

Admission To The Master Of Business Administration Program: An Alternative For Savannah State University

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ABSTRACT

Traditionally, graduate programs in business administration have heavily relied on the Graduate Management Aptitude Test prepared and administered by the Educational Testing Service in the decision to admit a candidate to the program. The purpose of this paper is to review the literature regarding the statistical validity and statistical independence of the GMAT. In light of the outcome of this review, an alternative admissions process is proposed.

INTRODUCTION

The Graduate Management Admissions Test (GMAT) is a standardized test used by the graduate business schools for admission decision. It is administered through the Graduate Management Admissions Council (GMAC). The three hour computer adapted exam consists of multiple choice and yields four scores-Total, Quantitative, Verbal and Analytical writing.

It is appropriate to develop some background on the GMAT. In 1953, nine Business schools formed an association called GMAC whose primary goal was to develop a standardized test to help business school select candidates. This test, now called GMAT, was initially used by 54 business schools. Today, virtually all business school across the world use GMAT as one of the admission criteria. GMAC claims that, In addition to GMAT being a predictor of student's performance in the first year of business school, it is a perfect tool for comparing applicants. Two applicants, no matter what their back ground is, GMAT offers a consistent indicator of their performance in basic quantitative, verbal and analytical skills.

GMAC Claims that the GMAT measures basic quantitative, analytical and reasoning abilities. But according to the GMAC website, "GMAT scores cannot be used to estimate potential success in a career because many factors other than basic verbal and mathematical abilities influence work performance".

GMAC also concedes that GMAT can predict less than 17% of variation in first year graduate school grades on average. Independent researchers put the percentage much lower between 4% and 9%. **That is over 90% of performance determination factor in the first year in business school is not captured by the GMAT.**

GMAC also says that the margin of error in the total GMAT score is 29 points and does not recommend hard cut-off scores. It also declares that two student's scores have to differ by at least 41 points before they indicate a difference in ability measured by GMAT. *(That is colleges cannot determine better qualified of the two students whose scores are 490 and 530 respectively.)*

Independent research indicates that the GMAT over-predicts the performance of men and under-predicts that of women. Women graduate from college with higher undergraduate Grade Point Averages (GPAs) than men but score 38 points lower on the GMAT and this gap that has grown by 28 points since 1982. Interestingly, women score higher than men in the analytical writing section but many schools do not consider Analytic Writing scores in making admission decision, thereby wittingly or unwittingly lowering the GMAT's minimal added value. The Educational Testing Service weighed-in on this topic by concluding, "**Including the Analytical Writing score as**

part of an admissions screening battery would substantially increase the number of eligible women" because females score higher than males on this section of the GMAT.

Other studies suggest that GMAT scores decline with age and the time since the last academic degree. The decline is significant in people over 34 years of age. People with a bachelor degree, whose major is quant or business, significantly outperform people with non-quant major and non-business degree. The difference in performance noted here was only true for people over 30 years of age.

In 2000-2001, African-Americans scored on average 111 points lower than whites. This huge score gap between blacks and whites has seemed to narrow slightly over the past two decades. High scoring whites outnumbered high scoring blacks 75 to 1. In comparison, Hispanics scored between 64 and 67 points lower than whites. The clear implication is that African-Americans and Hispanics are hugely disadvantaged by GMAT, which as reported above, has little predictability.

Potential MBA students who speak English as second language are disadvantaged by GMAT primarily due to the multiple-choice format and fast pace at which items must be answered. ETS studies show that when these characteristics are not a part of the test, the score gap between whites and people who speak English as second language is greatly reduced.

In 2000, Adams and Hancock examined the relationship between years of work experience and MBA grade point average for a sample of 269 graduates from an urban university whose MBA program has a strong emphasis on entrepreneurship. They found that work experience was more closely correlated with academic success than were either GMAT score or undergraduate grade point average.

In 1983, Benson used the Pearson Correlation to evaluate the relationship between GMAT scores and graduate level GPA. He found no significant relationship between the two.

A review of the landscape for graduate business education reveals that increasingly graduate business schools are providing alternatives to GMAT to evaluate the candidate's potential for graduate work.

In 1985, Harvard Business School decided to eliminate GMAT from their admission process. In a blind test, the school found that admission decision made with or without GMAT were essentially the same. Success of the candidates at Harvard depended on interpersonal skills, motivation and hard work- all factors are not measured by GMAT.

Interestingly, eleven years later, Harvard reinstated the GMAT. Their justification was," The decision reflects the fact that there have been significant improvements to the structure of the test". Harvard's actions seemingly fly in the face of reality as the only changes made to GMAT since 1954 was the addition of analytical writing analysis and discussed above, it is rarely if ever used in the admissions process other than its contribution to the total score.

