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Combatting the privilege of attending elite institutions

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Education privilege, both in terms of the level of qualifications attained and where these were attained, still permeates the workplace, despite there being insufficient links to better performance. Ipsitaa Khullar explores how education privilege interacts with social privilege, impacting income and social mobility. Moving forward, recruitment processes and internships must allow for success beyond education indicators.

Privilege in the Workplace series - The Inclusion Initiative - #TIThursday

Privilege comes in many forms. One can possess or lack privilege for factors they have little control over such as their race, nationality by birth, biological sex, and familial wealth, as well as for outcomes they can exert some choice over, for example, their occupation, geographical location, citizenship, and social network. Education is one factor that lies outside of people's control during childhood. However, they may exert more autonomy over it past a certain age or after the completion of secondary schooling, for example by engaging in adult learning or pursuing tertiary education. Though some adults may still face a lack of choice or resources. Education-related

privileges involve not only the level of educational qualifications attained but also *where* one attained these from.

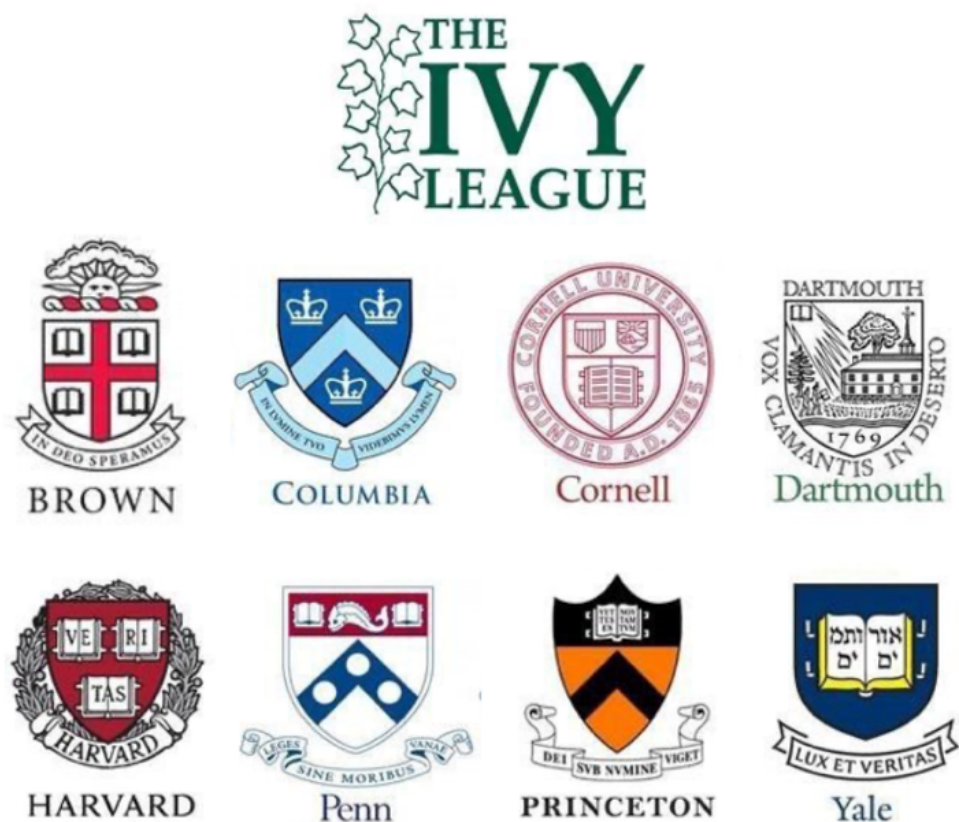
Children from wealthy families are typically guaranteed access to the best schools and prestigious universities and consequently, high paying jobs (Goldin & Katz, 2008; Fligstein & Goldstein, 2017; Mouw & Kalleberg, 2010). At the same time, children from less affluent backgrounds often lack access to good schools and tertiary education. Therefore, they tend to work in lower paying jobs and typically belong to the same income distribution groups as their parents. Their chances of upward social mobility remain low (Pew Charitable Trusts, 2012 and 2013). Which university an individual attends often markedly impacts their income and social privilege. According to a report by The Sutton Trust, graduates of Oxford, Cambridge and other Russell Group universities in the UK earn £10,000 per annum more than graduates of non-Russell Group universities (Kirby, 2015). In the U.S., the Department of Education reported that while an Ivy League graduate's median annual income ten years after graduating is \$70,000, that of a non-Ivy League graduate is less than half that amount at \$34,000 (Ingraham, 2015). This trend is not just specific to westernized countries. In non-western developing countries like India and China too, graduates of the top engineering and business schools earn over twice the annual salary of their peers from less elite institutions (Bhattacharya, 2018; Li, Meng, Shi, & Wu, 2012).

