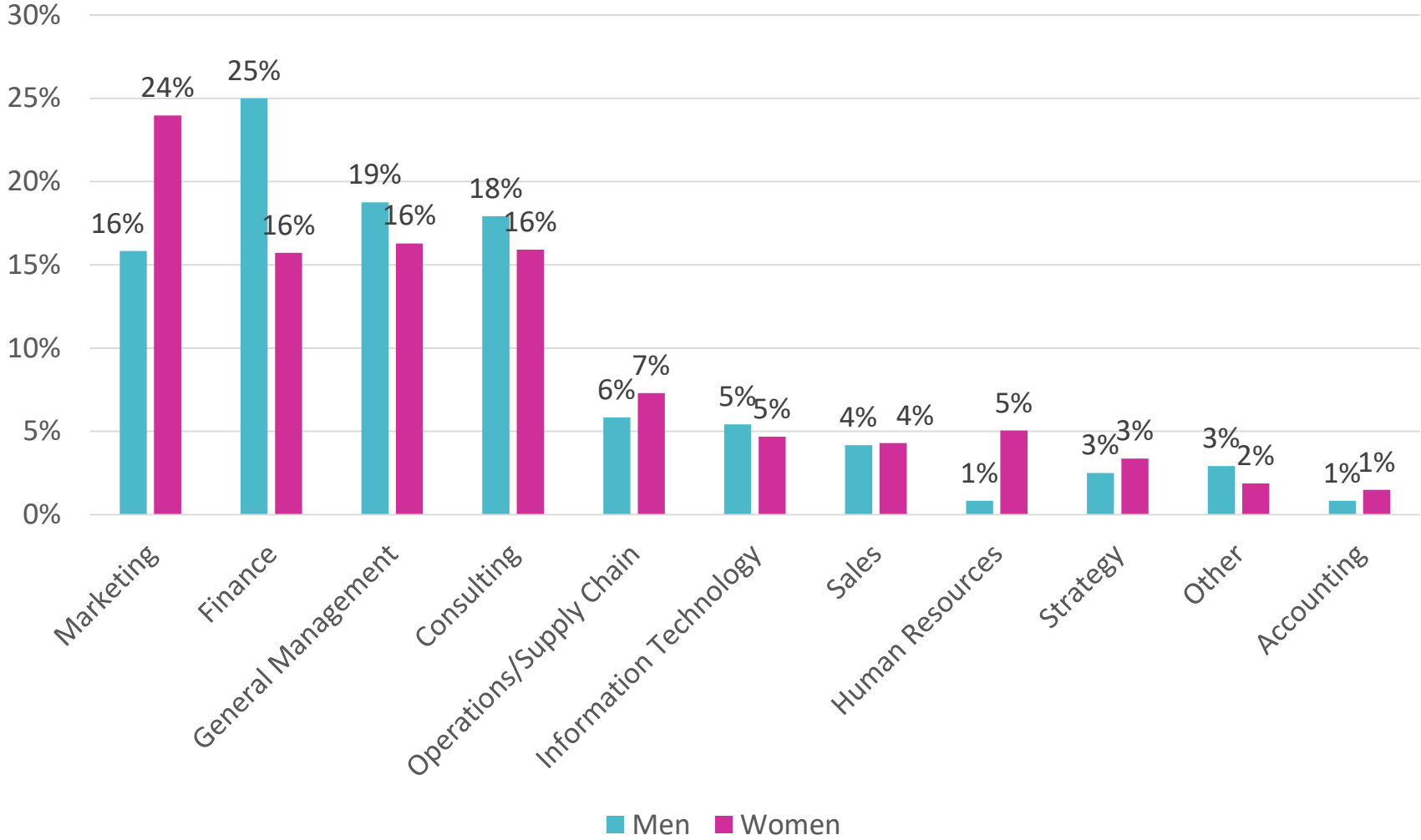
The percentage of women outnumbered the percentage of men working in Financial Services, CPG, Healthcare, Retail, Non-Profit, Media, and Hospitality

There are two industries where men significantly outnumber women: Consulting and Manufacturing

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# Functions



Women significantly outnumber men in Marketing and Human Resources, while men outnumber women in Finance, General Management, Consulting, and IT

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## **Part 1: Overall Career Outcomes of Women and Men MBA Graduates**

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# Extrinsic and Intrinsic Career Outcomes

## Extrinsic

- Compensation
- # of Promotions
- # of Direct Reports
- Level of the Organization

## Intrinsic

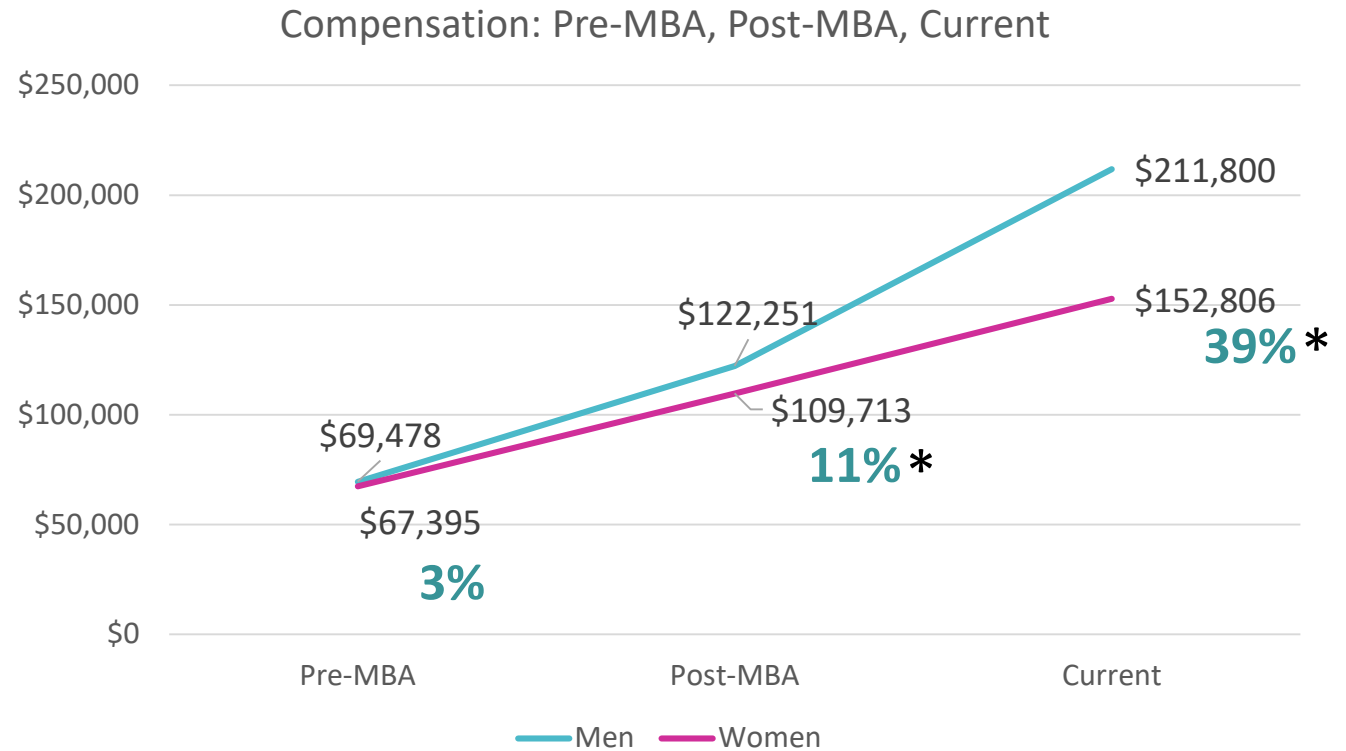
- Career Satisfaction – 6 measures
- Assessment of Success – 4 measures
- Self-Concept – 3 measures
- Perceptions of the MBA ROI

# Compensation: All Men/Women

Men earned more than women at each juncture

Notably, the gap widens from pre-MBA to first post-MBA to current (on average, women earned 97% of what their male counterparts earned for pre-MBA; that gap widens to 90% for first post-MBA, and 72% for current compensation, adjusted for years of experience)

Despite these gaps, the data show a definite ROI from the MBA: 63% increase for women from last pre-MBA to first post-MBA; 76% for men



Note: Outliers removed in the analysis

\*p < .01

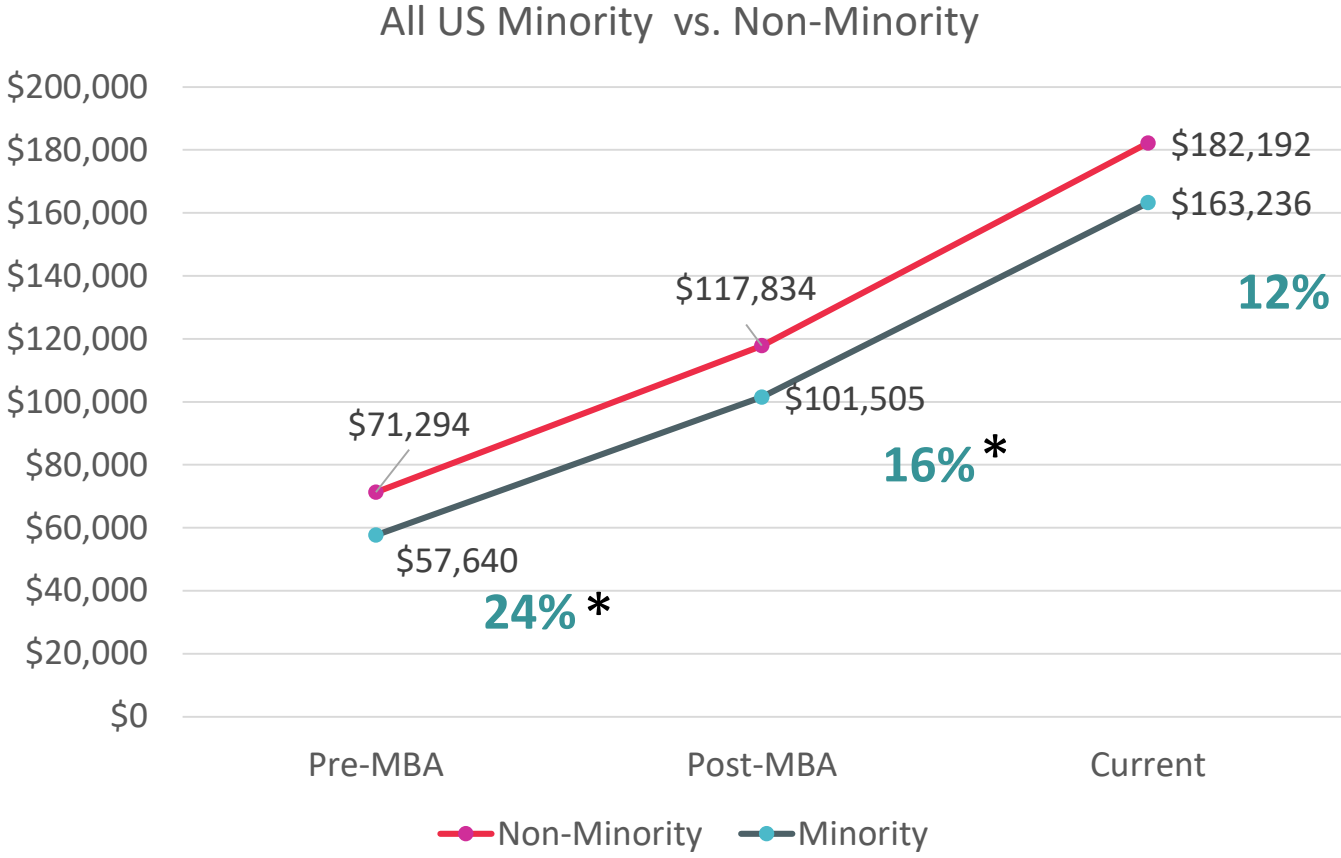
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# Minority vs. Non-Minority

