

## **The Strategic Response of Graduate Business Programs to External Assessments: A Call for Academic Rigor**

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This study compares the perceived academic rigor of undergraduate business/management programs to graduate business programs. It is argued that newly-developed external assessments present unique challenges and opportunities for graduate business programs. Possible institutional responses to these assessments as well as future areas of study are discussed.

Students' grade point averages (GPAs) have long been the preferred method of assessing student performance and achievement. GPAs are widely used in employers' hiring decisions as well as admission decisions of colleges, graduate, and professional schools (Nagle, 1998). Unfortunately, grade inflation has rendered this barometer of student performance almost useless in many institutions of higher learning as well as many elementary, middle, and high schools. Nagle argues that grades often communicate more information than is likely warranted. While they are believed to be reflective of student learning, quality of teaching, and/or the ability of students to succeed after graduation, increasingly, these assumptions are incorrect.

Critics of such grading practices say it is time to bring academic rigor and high standards back to campuses where mediocrity has become an accepted norm (Goode & Maier, 1998). They argue that, in many cases, students do not expect to ever receive a grade lower than a B. Goode and Maier observe that the "gentleman's C", once regarded as an acceptable and respectable grade, is rarely seen in many schools today. Students regard such a grade as unacceptable and a sign of failure. The authors provide evidence of this trend by citing that, at Duquesne University, 75% of students in a given semester received A's and B's. At the "elite" schools, grade inflation is even more pronounced. For example, 80% of the grades given to Stanford students and 83% of the grades given to Princeton students were either A's or B's.

While some might argue that students have gotten stronger and deserve such grades, entrance exam scores indicate otherwise. According to the College Board, the proportion of students with an A average taking the SAT rose 9 percentage points, from 28 percent to 37 percent, between 1987 and 1997. However, over this same time span, combined test scores for the exam fell by 14 points (Sobel, 1998). This has led many admissions officers and employers to no longer see the GPA as a reliable indicator of achievement.

### **Problems with Grade Inflation**

Goal-setting theory is one of today's most widely accepted motivational theories. It holds that individuals perform more effectively when presented with challenging, yet realistic, goals (Latham & Locke, 1979). Conversely, individuals are not likely to exert nearly as much effort when facing easily attainable goals. While there are certainly individuals who possess enough intrinsic drive and motivation to thrive even in the face of unchallenging goals (e.g., low academic standards), most students will likely not fully realize their potential and master course content when confronted with low academic standards.

Grade inflation also makes comparisons of students from different schools and graduates from different eras more difficult to compare to one another. A GPA of 3.65 from one school might not be even remotely comparable to a 3.65 at another institution. Likewise, a 3.65 from a given school in 2002 might not be comparable to a 3.65 from that same school from 1982.

Differentiation between truly high and low performers is compromised by grade inflation. Employers are concerned with identifying and hiring students who have the necessary skills and will likely succeed. Grade inflation inhibits identification of such candidates. It can cause organizations to spend thousands of dollars recruiting, selecting and training unsuitable

individuals. Conversely, qualified candidates attending institutions where grade inflation is not the norm might be overlooked for deserved positions. Series of unfortunate events such as these could possibly lead more institutions to join the ranks of the grade inflaters in order to insure that their graduates will not suffer when compared to those from institutions with more lax grading standards.

Goode and Maier (1998) argue that grade inflation damages a school's reputation and calls into question the quality of education it provides and the value of the diploma it rewards. If everyone gets A's and B's just for showing up and keeping a seat warm, diplomas have very little value. They note that corporations and employers often complain regularly about the low quality of graduates who apply for jobs, regardless of their college GPAs.

## **Causes**

Grade inflation exists because academic standards to which students were held to in the past have deteriorated. This deterioration is due to many factors. Nagle (1998) explains that rising costs in higher education have given students substantial leverage. They demand value for their dollar, which they often define as the obtainment of desired grades. Therefore, institutions compromise and bestow grades that are aimed at satisfying students and parents rather than communicating actual performance and competence. The rise in the number of various academic programs (e.g., online degrees) has also given students power, as institutions are faced with the knowledge that students have many alternatives when choosing programs.

