

Employer Perceptions of Online Degrees in Hiring: A Pilot Study

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Abstract

A regional survey of hiring managers was used to assess attitudes towards online degrees in terms of hiring and tuition reimbursement support from the organization. Overwhelmingly, 90% of respondents felt that a traditional undergraduate degree better prepares new hires. While 75% of hiring managers indicated that they would prefer to hire a candidate that has earned a bachelor degree through a traditional program, 23.9% indicated that the form of degree would not matter in the final decision. The survey also compares other external measures of undergraduate program quality as evaluated by hiring managers. Implications for program development and operational delivery are discussed. The purpose of this pilot study is to refine the instrument and roll the survey out on a national basis.

Introduction

The role of technology in higher education is no longer generally questioned for its place, purpose, or validity. Educators understand the value of technology in providing greater access to programs, innovative methodologies, expansion of classroom capabilities and pedagogy to reach technologically savvy students. The definition of technology includes supplements to instructor-led class sessions, interactive video, computer tutorials, interactive TV, web casting, and pre-recorded lectures (Adams, DeFleur, & Heald, 2007). What is in question, however, is the external validation of the quality of student experiences and ultimately the outcomes provided by an online education. The significant growth seen in online education has been fueled by market forces and institutional strategies with very little investigation of the employer perspective (Singh & Pan, 2004).

There are significant external market and institutional strategic forces driving the embrace of technology by higher education. External market forces include the “massification of higher education”, the demand for technologically literate problem solvers, globalization and competition (Cronin & Bachorz, 2005; p.12). Access to higher education through technology is allowing more students to complete degree studies. The percentage of adults with degrees doubled between 1975 and 2005 and will increase again by 2020 (Cronin & Bachorz, 2005). Knowledge workers have become a highly sought after component to delivering world class quality goods and services. Globalization has reduced distance barriers to merely technological interventions. The need by organizations to maintain competitive positioning has increased the requirements for knowledge management and data driven processes. This “massification” of higher education is supported by the fact that in 2004 2.3 million students took at least one on-

line course; in 2005 that number rose to 3.2 million, a 39% increase (Foster, 2007). Students seeking flexibility and convenience readily accept technology as a means to educational access (Ali, Hodson-Carlton, & Ryan, 2004).

Institutional strategic forces point to the acceptance of technology by institutions granting degrees as a way to maximize classroom capacity, to capitalize on emerging markets outside of the institution's traditional market boundaries (Aron, 1999; Burger, 1999; Eastman & Swift, 2001; Fornaciari, Forte, Matthews, 1999; Oliver, 1999; Volery & Ford, 2000; Webster & Hackley, 1997), increase cash flow, and extend the reach to adult students (Foster, 2007). Institutions that once looked to online education as a for-profit venture are shifting their attention from outsourcing online education to incorporating distance technology directly into traditional program offerings. Institutions such as Temple University, New York University, and Columbia each closed down their distance ventures between 2001 and 2003 (Foster, 2007). The distance ventures were not able to generate sufficient cash flow to cover the investment. However, now public institutions have realized that brand recognition and pricing create a strong competitive position within online markets and have re-established an online presence within the framework of traditional program offerings. Well established institutions such as Duke, New York University, Massachusetts Institute of Technology, Stanford, the University of North Carolina, and the University of Illinois have incorporated distance education within their traditional programs (Pan, 2004).

The integration of online education within traditional programs poses new challenges to determine how technology contributes to or diminishes educational outcomes. Assessment of online education has occurred primarily at the course level. The author was only able to identify two studies that examined online education quality indicators from an external stakeholder point of view; from the employer point of view. At the course level, online education has been evaluated using test scores (Russell, 1999), grades and student attitudes (Ali, Hodson-Carlton & Ryan, 2004), and overall student satisfaction (Rodrigues, 2004). Using these measurements, many studies have found no significant differences between online courses and traditional courses, thus declaring online education equivalent and equal to traditional methods (Russell, 1999). However, critics point out that many of these comparative studies are poorly designed and while achievement may be similar, other variables may be influencing the comparison. One variable is the lack of random selection of participants. Students self-select into online courses, thus eliminating random selection from the methodology (Joy & Garcia, 2000). Online courses also tend to have a higher drop-out rate (Adams, DeFleur & Heald, 2007), therefore students who choose to take and remain committed to an online course may indeed be more motivated and possess higher aptitude (Williamson, 2003). Finally, the scope of assessment has primarily been limited to individual courses, not entire degree programs (Bernard, Abrami, Lou, Borokhovski, Wade & Wozney, 2004).