- Slides 12-14 provide data on compensation differences between US minorities (African American, Hispanic/Latin American, and Native American) as compared to all other US. International MBA graduates living and working in the US or other countries were not included in this portion of the analysis.

# Compensation: US Minority vs. Non-Minority

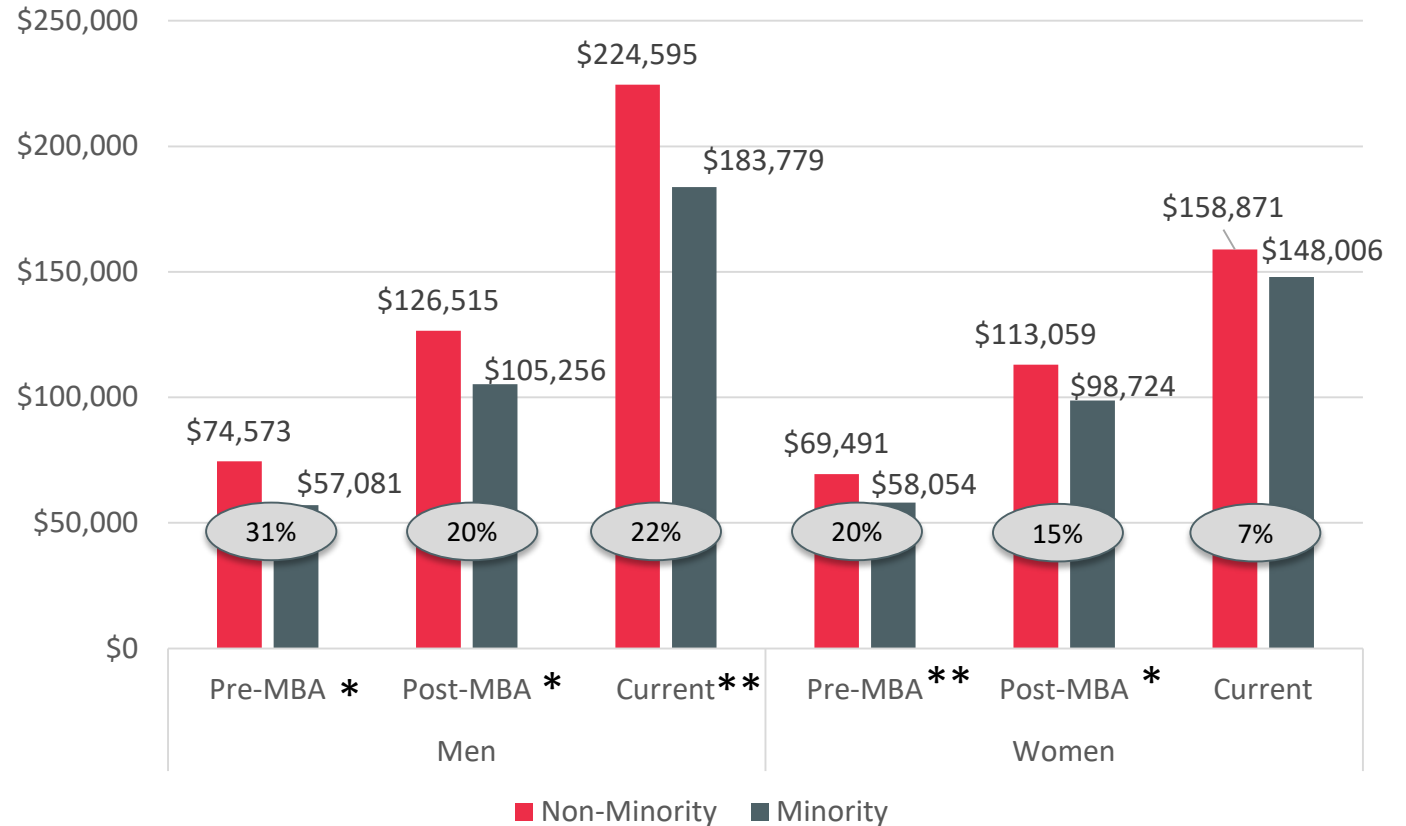
The data show that non-minority women and men are earning more than their peers who classified themselves as Black/African American, Hispanic/Latin American, or Native American at each juncture. It is important to note that the gap in current compensation was not found to be statistically significant.



\*p < .01

# Compensation: US Minority vs. Non-Minority (Women vs. Men)

The data show that non-minority women and men are earning more than their peers who classified themselves as Black/African American, Hispanic/Latin American, or Native American. However, the MBA is clearly shown to reduce the gap for first-post MBA compensation. For women, the gap continues to narrow for current compensation – the 7% gap is not statistically significant.



Note: Outliers removed in the analysis

\*p < .01

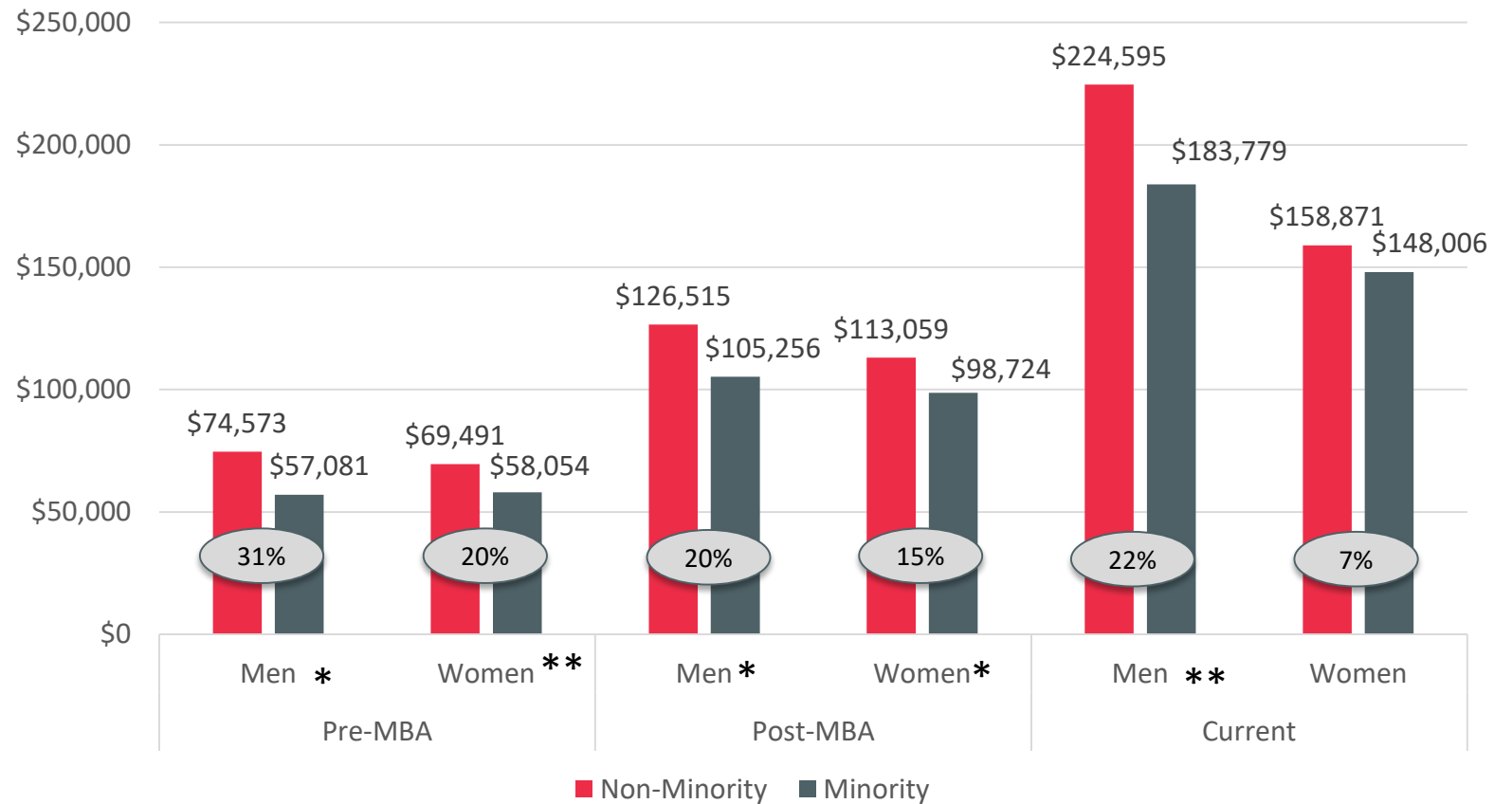
\*\*p < .05

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# Compensation: US Minority vs. Non-Minority (Women vs. Men)

This slide shows the same data as the previous slide, but grouped first by point in time, then by gender and minority/non-minority.



