

AGENCY FOR INTERNATIONAL DEVELOPMENT WASHINGTON, D. C. 20523 <b>BIBLIOGRAPHIC INPUT SHEET</b>	<b>FOR AID USE ONLY</b> <i>Batch 35</i>
---	--

1. SUBJECT CLASSIFICATION	A. PRIMARY	TEMPORARY
	B. SECONDARY	

2. TITLE AND SUBTITLE  
 Factors affecting the employment goals of minorities at the managerial level in corporate business and industry

3. AUTHOR(S)  
 Brown, H.A

4. DOCUMENT DATE 1976	5. NUMBER OF PAGES 32p.	6. ARC NUMBER ARC
--------------------------	----------------------------	----------------------

7. REFERENCE ORGANIZATION NAME AND ADDRESS  
 Southern

8. SUPPLEMENTARY NOTES (Sponsoring Organization, Publishers, Availability)  
 (In Staff papers ser.no.123-76)

9. ABSTRACT  
  
 (Business adm. R&D)

10. CONTROL NUMBER PN-AAC-007	11. PRICE OF DOCUMENT
----------------------------------	-----------------------

12. DESCRIPTORS	13. PROJECT NUMBER
-----------------	--------------------

12. DESCRIPTORS	14. CONTRACT NUMBER CSD-3414 211(d)
-----------------	--

12. DESCRIPTORS	15. TYPE OF DOCUMENT
-----------------	----------------------

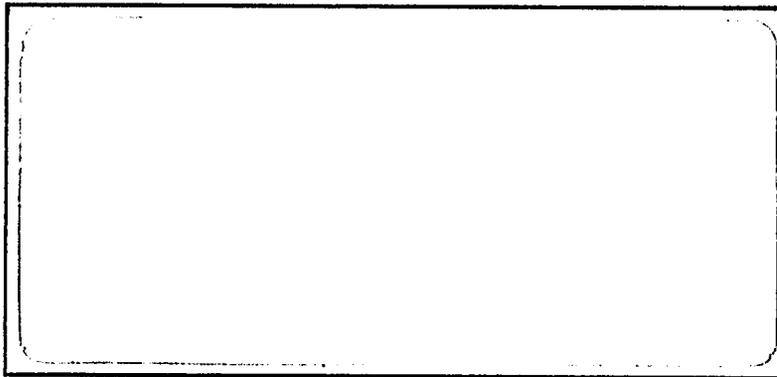
CSD-3414 2/1(6)  
PN-6AC-0517

**STAFF PAPERS SERIES**

**Unemployment and Underemployment  
Institute**

**T. T. Williams, Director**

**INTERNATIONAL ECONOMIC DEVELOPMENT PROGRAM**



**Southern University and A & M College  
Post Office Box 9846  
Raton Rouge, LA 70813**

SERIES #123-76

FACTORS AFFECTING THE EMPLOYMENT GOALS OF  
MINORITIES AT THE MANAGERIAL LEVEL IN CORPORATE  
BUSINESS AND INDUSTRY

BY

Harold A. Brown

SOUTHERN UNIVERSITY

UNEMPLOYMENT-UNDEREMPLOYMENT INSTITUTE  
International Economic Development Program  
P. O. Box 9846  
Baton Rouge, Louisiana 70813

FOREWORD

The Unemployment and Underemployment Institute was created to coordinate all international economic development activities of the 211(d) grant at Southern University.

In 1972, the Agency for International Development (AID) approved a five year grant to Southern University to strengthen and increase its capacity in economic/agricultural economics to enhance Southern's capabilities to contribute to the resolution of problems of rural unemployment and underemployment in developing countries.

The general objectives of the Institute are (a) to develop and coordinate the activities of the University for greater participation in international economic development programs; (b) to make available the capacities and expertise thus developed to public and private agencies involved in industrial development programs; and (c) to conduct research, seminars, and workshops on domestic and international development problems including cooperatives, manpower utilization, small farmers, housing, population, nutrition, leadership training, and community development.

In keeping with objective (a), the University supports several faculty members working towards advanced degrees in the area of economic development and related disciplines, supports undergraduate scholarships to foreign and U. S. nationals in the Department of Agricultural Economics and Economics, provides travel to professional seminars for faculty, foreign exposure to development experiences, and special training on techniques of program design and evaluation.

In keeping with objective (b), the Institute sponsors an International Development Seminar Series, Student-Faculty & Staff Seminar Series, and hosts foreign individuals and groups interested in economic development programs at Southern University.

Results of research projects consistent with the objectives of this program are published under the Institute's Faculty-Staff Research Paper Series. Papers published under this series reflects the diversity of interests and specialties of our faculty and staff.

The above activities of the Institute demonstrate the capacities and expertise of Southern University developed through the 211(d) program. As a result of the 211(d) grant, the Unemployment-Underemployment Institute at Southern University is in a position to offer expert and technical personnel to private and public agencies involved in international economic development programs.

T. T. Williams  
Director



FACTORS AFFECTING THE EMPLOYMENT GOALS OF MINORITIES  
AT THE MANAGERIAL LEVEL IN CORPORATE BUSINESS  
AND INDUSTRY

BY

Harold A. Brown

INTRODUCTION:

The minority MBA (Master of Business Administration) may be thought of as a "newcomer" on the corporate business scene. In fact, until recent years minority group representation was so sparse in the managerial ranks of corporate business that it could almost be termed "non-existent" without greatly exaggerating the situation. Only in the past five years could any sizeable number of minority group members be found in accredited graduate schools of business around the country preparing themselves for careers in the formerly all-white bailiwick of corporate business and industry. As a result of the small number of minority MBA's in this country, relatively little is known about these business neophytes other than what types of firms employ them, what their functional areas of specialization are, and the fact that they have been in great demand.

