Network for Irish Educational Standards

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The Consequences of Grade Inflation

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ABSTRACT

Grade Inflation occurs when there is an upward trend over a period of time in grades awarded to successive cohorts of students taking a given examination or set of examinations in the absence of a matching improvement in learning or achievement. This paper explores the consequences of this phenomenon that afflicts modern education.

Grade Inflation undermines the delivery of quality education. Because grades are no longer a faithful representation of actual performance, the value of examinations as a quality control mechanism on educational standards is undermined. Both teachers and students grow less motivated to achieve since apparent success can be attained with less effort. The formulators of educational policy may be misled about what is achievable in the education system.

Grade inflation presents serious difficulties for employers who are faced with the challenge of differentiating between those whose qualifications and grades are backed up by actual learning and the great many whose grades are deeply misleading.

Grade inflation left unchecked for long enough is likely to seriously damage our international competitiveness and our economy as a whole.

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1. Introduction

Grade inflation over the last decade has been described by educationalists around the world in near apocalyptic terms.

For Leef (2003) it "….undermines the integrity of a college education just as monetary inflation undermines a nation's economy." Dresner (2004) describes it as a "nightmare" while for Stone (1995) "it is a social and economic cancer." Many other concerned educationalists have written about grade inflation in similar terms.

What is this pernicious phenomenon that afflicts modern education? Grade inflation is a process whereby grades in educational examinations show a pattern of improvement over time that is not matched by an equivalent improvement in learning. It comes about as a result of declining educational and assessment standards. The existence of significant grade inflation in Irish higher education has been described in detail by O'Grady and Guilfoyle (2007a, 2007b). The causes of this trend are explored by O'Grady (2007) and O'Grady and Quinn (2007). This paper is dedicated to an examination of the consequences of grade inflation and why it is deserving of the baleful reputation it has among concerned educationalists.

2. How Grade Inflation Distorts Educational Standards

2.1 The Importance of Grades

From a superficial perspective, it may be tempting to suppose that grade inflation is a harmless phenomenon. After all, students, parents, school and college authorities welcome the fact that more students each year achieve higher grades. It is assumed that the better students will still come out on top and through their relatively superior grades will benefit from a competitive advantage over their less successful peers in the education and jobs' market. This perspective is essentially that it is relative not absolute positioning in exams that matters.

The 'relativist' position rests on a flawed understanding about the function of examination grading. It must be understood that the correcting and grading of examinations is not analogous to the placing of competitors at the end of a race. In a race the performance being measured is self evident to all observers: who was fastest, second fastest and so on to run the set distance. In an examination what exactly is being measured is not at all obvious but,

just as in a race, is crucial to an understanding of what a place in the rank ordering actually means.

Viewing exam performance as if relative positioning is all that matters is confusing the measure with the phenomenon being measured. It does matter where you stand in the examinations race but that is only so because it is assumed that the race actually means something important. Achieving an A in honours leaving certificate mathematics or a first in a degree in French is important primarily because it is supposed to attest to a high level of achievement and competence in those subjects and only secondarily because relatively few others achieve the same result. This is not to undermine the inherent importance of relative achievement, which does matter quite a lot, but it is to draw attention to the fact that doing better than others only matters if it is in something that has real independent value.

An appreciation of the truth that what examinations measure is of crucial importance is in danger of being lost in our society because the examination most closely focused upon by the media and the public at large, the Leaving Certificate, is now discussed almost entirely in terms of the points race. This of course is entirely a relativist perspective and occludes any consideration of what exactly the points mean beyond the position of the competitors in the race for third level places.

The real meaning of examination grades emerges at the point of what might be called educational consumption, the point at which the skills and knowledge achieved are employed to useful purpose. The most obvious, though by no means the only important, context in which education is used is within the workplace. Here it is easy to grasp the limits of the relativist stance. An employer having employed a graduate who was placed at the top of his or her class with a first class honours degree, will quickly fail to be impressed by the individual's relative educational standing if he or she disappoints in terms of expected knowledge and skill.