Note: Outliers removed in the analysis

\*p < .01

\*\*p < .05

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# Functions Driving the Gap: Current Compensation

When looking at current compensation, the largest pay gaps by function are in Finance and Operations.

Marketing is the only function where women were shown to earn more than men



p < .05

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# Advancement and Opportunity

The data on advancement and opportunity were also examined for any differences between minority and non-minority graduates. There were no statistically significant differences found.

\*p < .01

## # of Post-MBA Promotions

- On average, men have received 2.3 promotions since completing their MBA \*  
and women have received 1.8

\*

## # of Direct Reports

- On average, men have 3.3 individuals which report to them, and women have 1.8

\*

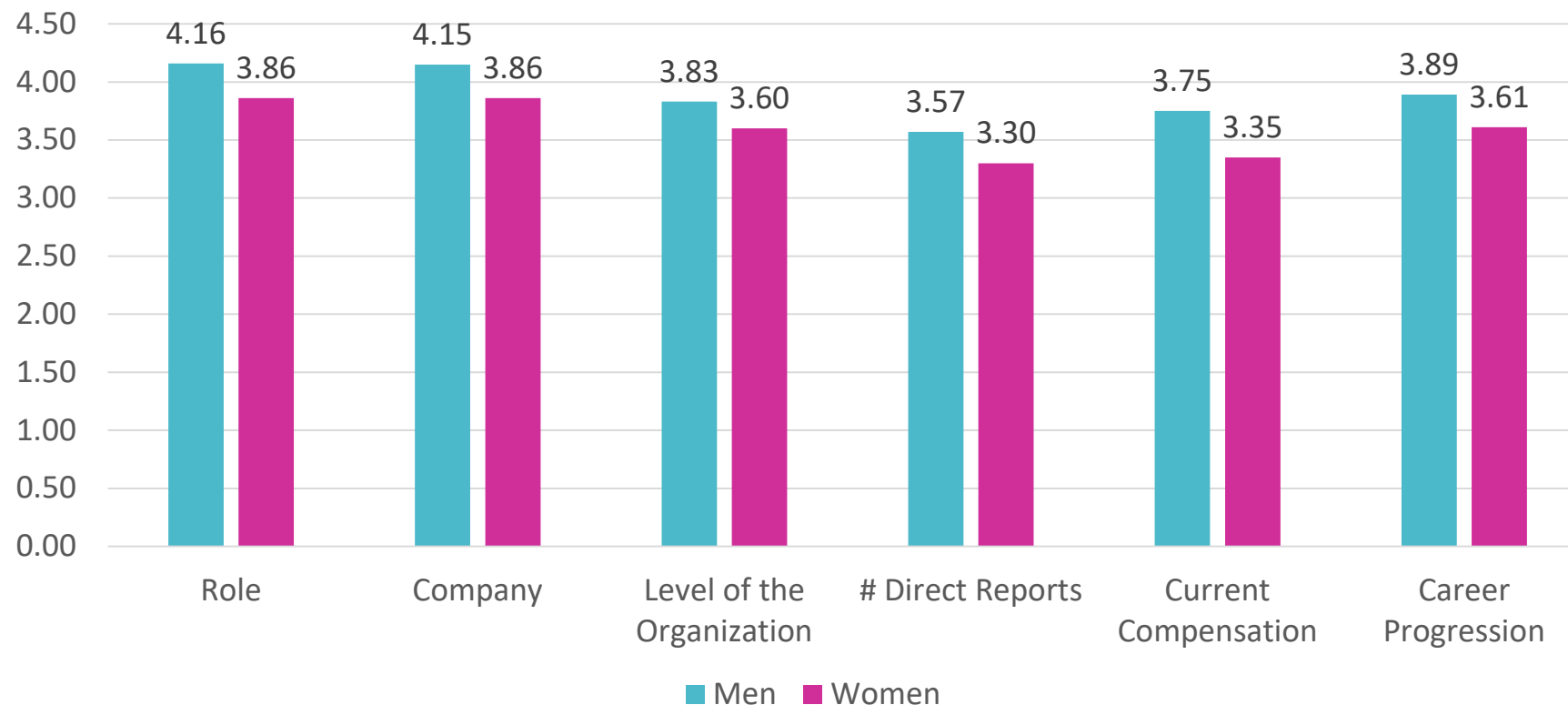
## Level Within the Organization

- On average, men have achieved the Director level within their organizations; women trail behind with an average level of Senior Manager \*

\*

# Career Satisfaction

*Overall, how satisfied are you with each of the following aspects of your career?*



When examined both together and individually, men have achieved higher levels of career satisfaction than women \*

\*p < .01

Scale:  
5 = very satisfied  
4 = satisfied  
3 = neither satisfied nor dissatisfied  
2 = dissatisfied  
1 = very dissatisfied

*Note: All individual elements of satisfaction show statistically significant differences (p < .01 ) between men and women*

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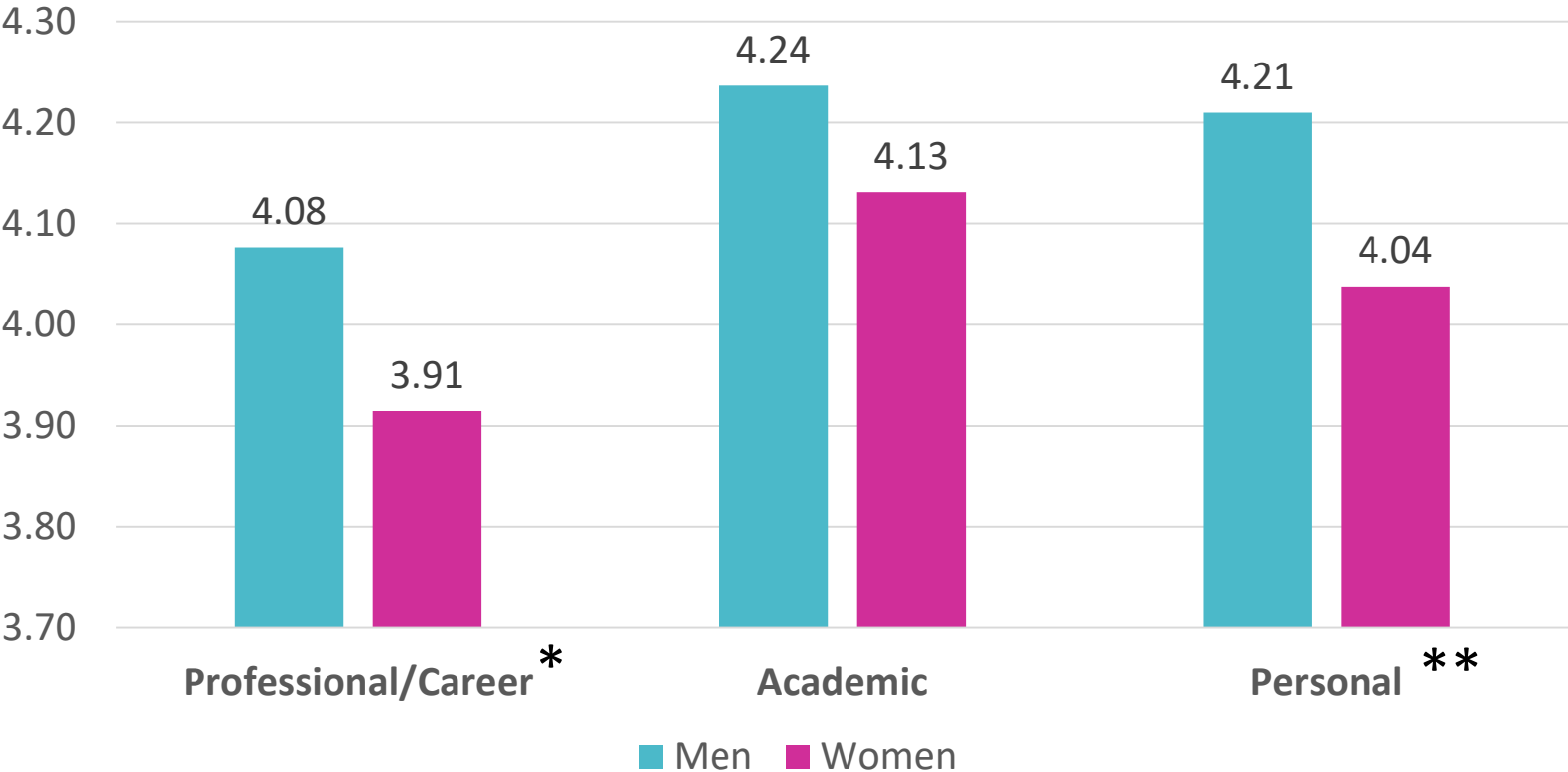


# Career Satisfaction: Minority/Non-Minority

- When examining all elements of career satisfaction as a scale, there is a statistically significant difference between minority and non-minority MBA graduates ( $p = .01$ ), meaning that overall, non-minority graduates are more satisfied with their careers than non-minority graduates
- However, when examining the elements of career satisfaction for minority and non-minority MBA graduates, there are two individual elements where there were statistically significant differences ( $p < .01$ ):
  - > Satisfaction with current salary (minority = 3.28; non-minority = 3.63)
  - > Satisfaction with career progression since obtaining the MBA (minority = 3.57; non-minority = 3.85)

# Assessment of Success

Based on my personal definition of success, I have achieved success in the following areas:



When examined on a combined scale, men have a higher assessment of their success than women\*\*

However, when looking at each element individually, assessment of *academic* success was not a statistically significant difference

Scale:  
5 = very satisfied  
4 = satisfied  
3 = neither satisfied nor dissatisfied  
2 = dissatisfied  
1 = very dissatisfied

