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# Employer Perceptions of Online Degrees: A Literature Review

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## Abstract

This literature review explores research regarding the perception of potential employers or “gatekeepers” about online degrees in comparison with those earned in a traditional format. This review contributes to the field of knowledge because higher education can benefit from understanding how these perceptions affect students’ employment opportunities and, in turn, affect the institutions granting the online degree. In addition, research in this area potentially contributes to the field of knowledge by helping prospective students, as consumers of higher education, make informed choices about their degree attainment paths.

## Introduction

With fluctuations in the economy, increased technological competence, fast-paced lifestyles, geographic dispersion, and the need for workers to possess new skill sets and credentialing, the demand for online degrees has grown over the past decade (Conceição, 2007). Institutions offering online degrees have proliferated in the adult and higher education landscape to meet these needs. According to eLearners.com, there are currently over 170 accredited U.S. online colleges and universities that offer online Bachelor’s, Master’s and Doctoral degrees in numerous fields (elearners.com, 2007). Adams and DeFleur (2005) state, “although there are some 678 non-resident degree programs available online, only a handful of these are fully accredited or taught from recognized institutions” (p. 72).

Furthermore, individual students invest thousands of dollars each year obtaining higher education. Increasingly, they select online degrees to reach that goal with the expectation of a sound return on investment. Adult students primarily choose online degrees to obtain credentialing for promotions and employment, as well as to cultivate lifelong learning while overcoming such potential barriers as full-time work responsibilities and remote geographic location. Nance (2007) suggests that minority students may also select online learning after experiencing racially discriminatory treatment in the traditional classroom. Despite the increasing interest in pursuing an online degree toward obtaining additional credentials, the economic climate causes students to place a high premium on whether online degrees translate into jobs or careers. This translation is dependent on the current hiring practices that are influenced by the organization’s hiring “gatekeeper’s” view.

## Methodology

This section will present information concerning the selection of literature. In addition, it discusses the characteristics of distance learning degrees and the definition of hiring gatekeepers.

### *Literature Selection*

This literature review explores the research about the perception of potential employers or “gatekeepers” about online degrees in comparison with those earned in a traditional format. The guiding questions for each study and article were: What does the current literature say about hiring gatekeepers’ perceptions of online degrees? How do these perceptions influence their assessment of the candidate’s employment qualifications?

To answer the research questions, literature was reviewed within four databases: Academic Source Complete, Education Source Complete, Business Source Complete, and ProQuest Dissertations & Theses Abstracts. The keywords used were “online degrees,” “higher education,” “virtual college,” “hiring,” “perceptions,” and “academic degree programs.” The search resulted in 11 academic journal articles, 18 dissertations, two unpublished manuscripts, three books, and two online articles. The literature selected for this review was then evaluated and chosen based on pertinence to the topic of employer views toward online degrees in North America.

### *Characteristics of Distance Learning Degrees*

Today’s post-secondary degrees offer students the options to engage in various delivery modes. According to the 2005 Sloan Consortium report, Allen and Seaman (2005) describe the following standard academic degree program configurations as:

- Traditional or Minor Web-Facilitated: No online technology used or 1 to 29 percent of course content is online through a course management system, such as Blackboard or WebCT, to support the primary use of the face-to-face format.
- Hybrid: 30 to 79 percent content covered online such as online discussions and readings; supplemented by occasional face-to-face classroom experience.
- Online: 80 percent plus of course content and interactions occur online (p. 4).

Many online institutions espouse the comparable quality of their degrees to traditional institutions. In response, many traditional institutions have also adopted online degree programs as part of their strategic direction. According to Allen and Seaman (2005), “Forty-four percent of all schools offering face-to-face Master’s degree programs also offer them online.” (p. 1). The National Center for Education Statistics (2003) states that 90 percent of public four-year institutions provide online bachelor degrees (as cited in Adams & Eveland, 2007).

### *Hiring Gatekeepers*

Hiring “gatekeepers” are defined as, “...anyone who stands between you and the person who might want to hire you. Gatekeepers come in many forms, including receptionists, HR recruiters, and resume screeners” (Mitchell, 2003, ¶1). Throughout the literature reviewed here, a variety of “gatekeepers” served as participants. For example, in some studies, the “gatekeeper” participants were HR managers and recruiters; others were actual managers for the position in which a candidate would be hired.

