

# MINORITY



# PIPELINE

**IN**ot many minorities pursue business degrees. Currently, African Americans, Hispanics, and Native Americans enrolled in business school make up slightly more than 17 percent in the undergraduate ranks, and eight percent for MBA programs. For many business schools, those numbers are unacceptably low, and they have instituted initiatives designed to bring more diversity into their programs.

by Sharon Shinn

More than a dozen organizations promote minorities in business, and many of them can be found under the umbrella of the **Diversity Pipeline Alliance**. Members of the alliance include The Consortium for Graduate Study in Management, Graduate Management Admission Council (GMAC), KPMG Foundation, The PhD Project, LEAD Inc., National Black MBA Association, National Society for Hispanic MBAs, the Robert A. Toigo Foundation, Sponsors for Educational Opportunity, Management Leadership For Tomorrow, and Citigroup Foundation. The Web site, at [www.diversitypipeline.org](http://www.diversitypipeline.org), includes links to all the member organizations as well as information specifically targeted to high school students, undergraduates, and professionals.

“Our objective is to try to harness the collective energy of these various organizations,” says Bernie Milano, president of the KPMG Foundation in Montvale, New Jersey, and founder of the PhD Project. “All of them are successful at what they do, but most are sub-optimized in their results because they don’t have the funds to do full-scale national marketing or to install the technology to track the individuals they contact.”

# TY



Business schools and organizations are working in concert to increase the number of minorities getting management degrees. Here's a look at a few of the programs—whom they're targeting and what kind of results they're getting.

In addition to working on joint marketing projects, the groups also have a goal of sharing a central database so that “all minorities contacted by all organizations will be made aware of the opportunities that exist,” says Milano. Thus, if students apply to the LEAD program but cannot be accommodated, their contact information can still be shared among other organizations.

**LEAD** itself is one of the foremost organizations dedicated to drawing minority high school students into business careers. African American, Hispanic, and Native American students between their junior and senior years of high school attend summer institutes at 12 graduate business schools around the country, where they learn the basic concepts of business and leadership. LEAD also supports the students while they're in college and offers them networking and internship opportunities.

Harold J. Haskins, founding director of LEAD and director for student development support planning at the University of Pennsylvania in Philadelphia, explains that the program teaches participants that business can offer them many

avenues to leadership. Even if the students who go through the LEAD program ultimately don't enroll in business school, he says, “they understand that business is a very important part of our existence.”

In the LEAD program at The Wharton School, he says, students are taught to execute a business plan, practice business writing skills, collaborate with others in small groups, and understand the components of marketing, organizational behavior, and demographics. “We also make sure they understand topics that relate to business issues, like social responsibility,” Haskins says. “They also must learn to function in teams, because the tasks we give them cannot be done by themselves.”

Another major player in the effort to increase minority enrollment is **The Consortium for Graduate Study in Management**, based in St. Louis, Missouri. The organization works with 14 business schools and a group of outreach organizations to recruit minority students on behalf of the schools. The school also works closely with historically black colleges and universities (HBCUs) to attract students from their populations.

“We keep trying to reach farther down the pipelines to create awareness, so we are beginning to do some programs that will reach high school and even junior high school students,” says Barbara Britton Jones, the Consortium's chief operating officer. “Our mission is to get the largest number of underrepresented minorities into business schools and subsequently into the workforce.”

The Consortium streamlines the admissions process for minority students and provides fellowships for some of those who are accepted into one of its member schools. Minority students interested in applying to business school can use the Consortium application to apply to up to six member schools; the Consortium then distributes the application. “Once they're admitted, we can consider these students for a fellowship that covers full tuition and required academic fees,” says Jones.

While the Consortium makes the application process a little easier for students, they must still meet academic requirements and go through the same admissions process as





other students. Last fall, 237 Consortium fellowships were accepted; an additional 48 people enrolled through the Consortium and did not receive fellowships.

**Back on Campus**

Individual schools also are working hard to increase their minority enrollments. A group of schools—Duke University, Cornell University, New York University, Yale University, and The University of California at Berkeley—have banded together to form the MBA Diversity Alliance, which travels the country doing outreach to underrepresented groups.

“We usually plan a couple of events in each city,” says James Stevens, director of admissions for the Yale School of Management in New Haven, Connecticut. “One event fea-

tures a panel of admissions officers discussing the application process and what candidates should be doing now to prepare themselves for business schools. Another panel brings in current students and alumni from the five schools to talk about their business school experiences and the career opportunities that are available.”