Because a shortage of minority MBA's still persists today in the business world (Business Week, July 6, 1974), one might speculate that this scarcity accounts for the low percentage of minority participants in two recently reported research studies (Steele and Ward, 1974; Gutteridge, 1974) which, together, sought to analyze the career patterns of more than 8,000 MBA's. These researchers expressed dismay that the rate of response from minority MBA's was so low that it negated any meaningful analysis of their careers.

One of the primary purposes for undertaking this study, therefore, was to provide such needed information in the career patterns and the graduate educational experiences of the minority MBA. To accomplish the desired goal, facts and opinions were collected from 181 minority MBA's via mail questionnaires relative to their job expectations, job placement, job progression, job mobility, job satisfaction, salaries, graduate educational experiences, and career goals for the future. Whenever possible, these findings were compared with those from the Steel-Ward and Gutteridge studies which dealt primarily with the career patterns of the white MBA.

The great majority of the subjects in this study were graduates of the Consortium Program for Graduate Study in Management, which provides fellowships for minorities to pursue graduate degrees in business administration. While all of the subjects were non-whites (i.e., Blacks, Chicanos, Cubans, Native Americans, and Puerto Ricans), the largest proportion of the sample were blacks.

This paper was extracted by the author from his completed Doctor of Philosophy Dissertation titled "A Study of The Career Pattern and Graduate Educational Experiences of A Selected Group of Minority MBA's who Graduated Between January 1969 and January 1974". Partial support for the study was from the Institute for International Economic Development at Southern University during the period when the author was a graduate student at the University of Wisconsin (Madison Campus).

BACKGROUND STATEMENT:

Civil rights activities of the 1960's were responsible for calling attention to the inequities that existed in American society with respect to equal opportunities for members of racial minority groups. From these struggles the concept of "equal employment opportunity" emerged to become

one of the most significant developments affecting members of minority groups in the United States.

Since the mid-1960's, several factors have contributed to the popular belief that minority group members in this country have attained the employment goals that they have sought for so long. Specifically, three such factors are: (1) the large volume of literature printed on the problems of minorities and the proposed solutions to these problems; (2) the passage of legislation at both federal and state levels; and (3) the declaration by many corporate businesses that they are "equal opportunity employers." These occurrences have led to erroneous conclusions; for minorities have not yet achieved their employment goals, especially with respect to managerial-level positions in corporate business and industry.

Dr. Stuart A. Taylor (1973a), associate professor at the Harvard Graduate School of Business, spoke to this issue when he wrote: "...We reported two of the conclusions of the three-year Harvard Business School study that stripped naked a widespread belief that black MBA's are on their way to the top of Fortune 500 companies" (p. 16). The two conclusions referred to were published by Taylor (1973b) in a recent New York Times article and were stated thusly:

- (1) Members of minority groups in the United States who hold the degree of master of business administration (even from schools of the caliber of the Harvard Graduate School of Business Administration) are a lot further away from senior executive positions in major corporations than white MBA's with comparable educational backgrounds.
- (2) A series of environmental attitudinal factors in the business schools' climate is partly responsible for the racial gap.... A look beneath the surface of American corporations demonstrates that stated intentions differ from actual behavior. There are no senior blacks at the top of any major American corporation....(p. 14-F).

There is no doubt that some gains have been made by minority individuals on the employment scene, as evidenced by the fact that many blacks today are working in jobs that have traditionally been held by white; but statistically speaking, these gains have not been significant considering the many companies that have expressed a commitment to equal employment opportunity. The reason most often given for the retarded progress was that "qualified" blacks were not available for jobs that were open in most of the firms.

The evidence as reported by Ferman (1968) pointed to "a pronounced tendency to blame the 'inferior' or 'different' educational and social background of the Negro for his job difficulties" (p. vi). Ferman's findings supported those of the American Management Association's study entitled, "The Negro Salaried Worker." In this AMA study one corporate president who was interviewed summed up the attitude which prevailed among corporate officers when he said: "It's easy to say, 'Well, the bars are now down--if good Negro job candidates exist, they will be hired; and if they demonstrate ability, they can rise to positions of responsibility.' The sober fact is that there are fewer qualified applicants than there are jobs." (Gourlay, 1965, p. 15).

Recognizing the fact that qualified blacks were indeed in short supply because traditionally they had not endeavored to prepare for careers in the business world, the representatives of three large mid-western universities decided in 1966 to see what could be done to increase the number of blacks qualified to hold positions in business management. Their efforts resulted in an organization formed by Indiana University, University of Wisconsin (Madison), and Washington University (St. Louis) which was called the Consortium for Graduate Study in Business for Negroes. According to the article by Schoen and Jones (1969), "This decision was made only after the three

universities sponsored a Feasibility Conference in August, 1966, which was attended by approximately 50 black and white businessmen, educators, and social-action leaders, who concluded that the Consortium Program was both necessary and feasible". (p. 26).

In 1968 the Consortium was joined by the University of Rochester and the University of Southern California. The University of North Carolina at Chapel Hill pledged its allegiance to the Consortium and joined the ranks in January, 1973.

The rationale for the Consortium was based on the premise that "...it is highly desirable that Negro college graduates enter business. Not only would it utilize the talents of these young men, but it would also demonstrate to society as a whole that business organizations do, indeed, offer Negroes the opportunity of meaningful careers" (Schoen, 1966, p. 3). With few blacks at the time possessing the necessary qualifications to rise to managerial positions under existing conditions, and since the qualifications for such advancement were constantly rising, it was agreed at the Feasibility Conference that the only way of getting at the heart of the problem was to raise the educational level of black college graduates and to do it as quickly as possible.