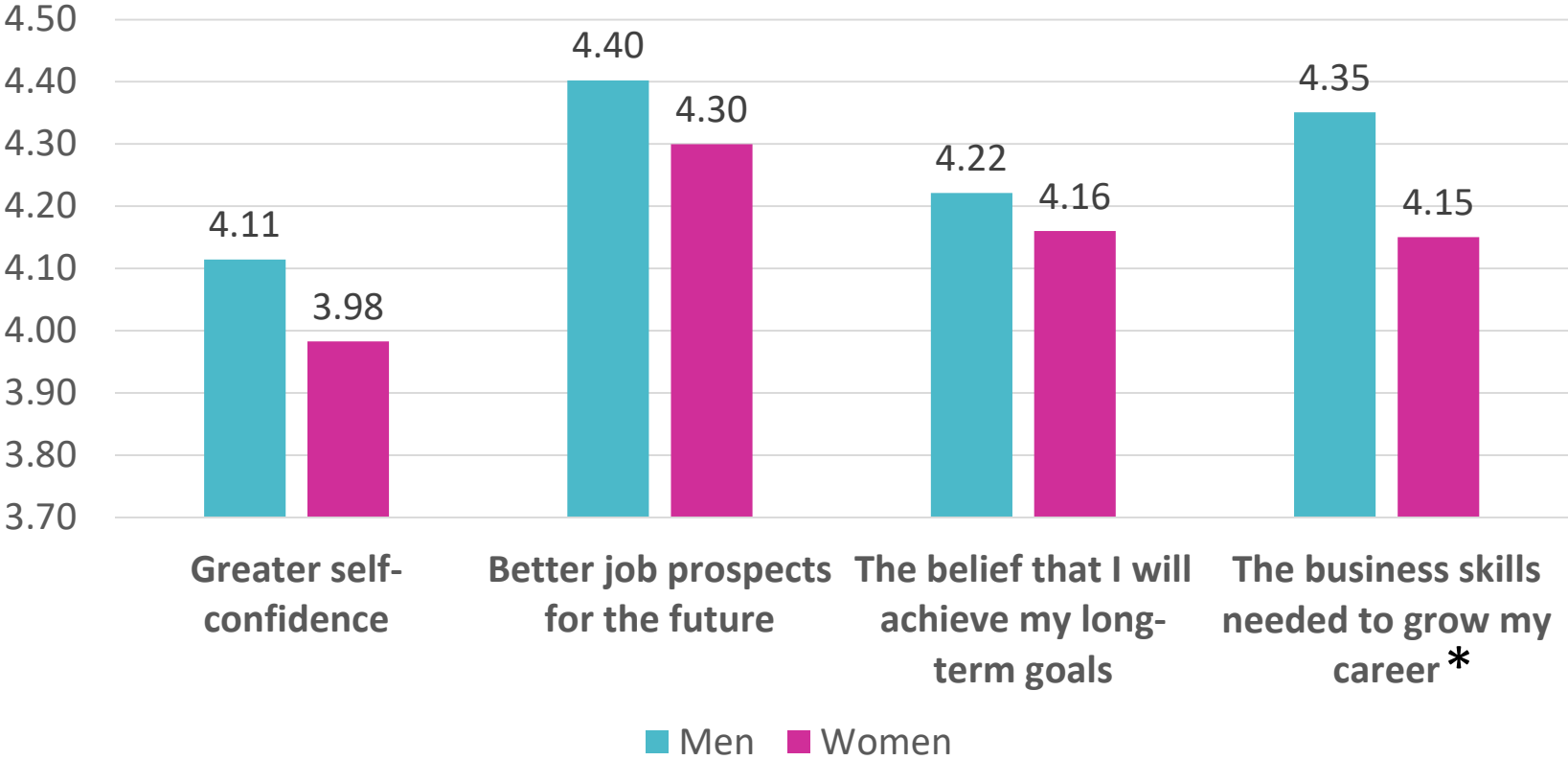
\*p < .05  
\*\*p < .01

# Assessment of Success: Minority/Non-Minority

- When examining all elements of assessment of success as a scale, there is a statistically significant difference between minority and non-minority MBA graduates ( $p < .01$ ), meaning that overall, non-minority graduates have a greater personal assessment of their career, academic, and personal success than non-minority graduates
- When examining the elements of success for minority and non-minority MBA graduates, there is only one element where there were statistically significant differences ( $p < .01$ ):
  - > Professional/Career Success (minority = 3.72; non-minority = 4.10)

# Self-Concept

*Because of the MBA, I have...*



When examined as a combined scale, men demonstrate greater levels of self-concept\*

When examined individually, the only statistically significant difference ( $p < .01$ ) between men and women was 'I have the business skills needed to grow my career'

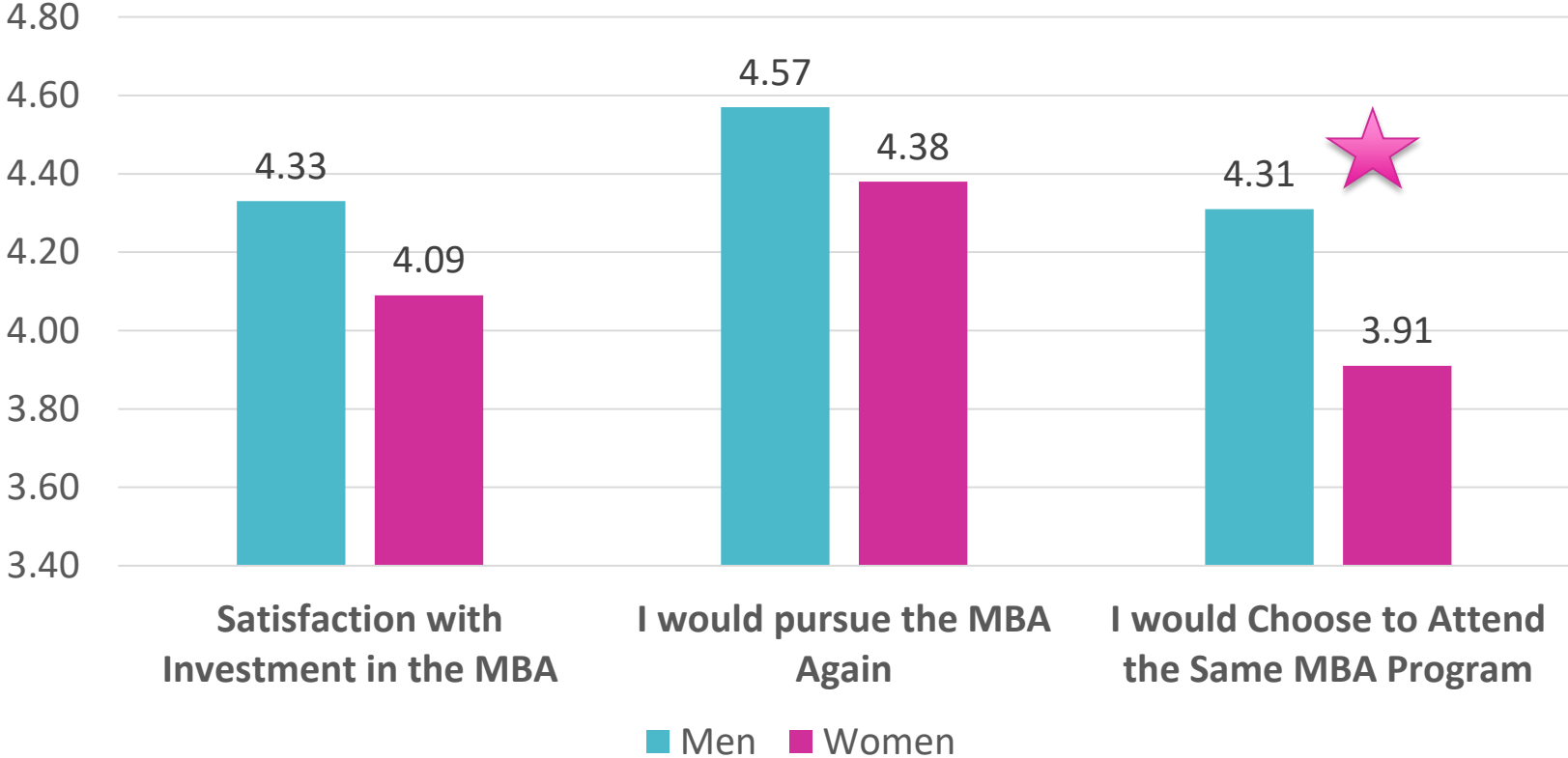
Scale:  
5 = very satisfied  
4 = satisfied  
3 = neither satisfied nor dissatisfied  
2 = dissatisfied  
1 = very dissatisfied

\* $p < .01$

# Self-Concept: Minority/Non-Minority

- When examining all elements of self-concept as a scale, there is a statistically significant difference between minority and non-minority MBA graduates ( $p < .05$ ), meaning that overall, non-minority graduates have a higher self-concept than minority graduates
- When examining the elements of self-concept for minority and non-minority MBA graduates, there are two elements where there were statistically significant differences:
  - > Self-confidence ( $p < .05$ ): (minority = 3.88; non-minority = 4.07)
  - > Better job prospects for the future ( $p < .01$ ): (minority = 4.19; non-minority = 4.44)

# The ROI of the MBA



Overall, both men and women are satisfied to very satisfied with the investment they made in their MBA education; however, men demonstrate higher levels of satisfaction than women across all three of the measures \*

The most notable difference is with the decision to choose the same program again

\*p < .01

# ROI of the MBA: Minority/Non-Minority

- When examining the elements of ROI of the MBA for minority and non-minority MBA graduates, there are two elements where there were statistically significant differences:
  - > Choose to pursue the MBA again ( $p < .05$ ): (minority = 4.28; non-minority = 4.53)
  - > Choose to attend the same program ( $p < .01$ ): (minority = 3.89; non-minority = 4.24)

