

Ivy heads league

Good skills may help but going to a top school is still the best route to success for executives, writes **Andrea Zavadszky**

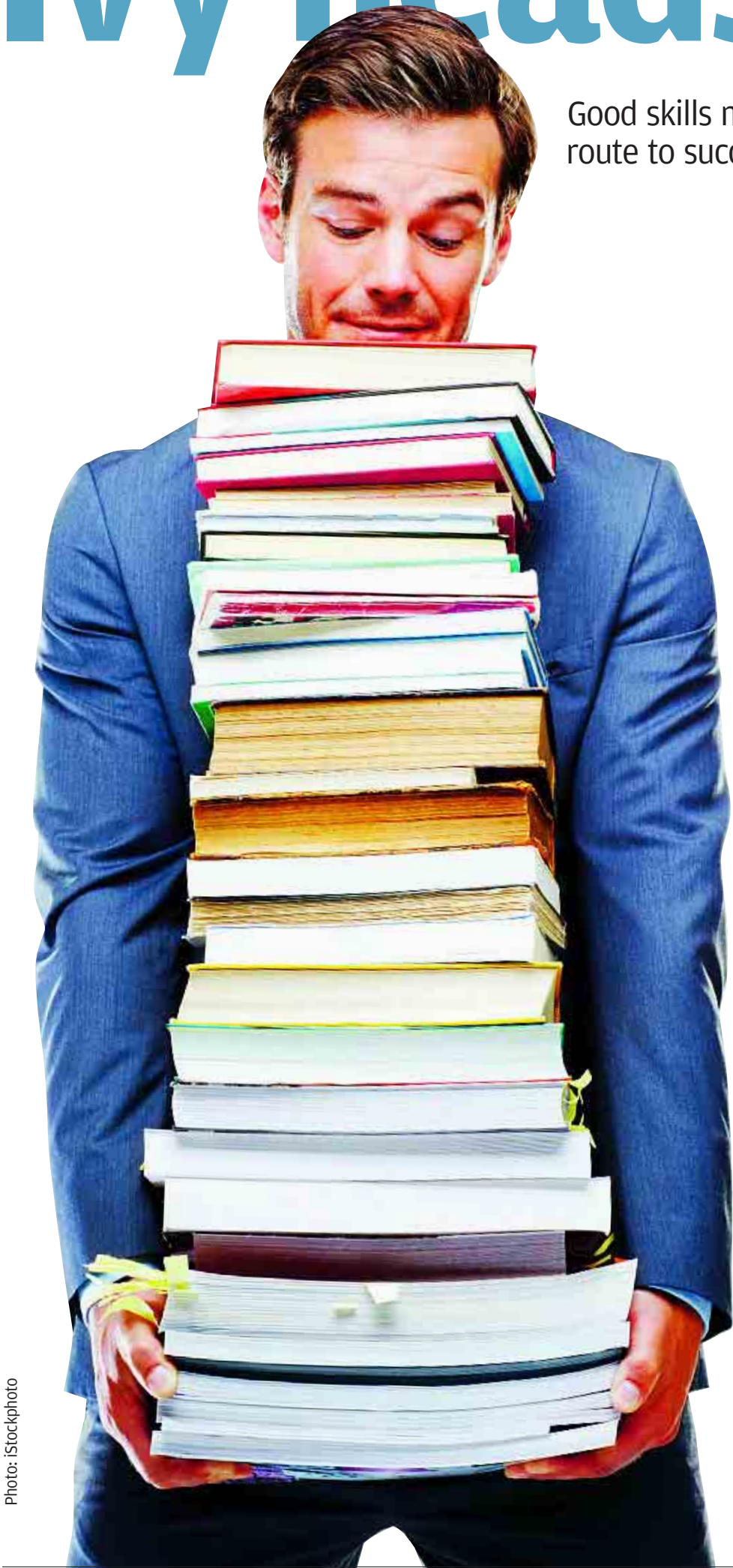


Photo: iStockphoto

A recent study examining the career profiles of top executives in Fortune 100 companies has good advice for young, ambitious managers targeting the top echelon. Good education, wide general knowledge, patience, and a good mix of internal and external moves all help a bid for the corner office. The research, which examined the key factors in successful executive careers in 1980, 2001 and 2011, found that education definitely counts. Executives in top-tier positions in Fortune 100 companies are five times more likely to have graduated from an Ivy League university than their counterparts in tier-three positions. They are three times more likely to have done an Ivy League MBA, especially if they were hired from outside the company. “Elite institutions can still shape career paths in very visible ways. Top-tier education pays off,” says Monika Hamori, professor of human resource management at IE Business School, who conducted the research with her colleague, assistant professor Rocio Bonet, and Wharton School professor of management Peter Capelli. Managers with a narrow area of specialisation get coveted promotions quicker, but do not usually rise to tier-one positions. Chief executives, chairmen and COOs are likely to take a more “generalist” route, gaining experience in more jobs with a wider scope. “General management takes longer, but it is the best way to reach the top,” Hamori says. Length of tenure with the same employer has risen. Also, in 2011, executives took longer to reach senior positions than their counterparts in 2001. “The 2008 financial crisis has slowed down executive career paths. There are fewer positions available and executives are not so willing to



