Business School Faculties Are Even Whiter Than Corporate Boards

Why are so few B-School deans and professors Black or Hispanic?

by Natalie Kitroeff
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The corner offices at business schools are whiter than the boards of the country’s most prominent companies, new research shows. Black Americans and Hispanics are less likely to work at business schools than as board members of the 200 biggest corporations in the Standard & Poor's index of 500 stocks, according to a study of 1,600 U.S. graduate business programs released on Tuesday by the PhD Project, a nonprofit dedicated to increasing the number of minorities at B-Schools.

There were 33 black deans and 9 Hispanic deans at the 1,600 programs as of April 2015, meaning that those minorities accounted for just 2.5 percent of the top slots at business schools. Just 4 percent of faculty were black, Hispanic, or American Indian, the report said. At the top 200 S&P 500 companies, 8.5 percent of directors were black and another 4.5 percent were Hispanic, according to an industry report last year.
The divide points to a growing disconnect between the people running American businesses and the schools that funnel workers to them.

“When minority students look at business school faculties and leadership, they see very few people who look like them. This can send the signal that business isn't for them,” said Bernard J. Milano, the PhD Project's co-founder, in e-mailed comments.

“America's business community wants to hire a more diverse work force,” Milano noted. The problem is that business schools, which mint thousands of candidates for those corporate jobs every year, are not producing many graduates that are not white. Just 12 percent of Americans studying at business school are black or Hispanic, according to a Bloomberg Business survey of 5,300 U.S. MBA candidates in 2014.

Business schools say they are recruiting from a smaller pool of black and Hispanic applicants, who tend to score lower than whites on the Graduate Management Admission Test. Meanwhile, Bloomberg data show that the market has room for more minority B-school grads: Employers paid $2,000 more in starting compensation to black and Hispanic MBAs than to white and Asian grads.

Perhaps one way of getting black and Hispanic young people into business school is to hire more people who look like them.