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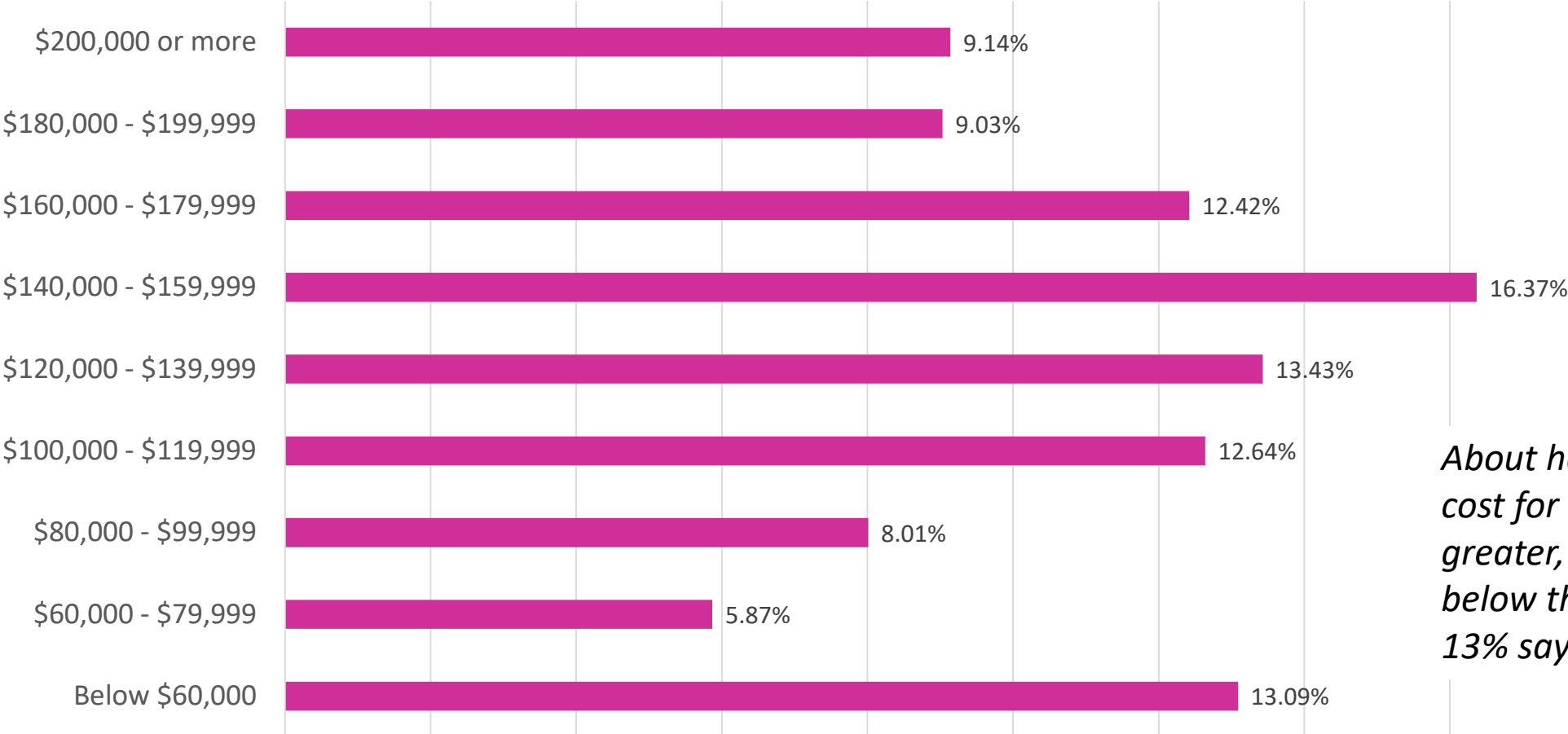
## Part 2: Financing the MBA

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# The Total Cost of Obtaining an MBA

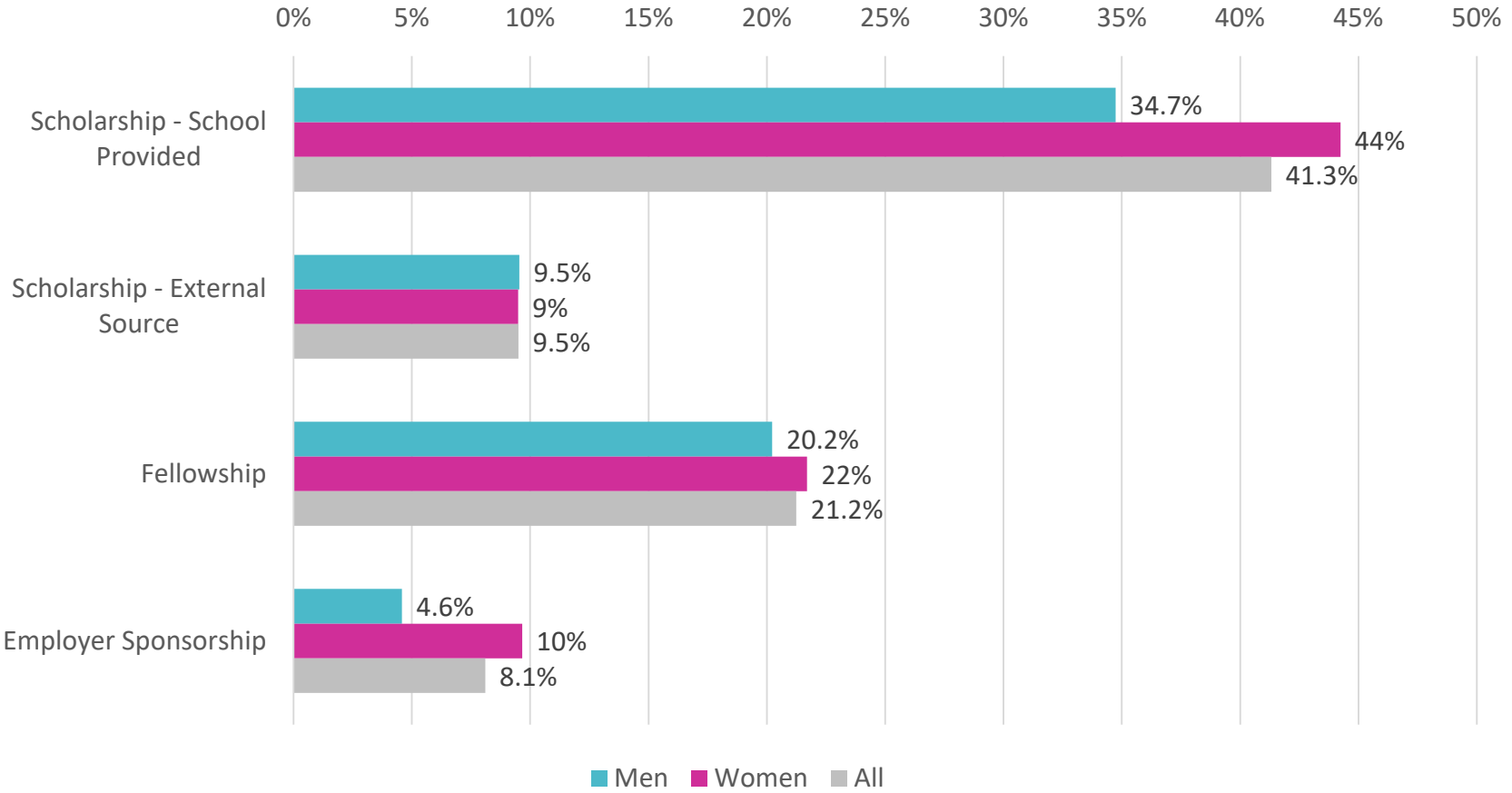


*About half state that their total cost for the MBA was \$140k or greater, and about half say it was below this threshold. Interestingly, 13% say less than \$60k*

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# Scholarships and Other Funding: Men and Women



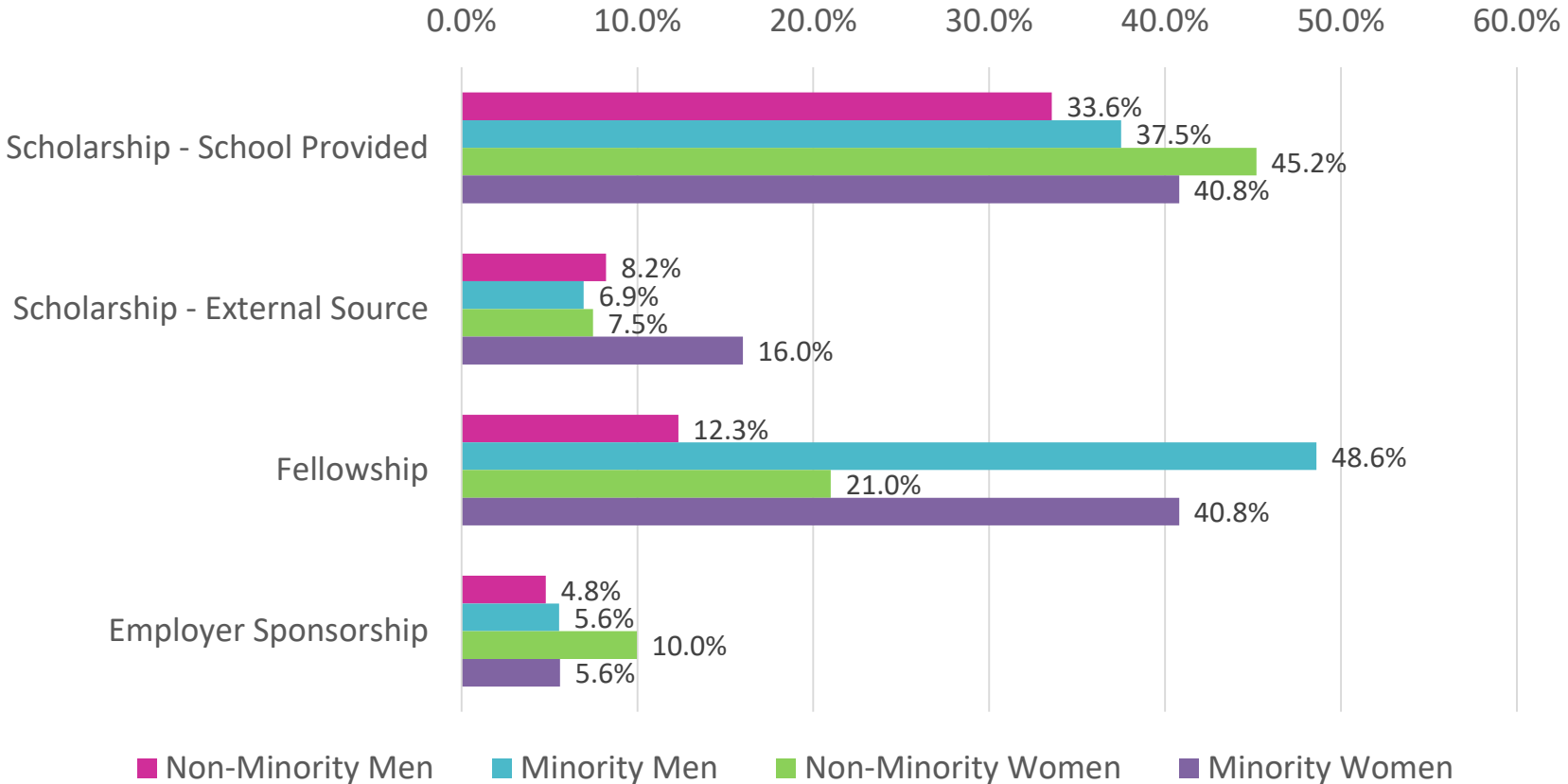
*When looking at MBA funding by gender, it is notable that a greater percentage of women received a school provided scholarship and over twice as many women reported an employer sponsorship*