As cited in Peat and Helland (2004), "...individuals who perceive distance learning as ineffective may attend only to information that supports their beliefs and a negative perception toward a phenomenon such as distance education may predispose a person to act negatively toward that phenomenon (Pinder, 1998)" (p. 939).

## **Findings**

Within this literature search, there were five published and two unpublished complete empirical research studies regarding prospective employer's perceptions of a job candidate's online degree achievements. Studies conducted by Eduventures and Vault.com were not used. While highly relevant to this topic, they are private research firms and specific organizations and institutions commission their projects. Eduventures and Vault.com do not provide particulars about their methodology, samples, and results. Therefore, it was difficult to decipher aspects of their results to form a quality comparison.

The majority of the literature available was found in "popular" media (newspaper and trade magazines), web pages, and blogs. The purpose of many of these communications centered around advising the public about whether or not to select the online option when one pursues a degree, as well as what to do and what to avoid when employers inquire about the nature of one's degree. The findings will discuss the results from empirical studies, popular media and communications literature, and summarize typical employer concerns and commendations regarding online degrees, as supported by the literature.

### *Empirical Studies*

The section will provide a comparison across empirical studies. We categorized these studies according to the industries that formed the basis for the study. The three industries are higher education, healthcare, and general industry. This is important because different industries may have different views about the credibility of online degrees.

*Higher Education.* Yickes, Patrick and Costin (2005), citing Giannoni, and Teone (2003), note "There is a perceptual disparity in academia that distance education is second best" (p. 3). This perception appears to carry over in higher education hiring practices. Research conducted by Adams and DeFleur (2005) regarding doctorates indicate that, given the choice of selecting "hypothetical" candidates who possessed online or traditional doctoral degree credentialing, as many as 98 percent of 109 employers surveyed would prefer to hire the candidate with the traditional degree. A later study by Flowers and Baltzer (2006) also looked at academic hiring processes and largely confirmed the above results. However, this survey-based study only focused on perceptions of the hiring gatekeepers. Respondents ranked answers based on a Likert Scale and the findings revealed that participants in the sample were significantly less likely to hire a candidate with an online doctoral degree for a full time, tenure-track faculty position. Their findings were similar to Adams and DeFleur's (2006) study regarding the perceptions of academia about the perceived validity of online doctoral degrees.

Finally, the latest study by Guendoo (2007, 2008) found that community colleges were more receptive to online doctoral degree recipients than traditional, four-year degree universities. Employing the Delphi method, Guendoo (2008) involved 52 administrators of the largest 145 community colleges in the United States and found that they did not view the online degree as a hindrance to a recipient's chances for employment. It is important to

note that almost all the respondents had experience with taking and/or teaching online courses. Further, Guendoo (2008) hypothesized that any negative perceptions traditional universities currently have about online doctoral degree graduates applying for faculty positions may change. “One can predict that the gap in perception between the subjects of this study (community college leaders) and those of the Adams and DeFleur study [traditional four-year colleges] will continue to close over time” (Guendoo, 2008, p. 4).

*Healthcare.* The earliest qualitative study used a grounded theory approach. Chaney (2002) researched eight Midwest pharmaceutical companies and focused on the perception about online degrees for those being hired in various positions that mostly require scientific backgrounds. The findings indicated that, although all the participants questioned whether scientific content and labs could be taught online, most of the respondents made no distinction between an online degree and a traditional degree when considering applicants in the hiring process. “Except for one [out of 8], all the representatives said that they when they would review the resume, they would consider the e-degree and traditional degree equally” (Chaney, 2002, p. 64). However, she did not determine whether these participants would actually hire the candidate with the online degree.

Applying a similar comparative approach as they did while researching doctoral and bachelor degrees in various fields, Adams, DeFleur, and Heald (2007) looked at the acceptability of credentials earned either online or partially online for obtaining employment in the healthcare professions. They did not distinguish between what type of degree (bachelors, master, doctorate) and what specific field (nurses, pharmacists, radiologists, etc.) served as the target for their study. However, they found that given the hiring decision for a healthcare position, most gatekeepers (95 percent) would prefer the applicant with a traditional degree to one who completed an online degree. In addition, the researchers found that 29 percent would select a candidate with a hybrid degree where half of the courses were taken online (Adams et al., 2007).

