
Trend Watching: Why Are Women Shying Away From Business Careers?

BY FRANK GIANCOLA

The number of women interested in pursuing a business career appears to be reaching a saturation point. Women are shunning the special recruiting efforts of top MBA programs, and many express work values that are out of step with mainstream business. In addition, a surprising number of fast-track women are looking for employment outside of business. If these trends continue, higher education could have a larger pool of candidates for managerial positions — a development that merits a review of existing recruitment practices.

Introduction

A potential trend is developing in the business world that bears watching in higher education — a saturation point for women interested in business careers may soon be reached. All of the evidence is not yet in, but these signs are hard to ignore:

- Top-tier Master of Business Administration (MBA) programs have failed to increase female enrollment in recent years, despite substantial recruitment efforts (Catalyst 2000; Forte Foundation 2004).
- Recent surveys show that many women's values regarding the work environment and organizational mission are not in step with business' values in these same areas (Merrill-Sands, Kickul, Ingols 2005; ISR 2004).
- Fast-track business women who voluntarily leave the workforce show little desire to return to their careers, many times because they felt their jobs were unsatisfying or boring (Hewlett and Luce 2005; Deutsch 2005).
- The career aspirations of female business executives are declining at a faster rate than those of males (Families and Work Institute 2003).

This trend is of interest to higher education because it indicates what factors are important to women in choosing a career, as one of its primary competitors for talent loses its appeal.

MBA Enrollment in Top Schools

In 2000, Catalyst, a leading women's advocacy group, and the University of Michigan expressed concern over the low female enrollment of just 30 percent at top MBA programs, as compared to 44 percent for top-tier law and medical schools (Catalyst 2000). Despite scholarships and special outreach programs, enrollment at top MBA programs has yet to break the 30 percent mark (Forte Foundation 2004).



FRANK GIANCOLA currently donates his time as a total rewards analyst and writer for WorldatWork, an international association of 25,000 compensation and benefits professionals. Previously, he served in human resource positions with Ford Motor Company, Eastern Michigan University, Blue Care Network and international HR consultants Development Dimensions International. He can be reached at frankgiancola1@hotmail.com.

Unrealistic Expectations?

Perhaps part of the reason why top MBA programs cannot enroll more women is that they have unrealistic expectations of women, as evidenced by this statement from a director of admissions at a top-tier business school: “[Possessing] an MBA is an opportunity for women to pursue their passions. It can be in a traditional business field, but an MBA also yields skills that can be applied to solving a variety of problems, from running a museum to working in nonprofits” (Morath 2004).

Can we reasonably expect someone who has a passion for art and aspires to manage a museum to pursue that interest by working toward an MBA, when much of the education applies to a different industry? It appears as though MBA programs have realized that they cannot interest more women in careers in business, so they are trying to convince women in other fields that they need an MBA to succeed. That seems like a difficult task, especially with the availability of master’s degree programs in management and other fields.

Values of MBAs

According to research by the Graduate Management Admission Council (GMAC), MBA graduates of both sexes believe that challenging and interesting work is the most important factor to consider when choosing an employer, but a deeper look reveals distinct differences. When choosing an employer, women are more likely to consider location, positive organizational climate and opportunities for travel, and prefer individual performance measures, a clear organizational vision and formalized procedures. Men are more likely to consider competitive salary, opportunity for advancement, opportunity to use skills to the maximum, benefits package, job autonomy, opinions of spouse/significant others and stock option and ownership programs (GMAC 2004a).

Interestingly, many women who hold MBAs, more so than men, look for characteristics that have little to do with money, power and advancement. In addition, the men’s list of reasons does not include those that are popular with women — working relationships, influencing strategy and giving back to society. GMAC research also shows that women prefer a student body and faculty with values similar to their own. To a reasonable person, it seems that women with non-business career goals will not find compatibility in an MBA program (GMAC 2004b).

Values of Female Professionals and Managers

In 2003-04, Simmons College’s School of Management surveyed roughly 500 seasoned professional and management-level females from a variety of industries to ascertain their views on leadership and power (Merrill-Sands, Kickul, Ingols 2005). Survey results found that the majority of women polled were not pursuing leadership and power out of self-interest and personal gain, but rather to influence the direction and priorities of their organizations and to fulfill community responsibilities. Almost half indicated that earning top dollar was not necessarily of high importance to them.

Business may find it difficult to attract this group with the standard MBA lures of six-figure salaries, stock grants and fast-track promotions. With regard to women and leadership, the survey found that:

- 47 percent aspire to the highest leadership positions;
- 28 percent believe it is important to be in charge of others;
- 70 percent believe it is important to make a difference, help others, contribute to their communities and make the world a better place; and
- 53 percent cite making a lot of money as important.

With regard to women and power, the survey found that:

- 45 percent want power to move up in their organizations;
- 32 percent actively compete for power;
- 65 percent view power as important to effective leadership;

- 70 percent want power to change their organizations;
- Most acquire power and achieve results by building relationships, not by traditional means (e.g., expanding turf, plum assignments, powerful connections); and
- Women's primary goals are strategic (to influence the direction and priorities of their organizations) and socially-minded (to fulfill community responsibilities).

