How employers can stanch the hemorrhaging of collegiate GPA credibility

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Abstract Grade inflation is rampant across universities, colleges, academic majors, and certainly in American business schools. Extensive evidence shows that the distribution of college GPAs is skewed sharply toward high grades. Consequently, GPAs often poorly convey students’ relative academic achievement, sending a muddled message to prospective employers. This article explores the causes and consequences of grade inflation. It concludes with six recommendations for employers who want to encourage college administrators to control collegiate grade inflation, thereby strengthening the accuracy and value of a GPA in the processes of applicant evaluation and job placement.

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1. GPA sends a muddled message

More than 78% of employers use undergraduate grade point average (GPA) to screen job candidates (NACE, n.d.). While collegiate GPA makes the short list of influential factors in the selection process of most employers, there is unfortunately little evidence of its use for any purpose beyond a simple initial screening mechanism for narrowing an applicant pool.

A job candidate’s GPA is a problematic metric for prospective employers. The potential of GPA to indicate students’ relative academic performance is being negated by the damage done by grade inflation. Grade inflation refers to the ongoing rise in the percentage of high grades assigned to students, leading directly to higher student GPAs. This rise in grades occurs without evidence of commensurate increases in student learning. The well-documented and avoidable phenomenon of grade inflation limits the ability of employers to distinguish superior academic performers from the majority of their classmates who have also received high grades.

For decades, grade inflation has been reported at a wide range of four-year colleges and universities in the U.S. and abroad. Yet, the grade inflation problem is worsening. Grade inflation has been recorded at all schools that were studied and was especially pronounced at ‘better’ and private colleges and universities where GPAs are habitually the highest (Popov & Bernhardt, 2011; Tucker & Courts, 2010). The resulting compression of grade distribution has led to a hemorrhaging of credibility in the grading process, as students with differing levels of achievement are
compressed into the upper groupings of the grade distribution.

This article explores the causes and consequen-
tes of grade inflation and offers possible explana-
tions for professors’ elevated judgments of student
performance relative to their classmates. However,
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it does not evaluate how much students learned as
measured against an absolute standard. In colle-
giate education, absolute standards for gauging
student performance very rarely exist.

Non-academics might find it difficult to imagine
the extreme variability in course material and ped-
agogy that exists among colleges, and even among
sections of the same course within a college. Espe-
cially in non-technical fields, professors whose
courses have the same title frequently teach very
different topics with inconsistent learning objectives (e.g., Becker, 2007). They use different ma-
terials, instructional methods, student assignments,
and performance requirements. Grading standards
and grade distributions differ as dramatically as the
course sections and are usually determined exclu-
sively by individual professors with very different
perspectives on the purpose, value, and intended
outcomes from the grades they assign. Therefore, it
is nearly impossible for employers to know, without
an independent assessment, what a job applicant with a college degree gained from the academic
experience.

Employers should explore the idea of confirming
what graduates know. Low levels of academic ad-
Vancement, masked by inflated grades, may distress
employers who trust in student GPAs. In a review of
the academic progress of more than 2,300 under-
graduates at 24 U.S. colleges, Arum and Roksa
(2011) found that after two years of college course-
work, 45% of college students showed no significant
increase in critical thinking, analytic reasoning, or
writing abilities. After four years of college educa-
tion, 36% of students still showed no improvement in
developing these same capabilities.

However, by using an applicant’s GPA, an employ-
er can gauge the performance of the applicant
acquired relative to his or her classmates. For an
employer who wants to hire the best-educated
candidate from a specific college, GPA should be a
prime indicator. In fact, if an employer prefers a
college-based, impersonal, impartial, and objective
measure for comparing candidates, GPA may be the
superior choice.

Given the prospective usefulness of GPA in eval-
uating job candidates, this article concludes with six
recommendations for employers who want to en-
courage college administrators to control grade
inflation. These changes will add value to the mes-
sage of GPAs for employers, improve the clarity of
performance feedback for students, and enhance
the administrative oversight of institutions of higher
learning.

2. The severity of U.S. collegiate
grade inflation

The dramatic grade inflation in four-year universi-
ties and colleges is depicted in Figure 1, which shows
grading patterns at 135 four-year universities and
colleges in the U.S. It begins with a bell-shaped
curve on the graph to show a theoretically normal
grade distribution.

The graph supports widespread suspicions and
anecdotal evidence about the extreme extent of
grade inflation. The grades received in 1960 roughly
resemble an expected normal distribution while the
grades received in 2008 show almost no connection
to a normal array. The grades from 2008 are very
significantly skewed to the right, suggesting that
four-year colleges and universities exhibit a nearly ‘no fail’ grade distribution, coupled with a practice
of assigning a B grade to most students who do not
receive an A.

The dramatic increase in grades resulted in As
(43%) and Bs (35%) becoming the most frequently
obtained grades (Rojstaczer & Healy, 2012; Tucker &
Courts, 2010). Under a normal distribution, C
would be the most common grade and an A would occur less

Figure 1. Effect of grade inflation on U.S. grade distribution

Source: Adapted from Rojstaczer and Healy (2012)