Elite institutions can still shape career paths in very visible ways

MONIKA HAMORI, PROFESSOR OF HR MANAGEMENT, IE BUSINESS SCHOOL

venture out to other corporations in the hope of landing an attractive position,” says Hamori, who advises patience until the effects of the economic slowdown are over. Instances of a full career with the same company have drastically fallen since 1980, with executives finding it best to balance internal and external moves as they advance. But job-hopping too often is not advisable. “When we analysed the career histories of the top executives of 2011, we found that the average executive worked for fewer than three companies,” Hamori says. “My advice is that if you jump between companies, make sure that the next time you spend a longer stint with an employer and do your best to be promoted.” The study shows greater diversity today than in 1980 in Fortune 100 companies. Opportunities to get to the top have improved for women and executives born outside the US. “We see increasing diversity in the top echelon. In 2011, 18 per cent of top executive positions were held by female executives, a considerable increase on 2001, when 11 per cent were filled by women,” Hamori says. This has been helped by broader trends in the Fortune 100. It now includes fewer heavy industries and energy companies, which employ fewer women, and more health care and retail enterprises, which have more. Women usually stay in second- or third-tier posts. Only 6 per cent are in top-tier roles such as chief executive or COO. In 2011, around 11 per cent of Fortune 100 executives had been educated outside the US, but 77 per cent of those came from English-speaking countries. Traditional recruitment methods are largely being replaced by new technology, with Facebook and LinkedIn often used as tools for hiring and background research.

IN THE NEWS



Oxford's Saïd Business School redesigns its MBA
At the heart of the redesigned one-year MBA are three themes: the global rules of the game, entrepreneurship, and responsible leadership. These are tackled in specific inter-disciplinary modules and extend through the other areas of the programme from core and elective courses – which have also been extended and strengthened – to guest speaker sessions, conferences and contests. Go to edpost.hk/said-bschool for details.



Ivey awards scholarships to six outstanding women
The Ivey Business School and The Women's Foundation (TWF) have admitted Edith Ang (UBS AG), Natalie Spicer (Telstra), Nancy Yee (Media Synergy), Melanie Coate (HSBC), Laura Brown (LexisNexis) and Lydia Yang (Gold Mountains (HK) International Mining) to the second TWF Ivey Executive MBA scholarship programme aimed at inspiring women to bridge their aspiration gap and reach senior roles. The six start their EMBA this August and will graduate in 2016.

Contact us

Editor Ginn Fung
ginn.fung@scmp.com
Community Editor Daisy Fung
daisy.fung@scmp.com
Assistant Editor Gary Ng
gary.ng@scmp.com
Reporter Sharon Li
sharon.li@scmp.com
Editorial Assistant Jie Leung
jie.leung@scmp.com
Freelance Sub-editor Paul Wenham
Advertising
info@educationpost.com.hk

TALKING TO THE TOP

Sustainability is the watchword

Profit and revenue are the usual measures for determining corporate success in the cutthroat business world, with investor attention focused on headline numbers in the annual report before any thought of service levels, innovations, social responsibility or community involvement. But Jordi Canals, dean of economics and general management at Spain's IESE Business School, believes this profit-driven model is not the way to go. Instead, he wants to see more emphasis on sustainability – the theme is now a key part of the school's MBA programmes. “A good MBA course should produce a generation that are [good role models] for society,” says Canals, who was in Hong Kong recently for a conference on the subject of excellence in business leadership and governance. “You have to learn to become a good citizen.” One alumnus he quotes as an example has developed an online international network for medical specialists and patients to get in touch, which helps shorten the diagnosis time and gives patients access to top-notch advice at reasonable cost. “Good managers and business leaders should not only think about making money in the short term, but look to create an iconic, respected institution,” Canals says. “We have taught a lot of entrepreneurs

who are having a social impact in areas like health care and reducing waste caused by consumer electronics.” To encourage diversity, IESE admits around 300 international students a year. The screening process is inevitably stringent. A broad aim is to have about one-third of each class from Asia, the Americas and Europe. “Applicants need to have a strong background and a clear reason why they want to be here,” Canals says. “It should be about what you want to do with your MBA. You need to convince us that you want to do something different, and that you want to change society in a positive way.” *Chris Lau*



Today no business can escape watchdogs. A Greenpeace vessel is seen docked in Valencia, Spain
Photo: AFP



Jordi Canals

ENTREPRENEURSHIP



Photo: Felix Wong

Start-ups need grads

When someone says “start-up”, one's mind immediately goes to seemingly overnight social sensations like WhatsApp, Snapchat, Tumblr, Facebook, and Twitter. And more often than not, wannabe tech entrepreneurs wrote these start-up success stories with little more than a bachelor's degree. So if the world's leading companies began without any attachment to a business school, the question begs to be asked: is business school still worth it? And if not, will start-up culture bring about the end of the MBA?

Start-up companies are notoriously averse to hiring business school graduates. Some say it's because MBAs lack company loyalty and can act entitled, while others say the truth really lies in the stigma of the MBA itself. A business school graduate simply can't afford to partake in a start-up company because they will be graduating with negative income due to their business school loans. Start-ups are also keen to keep the zeitgeist: the fresh, young and creative. That's not to say that once a start-up is earning billions its founders don't recognise the benefits of a classically

educated businessperson. Mark Zuckerberg, who lacks an MBA, hired Harvard graduate Sheryl Sandberg as his COO. Most start-ups now worth over US\$1 billion founded since 2003 have at least one top-level executive with an MBA. Still, business schools want more and are playing catch-up. As of this year, most top business schools now offer courses in entrepreneurship. While it may seem that all the publicity goes to basement start-ups like Facebook, the idea that business school and start-up culture are at odds is not true. Both need each other in order to succeed in the long term. *Sam Prince*