Why Are Women Leaving the Workforce?

Research indicates a number of reasons why women are exiting the business world. Among these reasons are decreased job satisfaction, lowered career aspirations and boredom in their current positions.

Decreased Job Satisfaction

In 2004, the Center for Work-Life Policy formed a task force to study the disturbing trend of large numbers of highly qualified women dropping out of mainstream careers. A survey was done of a representative group of roughly 3,000 women and men, aged 28 to 55, with a graduate degree, professional degree or high-honors undergraduate degree. The survey was specifically designed to learn more about the exit and return to work of the 37 percent of highly qualified women who leave work voluntarily during their careers (Hewlett and Luce 2005).

The survey found that more women leave the workplace because they are dissatisfied with work, rather than because of external demands, and that 52 percent of the women polled who have an MBA cite the lack of satisfaction and enjoyment in their work life as an important factor in their deciding to leave work. The survey also found that none of the women polled who have left a business-related job and are looking for work desire to return to work with their former employer. In fact, in most cases, the survey found that these corporate-world women desire to move into the nonprofit sector. The reasons the survey found for highly qualified men leaving the workforce are vastly different from those of women — in most cases, men leave to re-position their careers, while women leave for family-related reasons (Hewlett and Luce 2005).

It can be deduced from these survey findings that businesses would be well-served to tap into women's altruism by supporting their advocacy of public service efforts, encouraging mentoring of other women, and establishing women's networks in the organization.

Lowered Career Aspirations

The Families and Work Institute has noted an important downtrend in the career aspirations of female executives at 10 major U.S. companies. Thirty-four percent of the female executives in the study indicated they had reduced their aspirations, versus 21 percent of men. The most frequently cited reason for both groups having lowered their career aspirations was sacrifices in personal and family life (Families and Work Institute 2003).

Boredom

Some experts are beginning to believe that women's slow rise to top business jobs has more to do with job frustration and boredom, than with bias and family responsibilities, according to the May 1, 2005, issue of *The New York Times*. Mabel M. Miguel, professor of Management at the University of North Carolina, makes the following observation: "Oftentimes, men will grit their teeth and bear everything, while women say: 'Is this all there is? I need more than this!'"

The consulting and accounting firm Deloitte Touche Tohmatsu surveyed fast-track women who had quit their jobs in the 1990s and found that a vast majority were working elsewhere. As word gets out about the "boredom factor," employers are now doing more to keep women "professionally engaged" by, for example, ensuring their fair share of challenging, high-profile assignments and by offering special projects to those on leave (Deutsch 2005).

“Communal” Workplace

Over the course of three years (from 2000 to 2003), the research and consulting firm ISR surveyed more than 3,000 female and male U.S. executives to identify factors driving executive commitment. The study’s authors found that women attach the greatest importance to “communal” aspects of the workplace, such as working relationships, customer quality focus and communication with colleagues. Men, by contrast, are more interested in rewards and career advancement (ISR 2004).

Factors Driving Executive Commitment in Females:

- Working relationships — 14.3 percent
- Customer quality focus — 9.5 percent
- Communication with colleagues and others — 9.5 percent
- Work tools and conditions — 4.8 percent

Factors Driving Executive Commitment in Males:

- Career development — 19.4 percent
- Financial rewards and recognition — 9.7 percent
- Stress, balance and workload — 6.5 percent
- Image — 3.2 percent

The study’s director believes that some successful female executives have missed a basic business reality — to reach the highest positions, they must emphasize personal recognition and advancement rather than organizational effectiveness.

Working Description

Based on the above data, one could reasonably build the following “working description” of a sizable group of women with respect to business careers:

- They are not interested in pursuing MBAs at top-tier schools;
- They have become disenchanted with fast-track business careers;
- They possess strong altruistic values;
- They value flexibility more than compensation;
- They put a premium on family needs and work/life balance;
- They value working relationships and use them to advance in their careers; and
- Their desire for power stems from the desire to improve organizations, rather than from the desire to be in charge of others.

Business leaders should be aware of the poor fit that exists in the business world for many women and the difficulty this poses in competing for their talents.

In Summary

Interesting trends and issues have come to light regarding business careers for women. It is too soon to tell if they comprise a major shift in goals for some women, but these trends are important enough to warrant continued monitoring by employers in other sectors, including higher education, who may be its beneficiaries. To take full advantage of these developments, however, adjustments to recruitment practices may be required.

To expand the talent pool of highly qualified candidates for key support roles, higher education should focus its recruitment efforts on women working in the corporate world in information technology, human resources, finance and other fields with transferable experience, skills and careers paths. Recruitment effectiveness will be enhanced by fine-tuning key messages and ensuring exposure with the target group. For example, promotional brochures and Web site career pages should highlight organizational values (e.g., close working relationships) and benefits (e.g., on-site childcare) that resonate with women.

Higher education also should establish working relationships with business-oriented outplacement firms to increase women's awareness of job opportunities as they are out-placed from business. In addition, involvement in professional and civic organizations, such as local Junior League chapters, provides the chance to identify talented women and to inform them of openings. Such straight-forward and low-cost actions can have a substantial pay-off for higher education when seeking talent from the business world.

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