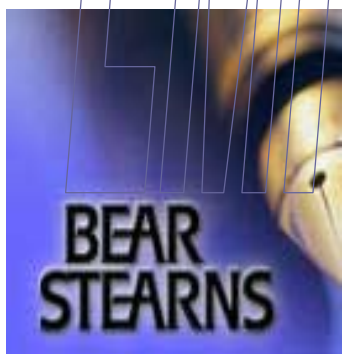


# HOW DO YOU CHOOSE?



JPMorgan

Goldman  
Sachs

LEHMAN BROTHERS

MORGAN STANLEY DEAN WITTER

Prepared by

Mike Blackhall  
Naoko Iida  
Joseph Kim

April 28, 2000

**HOW DO YOU CHOOSE?**  
**THE EVALUATION OF COMPANY**  
**EMPLOYMENT PAGES**

Prepared for  
The University of Illinois Students  
And  
The Career Center

Prepared by  
Mike Blackhall  
Naoko Iida  
Joseph Kim

April 28, 2000

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## **EXECUTIVE SUMMARY**

### **HOW DO YOU CHOOSE?**

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April 28, 2000

This project is primarily designed to provide college undergraduate students with a simple and effective guide to search for a career when they graduate. This report focuses on the employment pages of various Investment Banking firms and how the overall helpfulness of these pages correlates to how good it is to work at the firm. During our study we found that the workability of a firm is decidedly related to the firm's career page.

We questioned different aspects of these companies' career pages and, through a simple regression study, discovered that there is a high correlation to a few specific aspects. The two points that correlated most significantly to workability were how highly the students rank the influence of the employment page, and how the students felt about the company's responsiveness to typical questions on the web page. These two questions promote a theory, that while looking for a career in the business world you should observe and compare the employment pages of various companies and rank their influence and ability to answer typical questions. With this in mind your job hunt should be more defined and less painful, not to mention more profitable.

# Introduction

In our growing world of technology, there are many advantages that make tasks easier, but not always simpler. As our economy continues to boom and more and more individuals graduate with a college degree, searching for the right job has evolved to a virtual puzzle of confusion. Further, one must realize that job recruitment should be more of the students' duty than the firms'. Here, at the University of Illinois, it will be our main goal, as most of us graduate, to find the most suitable career. Now the question is how, and the answer is the Internet that offers many advantages for people to do their job hunting. There are also disadvantages to searching for a career online. One of the main disadvantages that we will be focusing on and attempting to remedy is the problem that people have evaluating the jobs they apply for through the Internet.

The Investment Banking industry recruits very highly from the University of Illinois, so this report is the first step one must take while looking for a career in the industry. In the field of Investment Banking it is a task to distinguish between firms, not to mention the mission it is to find the company that is most professionally suitable for you. Hence, this report describes how one can evaluate a firm in the Investment Banking industry, as well as other similar industries, by only looking at their employment page. In our voyage we will attempt to portray the real preferences of students, regarding what they look for in a career. We will also depict how a typical student would view and evaluate these employment pages. We will not only look at the employment pages of **Bear Stearns & Co., Goldman, Sachs & Co., J.P. Morgan, Lehman Brothers, and Morgan Stanley** as a whole, but we will pick specific parts and relate them to the

successfulness and the employee benefits of the firms. Taken as a whole, we will make searching for a job a more informative and helpful experience.

### ***Purpose and Scope***

The primary hypothesis that we will make and attempt to prove in this project is that companies with more evolved employment pages are also firms with greater fringe benefits and superior financial standing. We will look at many different aspects of these five companies employment pages and from there distinguish which portions of an employment page correlates to the **workability**, the financial successfulness and the fringe benefits, of a firm. We will learn the preferences of undergraduate students at the University of Illinois, by way of surveys, regarding their outlook towards employment pages. The companies will be ranked primarily by the firm's successfulness and the fringe benefits offered.