Business schools interested in expanding minority enrollment frequently attend conferences held by the National Black MBA Association and the National Society for Hispanic MBAs. They also work closely with the minority clubs and organizations on their campuses. For instance, the University of Michigan supports its Black Business Student Association

**Five Contributing Factors**

While it’s hard to say definitively why more minorities don’t enroll in business school, administrators and those who work for minority organizations point to five key factors—and they say they’re working on all of them.

**1 The pipeline isn’t being filled at the earliest stages.**

“People in minority populations to a large degree don’t consider business a viable career option,” says Barbara Britton Jones, chief operating officer for the Consortium for Graduate Study in Management. She believes that business schools, corporations, and outreach organizations need to go to high school and even junior high school students to spread the word early about the advantages of a business education.

Business schools also need to pay more attention to their own undergraduate students when trying to interest minorities in an MBA. According to Rodney Morrison of The Wharton School, “We surveyed our students a couple of years ago to ask when they’d first heard about an MBA program. For a lot of them, it was pretty late in the

process, junior or sophomore year.”

Business schools that don’t recruit minority students may find some of the brightest prospects being diverted into careers like math, science, engineering and law, say several organizational leaders. “The result is that those who are self-selecting business aren’t always our best students,” says Nicole Chestang, chief operating officer for the Graduate Management Admission Council, based in McLean, Virginia. “That’s reflected in a number of ways, including performances on the GMAT and self-reported GPAs. People don’t understand the competitive nature of an MBA program vis-à-vis law or medicine, though I would suggest that it’s just as tough to get into a top business school as it is to get into those other top professional schools.”

**2 There are not sufficient role models to entice minorities into a business career.**

“Despite a number of outreach programs, despite affirmative action, despite the gains we have made in business, when African Americans and Hispanics look at the top ranks, they don’t see themselves. So they say, ‘Why should I butt my head against the wall? There are other opportunities for me,’” says Chestang.

Some schools and organizations mobilize their own alumni to participate in panels and workshops that give students a chance to see what’s possible for them in the working world. For instance, the Consortium is challenging its 5,000 alumni to do community services in their own cities. The organization is also working on the Consortium Visiting Executive Program, in which corporate sponsors help graduates visit historically black colleges and universities (HBCUs) to make presentations and mentor minority students. “We want to engage students by putting successful businesspeople in front of them,” Jones says.

**3 Minorities are less interested in taking risks.**

Taking two years from work to enroll in a full-time graduate business program can be a real gamble—and many minorities don’t want to roll the dice. James Stevens of the Yale School of Management cites a GMAC study that concluded that minorities tend to be somewhat risk-averse and are unwilling to hazard their time and money for an outcome that is not well-defined. Since the outcome of a business degree is less defined than the outcome of a law or medical degree, many minorities look for other options.

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when it holds alumni conferences. Wharton works with groups like the African American MBA Association (AAMBAA) and the Wharton Hispanic MBA Association (WHMBAA) to reach prospective students.

A number of schools work with organizations like **Management Leadership for Tomorrow (ML4T)**, which offers programs aimed at high school and undergraduate students. Yale recently held two ML4T workshops for prospective MBA students to help them fine-tune their applications. “In one, we did a session with students to talk about writing their personal statements,” says Stevens.



“We did mock interviews, and we held sessions on writing compelling interviews. A representative from the Princeton Review Foundation talked to students about developing test-taking strategies for the GMAT. The goal was to help these students figure out the best way to present themselves as candidates for business school and get them thinking about ways to enhance their candidacy.”

In addition, many schools plan frequent events, both on-campus and off, to draw the attention of prospective minority students:

■ **Michigan** sponsors Up Close, a

Those who do consider business schools often choose the top-ranked ones—again, as a way to minimize risk, because a degree from a good school offers more certainty of a good job. Business schools need to work together to counteract the idea that the only worthwhile credential is a two-year degree from a nationally ranked school, says GMAC’s Chestang. “We have to let these students know that they don’t have to go full-time to Yale or Harvard. They often can find options in their local communities—part-time programs, executive programs, fully employed MBAs, you name it. I think we can do a much better job of marketing these kinds of opportunities to minorities.”

#### **4** Minorities don’t see business as a glamorous profession.

“I used to work in undergraduate admissions at the University of Pennsylvania as the director of minority recruitment,” says Morrison of Wharton. “What’s clear in undergraduate school is that business is not one of the sexier disciplines. In terms of the pecking order, it’s not one of the top two or three degrees.”