Program directors stated that initially it was necessary to limit the objectives of the program to keep them manageable; so only black males were recruited for the program. The expressed objective was to hasten the entry of well-trained blacks into management positions. With the passage of time, however, program recruitment practices were expanded to include members of other racial minority groups and minority women. The primary objective of the Consortium Program was modified to reflect this broader base and now reads: "To hasten the entry of well-trained minority men and women into

management positions in (a) business and (b) public and private not-for-profit organizations" (Consortium Policy Handbook, 1972, p. 1).

Beyond the primary objective, the six universities comprising the Consortium believe that they are engaging in a program which serves at least three other important purposes; namely, (1) to increase the supply of minority Americans qualified to engage in post-master's study, (2) to prepare them to integrate into business institutions on an equal basis with other young people, and (3) to publicize business as a career choice offering genuine opportunities to minority Americans.

To attain these objectives the Consortium recruits capable young men and women and provides them with fellowships (of one or two year duration) to pursue a high-quality educational program leading to the master's degree in business administration. Program participants come from every part of the country and are graduates of both predominantly black and predominantly white colleges and universities. These students hold almost every type of undergraduate degree, since prior study in business and economics is not prerequisite to program participation.

Applicants to the Program are selected on the basis of (1) the desire to study business management; (2) proven aptitude; (3) ability; and (4) scholarship. The Consortium, however, does not determine who will be admitted into any of the six universities; each university is responsible for making its own decision on admissions.

Once enrolled, the degree candidates pursue academic programs that differ in no respect from those of all other students enrolled in degree-granting programs. Prior to enrollment, special counseling and remedial work is provided for new students where necessary.

COGME is another graduate business program for minority students. COGME is the acronym for Council for Opportunity in Graduate Management Education. COGME is comprised of ten of the nation's leading business schools, including the University of California (Berkeley), Carnegie-Mellon, Chicago, Columbia, Cornell, Dartmouth, Harvard, MIT, University of Pennsylvania, and Stanford. Organized in 1970, COGME's goals are very similar to those of the Consortium Program.

Another program for graduate study in business, which is also patterned after the Consortium, is dubbed ABLE--Accelerated Business Leadership Education. Its six member institutions are Atlanta University, Howard University, New York University, Syracuse University, the University of Arizona, and the University of Massachusetts. The differences between the three major financial support programs for minority business students are primarily procedural in nature.

#### Black Enrollment in Graduate Schools of Business

Prior to 1966, the number of blacks enrolled in graduate schools of business in the United States was negligible when compared to the total enrollment of full-time students in these institutions. In the article, "Black MBA's," Dr. Sterling Schoen, Director of the Consortium Program, disclosed, "When we made a preliminary study in 1966, we found fewer than 50 blacks enrolled in accredited graduate programs in business in the entire United States." (Black Enterprise, September, 1973, p. 34). Similarly, the results of a sample survey conducted by the staff of MBA magazine in 1968-69, which involved 17 graduate business schools, revealed that the average minority enrollment for that year was 7 black students per campus--up from 0.6 black students per campus in 1962 (Stronk, 1972).

Enrollment figures for 1969-1970 were reported by Benjamin Fernandez (1973). Writing on the status of black managerial development in the United States, Fernandez declared that, ". . . the development of black managerial talent is in a sorry state." (p. 53). He cited the following statistics compiled by the Advisory Council on Minority Business Enterprise, which were included in this group's 1971 report to the President:

1. In 1969-70 there were approximately 22,000 MBA candidates enrolled in American schools of business, but only 600 of these were minority group members (2.7 percent).
2. Graduate business education in this country began about 1908. Since that time, fewer than 600 minority group members have received graduate business degrees; and 346 of them graduated from Atlanta University Graduate School of Business.
3. In 1969-70 there were approximately 2,000 Ph.D, and DBA candidates enrolled in American schools of business; of these, 25 were minority group members. There were fewer than 100 members of minorities who have doctorates in business or economics.
4. There are about 100,000 Certified Public Accountants in America, only 136 are black.
5. Of the total membership of all the boards of directors of Fortune's 500 companies, less than one-tenth of one percent (0.1) come from among minority group members. (p. 54).

In 1971-72 a larger survey taken by the staff of MBA magazine showed that black students made up approximately 4.4 percent of the total full-time MBA enrollment at 23 graduate schools of business in 15 states. This was roughly an average of 23 blacks per campus at the 21 schools for which figures were available. Two of the schools polled reported that they did not keep records which indicate the race of their students (Stronk, 1972).

Although the gains pointed up by the 1971-72 survey of MBA magazine were called "modest" by the reporter, such gains can be attributed directly to the concerted efforts of administrators of graduate business programs and

the funds provided by corporate business and private foundations to support the recruitment of minority students into MBA programs of the calibre of the Consortium, COGME, and ABLE. The Consortium, for example, conceived by a group of university professors, was started with a \$400,000 grant from the Ford Foundation, which was to be matched by corporate contributions. The Consortium presently receives more than \$450,000 annually-- only a small portion of which comes from foundations. Most of the Consortium's funds are contributed by supporting business firms which currently number 135. These monies are vigorously solicited by the national directors of the program as well as by the various program coordinators from the six member universities.

Today, minority enrollment in graduate schools of business is on the increase, though still proportionately below par. According to a recent report, there are more than 1,000 minority men and women enrolled in accredited business schools in the U. S. This enrollment figure is still only 2 percent of the total business school enrollment, but it represents a 20-fold increase of minority students over the past eight years (Business Week, July 6, 1974).