This study attempts to standardize companies of different scale into a distinct category, but this does provoke a limitation. The problem that may arise is that even though these companies are in the same industry they are not the same size. Another limitation that we will encounter is the lack of information from the companies regarding their fringe benefits. One will never know the true benefits of a company until they are actually employed there. Overall the primary goal of this research project is to provide a system for business students to use while looking for a career.

## ***Procedures***

In our project we used a very systematic approach. The first step of our project is to choose an industry. We decided on the investment banking industry because it is a hot and exciting industry that draws a lot of students from the University of Illinois to it. Now, the research must consist of a random sample of firms to maintain validity in the study. We chose from a pool of Investment Banking firms that is available in the Career Resource Center in David Kinley Hall. From this we picked random numbers and then selected the firms according to their corresponding numbers.

The next objective is to discover the preferences of the university's undergraduates. For this task we developed and distributed surveys asking questions about the five firms' employment pages (see appendix A-1, 3). The questions we used in the survey were somewhat ambiguous so that we could establish how the typical student felt. The system used in the survey was a point system from five to one, with five being excellent, so that we could use numerical data. We handed these surveys out to the fifteen undergraduate students in the College of Commerce and Business Administration at the University of Illinois. The scores from the surveys were tabulated and established into an average for each individual question, and then as an average for the whole survey.

Further, we researched the company to find what kind of fringe benefits they offered to employees straight out of college. The fringe benefits that we concerned ourselves with were starting salary, health benefits, medical benefits, and job security. We also approached this part of our research with a numerical system. This is the final equation.

[Figure 1] Equation

**Wage** (average starting salary / \$10,000) + **Health Benefits** (Full = 2, Partial = 1, None = 0) + **Dental Benefits** (Full = 2, Partial = 1, None = 0) + **Job Security** (average number of years employed at firm / 5)

After we calculated the numbers we divided them by the highest rated firm's number which yields a percentage. An example would be if company X was rated number one it would have a one-hundred percent rating.

The next step was to acquire a professional rating on the successfulness of the firms. We obviously do not have the tools that it takes to rate these firms against each other professionally, so we used outside reliable sources. We attained ratings on all of the firms from **Duff & Phelps, Standard & Poors, and Moody's Investors Service** which are all analyst firms. From these ratings we established another numerical scheme which consisted of putting these ratings into numbers from letters (Table 1). We tallied the ratings up, and made them a percentage of the highest possible outcome. An example would be if **Moody's** rated company X as an **Aaa**, its corresponding number would be five.

[Table 1] Professional Rating

Moody's Investors Service	Aaa	Aa	A	B	C			
	5	4.38	3.75	3.13	0			

Standard & Poor's	AAA	AA	A+	A	BBB	BB	B	CC
	5	4.47	3.95	3.68	2.9	2.11	1.32	0

Duff & Phelps	AAA	AA	A+	A	BBB	BB	B	CCC
	5	4.38	3.75	3.44	2.5	1.56	0.63	0

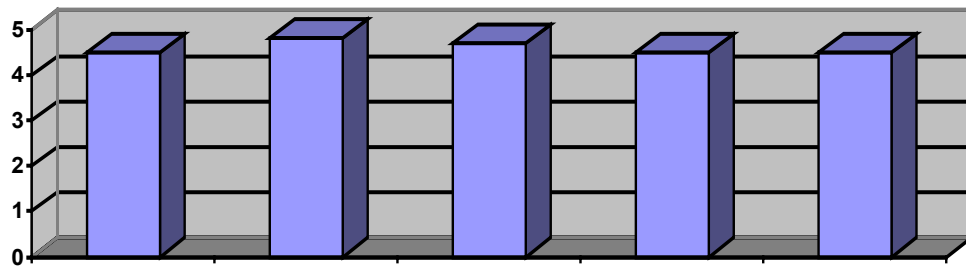
Finally, we put a final ratings on each of the five Investment Banking firms by simply adding the percentages from steps five and six, and then dividing them by two. Then we correlated each question on the survey, as well as the total of all the survey questions, to the overall rating each company received. This step required a regression that was performed by **Prentice Hall's PH Stat** which links high attributes of companies to the ratings of the employment page via the surveys. In our regression we used the workability variable as the dependent variable and we used the survey questions and the results of the whole survey as the independent variables.