The University of Michigan Business School is considering ways to complement GMAT. It has devised a test to measure successful intelligence (SIA). Michigan defines successful intelligence as the ability to capitalize on one's strengths and compensate for one's weaknesses. Through its examination of successful intelligence the school hopes to identify future leaders in business and society, as well as enhance its MBA admissions. The SIA allows the school to look at other aspects of a candidate, and is especially helpful where an applicant's GMAT is not as strong as the school would perhaps like. Additionally, the University of Michigan Business School has developed alternative measures of managerial potential (Rainbow Project) that they claim better predict success in academic and practical endeavors. This assessment is claimed to produce less racial and gender bias than GMAT.

The University of North Carolina Business Program acknowledges the GMAT's limitations and adds that a high score in GMAT does not necessarily indicate that the candidate is the best overall because there are several areas that GMAT fails to look at. For this reason, the school now works with The Centre for Creative Leadership (CCL) in Greensboro, North Carolina, to test the new students for leadership capabilities.

The CCL provides an all-round leadership assessment on each MBA student, focusing on understanding and expanding leadership capabilities. When all the information is collected, students write a personal development plan summarizing their strengths and weaknesses, along with an action plan. In this way, the school supplements information gleaned from the GMAT.

Robert J. Sternberg is a psychologist and psychometrician and Dean of Arts and Science at Tufts University. He was formerly the IBM Professor of Psychology and Education at Yale University and the President of the American Psychological Association. He is leading an experimental admissions process at Tufts to quantifiably test the creativity of an applicant based on his Theory of Intelligence.

The GMAC responds that the GMAT measures some basic math and grammar skills and some argue that it is a good forecaster of the performance of the candidates. The GMAT score together with Under Graduate GPA provides the business school with some evidence that the applicant is capable enough to handle the quantitative nature of the MBA program

Peter Calladine of the accrediting body the Association of MBAs explains: "A high GMAT score doesn't mean that you are necessarily going to perform any better than anyone else but a low score means you might find yourself struggling to keep up. However, GMAT is only one part of the package of methods by which schools measure applicants; a strong CV, good references and personality remain key factors."

Jill Fadule, Harvard Business School Director of Admissions states that, "Our applicants include so many extraordinary people from more varied backgrounds, and with such richly different experiences from all over the world. The GMAT will offer all applicants to HBS an opportunity to provide a standardized measure of their verbal, quantitative, analytical, and writing skills.

In response to the questions of validity of the GMAT, schools are (as discussed above) seeking and developing alternatives. For example, the University of Colorado at Colorado Springs is changing its admission requirements for the graduate business program. Starting in the spring of 2008, the business school will waive a key admission requirement (requiring the GMAT) to its graduate program. According to the business school the courses won't become easier, and admitted students won't be allowed to dilute the quality of the program. The dean of the UCCS College of Business and Administration, Venkat Reddy, said relaxing the admissions exam will be a test. If the school admits too many unprepared students, the GMAT requirement could be reinstated. He doesn't expect that to happen. Instead, according to Reddy the change will bring new talent to the program and meet the changing needs of the business world.

The American University of Beirut- Suliman S Olayan Business School offers Pre-MBA course which amounts for 18 credits. Additionally, Pre-MBA foundation level courses are required of applicants who need to do remedial work to cover any deficiency in their educational background, which is determined on a case by case basis.

Harvard Business School's Pre-MBA International Program is a five-week course during which students from abroad are introduced not only to life in Boston and at HBS, but also to the basics of the case method. Outside experts are brought to the campus to speak to international students about writing, business English, and publication skills, after which attendees participate in several mock-case discussions to prepare them for the pace and tenor of class sessions.

Chicago University-Graduate School of Business does require GMAT but it does not have a minimum score requirement to be considered for admission and If the candidate has sufficient qualification, GMAT requirement may be waived.

The University of Toronto Rotman Business School (which is rated as one of the top 30 business schools in North America) requires students to take GMAT exam. But there is no minimum score required. However the school requires a GPA of at least 'B' and the candidates are expected to have sufficient work experience and a strong recommendation letter.

The Durham Business School (UK) waives GMAT requirement depending on the qualification of the candidate. The Durham MBA program has the following **entry criteria**:

1. Good university first degree or equivalent professional qualification.
2. At least three (but preferably five) years' work experience since graduation of a supervisory or managerial nature.
3. If your first language is not English TOEFL If your education was instructed in English, IELTS/TOEFL is not normally required.
4. Depending on qualifications and experience, you may be asked to take the Graduate Management Admissions Test (GMAT).

The Tias Nimbas Business School is ranked as the 8th best business school in Europe (*Financial Times* rankings December 2006) and is internationally recognized and accredited. The school gives the option to candidates to decide whether to take GMAT or an in-house capacity test.