Some Accomplishments of the Consortium:

In 1971 the Consortium reported its first "measurable results" (Jones, 1971). Forty-four of its 51 MBA's, or 86 percent, were in or had accepted jobs for management positions in corporate business. Four of the MBA's were continuing in other professional degree programs--two for a doctorate degree in business in order to teach, and two in law degree programs. Two of the graduates had begun their own consulting firm, and one worked with an organization which assists minority persons in beginning and operating small businesses. While the kinds of positions alumni had accepted

were varied, there was a definite trend toward financial analysis, marketing, production management, control and information systems, accounting, and banking. Only one alumnus had chosen a position in personnel administration.

According to the latest report released by the national directors of the Consortium, January, 1973, business and business-related organizations employ 86 percent of the Consortium alumni. Two are teaching, and two hold administrative positions in universities; one in state government; eight are working in business-oriented and social-action community organizations; five are engaged in law and doctoral studies; and four are serving temporary armed service commitments (Jones, 1973).

The 1973 report also noted that these alumni are employed in 84 business and other organizations located in 21 states and the District of Columbia. The sponsoring companies employ 80 percent of the alumni, 16 percent are employed by non-sponsors, and 4 percent are self-employed. Although graduates have accepted positions in all functional areas of business, they have been primarily interested in finance, banking, marketing, and accounting. This report was based on responses from 156 Consortium graduates, who comprised the total number of graduates from the program since January, 1969.

Based on sample data, Reddick and Hemphill (1973) found that 43 percent of Consortium graduates surveyed took managerial jobs, and the same proportion went into staff positions. Other findings and conclusions of these two researchers are as follows:

Professional advancement seemed to be a strong motivational factor for those applying for the program. . . . Comparing positions held prior to the MBA degree to positions taken after graduation, substantial changes appear to have occurred because of the higher education. . . . Graduates obtained positions in a broad cross-section of industries, and job descriptions as given by respondents were quite varied.

One half of the respondents specifically mentioned "being black" as the primary reason for obtaining their present position and indicated that they perceived their chances for advancement as generally good. . . . The optimism of the MBA's about their future was clearly diminished by the feeling that they would not advance as rapidly as their white counterparts because of their race. The Consortium for Graduate Study in Management seems to be a success in placing minorities in managerial positions. The question now is whether corporations will allow these individuals upward mobility (pp. 12-13).

STATEMENT OF THE PROBLEM:

The surveys cited in the preceding section on the progress of the alumni of the Consortium Program are all of a follow-up nature. With the exception of the Reddick and Hemphill study, the surveys appear to be of a cursory nature and aimed at keeping abreast of the activities of the group concerned; i.e., where they are, what organizations they work for, and what kind of positions they hold.

To date, however, no evidence has been found of any extensive investigation of the career patterns and graduate educational experiences of the minority MBA. Perhaps the lack of such research has not so much been neglect on the part of researchers as it has the lack of a target population of any significant size. This condition is a direct reflection of the business system in this country which for years has impeded the progress of minority individuals who tried to enter its managerial domain. The system has also successfully barred from executive suites those individuals of minority status who somehow managed to survive entry-level trials and surmounted the barriers to middle-management positions.

In the absence of successful black role models in the business world, young blacks preparing for a life's vocation in the past did not consider corporate business as a viable career alternative. Instead, the traditional fields of medicine, law, teaching, and the ministry were chosen because they

afforded blacks the opportunity to earn a livable wage and to be of service to their people at the same time.

The situation in recent years, though, has taken a positive turn-- especially for the young American of minority status. Programs like the Consortium, COGME, and ABLE have been implemented to help alleviate the scarcity of minority group members who are trained to successfully compete for upper-level jobs in the business world. It is posited, therefore, that there is a definite need for information on the minority MBA, one of the most recent additions to the business work force. To fill an existing void in the literature of business, information is needed on his job expectations, his job placement, his job progression, his job mobility, and his career goals for the future. Moreover, his perception of his graduate educational experiences and how these experiences have subsequently affected his professional career is also considered information of value. In fact, Hills (1973) specified in an AACSB Bulletin report on "Graduate Business School Integration: The Black MBA" that ". . . more information is needed directly from black students concerning their experiences" (p. 42), in order to intelligently assess the various aspects of minority graduate education for business.

OBJECTIVES OF THE STUDY:

The general objective of this study was to collect and analyze facts and opinions from a sample of minority group members who hold master's degrees in business administration. In turn, these data were to be interpreted in order to answer the broad question: To what extent does increasing the educational level and training of minority group members appreciably hasten their successful entry into the managerial ranks of corporate business?

More specifically, the information sought from the target population of this study related to their (1) job expectations before receiving the graduate degree; (2) employment experiences before and after the master's degree; (3) career goals and perceptions of their futures as professionals; (4) graduate educational experiences; and (5) assessment of program components, in the case of Consortium alumni.

The specific objectives of this study were as follows:

1. To determine if job placement and responsibilities were consistent with job expectations held prior to graduation.
2. To determine if job progression experienced by respondents was different from that of white co-workers of similar training and experience.
3. To determine the extent to which the graduate degree made a difference in types of positions held before and after graduation.
4. To determine the degree to which respondents' satisfaction with their graduate major is consistent with their career attitude at the present time.
5. To determine the degree to which respondents' long-range career goal held while in graduate school is consistent with their present long-range career goal.
6. To determine the difference between assessment of given aspects of the Consortium Program by alumni with bachelor's degrees in business and by those alumni with bachelor's degrees in non-business disciplines.