There appears to be a general claim to quality of online education as supported by course level assessment and broad attitudinal survey results. Eduventures Inc., an education-consulting company took a survey of employers in 2005 and found that 62% of employers have a favorable attitude toward online instruction and perceived the quality of online learning to have the same, if not greater merit than classroom instruction (Issues in Higher Education, 2005; p.50). However, other survey investigation and research points to a less favorable evaluation of online

education. Vault Inc., a career information company, found that 55% of managers favored traditional degrees in applicants, while 41% of managers indicated that they would give online degrees equal treatment (Carnevale, 2007). Managers felt that critical elements in the educational experience were missing in the online education. Communication skills, real-life problem solving, and classroom interaction were some of the elements missing in online degrees (Rodrigues, 2004). Practical application of skills, training in policy issues and conflict resolution, and teambuilding are also cited as lacking in online education (Hellier, Keneley, Carr, Lynch, 2004).

Evaluation of online education quality by the external stakeholders has been conducted in the health care industry and academia. A study done by Adams, DeFleur & Heald (2007) in the health care industry found that 95% of hiring managers recommended hiring an applicant with a traditional degree over a candidate with an online degree. In this same study 71% of the hiring managers indicated that they would accept a candidate with as much as ½ of their course work completed through online delivery (p.298). The perception of quality in student preparation by an online degree was a deciding factor in the hire decision. Hiring managers stated that classroom interaction, instruction, hand-on practice, team work and clinical fieldwork were important facets of higher education that were perceived to be missing from online education. Of interest is the fact that the quality, rigor, and accreditation of the institution were perceived as substitutes for quality of the degree in any form; traditional and online. Thus the institution's brand identity and reputation played a very significant role in how online degrees were evaluated.

A study done by DeFleur & Adams (2004) in academia examined graduate school admission policies and faculty hire decisions. Deans and program directors of graduate programs were found to be less likely to accept students with online degrees (DeFleur & Adams, 2004). Likewise, faculty hire decisions, that are typically made by search committees, were extremely biased against online degrees. Faculty search committees were found to be unwilling to accept applicants with an online earned doctorate.

Thus, online education fulfills the need for flexibility and convenience for the student and the need to drive revenue and tap new markets for institutions. Since institutions have shifted to in-house online education, there is little distinction made to the external stakeholder on how the degree was achieved. So, why should institutions worry about the external acceptance of student preparation and training? Clearly the answer is in the strategic direction to deliver distinctive and competitive programs that tap technology resources concurrently with a drive for operational efficiency. Institutional degree programs must seek to better understand all stakeholder perceptions of program quality and value.

This study extends the research on the assessment of online degree quality indicators. In particular, this study examines hiring manager decisions through online degree acceptance and other indicators of program quality.

Method

A questionnaire was used to collect data from hiring managers within the Northeast Ohio region. The attitudinal survey was designed to be purely descriptive of perceptions of online degrees and

indicators of program quality. The questionnaires were distributed to MBA students who were asked to invoke the cooperation of their organization's hiring manager. Along with several background and demographic questions, the survey asked participants about their views on the importance of higher education in the hire decision, the specific areas of higher education viewed as most important in a hire decision, and overall comparison of traditional and online degrees as qualifications for hire.