The aforementioned sources of student power and leverage are heightened in graduate business programs due to the large number of students receiving some form of tuition reimbursement from their employers. Without such programs, many students would likely not

be able to pursue advanced degrees, particularly at private institutions. Therefore, it is in the best financial interests of institutions to provide grades consistent with full employee reimbursements.

Promotion policies at many academic institutions are also a likely contributor to rampant grade inflation. In many institutions, faculty evaluations completed by students are the major, or even sole, measure of teaching effectiveness used in making promotion and pay raise decisions. Since high course GPAs are highly correlated with positive course and instructor evaluations (Goode & Maier, 1998), an easy way to increase one's likelihood of promotion is through lenient grading. In addition, Goode and Maier assert that students want to be entertained, expect to be entertained, and judge instructors on whether they've delivered that entertainment. Entertainment, by definition, they argue, excludes academic rigor and grades lower than a B.

The most vulnerable and most likely to fall prey to grade inflation are part-time and adjunct professors (Goode & Maier, 1998). Goode and Maier believe that students often use teacher evaluations and threats of complaining as leverage. Such threats are typically effective with these categories of instructors given their typical lack of job security relative to full-time and tenured faculty members.

### **Possible Solutions**

As a solution to grade inflation and the problems caused by it, Nagle (1998) introduced the Relative Performance Index (RPI). This index measures a student's performance relative to others in his or her class. For example, suppose a student receives an A (4.0) in a course, which has an average grade of 3.75 for all students taking the course. The student's RPI would be determined by dividing his or her grade of 4.0 by the class average of 3.75, which equals 1.067.

Several institutions have proposed other possible solutions. For example, Duke University recently proposed an “achievement index”, which would adjust GPA's upwardly or downwardly based on the difficulty of a course as indicated by the grade distribution. While this proposal initiated much discussion, it was eventually defeated (Nagle, 1998). Indiana University has expanded the amount of information contained on each student’s transcript. In addition to one’s grade for a particular course, the transcript also provides data such as the grade distribution and median grade for each course (Nagle).

Another possible solution to the problem is for institutions to abandon the use of student-completed teaching evaluations as a means of measuring teaching effectiveness. For example, the use of standardized exam scores and/or peer evaluation might mitigate the felt need for instructors to please students by inflating grades. In addition, such alternative measures would likely provide more valid measures of actual teaching quality.

### **Graduate Business Programs**

It is doubtful that graduate business programs across the country are immune from the grade inflation that has gripped so many different institutions and programs. One wonders if such a problem does not particularly affect relatively new and/or undistinguished graduate business programs. In order to survive, every program must find a niche. For state universities, one could argue that the draw is often low cost coupled, in some cases, with name recognition and familiarity, particularly for those who attended such institutions as undergrads. This low cost is of particular interest to those without employer-sponsored tuition reimbursement, as well as those afraid that they might occasionally not make the necessary grade for full reimbursement.

Well-known and/or prestigious established programs have the draw of status and students are willing to spend the money in hopes that the “big name” will land a lucrative, high-paying job.

While there are undoubtedly some Christian, graduate business programs that could fit into the latter of the preceding two categories, it is believed that most probably fall into a third category—programs that are not particularly distinguished and relatively expensive compared to their state school counterparts. In order to find their niche, many such schools have used creative program schedules or features aimed at providing more convenience and better customer service. One example is the one night a week, cohort-based format. Is grade inflation also more rampant at these institutions, particularly at those located in areas with stiff local competition, as another means of attracting and retaining students? While this study did not address this phenomenon, such a study would certainly be of interest. Regardless of the answer to the preceding question, change may be on the horizon.

Grade inflation is possibly more rampant and damaging when there is no means of external assessment, such as a medical board, CPA exam, or bar exam. A stellar GPA is practically useless if a student does not pass his or her respective certification exam. Professional and graduate schools, whose students must take such exams upon graduating, are judged on students’ passage rates. It is to their advantage to make these programs rigorous in order to insure that students are adequately prepared. Having students sail through with high GPAs only to not pass their boards would be evidence that an institution lacks academic integrity.