Other Schools which do not require GMAT or waives GMAT requirement based on either qualification or extensive experience of the candidate are: Toulouse Business School (France); University Carlos III Madrid (Spain); University of Exeter (UK); University of Kingston (UK); University of Solvay (Belgium)

Most of the universities in South Africa require students to take the GMAT exams but they did not have fixed cutoff scores. In fact, some universities admit students who have scored well below what a standard American University would consider as an admissible score.

The University of Cape Town offers a five-day GMAT Preparation Course to help students prepare for both the verbal and Quantitative aspects of the test. Additionally, it offers a Pre-MBA course prior to the commencement of the program. This includes statistical math, introduction to accounting and writing skills. It is not compulsory and is only intended for students who feel they might need assistance with these disciplines.

The University of Namibia (UNAM) offers a pre-MBA course and it covers contemporary topics in business and management.

The University of Pretoria Graduate School of management offers a choice between taking the GMAT exams and their own 4.5 hour entrance test for students. A registered psychologist is required to provide individual feedback on the entrance test results.

The Thunderbird Graduate School of International management in Glendale, Arizona does not place greatest weight on GMAT scores. This program offers a “foundation week” course. This is a one week course mandatory for all entering MBA students. The course presents key aspects of leadership, team building, motivation, ethics, and cross cultural communication. The program's action-learning approach includes cases discussions, exercises, simulations, group discussions, presentations, lectures, videos, and review workshops on quantitative skills.

The Savannah State University Master of Business Administration (MBA) program is designed to prepare students for careers in management and leadership in both the private and public sectors. Through completion of the Core Curriculum students acquire a comprehensive foundation in the functional areas of business, the global environment in which they will function, and the analytical tools for intelligent and the analytical tools for intelligent and ethical decision making.

Prior to the undertaking of this study, the Savannah State University College of Business Administration MBA admission requirements were rather typical in that they required evidence of:

- superior academic performance
- potential for advanced graduate study
- ability to communicate

- character

The Faculty of the College of Business determined that these requirements are met by the following:

- (1) Official copies of all undergraduate and graduate transcripts
- (2) An application essay is required and is used to judge the quality of the applicant's written work. Additionally, students for whom English is not their native language must also achieve a TOEFL(*Test of English as a Foreign Language*) score of at least 550.
- (3) Results from either the GMAT or the GRE that when used to compute an index, the index score is 1000. (*The index used is 200 times the undergraduate GPA (or last degree program) plus the GMAT (or GRE to GMAT conversion)*)
- (4) Letters of recommendation from three persons familiar with the applicant's academic background and/or work experience.

The admission decision for any candidate rests with the College of Business Administration MBA Committee. The Committee's admission decisions were based on:

1. Quantitative measures that include
 - a. an applicant's GMAT or GRE score
 - b. grade point average for the last 60 credits of coursework.
2. GMAT/GRE sub scores (verbal and quantitative)
3. Grades in specified undergraduate business and non-business courses (math, accounting, economics, statistics, for example)
4. Educational objectives and quality of written expression of the application essay
5. An analysis of the three letters of recommendation from individuals familiar with the applicant's academic background and/or work experience
6. General and specific program accreditation status of the candidates' undergraduate degree granting institution
7. Professional work experience
8. Assessment of the personal interview

Given the preceding literature review of the validity and independence of the GMAT, the College of Business Administration determined that it was appropriate to offer an alternative path to admission to the MBA program. The Pre-MBA Summer Institute was developed by the faculty in response to increasing criticism of the use of standardized exams as a primary determinant for admission. The purpose of the GMAT is to determine the capability of the potential student to do graduate level work. The Savannah State University College of Business Administration developed the Pre-MBA Institute after reviewing on the few other such programs that exist. Simply put, the purpose of the Pre-MBA Institute to allow students to demonstrate that they are capable of graduate level work.

The Pre-MBA Institute was incorporated into the admissions process.

- (1) Official copies of all undergraduate and graduate transcripts
- (2) An application essay is required and is used to judge the quality of the applicant's written work. Additionally, students for whom English is not their native language must also achieve a TOEFL(*Test of English as a Foreign Language*) score of at least 550.
- (3) Results from either the GMAT or the GRE that when used to compute an index, the index score is 1000. (*The index used is 200 times the undergraduate GPA (or last degree program) plus the GMAT (or GRE to GMAT conversion)*)

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- (4) Letters of recommendation from three persons familiar with the applicant's academic background and/or work experience.

(The MBA Committee has discussed setting a minimum grade requirement of 2.5 for the last degree program but this has yet to be formally approved by the faculty of COBA.)

Or

Satisfactory completion of the College of Business Administration Pre-MBA Institute.

- (5) A personal interview.

NOTES