“There’s no ‘L.A. Law’ for business, there’s no ‘ER’ for business,” agrees Chestang. “There aren’t any Grammys

or Emmys for business. We should encourage *Essence* magazine and the NAACP and other organizations to do a TV awards program to highlight a minority businessperson—and not necessarily a traditional one. Smart young black kids are not impressed with Ken Chenault at American Express. They’re saying, ‘Who’s this old guy?’”

#### **5** It’s not clear to minorities what a business degree will do for them.

“How you find your way to a long-term successful business career is pretty nebulous,” says Chestang. “I understand that if I want to be a doctor, I have to get certain kinds of grades in the sciences, I have to go to a good medical school, do a residency, do a specialty, pass my boards—and then I’m a doctor! There are all these processes that people understand. But Bill Gates doesn’t have an MBA degree. P. Diddy—no MBA. Yet they’re successful.”

Chestang also believes that business schools focus too narrowly on corporate careers when they try to sell an MBA degree to minorities, instead of showing how many different business opportunities are available. “Gen X’ers want to

understand how they can start their own businesses. But if you look at any MBA brochure, it focuses on what happens when you work for an employer. So I think we’re going to have to think a little differently in terms of how we communicate.”

Michigan’s Jeanne Wilt agrees. Drawing parallels between the way women and minorities view careers in business, she notes that women in focus groups often don’t understand what a typical business career may offer them. “I tell them, ‘Say you’re a manager in a company. You make a product that you’re really interested in. It’s created and manufactured in an environmentally friendly way. The people who work with you earn a good wage, enjoy their colleagues, and have career opportunities. Why would this not make you feel like you’re doing something good?’”

One woman participant outlined her dream job, says Wilt, and “she was describing a brand manager at Proctor & Gamble”—but, because she didn’t understand the options in a business career, she didn’t realize it. If minority students have a better picture of what options a business degree can give them, Wilt believes, they will be more interested in enrolling in business school.

recruiting weekend for minority MBA students. The school pays for part of the travel expenses for “as many applicants as the budget can afford,” says Jeanne Wilt, assistant dean of admissions and career development at the University of Michigan in Ann Arbor. Latino, African American, and Hispanic student associations get involved in hosting the weekend; candidates meet these students, learn about the application process, and learn about life at Michigan.

■ **South Carolina State University** brings in students on High School Day to acquaint them with the business curriculum and expose them to the opportunities they might have in a business career. A second program, The Summer Institute, brings high school students to campus for a week and gives them a chance to meet professional CPAs and business teachers. “In the past, we concentrated on getting students interested in the accounting profession,” says Barbara Adams, interim dean of the school of business in Orangeburg, South Carolina. “We’re going to expand that this summer to include all areas of business.”

South Carolina State also brings in role models through a continuous executive speaker program that features minorities in high-level business positions. Students are also exposed a couple of times a year to the successful alumni who belong to the school’s advisory board. These advisory board members not only attend meetings but visit class-



rooms to talk to graduate and undergraduate students.

■ **The Haas School of Business** at Berkeley sponsors a daylong minority workshop, held on campus and attended by more than 100 people. Outreach activities include visiting other universities and HBCUs to recruit for the graduate

school. “In the past we’ve done some print advertising in publications that target underrepresented groups as well,” says Jett Pihakis, director of domestic admissions for the full-time MBA program.

At Haas, minority students also are encouraged to appear on panels and provide tips about business school to other minorities who might be considering an MBA. “What’s an MBA? How have I benefited from it? Who is an MBA for—who is it not for? These individuals can prepare students for the MBA experience and the application process,” Pihakis says.

■ **Wharton** reaches minorities by holding receptions in major cities like New York, Los Angeles, Miami, Atlanta, and Washington, D.C. “In the past two years, these receptions have been sponsored by companies that recruit on campus,” says Rodney Morrison, associate director of admissions and financial aid. “It gives them a chance to put the word out early about their companies—almost like early recruiting. They get a chance to see the candidates they’ll probably be talking to in a couple of years, and they can tell them about the industries that will be available to them after graduating.”

## New Tactics

To bring more minorities onto campus, some schools are reviewing the basic tools of admission. Since women and minorities tend to score lower on standardized tests, the University of Michigan is considering testing that also uncovers “practical” intelligence or “successful” intelligence. In fact, Yale professor Robert Sternberg, who has pioneered work in practical intelligence, has already helped Michigan critique and redesign the essay questions on its admission application.