Sample Response and Description

A total of 160 questionnaires were distributed through MBA classes with seventy-two complete surveys returned and used for data analysis; a response rate of 45%. The personal nature of the class request no doubt encouraged a higher response rate. The majority (36.2%) of respondents reported being between 31-40 years of age; 30.6% were 25-30; 20.8% were 41-50 years of age. In terms of educational background, 72.2% of respondents indicated that an undergraduate degree was their highest degree; 16.7% reported graduate degrees; 11.1% reported post-graduate work. Industries represented by this sample include Health Care (25%), Manufacturing (13.9%), and Banking (12.5%). Most of the organizations (59.1%) were large, having 1,000 or more employees.

Data Analysis and Results

Descriptive analysis of the responses was conducted. The majority of respondents (88.9%) felt that an undergraduate degree was important in the hiring decision. Specific characteristics of the undergraduate experience were highlighted. Table 1 shows these characteristics and the percentage of respondents indicating the importance level of each.

Table 1: Educational factors affecting the hiring decision

Educational Factor	Very Important	Somewhat Important	Important	Little Importance	Not Important
Importance of major	50.0	29.2	13.9	4.2	2.8
Importance of GPA	5.8	14.5	37.7	31.9	10.1
Importance of school reputation	11.6	23.2	29.0	26.1	10.1
Importance of internship experience	26.1	24.6	17.4	26.1	5.8

The specific major and internship experience are most important to these hiring managers with 79.2% indicating that major is very or somewhat important; 50.7% felt that internship experience is also very or somewhat important. The school reputation is less important than the applied indicators of major and internship experience. GPA was viewed as the least important characteristic with 42% of respondents indicating that GPA was not important or had little importance in the hiring decision. Respondents were asked an open ended question about other characteristics they deemed important in a hiring decision. These other characteristics in the hiring decision included personality and fit for the position, community involvement, overall intelligence, practical experience, references, communication skills, and performance in the interview.

Aspects of online education were examined in the following set of survey questions. Respondents were asked to compare the preparation of a candidate with an online degree with that of a candidate possessing a traditional undergraduate degree. Sixty-five percent of respondents indicated that a traditional degree better prepares new hires. Only 9.7% felt that both the online and traditional degree equally prepared candidates. Institutional reputation was an important factor, with 25% indicating that reputation affected overall perception of the program. Even stronger was the response to how much of the degree was online versus traditional. Sixty-seven percent of hiring managers indicated that the portion of online content was an important factor in evaluating preparation of candidates.

When asked directly which candidate they would hire, 75% of the hiring managers indicated they would hire the candidate possessing a traditional undergraduate degree. However, 23.6% of hiring managers indicated that the form of degree would not matter. While the difference is significant, the importance of other factors in the hire decision is clear. Undergraduate degree preparation is certainly not the only determining factor.

Participants were provided with a list of regional institutions and were asked to respond to how well each of the institutions prepared students for an entry level position in their organizations. Table 2 shows the results of this inquiry. University of Phoenix, Capella University, and DeVry University were evaluated as not providing good preparation. These institutions deliver instruction primarily online. The three traditional institutions, Cleveland State University, John Carroll University and Baldwin-Wallace College were evaluated as preparing students for entry level positions.

Table 2: Program evaluation as preparation for entry level positions

Institution	Program prepares students for entry level positions	Program does not prepares students for entry level positions
University of Phoenix	27.8	72.2
Capella University	13.9	86.1
Cleveland State University	81.9	18.1
John Carroll University	79.2	20.8
DeVry University	25.0	75.0
Baldwin-Wallace College	90.3	9.7

Tuition support by these organizations was also investigated. The majority of the organizations, 80.3% provide tuition reimbursement for undergraduate education. Only 21.8% restrict tuition funding to traditional coursework, while 61.8% will support both traditional and online courses. Thus, there appears to be dissonance between institutional choice, opinion, and tuition reimbursement policies.

Discussion

The results of this pilot survey show that regional hiring managers indicate a clear preference for traditionally prepared undergraduate candidates over those receiving an online education.

Employer distrust for online degrees runs counter to the educational literature that has evaluated the quality of online education and declared it to be as good as or even higher quality than traditional class experiences (Pan, 2004). Those institutions that provide a for-profit model of online education are often stigmatized as 'degree mills' by employers who can readily identify the method of educational delivery.