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# Scholarships and Other Funding: Men and Women

## Non-Minority vs. Minority



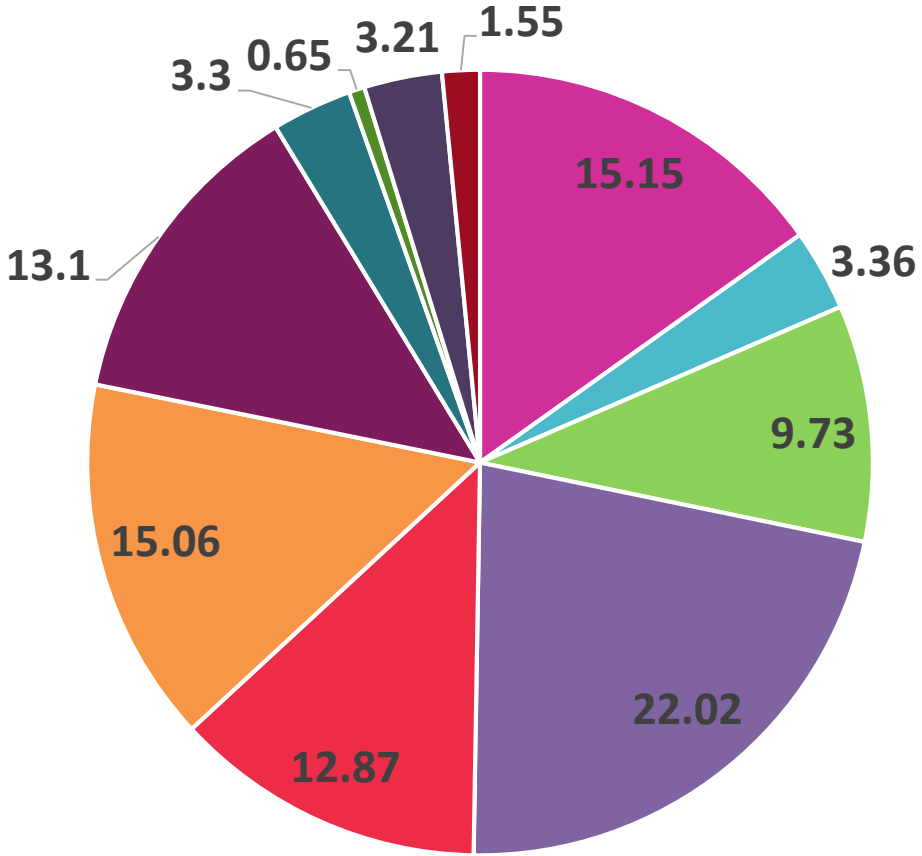
*The greatest percentage on non-minority women secured school-sponsored scholarships, whereas minority women led the way with external scholarships. Minority men and women secured the most fellowship support.*

- Minority defined as black, African American, Hispanic or Latin American, or Native American
- Non-Minority defined as non-Hispanic white or Euro-American

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# Percentage of Costs by Funding Source



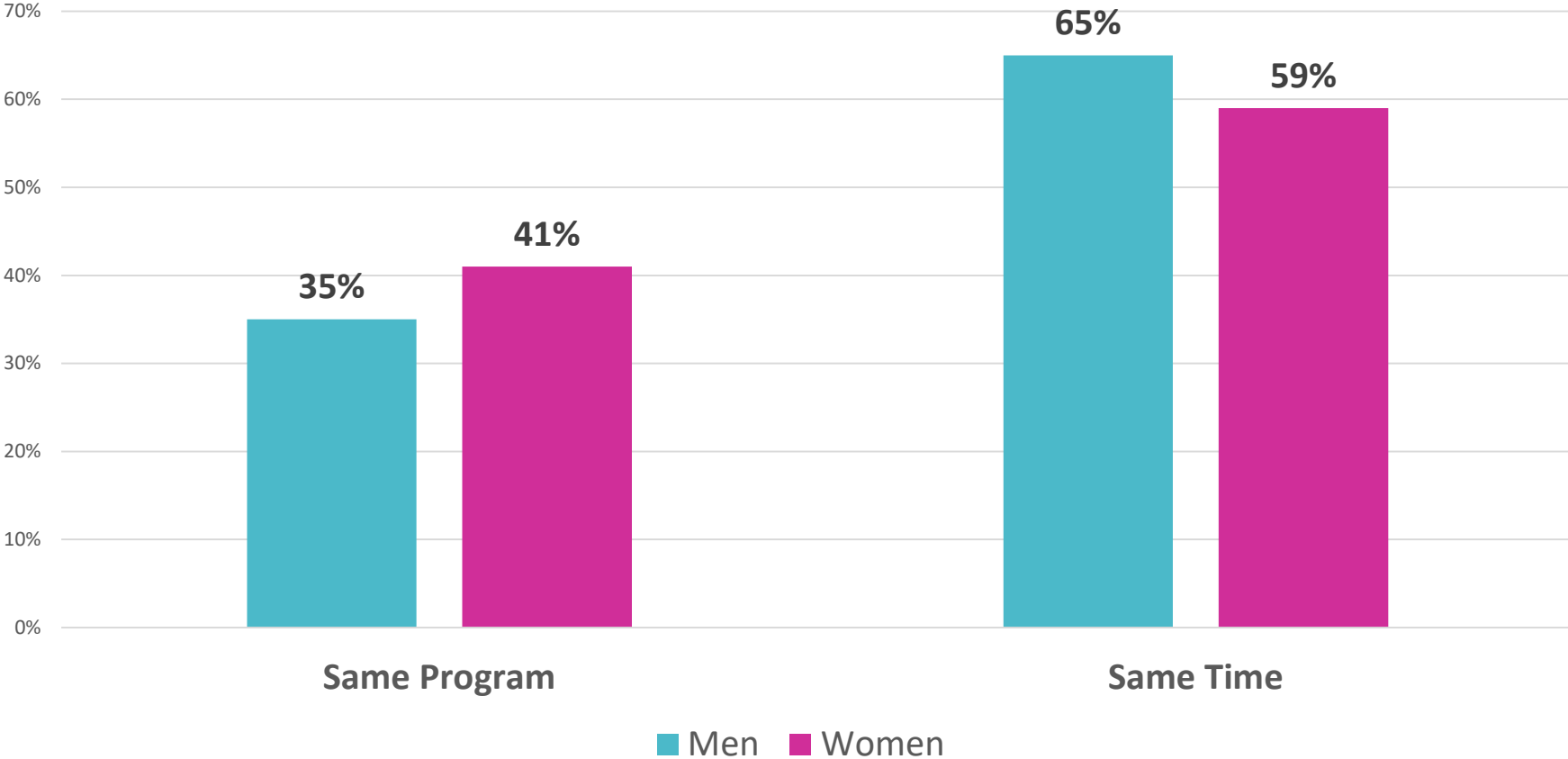
- School-provided scholarship
- External scholarship
- Fellowship
- Federal student loans
- Personal loans
- Personal savings
- Parents or other family support
- Employer reimbursement or sponsorship
- Teaching or research assistantship
- Paid work or internships while in the MBA program
- Other

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# The Importance of Financial Support

Without Support, Would You Have Attended the Same Program at the Same Time?



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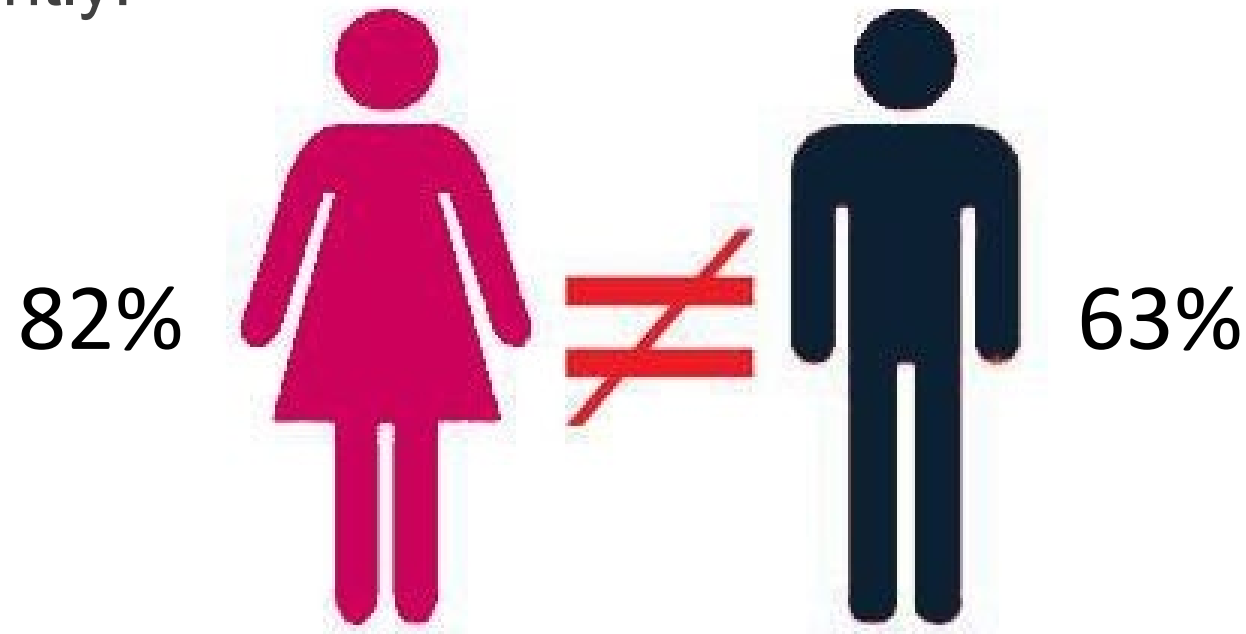
## Part 3: Gender Inequality

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# Have Men and Women Achieved Equality in the Workplace?

