

# **How University of Oxford students form reputations of companies.**

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## **Overview**

Our research shows that the reputations of firms are key in determining whether University of Oxford students decide to apply to particular companies. We argue that senior managers and scholars alike need to be aware that firms hold not just one, but multiple reputations within the student talent market. This has important implications for helping to understand how companies can best attract top talent from universities.

## **The study**

The data derives from a joint survey run by the Careers Service and the Student Union at the University of Oxford in which 430 students (74% undergraduates, 26% postgraduates) participated. The students were asked about their impressions of particular industries and careers and what factors determined these impressions. Three important components emerged. First, that the stereotypically popular careers of investment banking, and law were less popular among students than academic research and publishing/media. The opposite was the case for students at the University of Oxford's Saïd Business School where there was a strong preference towards careers in investment banking and management consultancy. Second, students analysed a range of factors such as pay, job security and flexibility of working hours when determining the respectability of particular careers and they would trade-off one factor from another when deciding what industries and firms would be best to work for. Third, the social networks of students and the influence of third party intermediaries, in addition to the strength of company brands, significantly affected what they thought about particular companies.

## **Attractiveness and respectability**

Students showed a lot of uncertainty about which industries most attracted them but there were some key surprises. Academic research and publishing/media were the most popular choices, with 56% of students saying the former and 48% of students saying the latter would either be their 'dream job' or 'good'. In contrast, the caring services, for example medicine, as well as engineering, financial services, IT/telecommunications and law were the least popular with 70% or more students saying that they were 'not interested at all' or 'unlikely' to work in these industries. These results are surprising given the common assumption that banking, law and medicine are the most popular industries among students.

Work/life balance seems to play a key part in these preferences. Academic research and publishing/media were popular because of the perceived flexible working hours, something students have become used to while studying, compared with more unpopular industries such as financial services and law, which were seen as having very long and inflexible working hours and therefore limiting their opportunities to pursue other interests. In addition, financial services was perceived to have poor job security, perhaps not surprising given the redundancies in this sector during the recent financial crisis. Engineering and IT/communications were less popular with many students, not so much because of the long working hours, but because of the perception that they required specific skill sets that many students did not hold.

Table 1: Ranking of industries that would be a ‘dream’ or ‘good’ for students

1	Academic research
2	Publishing/media
3	School teaching
4	Management consultancy
5	Engineering

Academic research, engineering and law were seen as the most respectable career routes by the students’ families and friends, while school education, caring, engineering and academic research were seen as having the most positive role in society as well as ethical areas of work. Students believed that financial services and management consultancy had a clear and achievable promotion path for employees, as did law. Furthermore, at least 89% of respondents perceived these three sectors to have excellent pay, bonuses and pensions. Overall, students placed a lot of weight on a variety of factors and made a series of trade-offs when considering the attractiveness and respectability of different industries.

Table 2: Industry attractiveness

Rank	Pay	Job security	Working hours	Flexible hours
1	Financial services	School teaching	School teaching	Academic research
2	Law	Caring services	IT/ telecommunications	Publishing/ media
3	Management consultancy	Law	Academic research	Engineering
4	Professional services	Academic research	Engineering	Management consultancy
5	IT/ telecommunications	Engineering	Publishing/media	Professional services

Table 3: Industry respectability

Rank	Respect among family and friends	Career progression	Role in society	Ethics	Supportive of employees
1	Academic research	Financial services	School teaching	Caring services	School teaching
2	Engineering	Law	Caring	School	Caring services

			services	teaching	
3	Caring services	Management consultancy	Engineering	Academic research	Academic research
4	School teaching	School teaching	Academic research	Engineering	Engineering
5	Financial services	Professional services	Professional services	Professional services	IT/telecommunications

## Reputation

Students said that their families, friends, university careers services and the media were either essential or very important sources of information guiding their perceptions about particular companies. Before deciding to work for a company, a number of students also considered how its name would look on their CVs, would they be proud to work for the company, would it be a good springboard for their careers, what type of work does the company do and is it perceived as ethical by third parties such as the media? What is particularly interesting for senior managers and scholars is that students are quiet on issues such as pay and annual leave and much noisier about what the company is like to work for and how it could help long-term career prospects.

Jonathan Black, Director of Careers at the University of Oxford, said that students tend to form unfavourable opinions about companies if they do not appear on campus for a careers event because it signals that they are not hiring. Derek Walker, Head of Careers at Oxford's Saïd Business School agreed that companies need to be visible on campus, not only with recruitment events, but also with other academic and social events associated with the university. Both Black and Walker said that students tend to focus on the major firms and can have rather limited and blinkered views about the reputations of less well-known firms. Therefore, less well-known companies need to work hard to show their presence on university campuses.

Unlike their peers in the rest of the University who were more open to working in a range of careers, business students were relatively narrow in their industry preference: 44% of the 2009 incoming class of MBA students at the University of Oxford said that they wanted to work in either consultancy or banking, with most aiming to work for McKinsey or Goldman Sachs. Walker spoke about a leading global consulting firm recruitment event where students had to be turned away from a full lecture theatre, whereas the following week only 27 people turned-up for a talk by a less well-known global bank. He found this difference in student attendance baffling given that none of the MBA graduates from the previous year secured a job with that consulting firm, while at least three secured jobs at the bank. Both Black and Walker said that it is not only smaller firms who need to improve their brand awareness, but intermediaries such as career departments must also educate students on the strengths and weaknesses of alternative industries and firms.

## Summary

In short, this snapshot of students' views tells us important things about how they think about the labour market as they prepare to enter it and in particular the complex set of perceptions they make towards companies when making career choices. Of course, not all companies can be 'celebrity firms', but working hard to increase brand recognition,

overcoming perceived weaknesses and emphasising the strength of particular industries should have a reputation pay-back for companies seeking to attract top graduates. Recently there has been a fall in demand for MBA students in the financial services and management consultancy sectors and as a result students are engaging more with other sectors. So now is the time for these other industries and firms to build their reputations and attract top talent on campus.

In terms of students making career decisions, while they may be influenced by peers and preconceived ideas about particular industries and occupations, it does seem that reputation for a range of criteria is something they consider quite carefully and comes into their reasoning. This is important because although it is generally recognised that reputation is critical for companies wanting to attract and retain talent, our understanding of how students perceive reputation and to what extent it is relevant in their career-making decisions remains somewhat limited. This is a potentially fruitful area of future research for regional scientists because it appears that students and other individuals hold multiple reputations of companies. We have shown, for instance, that reputations may vary depending upon both the stakeholders you ask (e.g. families, friends, university careers services and the media) and the attributes which are being measured (e.g. pay, job security, working hours, career progression and role in society). Two additional criteria we have not focused on in this article are time and place, yet we would predict that reputations in most contexts are likely to vary significantly both over time and within and across regions. Further research is needed in this domain and regional scientists are extremely well-placed to focus on the antecedents and consequences of multiple reputations for firms in different regional and temporal contexts.

Table 4: Sources that are essential or very important for forming reputations

1	Friends
2	Family
3	Media
4	Company representatives
5	Careers service