2.2 Examinations Grades and Educational Standards

Examination grades achieved have to attest to valuable and identifiable skills and knowledge being taught to and being learned by students. It is that crucial central function of the examination that grade inflation insidiously undermines.

If progressively better grades are being achieved without an equivalent improvement in learning, then the *appearance* of achievement supplants actual achievement. The student with the A grade or the first class honour today, in a grade inflationary context, does not have the same level of

achievement as those with similar grades in the past. Once this starts to happen, the crucial link between grades and actual performance is eroded. A range of factors independent of the students' command of the subject are contributing to the grades being obtained. Those factors are explored by O'Grady and Quinn (2007) in their analysis of the social and institutional pressures that impact on grades.

Examinations play a very important role in the quality assurance process for the educational system as a whole. They tell educationalists – teachers, lecturers and administrators – the extent to which they are achieving their educational mission. It stands to reason that if an increasing proportion of students are failing an examination, then there is a problem which demands identification and rectification if at all possible. Conversely, if an increasing proportion of students are achieving higher grades, then that suggests something in the process is right, which again needs to be identified so that it can be maintained and capitalised on elsewhere. All this presupposes that the improving or declining grades are reflecting actual changes in performance. Where there is grade inflation the value of the examination as a quality assurance tool is undermined. Real performance by students may be dropping due to unidentified problems but grade inflation can obscure that reality. Consequently, no remedial intervention will be undertaken. If performance improves due to sound educational practices, the achievement will go unnoticed in the constant upward trend that characterises the grade inflation process.

In a grade inflationary environment it is not possible to differentiate between real and apparent shifts upwards and downwards in educational achievement and even to distinguish between improvement and deterioration. Since grade inflation by definition is unidirectional and ostensibly positive, it inevitably introduces complacency in the whole educational system. The effect of masking such problems as exist means that there is no motivation to address them. Grade inflation is a malaise that, if left unchecked, is capable of undermining the entire educational system within a country.

2.3 Standards at Second Level

It is widely felt among academics that students entering third level education are showing increasing deficiencies in literacy, numeracy, analytical skills and general ability to engage independently in academic work. Yet, there has been a constant upward trend in grades awarded in the Leaving Certificate (O'Grady and Guilfoyle, 2007). This has all the hallmarks of grade inflation and illustrates much of its pernicious effects. A fundamental shift for the worse in second level education need not be addressed because the figures

speak of a contrary, but mythical, reality. This fundamental shift is an inevitable consequence of the trend whereby an increasing proportion of the relevant age cohort is sitting the Leaving Certificate programme. The ordinary level at Leaving Certificate is generally a lower standard of the same subject as that taught at the higher level. The requirement for a rethink of our educational structures to match the needs of the weaker proportion of the ability spectrum now staying on in second level education has been concealed by grade inflation. Without it, the failure rate in the Leaving Certificate would long since have reached such proportions that change would have been unavoidable.

2.4 Standards at Third Level

At third level, where there are so many separate examiners setting and correcting their own examinations, it is crucial that the link between real performance and grades is robust. Grade inflation, implying the inevitable intrusion of factors other than student performance on the grading process, means the link is undermined. The effect is that inevitably there will be great variation in the susceptibility towards grade inflation between institutions and between examiners within institutions. The consequent variation in contemporaneous standards within and between institutions is described by Hu (2005) as a greater problem than the variation in standards over time. Both derive, however, from the same source: a progressive disjoint between academic performance and grades awarded. Both are inimical to sound education.

Grade inflation, even if constant across institutions, courses, subjects and examiners exerts a dangerous masking effect whereby educational problems and declining expectations are obscured. Where the rate of inflation varies considerably there is an additional problem. Not only are current qualifications not comparable to those of the past, neither can two qualifications obtained at the same time be taken as equivalent if they involve different institutions, different subjects or even different examiners. Educational and qualification standards become variable which can have profound effects on student and teacher motivation, an issue that is discussed below.