# Findings

We will begin to analyze our research by first establishing the data. The data that we will start with is from the results of the survey. Each of the graphs presented here will depict the preference average that the fifteen participants provided in response to the six survey questions. The questions from the survey will be immediately followed by their respective graphs.

- ◆ How accessible is the employment (career) page?

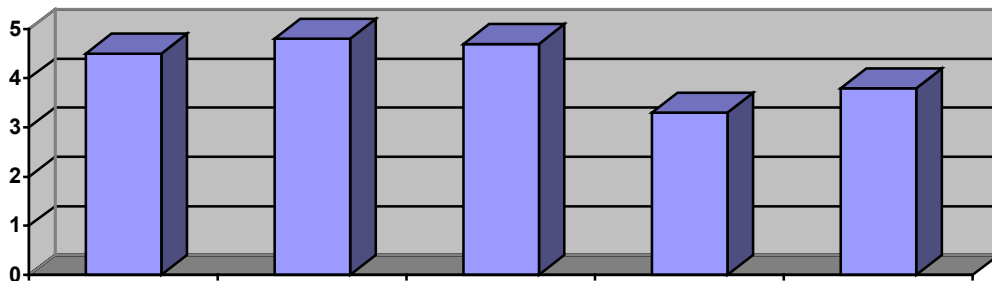
[Figure 2] Survey Results



**Bear Stearns & Company**   **Goldman, Sachs & Company**   **J.P. Morgan**   **Lehman Brothers**   **Morgan Stanley**

- ◆ Is the employment page user friendly?

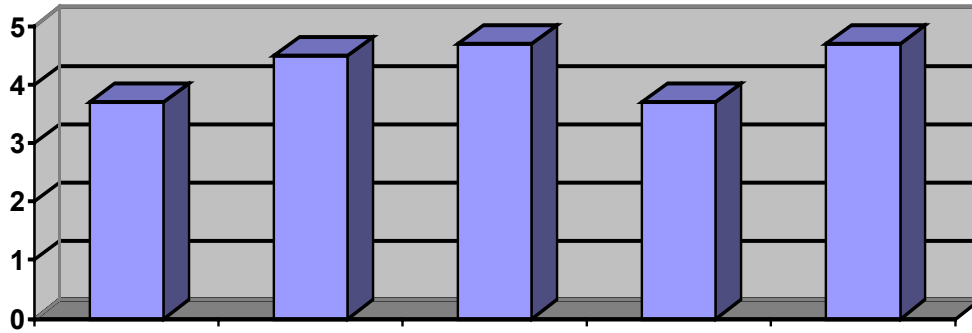
[Figure 3] Survey Results



**Bear Stearns & Company**   **Goldman, Sachs & Company**   **J.P. Morgan**   **Lehman Brothers**   **Morgan Stanley**

◆ How well does the employment page influence you?

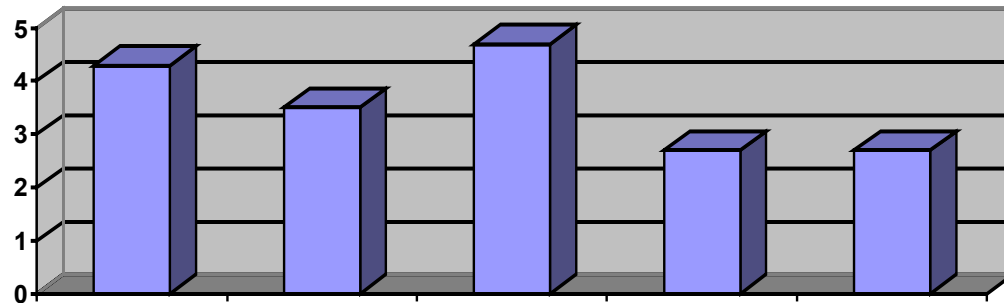
[Figure 4] Survey Results



**Bear Stearns & Company**   **Goldman, Sachs & Company**   **J.P. Morgan**   **Lehman Brothers**   **Morgan Stanley**

◆ How visually helpful is the employment page?