SIGNIFICANCE OF THE STUDY:

A search of Business Periodicals Index, Reader's Guide to Periodical Literature, Dissertation Abstracts International, the most recent scholarly journals in business, and the ERIC computerized file has failed to reveal a study of any depth with respect to the minority MBA. Therefore, it is concluded that this study probably represents the first extensive effort on this topic.

Consortium alumni reportedly maintain close contact with the Consortium's central office, and/or with the university from which they were graduated. Nonetheless, a comprehensive assessment of facts and opinions of these graduates relative to their employment experiences, their graduate educational experiences through program participation, and their evaluation of four of the major aspects of the Consortium Program per se are considered desirable by program directors and co-ordinators. A summary of the study findings will be provided to the directors of other 211(D) programs, to directors and university coordinators of the Consortium for the purpose of disseminating information to counselors and/or advisors of present and future program participants, for program appraisal and improvement on both national and university bases, and thus, for better preparing minority business graduates for careers and life satisfaction.

Participants in this study will also be furnished a summary of the findings. This information will allow them to compare their situation with that of fellow MBA's in the areas of job expectations, job advancement, job satisfaction, job mobility, studies beyond the master's degree, salaries, academic experiences while in graduate school, and career outlook for the future. Such comparisons, however, should be made in view of the fact that each individual travels a unique career path.

Furthermore, it is believed that information of the nature collected and analyzed in this study can provide educators, businessmen, vocational counselors, and prospective business students some insight into the problems encountered by minority group management-level employees who aspire to top-level positions in the ranks of corporate business. Professors of business and economics may incorporate such information into classroom lectures on

human relations in industry. Business firms may employ these findings to advantage in executive training workshops and conferences, as well as in future recruiting efforts. While a knowledge of the findings of this study will enable counselors to better advise and guide young people toward satisfying careers, the mature student himself may include such information in his occupational-choice decision process. And last, but not least, these results may also establish a basis for further research with an international development thrust.

DELIMITATIONS OF THE STUDY:

This study was designed to include two different populations: (1) all graduates of the Consortium Program for Graduate Study in Management for Minorities, Classes of 1969 through 1973; and (2) all of the minority group members who graduated during the same time span from the six predominantly black colleges and universities in the U. S. which offer graduate degree programs in business administration. Because mailing lists were obtained from only two of the six predominantly black schools, there is no evidence that the 60 graduates from these two institutions are representative of the business administration graduates from the four predominantly black schools which did not respond. The data from both populations might be somewhat suspect because of the attitudinal nature of some of the questions.

The Consortium alumni surveyed represented five of the six member schools which constitute the Consortium; institutions represented were Indiana University, University of Rochester, University of Wisconsin (Madison), University of Southern California (Los Angeles), and Washington University (St. Louis). The newest member of the Consortium, the University of North Carolina (Chapel Hill), had not graduated any program participants at the

time this study was initiated. Whereas respondents included 71 percent of those who had graduated from the Consortium program by January, 1974, there is no evidence that non-respondents among this group are like those who did respond.

DEFINITION OF TERMS:

Although the context in which the terms are used in this report may be considered a part of general knowledge, it may be helpful to clarify by definitions the specific intent of the investigator for the following terms:

alumni: Those persons who have successfully completed requirements of an organized program of study leading to the master's degree in business.

Consortium Program: A financial-support graduate program in business administration for minority group members which is conducted at six major universities and is funded primarily by business and industry.

graduates: (Used synonymously with "alumni" in this report).

job placement: Refers to acquisition of the first job after attainment of the MBA degree.

MBA: One who has earned the Master of Business Administration degree.

minority group members: Individuals of color who identify themselves as Afro-Americans (Blacks), Mexican-Americans (Chicanos), Cubans, Native Americans (American Indians), or Puerto Ricans.

minority MBA: An individual who identifies with one of the minority groups mentioned above and who has received the Master of Business Administration degree.

non-Consortium alumni (or graduates): Those members of the sample who were graduated from a predominantly black institution.

non-respondent: A graduate in the sample who could not be located or who did not complete and return a questionnaire.

non-white: (Used synonymously with the word "minority" in this report).

respondent: A graduate in the sample who returned a completed, usable questionnaire.

#### FINDINGS AND RECOMMENDATIONS:

The problem addressed by this study resulted from an extensive survey of the literature of business which revealed a modicum of empirically based information on the careers or education of minority MBA graduates. Only two such studies were located (Fields and Freeman, 1972; Reddick and Hemphill, 1973), and both utilized very small sample sizes. Therefore, this research study is considered to be significant because it most probably represents the first extensive investigation involving a sizeable sample of minority-group MBA's.

The primary purpose of this study was to gather data from a sample of minority-group MBA graduates to report information on their career patterns since receipt of the degree and their perceptions of their educational experiences while still in graduate school. The objectives of the study revolved around the analysis and interpretation of facts and opinions supplied by the respondents in the sample to answer the broad question: To what extent does increasing the educational level and training of minority group members in business administration hasten their successful entry into the managerial ranks of corporate business?

A. MAJOR FINDINGS OF THE STUDY

Analysis of the data resulted in the following findings related to the respondents' demographic characteristics, employment experiences, and educational experiences:

Demographic Information. Males represented 92.9 percent of the respondents in this study; only 7.1 per cent were females. The majority of those responding, 60 percent, were between the ages of 25 and 29. At the time of the study, 71 percent of the respondents were married, 25 percent were single, and 4 percent were separated or divorced. The largest proportion of the group, 55 percent, presently reside in the Midwest (32 percent) or West (23 percent). Ninety-seven percent of the group held MBA degrees and 3 percent held M.S. degrees in business administration. Since earning their graduate business degree, 3 respondents had earned law degrees, 7 were law students, 4 had qualified for CPA certificates, and 6 were Ph.D. candidates.

