

Higher education

Using detailed data on companies and workers from the US and Denmark, we looked at the effects when a chief executive with an MBA or undergraduate business degree takes over from one without such qualifications.

We found no evidence that CEOs with such degrees increase sales, productivity, investment or exports relative to the levels the company achieved before.

The biggest shift when a chief executive with a business degree takes charge is a decline in wages and the share of revenues going to labour, even in countries with different cultures. In the US, wages under business-degree holding CEOs were 6 per cent lower than they would otherwise have been after five years, and labour's share of revenues was down five percentage points.

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