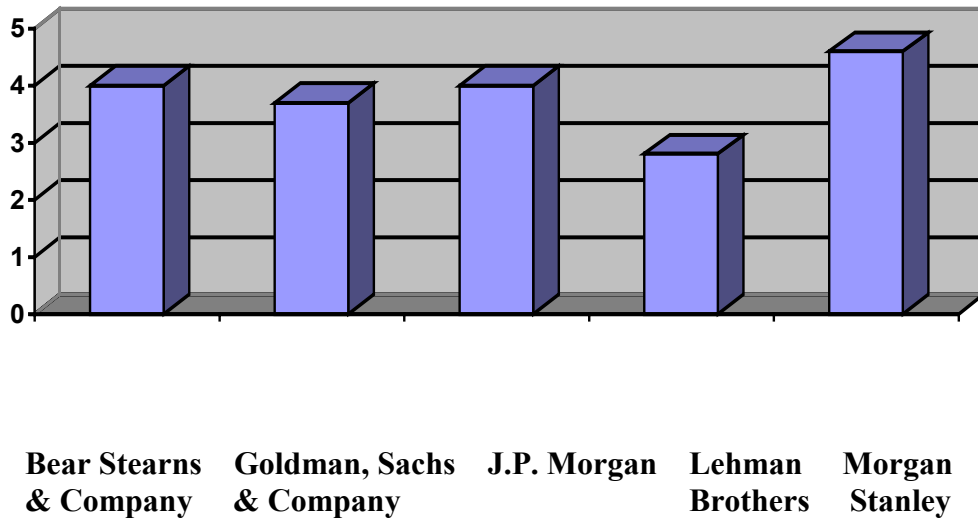
[Figure 5] Survey Results



**Bear Stearns & Company**   **Goldman, Sachs & Company**   **J.P. Morgan**   **Lehman Brothers**   **Morgan Stanley**

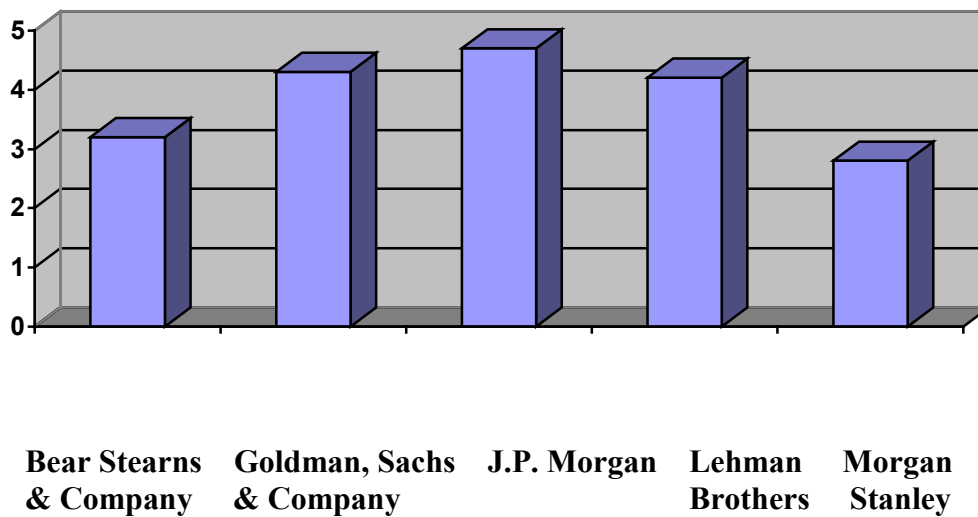
◆ How responsive is the web page to typical questions?

