Employers' Perceptions of Online Degree Programs

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INTRODUCTION AND BACKGROUND

The opportunities for students to take courses, and entire degree programs, online continue to increase, as many traditional colleges and universities have developed programs to compete with for-profit online schools that have proliferated in recent years. In 2003, *The Wall Street Journal* reported "an estimated 350,000 students are enrolled in fully online degree programs" (Dunham, 2003). In 2005, it was estimated that "more than 1 million students are seeking degrees entirely via the Web" (Tosto, 2005). According to Eduventures, "growth rates for online higher education greatly exceed those projected for U.S. postsecondary education overall (approximately 2%), positioning online higher education as a major growth engine" (Eduventures, 2007).

The Sloan Consortium's purpose is "to help learning organizations continually improve the quality, scale, and breadth of their online programs" (Sloan, n.d.). Their 2006 survey indicated a one-year growth of about 35% in students taking online courses (Allen & Seaman, 2006), the largest percentage increase in number of online students since the first Sloan survey in 2003. In 2002, it was estimated that 1.6 million students were enrolled in an online course at a U.S. degree-granting university. That number increased to 1.9 million in 2003-2004, 2.3 million in 2005, and 3.2 million in 2006 (Allen & Seaman, 2006). In 2004, the largest growth rate in schools offering online courses

occurred at private, for-profit institutions (Allen & Seaman, 2003). A separate study (Phillips, 2003) indicated that the Master of Business Administration (MBA) was the most popular degree offered in a distance format in the United States and also determined that the approval ratings of employers was high as long as the provider educational institution had a recognized name to the potential employer. The MBA continues to be the most popular distance learning degree, currently offered by 130 accredited institutions, of which 48 are AACSB-accredited business schools (Phillips, 2007). According to a 2007 survey by the National Association of Colleges and Employers, the MBA degree is the top master's degree in demand (NACE, 2007).

The Sloan Consortium reports (Allen & Seaman, 2006) define an online course as one where at least 80% of the content is delivered online and an online program as one where 80% of the courses in the program are taken online.

The term "online course" in the discussion below refers to a course in which most or all of the content, assessment, and communications are delivered via the Internet. An "online program" refers to a complete degree program in which a majority of its delivery is provided through online courses (Simon, Brooks & Wilkes, 2005).

To determine the current status of employers' perceptions regarding online courses and programs, recent publications on the topic were reviewed, along with accreditation guidelines on the web sites of the

Department of Education and the Council on Higher Education Accreditation. A confirmatory survey of perceptions of human resources (HR) personnel was also conducted.

PERCEPTIONS OF ONLINE COURSES AND ONLINE DEGREES

The quality of education received should be a primary concern for all parties involved. Although some studies of quality have been attempted, most studies to date have focused primarily on perceptions of participants in these programs rather than on others affected by these decisions, such as employers.

Perceptions of University Communities

The Sloan Consortium's 2004 report (Allen & Seaman, 2004) indicated that a majority of academic administrators who responded believe that online learning quality is at least equal to face-to-face instruction. The Sloan report provided analyses by Carnegie Class (Doctoral/Research, Masters, Baccalaureate, Associates, and Specialized). Baccalaureate and Specialized institutions had at least half of the participants indicating that online learning outcomes were inferior to face-to-face outcomes, with Doctoral/Research and Associates institutions having the most positive results regarding online learning outcomes.

Additional analysis was done through conversion of ranks to a numeric scale so that means could be calculated by group, i.e., private for-profit, private nonprofit, and public institutions. Although the report indicated that a majority of the academic leaders who participated believe that online learning quality is at least equal to face-to-face instruction, the conversion of ranks to a numeric scale, coupled with differences in responses from those representing private nonprofit institutions and those representing public and private for-profit institutions, produced results indicating that every type of institution rated learning outcomes of online courses as at least slightly inferior to face-to-face learning, based on mean values for rankings.

Perceptions of Employers

A survey of 239 human resource (HR) professionals (Vault, 2001) found:

- About three-fourths thought the online degree would be more credible if earned at a traditional, accredited school than from an Internet-only institution.
- About one-fourth thought an online undergraduate degree would be as credible as a traditional degree, while over one-third said an online degree would be as credible for a graduate degree.
- Over half thought that job candidates should indicate whether or not their degrees were earned online.

A later survey of members of an HR organization found that about 14% thought an online degree was acceptable, with 29% saying that it was not acceptable, and 57% saying they had no preference (Aaron, n.d.).

An Online University Consortium (2004) survey of corporate decision-makers indicated that traditional universities are preferred over online programs. Results also indicated that the name of the university providing an online program is a strong consideration.

Confirmatory Study of Employer Perceptions

A confirmatory survey was conducted by the authors regarding perceptions of HR personnel about online programs. Participants were members of an HR organization in a large metropolitan area.

Demographic Data

Demographic data used for comparisons included age, gender, level of education, and number of employees. Since this study specifically targeted college-level coursework, participants were asked to indicate whether or not they have hiring responsibility for positions requiring a college degree. A large majority were responsible for hiring college graduates.

Results

A 5-point Likert-type scale was used for participants to indicate their perceptions related to online and on-campus courses and degrees, where numbers closer to 1 represented favorability toward online, and numbers closer to 5 represented favorability toward on-campus.

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