“You can ask a question to draw out analytical, creative, or practical responses,”

says Michigan’s Jeanne Wilt. “Sternberg determined that all of our essay questions were designed to elicit analytical responses.” A revised test elicits a variety of responses and gives the school better insight into its applicants, she says. Answers on this test show how a candidate gathers information, identifies a problem, and arrives at solutions. “We’re working on a proposal to test for successful intelligence that we hope will ultimately be accepted by other business schools,” she says. “We would want students to take the GMAT *and* a successful intelligence test so that we have both types of input.”

Other schools are considering eliminating the requirement for work experi-

ence that is standard in many MBA programs. For instance, Yale University has experimented with enrolling students directly out of undergraduate school by launching a new program with eight students who were stellar undergraduates. “We’re taking a broader look at what makes a good business student and learning to identify high-potential individuals earlier than we have in the past ten to 15 years,” says Yale’s James Stevens. “We’re asking ourselves, ‘Are there people who would benefit from coming directly to an MBA program?’” If a number of schools decide that the answer to that question is “yes,” it could fundamentally change how students approach a business degree—and who those students are.

“Those of us who are working here now are fully committed to diversity programs, but at some point we’re all going to move on. How do we make sure this legacy **continues?**”

In addition, Wharton considers every day an “open house,” he says. “We encourage prospective students to sit in on classes, take the campus tour, sit in on a group information session, talk to current students, meet with someone at AAMBAA or WHMBAA. So we start the mentorship early.”

■ **Yale** has recently ratcheted up its attempts to make diversity a bigger part of the school’s culture. A director of minority student affairs attends workshops and conferences all over the country and keeps in close touch with individuals who have expressed interest in attending the school. Current students are actively encouraged to reach out to prospective or newly admitted students. “The students get people excited about the program and the experience they’re having,” says Stevens. “There’s really a kind of galvanizing effect.”

In February—culminating a year’s worth of efforts on the part of Yale officials, students, and alumni—the school holds a networking reception in New York City. “The idea is to bring together people who may have been communicating by e-mail and allow them to meet personally,” says Stevens. “Alumni talk more specifically about their experiences, and then we break into groups based on areas of interest. For example, one group might be talking about venture capital, while other groups talk about management consulting or media or nonprofit management. The reception isn’t just for a group of people who all happen to be people of color. They’re also people who share certain interests.”

Once students are admitted to Yale, the School of Management makes every effort to retain them. All business students are matched up with a professional mentor, an alum working in their area of interest; minority students also are paired with a second mentor. Financial aid packages are available for all students, some based on need and some on merit. “While most of these are available to all students, they have particular appeal to students who otherwise might not have considered a business education,” says Stevens. In addition, the Megunticook Scholars program annually selects two students from underrepresented groups who have expressed the intent to give back to their communities of origin.

### **Crunching the Numbers**

Even with all the minority programs in place, school administrators admit their numbers are lower than they’d like and that they have to continually push to improve them. Some, like Haas, have had to adapt to new legislation that mandates that officials cannot consider race and ethnicity when reviewing applications. According to Pihakis, once that legislation

passed, Haas saw a dramatic drop in the number of minorities applying. “Only this past year, as we’ve done more recruiting, have we seen the tide very slightly turn to an increase in the number of applicants from underrepresented groups,” he says.

At Michigan, the percentage of minorities enrolled in business school hovers around 10 percent, although Wilt notes that Michigan formerly had a higher percentage of minorities but has lost students to other schools that have initiated heavy recruitment of top candidates. “Even though we’re not getting as many minority students as we used to, there are more opportunities for these individuals, and that’s a good thing,” she says.

While Milano believes the picture is improving for minorities, he is convinced that consistent effort will be required to



keep the numbers rising. “The more minorities we have studying management, the more ambassadors we will have in minority communities talking about management education,” he says. He believes women moved more quickly into business because they had fathers, brothers, and community role models to show them the way. “For them, business

was not a foreign land. For minorities, it clearly is. The situation won’t get corrected overnight,” he says.

One way to improve the situation is to make diversity a part of the school’s cultural mindset, says Stevens. He notes that Yale recently conducted research that concluded that, for a diversity program to succeed, the entire community had to be behind it. “We’re working really hard to institutionalize this,” he says. “Those of us who are working here now are fully committed to diversity programs, but at some point we’re all going to move on. How do we make sure this legacy continues? The bottom line is, it’s important to get support from the whole spectrum of the community—the faculty, the students, the alumni, and the administrators.”

It requires an ongoing effort to keep all those groups committed to minority recruitment. Yet, with so many programs in place, administrators are optimistic that change *can* occur and that diversity will eventually become a reality of business education. ■