External assessments like those discussed above have not been readily available to graduate business schools. Therefore, accountability has been lacking. However, within the next year, two separate assessments of graduate business education will be available. These tests

are the Master of Business Administration Major Field Test, which is produced by Educational Testing Services, and the CMBA (Certified MBA), which is produced by International Certification Institute (ICI) and Thomson. The CMBA exam will take 5 hours to complete, cost approximately \$450, and will contain 300 questions covering accounting, finance, economics, operations, management, and marketing (Jones, 2002).

These exams will open new doors for less known and distinguished graduate business programs. Standardized assessments will enable employers to determine exactly what business school graduates actually know. This more effective means of differentiating students will help identify the most prepared and knowledgeable job candidates, regardless of the institution from which they received their degree, a fact that will likely cause “top-tier” schools to protest the use of such assessments (Jones, 2002). As a result of students’ performance on these exams, as well as existing certification exams such as the Society for Human Resource Management (SHRM), it will be easier to recognize truly quality programs, regardless of their newness and/or previous reputation. Students with visions of climbing the corporate ladder or landing lucrative starting salaries will not necessarily opt for the “name” schools if lesser known programs can demonstrate that they can produce top flight scorers.

Graduate business programs must be proactive in preparing students for these exams. Those that are effective at doing so can capitalize on these successes by marketing the value-added of their programs. To optimally prepare their students, institutions must insure that they are adequately rigorous and up-to-date. While instilling academic rigor doesn’t necessitate the use of multiple-choice exams, given that the soon-to-be-released assessments will both be of that nature, including such grading tools in one’s program will provide much needed practice.

## **Method**

To get an idea as to the current academic rigor experienced by graduate students currently enrolled in graduate business education, an exploratory study was conducted. More specifically, undergraduate and graduate students' perceptions regarding the academic rigor of their respective programs were compared. It was desired that GPA would also be collected in order to make some comparisons. However, a substantial number of respondents omitted this information. In total, 100 usable surveys were returned. 33 were graduate business students from two different institutions. The remaining 67 were undergraduate students from one of the same institutions from which the graduate sample was drawn. 20 of these undergraduates were from a traditional undergraduate business program, whereas the remaining 47 were from two separate non-traditional (i.e., degree completion) program cohorts. A three-question scale was developed to measure perceived academic rigor. The survey that was administered can be found in Appendix A. The coefficient alpha for the undergraduate version was .74 and was .80 for the graduate version.

## **Results**

The results for this study can be found in the table below. As can be seen, the raw perceived academic rigor scores for both of the graduate classes were less than all of the other groups, even the graduate students' perceptions of the academic rigor of the undergraduate programs they had completed. As for statistically significant differences between the various means, the only ones that were significant to the .05 level are listed below the table. Many these were actually significant to the .01 level.

## Perceived Rigor- Mean (Standard Deviation)

### Graduate Students

Graduate- School 1 (n=16)	3.38 (.82)
<u>Graduate- School 2 (n=17)</u>	<u>3.45 (1.0)</u>
Mean for Graduate Students	3.41 (.90)

View of their UG Ed.- School 1	3.71 (.57)
<u>View of their UG Ed.- School 2</u>	<u>3.84 (1.14)</u>
Mean for Grads' Views of UG Ed.	3.78 (.90)

### Undergraduate Students

Traditional Program (n=20)	3.82 (.69)
Non-Traditional Group 1 (n=27)	4.07 (.57)
<u>Non-Traditional Group 2 (n=20)</u>	<u>3.68 (.67)</u>
Mean for Non-Traditional	3.91 (.64)
Mean for UG	3.88 (.65)

There were statistically significant ( $p < .05$ ) differences between the following means:

- Non-Traditional Group 1 and Graduate- School 1
- Non-Traditional Group 1 and Graduate- School 2
- Mean for Non-Traditional and Mean for Graduate Students
- Mean for Non-Traditional and Graduate- School 1
- Mean for Non-Traditional and Graduate- School 2
- Mean for UG and Mean for Graduate Students

## Conclusions

Given the exploratory, non-experimental nature of this study, very few conclusions can be drawn. In fact, the aim of this study wasn't as much to answer questions, as it was to raise them. Some areas of future study are briefly discussed. For example, while grade inflation is well documented at the undergraduate level, is it even a problem on the graduate level?