In addition to income-related privileges, elite institutions also afford their alumni with social networks that include some of the world's brightest and most influential individuals (Soares, 2007). A qualitative study conducted in France and England found that in both countries, students at two elite institutions, Sciences Po and University of Oxford, had extensive opportunities to familiarise themselves with elite employers and create useful networks (Tholen, Brown, Power & Allouch, 2013). Students also frequently arranged exclusive internships that could turn into future job opportunities. These networks and connections were inherent to the elite educational experience and contributed to "*a credentialisation of the graduate labour market*" (Tholen et al, 2013, p1).

Figure 1. A list of the 24 Russell Group universities in the UK



Figure 2. A list of the 8 Ivy League universities in the US



Why education-related privileges are important in the labour market context?

Acceptance into elite universities mirrors some traditional problems of hiring in the labour market, including nepotism and racial bias. Many top-tier US colleges admit “legacies”, or students with a family connection to the university, at dramatically higher rates than other applicants. Legacy students, thus, directly benefit from hereditary privilege. At Harvard, the acceptance rate for legacy students is approximately 33 per cent, as compared to an overall acceptance rate of 6 per cent (Gross, 2019). Further, among white applicants accepted to Harvard in 2018, 21.5 per cent had legacy status whereas only 6.6 per cent of accepted Asian applicants and 4.8 per cent of accepted African American applicants were legacy students (Arcidiacono, 2018). Typically white and wealthy, legacy students receive preferential treatment by elite institutions as they often bring financial benefits in the form of alumni donations (Pinsker, 2019). This sort of nepotism and race-related acceptance is also prominent in hiring practices within the corporate world (Zdanowski, 2019) where ‘white nepotism’ derails employment equity and restricts the upward mobility of those who do not possess such privileges (Fraschetti, 2017).

Graduates of elite institutions tend to secure lucrative jobs. Tholen et al (2013) found that in the UK and France alike, hiring managers from finance, law, consultancy, and journalism organisations as well as the civil service (mainly in France) relied the most on elite institutions’ students to fill up their sought-after vacancies. In the US too, Ivy League graduates predominantly go into high paying jobs in consulting, finance, law, and medicine. In 2017, nearly 40 per cent of Harvard graduates accepted consulting or finance jobs (Sofian, 2019). This statistic is comparable and sometimes higher across other Ivy League universities like Yale and Columbia (OCS, 2020; BCS, 2020). Most of these graduates end up at top firms like McKinsey, Bain and Boston Consulting Group in consulting and Goldman Sachs, Morgan Stanley or JP Morgan in finance. In fact, these companies predominantly hire from such top-tier university campuses in the US (Rivera, 2015) as well as in the UK (Clarke, 2019).

Interestingly, this also implies that even in the absence of hereditary privilege, graduates of an elite institution may have a greater chance at upward social mobility as compared to graduates of less elite institutions. While white nepotism may still prevail in hiring decisions, attending elite universities may serve as a stepping-stone for those from disadvantaged backgrounds who manage to get into these universities that recruiters actively hire from. However, we must not forget that only 21 per cent of students at Russell Group universities and 4 per cent at Ivy League universities come from poor backgrounds (Anderson, 2019; Study International, 2016).

Performance in the workplace

Is it guaranteed that graduates of these elite universities are the best-performing employees at their firms? Not enough research has been conducted to study the differences in job performance between graduates of elite versus non-elite institutions, perhaps because where one studied ceases to matter in the workplace. Despite the limited research, however, one can argue that there are no significant dispositional differences in abilities of employees with and without a prestigious university degree. Laszlo Bock, the Vice President of People Operations at Google explained why Google stopped hiring based on Ivy League credentials: *"it's one of the flaws in how we assess people. We assume that if you went to Harvard, Stanford or MIT that you are smart. We assume that if you got good grades, you will do well at work...but there [may be] no relationship between where you went to school and how you did five, 10, 15 years into your career"* (Fairchild, 2015). As Mathews (2003) argued, *"although education matters, how a person relates to customers, employees, and others is more important than his or her school of choice"*.

