



Campus Confidential

Four top-tier B-schools don't disclose grades. Now that policy is under attack

Fonte: Business Week, n. 3950, p. 75-76, set. 2005.

STUDENTS AT SOME TOP-ranked B-schools have a secret. It's something they can't share even if it means losing a job offer. If's one some have worked hard for and should be proud of, but instead they keep it to themselves. The secret is their grades.

At four of the nation's 10 most elite B-schools—including Harvard, Stanford, and Chicago—students have adopted policies that prohibit them or their schools from disclosing grades to recruiters. The idea is to reduce competitiveness and eliminate the risk associated with taking difficult courses. But critics say the only thing nondisclosure reduces is one of the most important lessons B-schools should teach: accountability.

It's a debate that's flaring up on B-school campuses across the country. And nowhere is it more intense than at University of Pennsylvania's Wharton School, where students, faculty, and ad-

ministrators have locked horns over a school-initiated proposal that would effectively end a decade of grade secrecy at *BusinessWeek's* No.3-ranked B-school. It wouldn't undo disclosure rules but would recognize the top 25% of each class—in effect outing everyone else. It was motivated, says Vice-Dean Anjani Jain in a recent *Wharton Journal* article, by the "disincentivizing effects" of grade nondisclosure, which he says faculty blame for lackluster academic

performance and student disengagement.

Just how contentious are things at Wharton? In cross-listed classes, Jain wrote, undergrads outperform MBAs, and the gap is widening. Annual student surveys, he wrote, show that the amount of time students spend on academics has fallen by 22% in just four years. Some of Wharton's best faculty have stopped teaching MBA classes altogether, he added. And those who continue now go to great lengths to keep students in check. Many prohibit late arrivals, talking, and cell phones. Others take attendance, as Harvard Business School does, or give weekly quizzes to make sure students show up for class.

"Just like with traffic," says Edward I. George, a Wharton statistics professor. "You need traffic lights to function properly."

RECRUITER TURN-OFF

PROFESSORS AREN'T THE only ones complaining. Recruiters say nondisclosure forces them to resort to interview techniques that test a candidate's quantitative skills. One is the "case interview," which requires job candidates to dissect complex case studies on the spot. In the absence of grades, Andrew Schwedel, who oversees recruiting at Bain & Co.'s San Francisco and Palo Alto (Calif.) offices, asks detailed questions to evaluate a candidate's potential—everything from study group experiences to the courses they took. Richard McNulty, a former recruiter who heads career development at Dartmouth's Tuck School of Business, which discloses grades, says nondisclosure puts good students at a disadvantage and may discourage recruiters from coming to campus. Says McNulty: "I don't think eliminating grades would do anything but create more of a challenge [for recruiters]. Students

Close to the Vest

Students at Chicago, Wharton, Stanford, and Harvard have elected not to reveal grades to recruiters. Here are the two sides of the debate:

STUDENTS:

- Nondisclosure takes the fear out of difficult electives
- Creates a more collegial environment with less competition

FACULTY AND RECRUITERS:

- Students lack incentive to work hard and often don't even come to class
- Without knowing the grades, recruiters are missing a large piece of the competency picture

have to understand these implications.”

As it turns out, many do. At No. 1 Northwestern's Kellogg School of Management and other top programs, including those at Cornell and Duke, students have opted to forgo nondisclosure, believing the value of their degrees would suffer. The University of Rochester's Simon Graduate School of Business may even expand grade disclosure. If the proposal is approved, the school will release grades on team projects—an important indicator of whether a student pulls his or her own weight and works well with others. Says Dean Mark Zupan: “A business has a lot of team dynamic to it, and how well someone performs on a team is a valuable piece of information.”

Secret grades don't benefit good students

Nondisclosure policies were born during the dot-com boom, when MBAs had a choice of five or six job offers, each with promises of big signing bonuses and bloated benefits packages. At that point, grades didn't matter; MBAs were going to get job offers

whether they graduated summa cum laude or at the bottom of their class.

Times have changed, but the policies have not—and they're unlikely to anytime soon, since student support remains strong at schools that have them. Students say they serve an important pedagogical purpose, allowing them freedom to choose difficult electives, such as asset pricing or advanced microeconomics, without fear that a poor grade will kill job prospects. Pass/fail grading, which allows undergrads to take some classes without endangering their grade point averages, serves a similar purpose. “It allows people to explore,” says Christopher Morris, director of career management at Wharton. Nondisclosure also fosters a more collaborative culture, supporters say. “If you were to disclose, it would put some people on a more competitive [footing],” says Serhan Secmen, student president of the Wharton Graduate Assn.

For MBAs who aspire to the pinnacle of corporate power, that may not be such a bad thing. Students are unlikely to embrace such a change on their own, but if Wharton is any indication, the pressure to shine a light on grades is growing whether they like it or not. ■

—By Geoff Gloeckler in New York