Employment Experiences. Using a 10-point rating scale, 66 percent of the Consortium alumni and 60 percent of the non-Consortium alumni indicated a high degree of consistency between their job expectations and the situation which exists in the actual work environment of their present jobs. The degree of consistency between job expectations and the situation encountered in the work environment of their first jobs after earning the MBA degree was rated somewhat lower by the two groups--50 percent and 45 percent, respectively.

More than one-half, 55 percent, of the respondents worked for industrial firms. The largest proportion, 40 percent, were employed by manufacturers of consumer and industrial goods; the second largest proportion, by financial

institutions. By functional job area, the greatest proportion of respondents, 24 percent, performed jobs related to the field of finance. Marketing, including sales, attracted the next largest proportion of the group, 20 percent; and 17 percent worked in accounting.

In terms of position level in the organization, 70 percent of the minority MBA's held positions below the first-step middle management level; that is, 10 percent were management trainees and 60 percent were in supervisory or equivalent staff-specialist positions. The first-step middle management and middle management levels accounted for 24 percent of the MBA's, and 3 percent held upper management positions. Fifty percent of the respondents indicated that their jobs involved at least some line responsibility, whereas 40 percent noted that their positions entailed staff-type activities exclusively. Six percent were uncertain about the nature of their work with respect to the line-staff distinction.

One half of the respondents reported having received promotions with their present employers. Among this group, 48 percent perceived their promotions to be faster than or in step with normal job progression for their fields. Two percent believed their promotions came slower than for their peers. Promotions received were evaluated by the group relative to the job progression experienced by their white colleagues with comparable training and experience.

The results were mixed concerning the group's perception of their long-term advancement with their present firms. Forty-seven percent felt that they would advance as fast as their qualifications would allow them to and another 47 percent felt just the opposite. The reasons given by the latter group for the opinion held had to do with management's attitude or policies and discriminatory practices due to race or sex.

With regard to salaries, the current mean salary of the female MBA's was found to be only about 77 percent of that paid to male MBA's in the study. Similarly, a substantial difference was observed between the salaries of Consortium MBA's and non-Consortium MBA's surveyed. The current mean salary earned by the MBA's from the predominantly black universities represented only 86 percent of that earned by the Consortium graduates.

Survey participants indicated the extent of their job satisfaction along a scale from 0 to 9. The results showed that job satisfaction was higher among males than female, though not significantly higher. By age group, job satisfaction was lowest for the under-25 age group and highest for the 30 - 34 age group.

Educational Experiences. Fifty-five percent of the respondents earned baccalaureate degrees from predominantly white colleges and universities, and 45 percent were alumni of predominantly black institutions. As for undergraduate majors, 50 percent of the group had backgrounds in business and economics and the other 50 percent had majors which represented a variety of other disciplines. Most of the respondents perceived their undergraduate training to be of average quality or better.

The graduate majors of the group clustered around four areas of specialization. Thirty-one percent majored in finance; 23 percent, marketing; 20 percent, general management; and 8 percent, accounting. The group demonstrated a high degree of satisfaction with their graduate majors; only 13 percent indicated that they would change majors if they had the opportunity to do graduate study again.

The respondents indicated that the foundation courses in the MBA curriculum had proven to be the most beneficial in their careers. The courses most often mentioned were finance, basic accounting, and basic

marketing. The MBA program courses felt to be least beneficial by the group were those in quantitative business analysis (such as, calculus and statistics) and production management. Respondents who suggested courses that should be added to the graduate school curriculum most frequently suggested courses dealing with minority entrepreneurship or small business management.

The evidence showed the respondents to be quite pleased with the quality of their graduate business training. Eighty-one percent of the group rated the quality of their training as "excellent." Eighteen percent perceived their graduate training to be "average," and one percent believed it to be "poor." Consortium Program alumni apparently think very highly of the Consortium Program for Graduate Study in Management, as evidenced by their comments about the program in an open-ended questionnaire item.

In conclusion, no extensive surveys involving minority MBA's were found in the review of the research and literature related to the areas investigated by this study. As a result, only limited conclusions can be reached at this time by comparing the findings of this study with those performed on larger samples of predominantly white MBA's who had been out of graduate school for a slightly longer period of time. Although there were only 20 MBA alumni from predominantly black universities among the 181 respondents in this survey, some generalizations are drawn based on the comparison of this group of MBA's with the Consortium MBA's.

Based on the results of the data analyses for this study and the evidence reported by other researchers regarding MBA graduates, the following conclusions were formulated:

1. As a group, minority MBA's appear to be doing quite well in the corporate business world in an absolute sense, considering the circumstances.

If the sample for the present study is at all representative of the population of minority MBA's, it is concluded on the basis of the findings of this study that the typical minority MBA profile looks like this:

A married male between the ages of 25 and 29 who received his undergraduate degree at a predominantly white university. He has been on the job approximately 26 months, and earns an average current salary of \$17,263. He thinks highly of his graduate business training and entered the business world with a positive attitude toward the work environment. He works for an industrial concern and his functional job field is finance, marketing, or accounting.

He is presently in a first-supervisory level position or an equivalent staff-specialist position, and his job involves at least some line responsibility. He believes that his race and personality traits were important factors to his being hired. Although he is uncertain about his long-term advancement with his present employer, he is fairly satisfied with his present position. He perceives his job progression to be in line with what is normal for those in his field, but will leave the present employer to keep his career progression on schedule. His long-range career goal is to own and operate his own business.