Two forces appear to be affecting the acceptance of online degrees in higher education. The first force is the projected demand for online programming. According to Eduventures, Inc. the demand for online education has the potential to grow significantly in the next few years. In a recent poll, conducted by Eduventures, Inc., 50% of prospective college students expressed interest in earning a degree online (Carnevale, 2006). Online delivery especially appeals to older students with 80% of those students seeking online degrees being of non-traditional college age. Students seek the flexibility and convenience offered by online delivery. The second force is the growing number of traditional institutions that now offer online programming that is indistinguishable from traditional programming. Therefore, the negative connotation of online degree quality is virtually masked by the institution's broader reputation. Employers will no longer have the institutional label cues by which to associate quality indicators.

How then can institutions deal with the reality of increased student demand for online education and employer validation of program outcomes? One productive aspect of consideration is the ongoing development of institutional brand awareness. In addition to institutional and program assessment to validate student outcomes and stakeholder perceptions, a targeted program to maintain and strengthen the institution's brand would support positive perceptions of quality and responsiveness to employer needs.

Building brand awareness in higher education not only benefits traditional program offerings, but also enhances perceptions regarding other attributes of the institution, including any innovative program delivery methods. The process building brand awareness involves connecting students and employers to the institution. This is known as building social identity with the institution. Underwood, Bond, and Baer (2001) defined social identification and "a mechanism for tapping the emotional connection between the consumer and the service brand" (p.2). The process of strengthening social identity has been shown to affect brand awareness consistently and positively (Boyle & Magnusson, 2007). Social identity incorporates an individual's view of themselves as a function of social experiences (Boyle & Magnusson, 2007). These experiences are external group affiliations comprised of social and professional linkages, to name the aspects of social identity that are most critical to building higher education institutional brand awareness. Lockwood and Hadd (2007) found that the emotional and psychological dynamics of the institution as a whole influence and shape brand perceptions.

Institutions seeking to build stronger brand awareness through social identity need to focus on engaging the student and external community through targeted social affiliation programs. Boyle and Magnusson (2007) examined the effectiveness of social identity in building the brand equity of higher education institutions and found that small group functions, community experiences, common history and physical venue all contribute to the development of social identity that positively impacts brand awareness. Small group functions can be intentionally

integrated within the pedagogy of course design. Online courses and programs need to integrate mechanisms that build internal connections for students and well as community based linkages. Internal connections for students can include methodologies that create learning communities within classes and team-based course requirements. On a program level, professional organizations that have student chapters can provide both internal student connections and a means to bring a professional viewpoint into the classroom. In addition, student chapters of professional organizations can also create external opportunities to enhance relationships with employers and to provide visibility to the institution. Intentional curricular and extra-curricular programs that focus on providing students with organizational and community based projects and experience would develop student skills and increase employer awareness of institutional programs. Other mechanisms to create these linkages include advisory boards and community service. A common history for students and the community can be highlighted through rituals and other overt demonstrations of support. Recognition of milestones, celebration of accomplishments, and sharing of career success can be a link between past and present students and programs. Newsletters, professional development opportunities, community engagement can document this history and increase collective knowledge of the institution. The stable, tangible representation of the institution's physical venue also serves as a point of social identity. Students and the community drawn to the physical campus become connected to the institution through the experience of being part of the larger organization, part of the values and tradition that are symbolized by the degree.

Efforts to strengthening an institution's brand awareness will increase student and employer positive perceptions about the institution, its programs and its graduates. The current 'fuzzy' nature on online degrees has blurred the once clear delineation between traditional and online degrees with traditional institutions now offering online degrees without clearly identifying the method of delivery. Evaluation of program quality and student preparation is certainly more global than the method of instruction, however overall employer perceptions are affected by multiple attributes of an institution's programs. Employers value the specific functional area preparation of students as well as practical experience. Recognition of the programmatic components that help student develop practical experience will support positive institutional brand awareness.

This study extends earlier studies that have examined how employers value online degrees in the hiring process. The goal is to increase the sample size and representativeness of hiring managers by surveying managers online, perhaps through a national professional organization such as Society for Human Resource Managers.

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