*Online degrees across industries.* Adams and DeFleur (2006) studied the perceptions about online bachelor’s degrees in the entry-level position hiring process. Study participants were hiring executives in the United States. The methodology included searching “want ads” in newspapers for open positions. Surveys were sent that required the hiring executive to “force choose” between three hypothetical candidates with similar experience but with differing types of bachelor degrees. One “mock” candidate had a traditional bachelor’s degree; one with a bachelor achieved through a mix of delivery methods (hybrid); and one who received a bachelor’s from a virtual university. The completed 269 surveys were then analyzed. Findings suggest that when companies attempted to fill management or entry-level positions in accounting, business, engineering, and information technology, 96 percent indicated that they would choose the candidate with a traditional degree. When comparing traditional degree to hybrid delivery, 75 percent would still prefer traditional over the hybrid. In addition, 72 percent answered “yes” to the question of whether the type of degree makes a difference in the decision to select a candidate. The quantitative findings further suggested that concerns such as accreditation, perceived interaction among peers and professor, quality (rigor), skills, and work experience were the most predominant reasons not to hire an online candidate. One limitation of the study was the lack of clarity around whether this was the best selection of participants for the study. Because HR professionals and external consultants are often the first-line hiring “gatekeepers” at this level and make the initial decisions about which resumes advance to the hiring executive and which are discarded, this study may have benefited from targeting the first line gatekeepers.

Finally, Seibold's (2007) qualitative study included gatekeepers from five different industries: "telecommunications, data systems, insurance, finance and rental businesses" (p. 32). She suggests that, even with the increase of online degrees and students and nearly a decade of research, perceptions still exist in the hiring process that traditional degrees are superior to online degrees, although hybrids are gaining acceptability. However, she maintains, "...whatever the state of opinion held today, it is clear that personal experience with online education [on the part of the gatekeeper] had positively influenced the perceptions of those involved in this study" (Seibold, 2007, p. 54).

*Limitations of empirical studies.* While other studies employed interviewing and surveys to assess perceptions, the Adams and DeFleur (2005, 2006) studies were the only ones in which participants actually looked at resumes for three hypothetical candidates with comparable experience but different degrees (online, hybrid, and traditional) and decided which they would hire for a specific job. In addition, Chaney (2002), Seibold (2007), and Adams, DeFleur, & Heald (2007) studies did not distinguish perceptions between type of degree (Bachelor's, Master's, and Doctorate) and specific domain. Therefore, additional studies to determine whether hiring an online degree recipient actually takes place and specifically in what industry and the level of degree attainment would add to the knowledge base.

#### *Newspaper, Trade Magazines, Online Journals, Websites, and Blogs*

Largely countering some of these empirical studies are the vast quantity of popular media and articles supporting online degrees as viable options, but also informing potential consumers of the risks associated with these educational options. Two articles, Caudron (2001) and Dolezalek (2003) provide information for employers. Both discuss reactions to online degrees and what to evaluate in online degrees. Caudron's article offers recruiters seven questions to ask when evaluating online degrees. However, an interviewee in the Dolezalek (2003) article maintained that many recruiters are not specifically trained to "look out for" online degrees versus traditional degrees and that, rather, they are instructed merely to check to see if the candidate's school is accredited.

Articles directed primarily toward the public and online degree consumers appeared in *The New York Times*, *Wall Street Journal*, and *Chronicle of Higher Education* and provided discussions of the pros and cons of online degrees and how they were perceived during the hiring process. For example, while Carnevale (2005) cites Adams and DeFleur's (2005) study that reflects a negative perception of online degrees in the hiring process, he provides anecdotal information regarding views of graduates and employers who have had positive experiences with online degree hires.

Websites, such as [collegeinpjs.com](http://collegeinpjs.com) and [eLearners.com](http://eLearners.com) provide positive reports of the prospects of online degrees. Mulrean's (2004) optimistic article, found through [collegeinpjs.com](http://collegeinpjs.com), maintains that attitudes are changing and that the more employers are exposed to online degrees, the more accepting they will be. However, other sites and articles at least recognize these biases in the hiring process. According to Montell (2003), candidates with online educational backgrounds were advised not to use the words "online" to describe their educational backgrounds and that they would need to defend the value of their degree. Mulrean (2004) also points out that if you attend a class at Columbia University, "There's no need to distinguish the degrees as having been earned online because they're identical to the courses delivered at the physical campus" (¶7). Further, some college sites, such as Oregon State University website state, "Our accredited online

degrees and programs appear the same on your OSU transcript as do on-campus degrees and programs at Oregon State University” (Retrieved on December 3, 2007 campus.oregonstate.edu/online-degrees). However, Glover (2005) in her article, urges other online degree graduates,

If questions about your online degree come up in an interview, be honest and state all of the reasons why your online degree is *more* valuable than a traditional one. Not only will this improve your immediate chances for getting the job, it is the only way we can change employers' lingering misperceptions of online education (p. 39).