What has research addressed so far?

To see how top American employers (in investment banking, management consulting, and law) viewed elite institutions' degrees, Rivera (2011) conducted interviews with professionals directly involved in undergraduate and graduate hiring decisions. Employers revealed that they preferred the most *"elite of the elite"*, discriminating even among the top-tier institutions. That is, they preferred candidates who possessed a *"super-elite affiliation"*, like Harvard, Yale, Princeton, Stanford, and Wharton, *rather than "selective university" affiliation*, like, Brown, Columbia, Cornell, and Dartmouth (Rivera, 2011, p78). They attributed superior abilities to candidates from super-elite institutions, regardless of individual performance measures. When asked why these preferences are in place, employers mentioned that they used institutional affiliations as a means to signal competence to their clients. They believed that employees from elite universities engender a sense of unparalleled confidence in clients. Both employers and clients are, thus, likely subject to the *halo effect*, positively perceiving elite educational credentials as signals of other positive attributes like job or workplace suitability and talent, regardless of how well these graduates actually perform. Perhaps behavioural science-inspired interventions can help address these biases and break this chain.

Three interventions to increase diversity and inclusion at work

1. Bringing salience to other indicators of success, over and above degrees from elite institutions

Firms should conduct workshops to outline the hard and soft skills needed to succeed in the workplace. Measures to test these skills can be incorporated into the recruitment process, via online tests that any applicant, regardless of what college they graduated from, can take. Blind recruitment, a process in which a candidate's identifying information is removed, and résumé screening to hide the names of academic institutions from applications can also be incorporated. MeVitaе is a company that offers such CV anonymisation services that encourage "*D&I and bias-free hiring, beyond unconscious bias training*" (MeVitaе, 2021). Such services may help avoid the controversies surrounding unconscious bias training, for instance, the idea that that they may backfire as a result of making participants feel like they are immune to biases post-training, or on the other hand, by making them feel as if such biases are too commonplace to ever be eradicated (Ro, 2021). Companies like BBC, KPMG and the UK Government's Civil Service have already employed blind recruitment, removing candidates' names and university-related information from the application process (Newbery, 2018; Manzoni, 2015).

As part of this intervention, performance ratings of employees who have graduated from elite institutions should be compared with those from non-elite institutions. This would help uncover whether any differences in workplace performance actually exist or whether these are just false beliefs keeping the firm from hiring people from less privileged educational backgrounds.

2. Organising recruitment events at lower-tier and underrepresented institutions

Employers in New York, the Silicon Valley, and London have historically cited geographical proximity as the reason for hiring from universities located in their vicinity (Rivera, 2011). With the ongoing coronavirus pandemic, however, recruitment has become completely virtual. Thus, these reasons should no longer apply. In early 2020, many companies quickly moved their recruitment procedures online and consulting firms did not cut hiring even in the midst of the pandemic. On the other hand, they seemed to be on a hiring spree, with McKinsey hiring its biggest ever MBA class in 2021 (Nugent, 2021). It therefore appears to be the right time to organise virtual recruitment sessions across a wider range of educational institutions if recruiters are truly committed to increasing their corporations' D&I.

3. Internships that attract and cater to underrepresented students

Google's Building Opportunities for Leadership and Development (BOLD) immersion programme is committed to addressing diversity, equity, and inclusion. It encourages

students who identify with a group historically excluded from the technology industry to apply, including those from non-elite universities.

In the UK, some school-leaver actuarial apprenticeship programs are increasingly targeting students who have completed their A-levels to gain work experience without even having attending university or studied mathematics, which is traditionally perceived to be the only ticket into working at an actuarial firm ([Actuarial Careers, 2021](#)). Seeking underrepresented students opens the pipeline for firms to find more talent and build an inclusive workplace, which has been shown to help increase creativity and innovation ([Ozgen, Nijkamp & Poot, 2017](#)), generate higher revenue ([Lorenzo et al., 2018](#)), and improve company culture ([Eswaran, 2019](#)).

A firm can only benefit from the unique perspectives and life experiences of people from all kinds of backgrounds and qualifications. Understanding education-related privileges can help companies lead efforts to develop new recruitment, training, and mentorship programs that can spearhead their efforts to increase D&I in the workplace. Ultimately, in the words of our very own Professor Grace Lordan, "*diversity makes good business sense – it's not just a warm and fluffy word*" ([Lordan, 2021, p184](#)).



Notes:

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