

ACT AND SAT SCORES AS PREDICTORS OF SUCCESS IN BUSINESS EDUCATION: A CROSS-MAJOR ANALYSIS

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ABSTRACT

Despite the widespread use of standardized test scores such as the ACT and SAT in the college admissions process, it is surprising that there have been no examinations of the predictive ability of these tests for business students. The few studies that have looked generally at the ability of the SAT and ACT scores to predict academic achievement of business students have found no relationship between SAT/ACT scores and academic achievement of first and second year college business students (Barney, et al. 1987; 1985). The objective of this paper is to examine this relationship more closely. The key questions we sought to answer are (a) do the SAT or ACT scores predict academic achievement of business students, (b) is one test better than the other at predicting performance of business students in general, and (c) is one test better than the other at predicting performance in various business majors. We were specifically interested in the ability of these tests to predict collegiate performance of marketing majors relative to other business majors. Despite an extensive literature review, we were unable to find any other study that has looked at these tests in the context of student performance by business majors.

The data used in this study was collected by the National Center for Education Statistics (NCES). The Center is the primary federal organization responsible for collecting data related to education in the United States. This dataset, part of the 1999-2000 National Postsecondary Student Aid Study, is based on information from approximately 50,000 undergraduate students enrolled at approximately 1,000 postsecondary institutions during the academic year. Our analysis of the data finds a significant correlation between standardized test scores and cumulative college GPA. Further, the predictive ability of these tests varies by major. Our study found a relationship that is consistent with the magnitude of correlations shown in prior studies among students in other (non-business) areas of study. We explored this relationship more closely and found that the predictive ability of the SAT and ACT for business student performance is not the same. Overall, the SAT seems to be significantly better predictor of cumulative college GPA than the ACT. Further, the relationship between the test

scores and college performance seems to vary across the different majors. The ACT shows a stronger relationship with college GPA for marketing majors, while the SAT scores correlate more strongly with college GPA for other business majors including MIS, finance, and accounting. ACT and SAT perform similarly in their predictive abilities for management majors.

The differences in the pattern of correlations may be based on the fundamental differences between the ACT and SAT tests in overall philosophy, content, and design. The SAT tests academic aptitude – the ability to learn information independent from high school curricula. The ACT, on the other hand, is a test of educational development. It measures how much the student has learned so far. It is more closely tied to curricula covering in the content areas of English, mathematics, reading, and science reasoning.

The paper discusses further implications of these findings.

REFERENCES

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