2. The MBA graduate from a predominantly black university, both male and female, is short-changed several thousand dollars in terms of starting salary and they lose ground in subsequent years on the job with respect to salary increments. Acknowledging the small size of the non-Consortium MBA sample in this study, this conclusion was drawn on the basis of substantial differences found between the salaries of Consortium MBA's and their counterparts who are graduates of predominantly black institutions. This situation may be due to several factors. First, employers may be unjustifiable stigmatizing the MBA's from black universities as poorly trained and therefore should not be paid the going wage. Second, it could be, and the findings of this study support this statement, that the majority of these MBA's have general management majors. Companies may view specialists more favorably than they do generalists and are therefore willing to pay higher salaries for specialized skills. Third, it could be that

competition for graduates of MBA programs at black universities is not as keen as it is at major white universities; so these alumni accept the lower salaries just to be employed. Whatever the reason, it is believed that such noticeable differences in salary are difficult to justify.

3. The MBA degree does make a difference in the rate at which minority-group members successfully enter the ranks of corporate business. The findings of this study show that the MBA degree allows them to enter the companies at a higher level than would otherwise be possible without the MBA degree. However, it was discouraging to find that 70 percent of the respondents were concentrated in the two lowest levels of the managerial hierarchy in their firms. This finding agrees with that of Reddick and Hemphill (1973) who reported that minority MBA's are in managerial positions but are not showing signs of moving upwards. In fact, 18 of the 26 respondents in this study who had been out of graduate school the longest, 4 to 5 years, were still at the two lowest levels in terms of positions in their organizations. This situation may be attributed to several factors. First, it can be speculated that the situation of these MBA's resulted from their personal choices. For example, they may have had the opportunity to be promoted but at the expense of accepting a transfer to a new geographic location with their firm. As the article on "Corporate Mobility" (Black Enterprise, 1972) pointed out, if upward mobility for many black executives means relocation of their families, the new job often becomes less attractive due to the problems likely to be encountered in locating adequate, desirable housing and starting a new social life.

Second, it may be postulated that the lack of upward mobility for these minority MBA's is due to a lack of social mobility in the "right" circles

and the discriminatory practices of middle management. The "Corporate Mobility" article (Black Enterprise, 1972) also noted that it is extremely important to be in the right place at the right time. Although blacks are usually accepted from 9 to 5, they are also usually absent from the country club setting and cocktail parties where many important decisions are made on promotions. The implication is that when one is out of sight, he usually does not come to mind either. Regarding the "middle-management barrier," although top management may sincerely desire equal opportunity for all employees, the message either does not reach the middle management level or middle management does not believe that the policy statements of top management are meant to be implemented. And it is generally known that immediate superiors, in this case middle managers, control salary increases and promotions for their subordinates.

Jones (1973) and Taylor (1973b) both cited the problem of corporate "fit" which also serves to impede the progress of minorities in management. Jones stated that while the informal organization promotes unity and efficiency within the organization, it is also restrictive and very selective. Therefore, it can preclude the promotion of blacks or lead to their failure on the basis of "fit" rather than competence. Taylor put it this way: "As long as a racial minority looks like, thinks like, and acts like his racial minority group, he or she will never become a legitimate leader of the U. S. racial majority" (p. 14-F). Despite the foregoing, it should be pointed out that of the 81 respondents who had received promotions with their present employers, 77 felt their promotions were in step with normal job progression or faster for them than for others in their fields.

4. There is a strong misconception which borders on myth that minority females are paid premium salaries because of their double minority status.

This belief was dispelled by the findings regarding salaries in this study. A comparison showed the minority female MBA's salary to be only 77 percent of that of her minority male counterpart, and the women in this study were among the most recent graduates. Needless to say, her situation worsened when her salary was compared to that of her white male peers. This finding agrees with that of Steele and Ward (1974) who found that not only do women start off behind men in terms of salaries, but they fall further behind as the years progress. A similar finding emerged from an unpublished study of female B. B. A. graduates from the University of Wisconsin-Madison which was conducted by Harris, Johnson, and Westing (1974).

B. RECOMMENDATIONS

In light of the findings and conclusions drawn from this study, the following recommendations are offered:

1. At a time when minority-group members are just beginning to show signs of making a breakthrough in the managerial areas of corporate business, there is evidence that sources of funding are drying up which have made the progress to date possible (Business Week, July 6, 1974). It is therefore recommended that renewed efforts be made by university personnel and minority MBA's to keep present funding for the business education of minorities alive and to locate new sources of funds in order to provide graduate education for more minority-group members who desire managerial business careers.

2. Business and industry should make a special effort to equalize the position and salary status of women in their employ. It is recommended that special attention be given to minority female MBA's since the evidence shows their progress to be substantially behind the progress of their black male counterparts, not to mention that of their white male peers.

3. With an ever increasing number of minority students enrolling in graduate business programs (Stronk, 1972; Business Week, July 6, 1974), and with the entrepreneurial sentiment running high among minority MBA's, as was found by this study, it is recommended that graduate schools of business should study the feasibility of offering elective courses in small business management and in business entrepreneurship for graduate credit. This is even more desirable in light of the evidence that about fifty percent of the minority students pursuing the MBA degree do not have undergraduate backgrounds in business and economics. These students were in the majority of those who suggested a need for such courses at the graduate level. Gerstenfeld and Eriksen (1974) and Roscow (1973a) also noted a national trend toward interest in entrepreneurship by business students and the ever increasing number of institutions implementing such courses.