[Figure 6] Survey Results



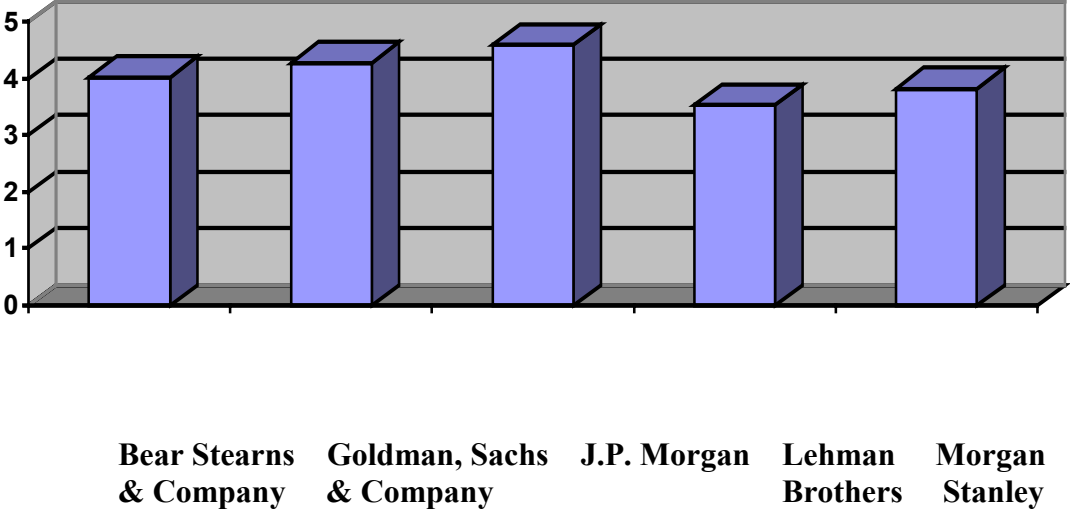
◆ How specific is the employment page in its career ads?

[Figure 7] Survey Results



◆ Finally these are the results from the survey as a whole.

[Figure 8] Survey Results



## *Professional Analysts Rankings*

Here we will observe the financial standing and market share of each of these five Investment Banking firms. The way that these professional analysts rank firms is through an alphabetical system. The rating system is deciphered in [Table 1]. Now we will look at the results that the professional analysts gave to those five firms.

[Table 2] Professional Analysts Rankings

	<b>Bear Stearns &amp; Co.</b>	<b>Goldman, Sachs &amp; Co.</b>	<b>J. P. Morgan</b>
Moody's (highest: Aaa)	A	A	Aa
Duff & Phelps (highest: AAA)	A+	A+	AA-
Standard & Poors (highest: AAA)	A	A+	AA

	<b>Morgan Stanley</b>	<b>Lehman Brothers</b>	
Moody's (highest: Aaa)	Aa	A	
Duff & Phelps (highest: AAA)	AA	A-	
Standard & Poors (highest: AAA)	A+	A	

## *Fringe Benefit Rankings*

Here we will observe the data collected on the fringe benefits of the five companies. This data has been collected through direct correspondence with the firms via the telephone.

[Table 3] Fringe Benefit Rankings

	<b>Bear Stearns &amp; Co.</b>	<b>Goldman, Sachs &amp; Co.</b>	<b>J. P. Morgan</b>
Starting Salary (firm's average)	\$37,120	\$42,500	\$45,000
Health benefit (Full=2, partial=1, none=0)	2	2	2
Dental benefit	2	2	2
Job security (years)	3.3	2.5	1.2

	<b>Morgan Stanley</b>	<b>Lehman Brothers</b>	
Starting Salary (firm's average)	\$44,000	\$35,450	
Health benefit (Full=2, partial=1, none=0)	2	2	
Dental benefit	2	2	
Job security (years)	1.4	3	

## *Calculations*

Finally we will calculate the data collected from the professional analysts and the data collected regarding the fringe benefits.