Carnevale (2007) cites Vault.com's study that indicated that only 55 percent of the 107 employers surveyed would select a candidate with a traditional degree over one who earned the degree online, and 41 percent would view both degrees equally. According to Nance (2007), *Eduventures 2005 Continuing and Professional Education* report indicates that of 505 employers surveyed, 62 percent of employers feel that online instruction is the same or better than classroom learning. Wellen (2006) provides additional details about this study, “Of the 500 or so participants, including Bank of America, DaimlerChrysler and the United States Air Force, half regarded online and face-to-face instruction as ‘equally valuable,’ 10 percent regarded online education as ‘more valuable’ and 38 percent as ‘less valuable’” (p. 2). Eduventure's 62 percent acceptance claim, however, seems to apply to situations in which the employee was already working for the organization and completing the online degree to gain internal advancement rather than being hired from the outside (Hartman, 2007; Nance, 2007; Wellen, 2006).

There are several limitations with the research done by Eduventure and Vault.com. While they provide more encouraging results, because their clients have exclusive rights to the results and reporting, it was not possible to determine the specifics of the data gathering and analysis. As stated above the nature of these studies conducted by private research firms based on commissions from specific organizations lends itself to possible biases that could impinge on the reliability of the findings.

### *Common Concerns and Commendations for Online Degrees*

Throughout the empirical studies, as well as Carnevale's (2005, 2007) popular media articles that cite empirical studies, potential employers gave the following reasons for their reticence in accepting online degree credentials:

- lack of rigor,
- lack of face-to-face interactions,
- increased potential for academic dishonesty,
- association with diploma mills,
- concerns about online students' true commitment evident from regularly venturing to a college or university physical location, considered by some to be an important part of the educational experience.

On the other hand, some themes emerged from the empirical study literature and popular media supporting employer acceptance of online degree credentialing. Conditions that could influence online degree acceptance in the hiring process were:

- name recognition/reputation of the degree-granting institution,
- appropriate level and type of accreditation,
- perception that online graduates were required to be more self-directed and disciplined,
- candidates' relevant work experiences,
- and whether the online graduates were being considered for promotion within an organization or if they were vying for new positions elsewhere or in a new field.

Additional research is needed, however, to solidify these claims, as well as to investigate further hiring gatekeepers' acceptance rates concerning degrees that employ a mix of online and in-classroom delivery elements (hybrid).

### **Discussion and Implications for Further Research**

This literature review spanning nearly seven years largely suggests that there still may be a marked stigma attached to online degrees throughout the hiring process within those industries studied. In summary, all scholarly research to date has concluded that the "gatekeepers" have an overall negative perception about online degrees. This was particularly evident at the level of a bachelor's degree for those seeking an entry-level position (Adams & DeFleur, 2006). In the healthcare arena, the results were mixed. Chaney (2002) found that the perception, if not the hiring behavior, gave equal weight to online versus traditional degrees. Adams et al (2007) found a clear bias toward traditional degrees. When examining the hiring in academia for tenured faculty positions, the studies found that traditional degrees were viewed more favorably than online degrees (Adams & DeFleur, 2006; Flowers & Baltzer, 2006). The exception in higher education appears in the hiring practices in community colleges, which displayed openness to online degrees of potential candidates and hires (Guendoo, 2007, 2008).

On the other hand, Russell's (2001) annotated bibliography consisting of 355 research reports, summaries and papers regarding quality of distance learning tout the comparability and, occasionally, superiority of online education. Perhaps as more potential employees attain their degrees online, acceptance will increase. However, if potential employers continue to harbor negative perceptions about candidate's online degree credentials, quality of the actual learning and work experiences may take a back seat to these preconceptions throughout the hiring process.

Continued research in this area will provide insight for expanding student accessibility to quality online higher education, provide information to develop employer/recruiter education workshops (what to look for, how to break down any unfounded biases), continuing program improvement, and executing effective and ethical marketing practices (Adams, 2008). Further, results from continued scholarly work could help illuminate and mobilize higher education leadership and administration to make better-informed decisions regarding funding, managing, and evaluating the effectiveness and public perceptions of online degrees.

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