- When asked if men and women have achieved equality in the workplace, 76% of respondents say no, but women and men think differently:



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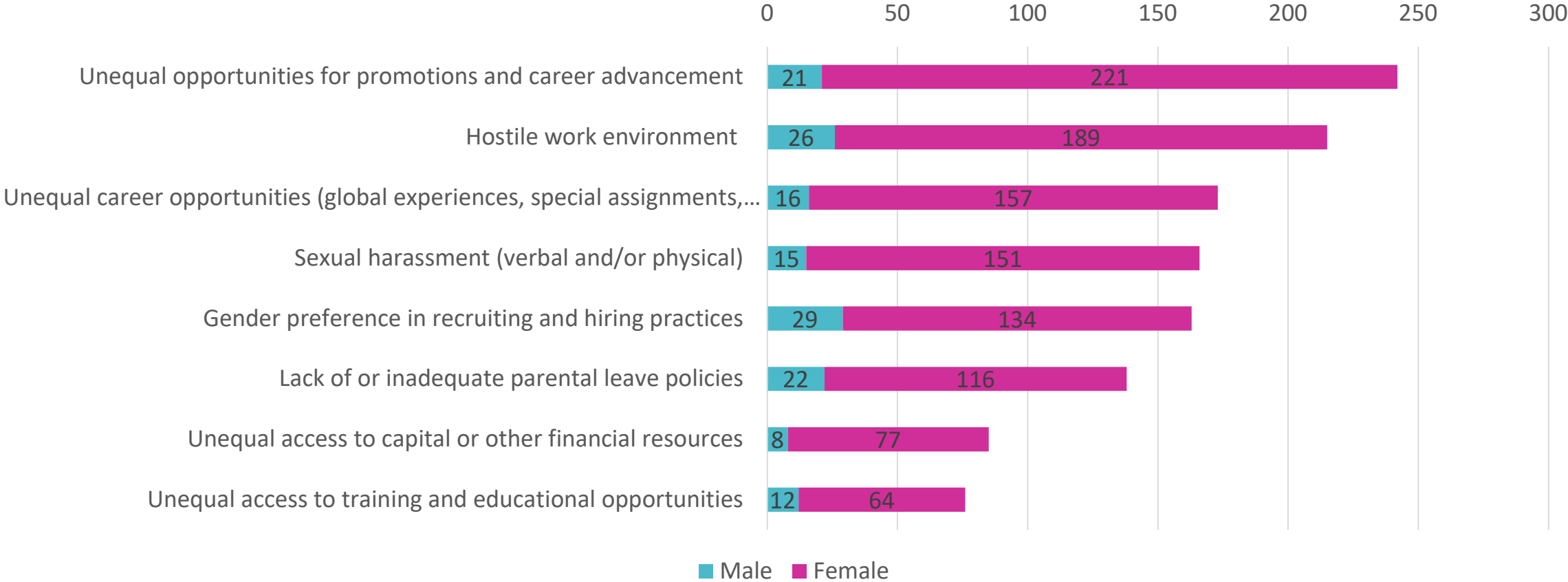
# Personal Experience with Gender Inequality

- Over a third of respondents have personally experienced (34%) or heard of (39%) gender inequality in the workplace at a past organization
  - > Personally experienced: 87% women, 13% men
  - > Heard off: 66% women, 34% men
- When looking at those who have experienced gender inequality at both a current and past organization, 20% have personally experienced and 28% have heard of it



# Types of Gender Inequality in the Workplace

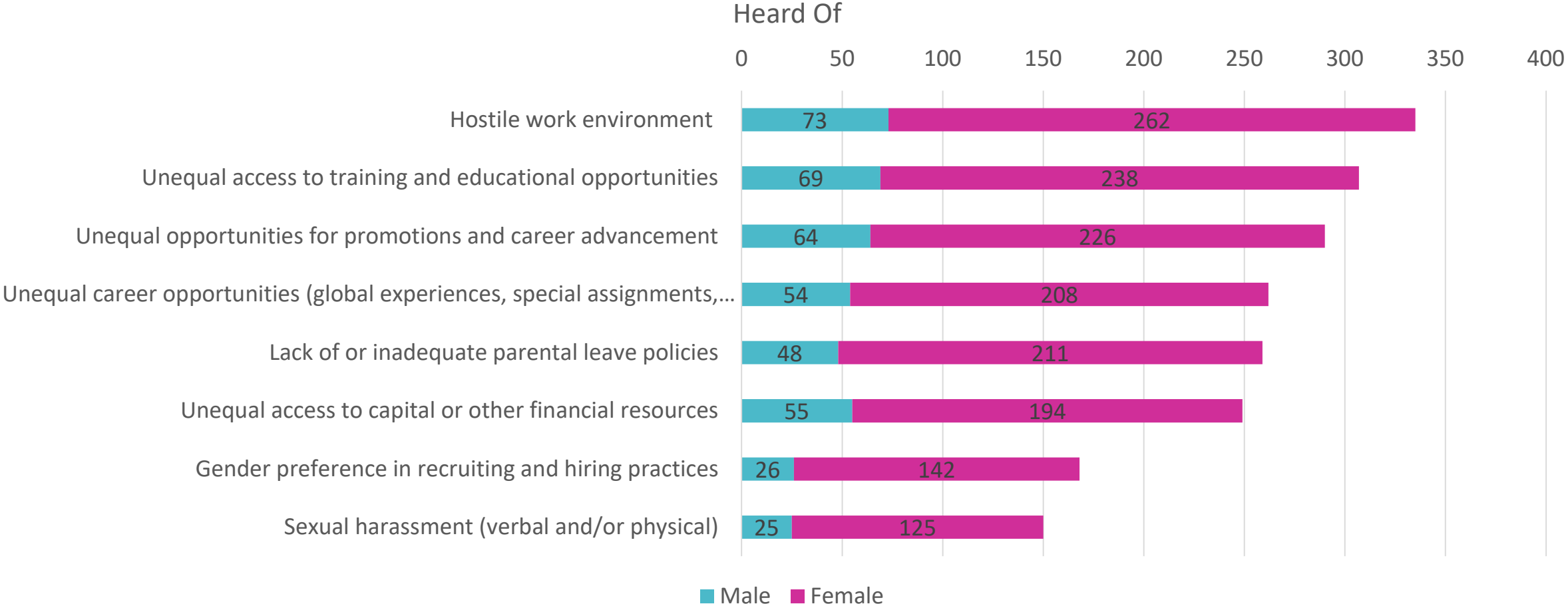
## Personal Experience



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# Types of Gender Inequality in the Workplace



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# Gender Pay Gap: Does it Exist?

- Overall, **55%** believe that a gender pay gap probably or definitely exists (Men: 34%; Women: 65%)
- Participants estimate the gap to be around **24%**, with men earning 24% more than women
- Actual pay gap **28%** (adjusted for years of post-MBA experience)



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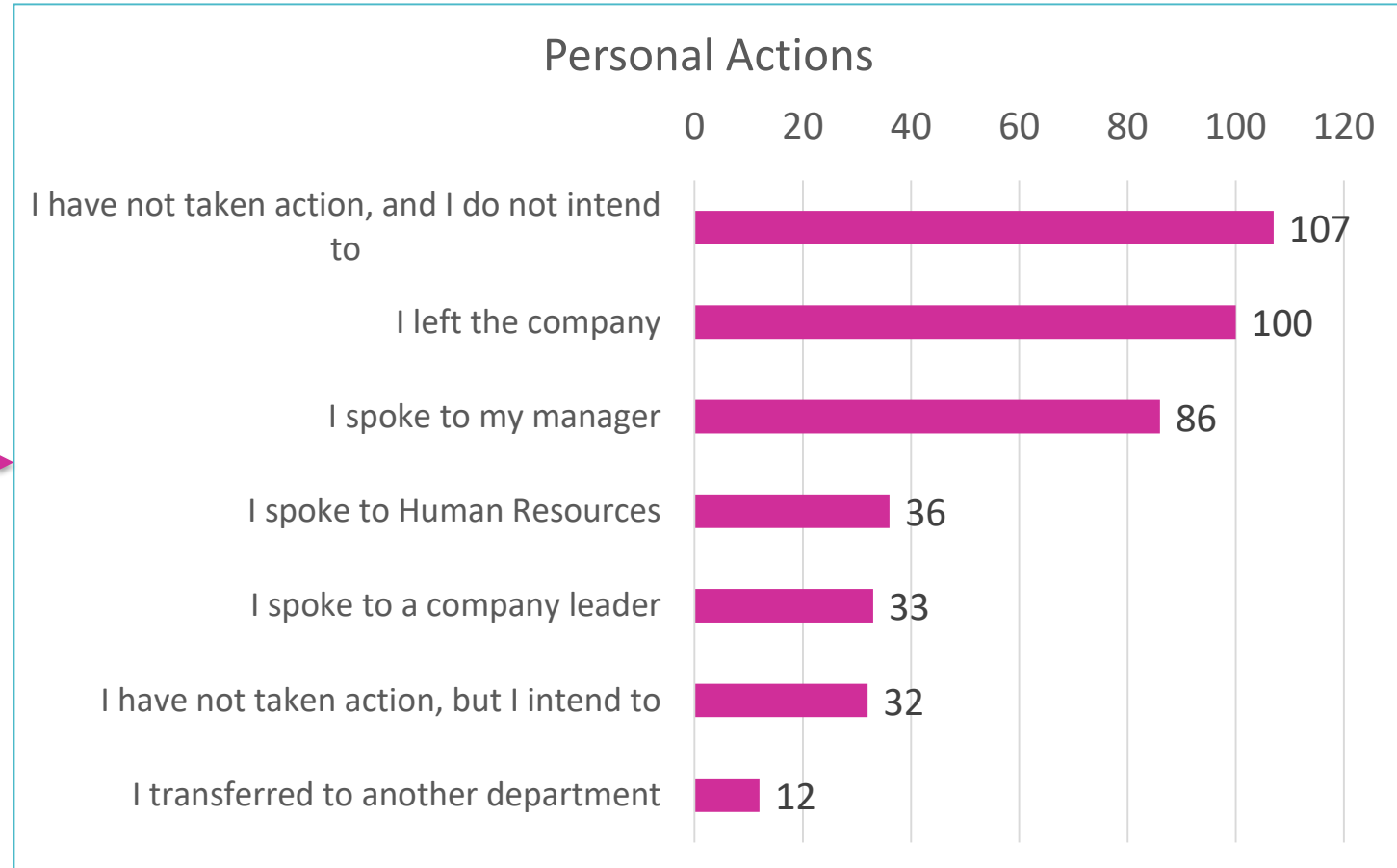
# Gender Pay Gap: Minority vs. Non-Minority