4. Based on the finding that MBA alumni from predominantly black universities are short-changed in the job market and the speculation that this situation may be due to their generalized preparation, it is recommended that these universities re-examine their graduate curricula offerings and endeavor to expand them to include the more specialized majors, if this is found to be a shortcoming. Moreover, students should be encouraged to elect training in a particular functional area as opposed to general management. It is also recommended that the placement officers of predominantly black universities offering a graduate degree in business become more concerned and insist that their MBA graduates are treated equally by recruiters as far as the jobs and salaries offered are concerned.

5. Since job and salary progression is apparently slower for minority MBA's as evidenced by such objective indices as position level in the organization and salary in comparison to their white counterparts, it is recommended that these MBA's re-evaluate their perceptions of their job

progression in light of current findings for the career patterns of white MBA's with similar training and experience. It is further suggested that minority MBA's continue to work hard and more closely monitor their own career progress, relative to that of their white peers, to help ensure their equitable advancement up the corporate ladder to success. If it becomes evident after a reasonable period of time that advancement is not forthcoming, it is recommended that these MBA's seek employment with some other organization which has a reputation for providing greater opportunities for career advancement.

6. Although the common practice may be an annual review of employees' performance, it is recommended that companies employing minority MBA's institute semi-annual or quarterly reviews for these employees--especially during the first two years of their employment. In view of the fact that minority group members are often not visible after the hours of the normal workday, such a practice would enable employers to more closely monitor the progress of these MBA's and thus help ensure that excellent performance does not go unobserved or unrewarded.

7. There is a need for surveys of larger populations of minority MBA's. More in-depth research is thus recommended concerning such variables as job satisfaction, job mobility or turnover, and the characteristics of those who change jobs vis-a-vis those who remain with initial employers. Greater insight into these matters can be accomplished with longitudinal studies of minority MBA graduates.

8. Further research is recommended regarding the careers of women MBA's in general and minority female MBA's in particular. However, since minority female MBA programs has just recently begun to increase, an appreciable

sample population may be unavailable at the present time.

9. The full utilization of minority MBA's in economic development in LDC's should be a major priority of the local, state and national government.

## REFERENCES CITED

- "Black MBA's," Black Enterprise, September, 1973, pp. 31, 34-36, 58.
- Consortium for Graduate Study in Management. Policy Handbook for Students and Alumni. (Revised edition), September 1, 1972.
- "Corporate Mobility," Black Enterprise, March, 1972, pp. 35-39.
- Ferman, Louis A. The Negro and Equal Employment Opportunities. New York: Frederick A. Praeger, 1968.
- Fernandez, Benjamin. "Managerial Talent and the Minority Community." State of the Black Economy, ed., G. F. Whittaker, Ann Arbor: University of Michigan, Division of Research, 1973, pp. 52-59.
- Gerstenfeld, Arthur, and Steven E. Eriksen. "Long- and Short-range Goals for MBA Students." Collegiate News and Views, Spring, 1974, pp. 19-22.
- Gourlay, Robert. The Negro Salaried Worker. New York: American Management Association, 1965.
- Gutteridge, Thomas G. "The Composite MBA: A New Computer Analysis." The MBA, April, 1974, pp. 23-30.
- Harris, Christine, Alton C. Johnson, and J. H. Westing. "How Affirmative Has Business Been in Dealing With Women B. B. A.'s?" Unpublished study, University of Wisconsin-Madison, 1974.
- Hills, Gerald E. "Graduate Business Schools and Minority Integration: The Black MBA." American Association of Collegiate Schools of Business Bulletin, 9:3, April, 1973, pp. 28-43.
- James, Wallace L., and Sterling H. Schoen. "The Consortium: Measurable Results." The MBA, February, 1971, pp. 52-54.
- Jones, Edward W., Jr. "What It's Like to be a Black Manager." Harvard Business Review, July-August, 1973, pp. 108-116.
- Jones, Wallace L., and Sterling H. Schoen. "The Consortium: A Progress Report." The MBA, January, 1973, pp. 52-54.
- Reddick, Marshall E., and John Hemphill. "In, Yes, But Not Up." The MBA, May, 1973, pp. 12-13.
- Roscow, James P. "Can Entrepreneurship be Taught?" The MBA, June-July, 1973, pp. 12, 16, 50-51. (a).
- Schoen, Sterling H. (Chairman). Proposed Program for Graduate Study in Business for Negroes: Report on Feasibility Conference and Program Coordinating Committee Meeting, Appendix F, September, 1966.

schoen, Sterling H., and Wallace L. Jones. "New Opportunities for Negroes in Management." The MBA, April-May, 1969, pp. 26-27.

Steele, John E., and Lewis B. Ward. "MBA's: Mobile, Well Situated, Well Paid." Harvard Business Review, January-February, 1974, pp. 99-110.

Stronk, Mary E. "Modest Growth in the Number of Blacks in Business Schools." The MBA, January, 1972, pp. 41-42.

Taylor, Staurt A. "A Funny Thing Happened On the Way Up." Contact, Spring, 1973, pp. 14-16, 80 (a).

\_\_\_\_\_. "Room at the Top? Not for Blacks." New York Times, Section F, Sunday, January 14, 1973, p. 14 (b).

"The Frantic Competition for Black MBA's." Business Week, July 6, 1974, pp. 58-59, 62.

**STAFF PAPERS ARE PUBLISHED  
WITHOUT FORMAL REVIEW  
BY THE  
UNEMPLOYMENT AND UNDEREMPLOYMENT INSTITUTE STAFF**