[Table 4] Ranking Calculations

	<b>Bear Stearns &amp; Co.</b>	<b>Goldman, Sachs &amp; Co.</b>	<b>J. P. Morgan</b>
Moody's (highest: Aa = 5)	3.75	3.75	5
Duff & Phelps (highest: AA+ = 5)	3.75	3.75	4.06
Standard & Poors (highest: AA = 5)	3.68	3.95	4.47
Sum	11.18	11.45	13.53
<b>Percentages</b>	0.826311899	0.846267554	1

	<b>Morgan Stanley</b>	<b>Lehman Brothers</b>	
Moody's (highest: Aa = 5)	4.38	3.75	
Duff & Phelps (highest: AA+ = 5)	4.38	3.13	
Standard & Poors (highest: AA = 5)	3.95	3.68	
Sum	12.71	10.56	
<b>Percentages</b>	0.939393939	0.780487805	

Next we will plug the numbers involved with the fringe benefits of the companies into the equation [Figure 1] described earlier.

[Table 5] Benefit Calculations

	<b>Bear Stearns &amp; Co.</b>	<b>Goldman, Sachs &amp; Co.</b>	<b>J. P. Morgan</b>
Starting Salary / \$10,000	3.71	4.25	4.50
Health benefit (Full=2, partial=1, none=0)	2	2	2
Dental benefit	2	2	2
Job security (years)	3.3	2.5	1.2
<b>Sum</b>	11.01	10.75	9.70
<b>Percentages</b>	1.00	0.98	0.88

	<b>Morgan Stanley</b>	<b>Lehman Brothers</b>	
Starting Salary / \$10,000	4.40	3.55	
Health benefit (Full=2, partial=1, none=0)	2	2	
Dental benefit	2	2	
Job security (years)	1.4	3	
<b>Sum</b>	9.80	10.55	
<b>Percentages</b>	0.89	0.96	

Finally we will identify the workability of the companies from highest to the lowest. These statistics show that **J.P. Morgan** is the best company to work for while **Lehman Brothers** is the worst. Given this we will now correlate the questions from the survey to these results.

[Table 6] Workability Percentages

	<b>Bear Stearns &amp; Co.</b>	<b>Goldman, Sachs &amp; Co.</b>	<b>J. P. Morgan</b>
Workability Percentage	91.30%	91.30%	94.00%

	<b>Morgan Stanley</b>	<b>Lehman Brothers</b>	
Workability Percentage	91.45%	87.00%	

## ***Correlation Analysis***

With the data collected above we conducted a simply regression on **Prentice Hall's PH Stat**. We observed that the employment pages taken wholly provided a nice correlation to the workability of the firms, also we observed that certain aspects of the employment pages provided an even closer relationship. Below are the results of the simple regressions that used the workability of the firms as the dependent variable and the individual questions as well as the whole survey as independent variables. A variable is perfectly correlated to another variable if it equals 1.00, while a variable is negatively correlated to another variable if it equals -1.00.

[Table 7] Correlation Table

	<b>Correlation Variable</b>
How accessible is the employment (career) page?	0.4467
Is the employment page user friendly?	0.4825
How well does the employment page influence you?	0.9352
How visually helpful is the employment page?	0.3271
How responsive is the web page to typical questions?	0.8722
How specific is the employment page in its career ads?	0.0892
<b>The whole survey</b>	<b>0.7282</b>

