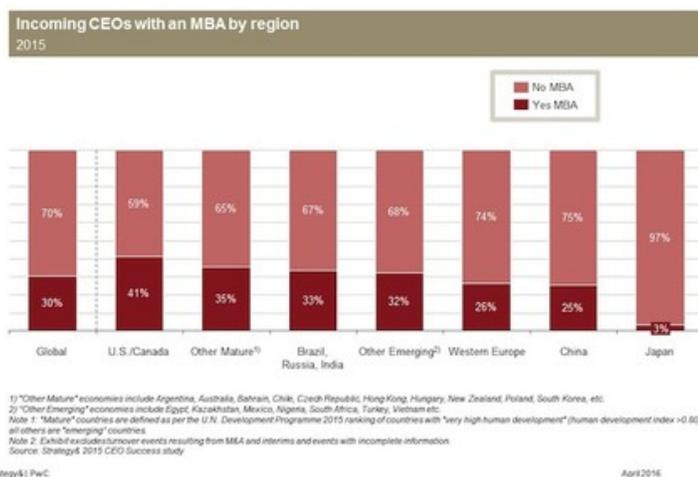


Study explores increased outsider CEOs and the role of an MBA in CEO success

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CEOs in the U.S./Canada were most likely to have an MBA



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Just how valuable is an MBA? Should the hopeful CEOs of tomorrow pursue an MBA to boost their chances for CEO positions? Of course business schools cannot guarantee career success yet data from **PwC's Strategy&** report, **2015 CEO Success Study** show that in 2015, 41 percent of incoming CEOs in the U.S and Canada had an MBA. Additional findings include:

- From 2012 – 2015 in the U.S and Canada, 64 percent of incoming CEOs at health care companies had an MBA, compared to just 21 percent of incoming CEOs in the IT field
- Globally, a third of incoming CEOs had an MBA and a tenth had a PhD
- The U.S. and Canada had the highest number of CEOs with MBAs, and the lowest numbers were in Western Europe (26 percent), China (25 percent) and Japan (3 percent)

CEO turnover rates globally are at a record high with increasing numbers of companies looking outside the company for new CEO hires. And the decision to bring in outsider CEOs is deliberate. While the majority of companies have promoted insiders to CEO positions, which the study authors believe will remain the preferred practice in the CEO succession chain, an outsider CEO presence has increased. The study's authors also examine the role an MBA shares with incoming CEOs. Having the competitive edge of an MBA matters at differing levels depending on variables such as nationality, culture, industry and specific company.

Additionally the study found that 2015 was not the Year of the Woman CEO, as incoming women CEOs fell to a 3 percent rate, the lowest percentage since 2011. Yet women CEOs are more often hired from outside a company than men CEOs are. This observation leads to a practical realization, according to **DeAnne Aguirre**, an advisor to executives on talent and culture with Strategy& and a principal at PwC U.S. "That women CEOs are more often hired from the outside may be an indication that companies have not been cultivating enough female senior executives in-house," said Aguirre. "One of the reasons why women may be more likely to be outsiders is that their development is not being recognized within their own organization, and therefore they may be more likely to be attracted away. The fact that more companies are considering outsiders might improve the chances for women CEOs in the future."

Whether a CEO comes from outside a company or is an insider, careful CEO succession planning tend to be better performing companies in general, suggests **Gary Neilson**, thought leader on organizational design and leadership with Strategy& and a principal at PwC U.S. Learn more facts on the rise of outsider CEOs in the 2015 CEO Success Study.

Continue to read **Part 2** of this series, an interview with authors of the 2015 CEO Success Study.

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