Assuming it is a problem on the graduate level, is it more of a problem for those disciplines without external assessments and/or certifications? Does fierce local competition increase the likelihood that graduate business programs will inflate grades? It is argued in this paper that increased academic rigor within a program will positively affect scores on subsequent external assessments. Studies examining this relationship would be beneficial. Lastly, while students' ratings seemed to indicate that the academic rigor of the respective graduate business programs

were less than that of the various undergraduate programs, is there another explanation for this finding? For example, the differences in perceived academic rigor between the various groups might possibly be explained by differences in maturity levels between the students. Specifically, traditional undergraduate students typically lack emotional maturity and professional experience, relative to graduate students. As a result, they might tend to assess their undergraduate programs as more rigorous than they truly are. By contrast, given that many graduate students have been seasoned through their experiences juggling professional, familial, and personal responsibilities, graduate school might not seem rigorous compared to what they encounter on a day-to-day basis.

## Appendix A

### Survey of Educational Experiences

Given today's turbulent economic, social, and political environment, organizations must constantly adapt to meet ever-changing needs. Educational institutions are no different. In order to assess the needs of today's students, the following survey has been developed and is being distributed to numerous graduate students at various institutions across the country. Your participation is voluntary, and all responses will remain anonymous.

#### Undergraduate Experience

Using the following scale, please rate the degree to which you agree with the statements below as they pertain to your undergraduate\* experience.

- 1- Strongly Disagree
- 2- Disagree
- 3- Neutral
- 4- Agree
- 5- Strongly Agree

\_\_\_ 1. In most classes, professors held students to high academic standards.

\_\_\_ 2. In most classes, receiving an "A" required substantial effort.

\_\_\_ 3. I found most classes to be quite challenging.

\*Changed to graduate depending on sample being surveyed.

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## **James Agee**

James (Jea) Agee is a 1994 graduate of Eastern Nazarene College with a B.A. in Business Administration with a concentration in Accounting. He completed his Ph.D. in Organizational Studies at The University at Albany in 2000 and is an Assistant Professor at Trevecca Nazarene University (TNU) teaching organizational behavior, strategic management, human resource management, organizational change and development, and statistics and research methods. He is currently pursuing a M.A. in Counseling Psychology at TNU. Jea and his wife, Jessica, have a daughter, Isabella.

## Dr. Ervin Starr Biography

Dr. Starr joined Roberts Wesleyan College in July 2001 as Assistant Professor of Management and teaches management courses for both the Undergraduate Business Program and the Master of Science in Management Program.

As the Lead Professor for the Management Major Dr. Starr takes an active role with Management Majors in the Business Program.

Dr. Starr has worked in the private, public, and non-profit sectors. He brings three years experience teaching and guiding college students in the learning process at the University of Albany.

He has eight years of experience in ministry, seven years experience in coordinating and supervising programs and people, and six years experience accomplishing organization's mission through strategic goals.

Dr. Starr earned his BA in Economics at the State College of New York at Oneonta, he earned his CAS in Theology at the Seminary of the East, and earned his PhD in Organizational Studies at the University of Albany.

Aside from a passion for God, his family (wife Carrie and three children), and golf, Dr. Starr loves to teach on leadership, strategic management, and entrepreneurship.

He has been actively involved as the Sam M. Walton Fellow with our SIFE (Students In Free Enterprise) team, and enjoys having students to his home. Publications and presentations include:

- Meeting Proceeding Publication and conference paper at the Strategic Management Societies 22<sup>nd</sup> Annual International Conference, "Pursuing a Sustainable Competitive Advantage Amid Reconstruction Forces: Evolving Environmental Scanning Routines Nascent Entrepreneurs use to Recognize Opportunities", Paris, France, September 2002.
- Meeting Proceedings Publication and conference paper at the International System Dynamics Conference, "Building a Sustainable Strategic Advantage in the 3rd Millennium: A Case Method Approach", Bergen, Norway, August 2000.
- Conference Paper OBTC (Organizational Behavior Teachers Conference -national), "Technology that Facilitates Learning: High Technology Games?"; West Georgia University, GA June 2000.
- Conference Paper MOBTC (Mid-Atlantic Regional Organizational Behavior Teaching Conference), "Games that Facilitate Teaching and Learning: What are Jeopardy and Balderdash?" Philadelphia (3/99)