## Conclusions/Recommendations

It is apparent that the quality of a company's employment page is very indicative of the overall workability of the company. The correlation, to the items critiqued on the survey, almost reach seventy-five percent. This is a very high correlation, yet there are individual items on the survey that invoke an even higher correlation, such as the responsiveness to typical questions on the web page with an 87.22% correlation and the employment pages influence on you with an outstanding 93.52% correlation. The main underlying idea presented here is that while looking for a job in the field of Investment Banking, or in the general business community, critique the employment page of each company. It will be to your benefit to especially note the effectiveness of the employment page's influence and its responsiveness to typical questions. Assess these aspects of the career pages with your own intuition for this is the way that the survey takers assessed them. This can be an invaluable guide to saving an undergraduate student at the University of Illinois in the College of Commerce and Business Administration time and maybe even a bad initial career choice. In closing, if you are looking for a starting point in your search for a suitable career, or maybe a finish, look at various employment pages and then answer these two simple questions.

**How responsive is the web page to typical questions?**

**And**

**How well does the employment page influence you?**

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## APPENDIX A

### Evaluation of Employment Pages

This survey is being directed towards a research project for B&TW 250 (Business and Technical Writing). Please partake in this survey only if you are currently in the College of Commerce and Business Administration. Your participation will consist of looking through and evaluating the employment pages of five Investment Banking firms. Please look at the employment pages while you judge them (5 = excellent, 4 = good, 3 = average, 2 = bad, 1 = very bad).

#### **Bear Stearns & Co.**

[www.bearstearns.com](http://www.bearstearns.com)

1. How accessible is the employment (career) page?  
5    4    3    2    1
2. Is the employment page user friendly?  
5    4    3    2    1
3. How well does the employment page influence you?  
5    4    3    2    1
4. How visually helpful is the employment page?  
5    4    3    2    1
5. How responsive is the web page to typical questions?  
5    4    3    2    1
6. How specific is the employment page in its career ads?  
5    4    3    2    1

#### **Goldman, Sachs & Co.**

[www.gs.com](http://www.gs.com)

1. How accessible is the employment (career) page?  
5    4    3    2    1
2. Is the employment page user friendly?  
5    4    3    2    1
3. How well does the employment page influence you?  
5    4    3    2    1
4. How visually helpful is the employment page?  
5    4    3    2    1
5. How responsive is the web page to typical questions?  
5    4    3    2    1
6. How specific is the employment page in its career ads?  
5    4    3    2    1

## J.P. Morgan

[www.jpmorgan.com](http://www.jpmorgan.com)

1. How accessible is the employment (career) page?  
5    4    3    2    1
2. Is the employment page user friendly?  
5    4    3    2    1
3. How well does the employment page influence you?  
5    4    3    2    1
4. How visually helpful is the employment page?  
5    4    3    2    1
5. How responsive is the web page to typical questions?  
5    4    3    2    1
6. How specific is the employment page in its career ads?  
5    4    3    2    1

## Lehman Brothers

[www.lehman.com](http://www.lehman.com)

1. How accessible is the employment (career) page?  
5    4    3    2    1
2. Is the employment page user friendly?  
5    4    3    2    1
3. How well does the employment page influence you?  
5    4    3    2    1
4. How visually helpful is the employment page?  
5    4    3    2    1
5. How responsive is the web page to typical questions?  
5    4    3    2    1
6. How specific is the employment page in its career ads?  
5    4    3    2    1

## Morgan Stanley

[www.msdw.com](http://www.msdw.com)

1. How accessible is the employment (career) page?  
5    4    3    2    1
2. Is the employment page user friendly?  
5    4    3    2    1
3. How well does the employment page influence you?  
5    4    3    2    1
4. How visually helpful is the employment page?  
5    4    3    2    1

5. How responsive is the web page to typical questions?  
5      4      3      2      1
6. How specific is the employment page in its career ads?  
5      4      3      2      1

## APPENDIX B

We used the following phone numbers to gather information on the fringe benefits:

Bear Stearns	1-888-473-3819
Goldman Sachs	1-312-655-4600
J.P. Morgan	1-212-648-9607
Lehman Brothers	1-212-526-7000
Morgan Stanley	1-212-761-0086