- When examining the gender pay gap for minority vs. non-minority MBA graduates, 59% of all minority and 53% of all non-minority believe that a pay gap probably or definitely exists
- When looking only at women, 68% of minority and 63% of non-minority believe that a pay gap exists
- When looking only at men, 44% of minority and 33% of non-minority believe that a pay gap exists

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# Gender Pay Gap: Personal Experience

- Around 40% of respondents say they have experienced a gender pay gap:
  - > At past organizations, 4% men and 28% women
  - > At both a past and a current, 2% of men and 33% of women
- When asked what they intend to do

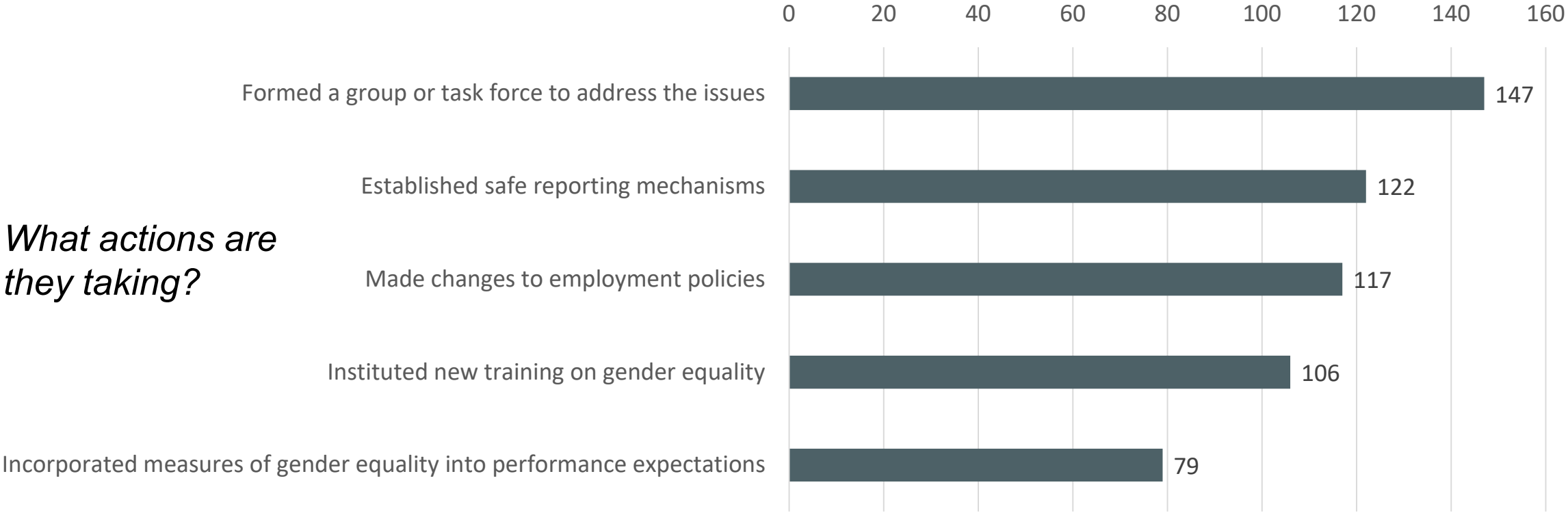


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# Organizational Actions to Address Gender Inequality

38% (47% men; 33% women) of respondents believe that their organizations are working to address gender inequality

*What actions are they taking?*



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# Personal Actions to Address Gender Inequality

**30%** of respondents say that they individually have taken action to address gender inequality. What have they done?

- Speak up/advocate/openly share information
- Work to change organizational structure or policies
- Deliberately focus on gender equality during recruitment, hiring, and promotion decisions
- Actively lead or participate in a women's affinity group
- Coach or mentor women and men on gender inequality
- Work with HR on gender inequality issues
- Speak to supervisor about issues of inequality
- Speak to senior leadership about issues of inequality
- File official complaints against the company or individual



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# Gender Differences When Addressing Inequality

When looking at women and men separately, the ways in which they address inequality are quite different:

- **Women**

- > Actively lead or participate in a women's affinity group (22%)
- > Speak up/advocate/openly share information (19%)

- **Men**

- > Deliberately focus on gender equality during recruitment, hiring, and promotion decisions (30%)
- > Work to change organizational structure or policies (20%)

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# How Does the MBA Prepare Students to Address Inequality in the Workplace?

## Awareness

- I developed awareness of gender inequality

## Exposure

- I was exposed to gender and other types of diversity

## Confidence

- My MBA program gave me the confidence to speak up and advocate

## Toolkits

- I acquired new skills, toolkits, or frameworks, to address gender inequality issues

## Courses

- I learned from courses in HR, leadership, ethics, diversity, and other subjects

## Open Discussion

- I participated in open discussion on issues of inequality with my faculty and peers

## Critical Thinking

- I developed critical thinking skills on this topic which helped me better understand the issues

## Case Studies

- I analyzed case studies on gender-related issues in the workplace

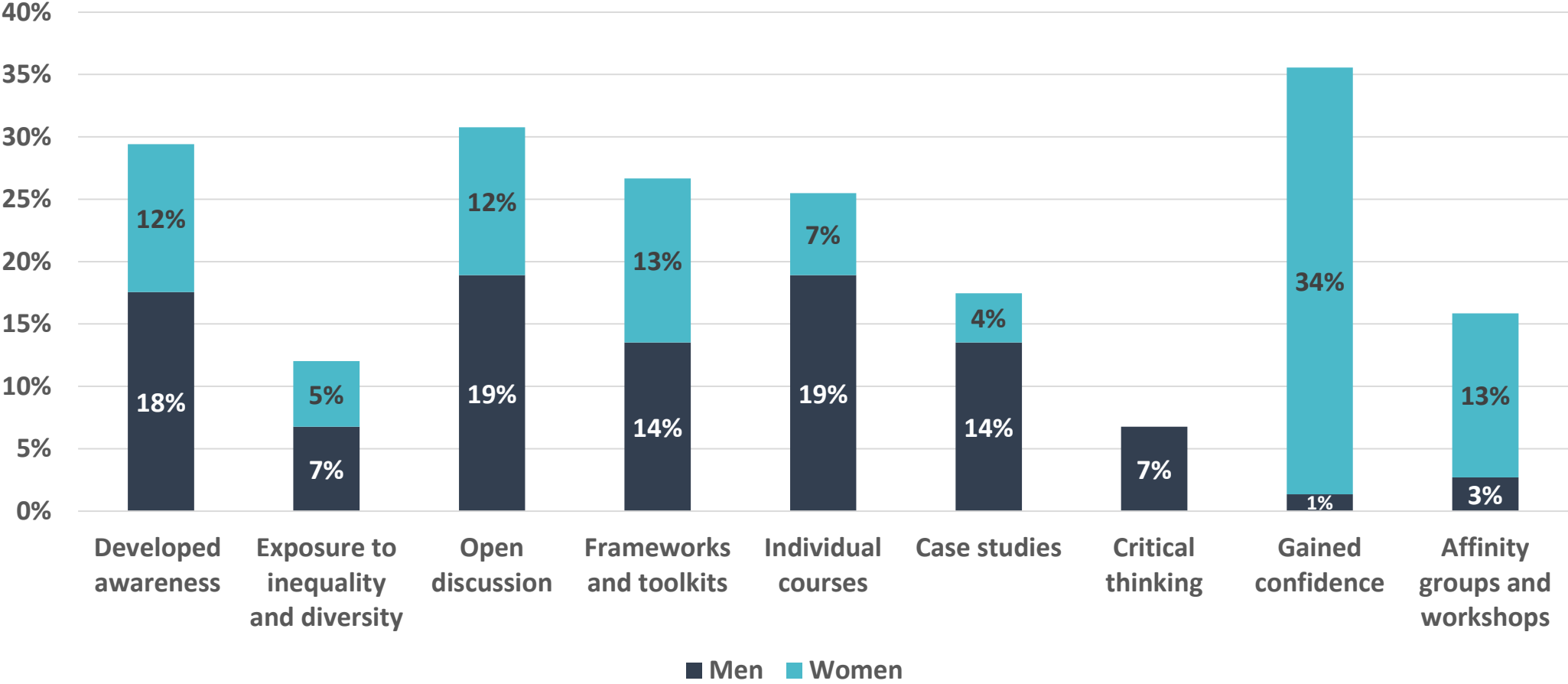
## Affinity Groups

- I participated in affinity groups and workshops related to gender issues

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# Different Preparation for Different Genders

How Did Your MBA Program Prepare You to Address Gender Inequality?



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# Different Preparation for Different Genders



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All data provided throughout this presentation must have the approval of Dr. Michelle Wieser and the Forté Foundation before publishing.

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