2.5 'Academisation' and Qualification Credentialism

Third level institutions have vied for growth by increasing their student numbers. Courses that were previously two year certificate programmes have been transformed into degree courses of three to five years duration. This trend of 'academisation' resulted in an increasing streaming of students on to undergraduate and post graduate degrees. Across all disciplines, ever more

degree and postgraduate courses are being created. In the Institutes of Technology two year national certificates have largely been replaced by three year Bachelors Degrees and supplemented in turn by additional years of study to obtain honours and then master's degrees. In order to legitimise a degree level award, much of the course content was 'academised' with most of the applied and practical focus lost. Without grade inflation, the trend of 'academisation' would be curbed by the limited number of academically capable students who would qualify for entry and succeed on such degree courses. Grade inflation, however, squares the circle of both entry qualification and graduation success.

It is the policy of Institutes of Technology to maintain student numbers in the face of declining entry cohorts by longer retention of those students that do enter. A student on a four year Honours Degree is twice as valuable to an Institute as one on a two year Higher National Certificate course. The Universities are also contributing to 'academisation' as they have used product differentiation to hugely increase the places on honours degree courses over the last decade. Where once there were a few relatively generic degrees such as Arts, Science and Commerce there are now a myriad of 'specialised' degrees. In 1990 (excluding options within degrees) the seven Irish universities advertised 99 degree courses through the CAO (additional thirty four if options are included). Ten years later in 2000 the equivalent figure was 246 with an additional 22 if options are included – almost a 150% increase in courses in one decade.

'Academisation' is yet another self-sustaining process. When qualifications proliferate then inevitably employers use them as selection criteria, whether or not there is any particular need for those qualifications on the job. Just as the Leaving Certificate replaced the Intermediate Certificate as a qualification for a wide variety of jobs, so now Degrees have replaced the Leaving Certificate. Master's Degrees are fast replacing Degrees in turn. Our population is increasingly in a kind of academic qualifications race. A particular degree may be of little use to a graduate on the job, but if every other applicant for that job has a degree, there is little choice but to invest the time and effort in obtaining one.

Wolf (2002) has explained how the UK has no economic use for a large proportion of the degree graduates generated each year by Universities there. Hesketh and Brown (2004) estimated that only one third of workers in the UK could be classified as having "knowledge based" jobs - the kind for which a degree might be necessary. They found that in the US, only a fifth of workers could be similarly categorised. In consequence, they argue that a great many university graduates are bound for disappointment. There will not be the number of high paying quality jobs they expect and their years in

college will from an economic perspective be largely wasted. They estimate that only about 72,000 vacancies in the UK each year require a graduate, while there were over 300,000 graduates in 2005 with government plans to increase this number in the future. Employers in the UK seem to be in agreement with the view that there are too many graduates and that the expansion of higher education has adversely impacted on graduate quality (Association of Graduate Recruiters, 2004). Employers also believe that degrees have declined as a measure of ability in the previous ten years. A survey of employers carried out for a Channel 4 "30 Minutes" programme in May 2004 entitled "Dumbed Down Degrees" found that 70% of employers believed that degrees have declined as a measure of ability over the previous ten years (Channel 4 News, 2004).

While there is no reason to doubt that the situation is fundamentally different in Ireland it is surprising that a debate about what mix of education and in what proportion best suits our population and economy has not even commenced.

3. Grade Inflation and the Impact on Student and Teacher Motivation

Attention has been drawn by researchers elsewhere to the insidious capacity of grade inflation to quickly achieve a self sustaining momentum (e.g. Rosovsky and Hartley, 2002). There are at least two separate factors that contribute to this dynamic. Firstly there is the manner in which students are influenced by feedback within the educational system in their decisions about how much effort to invest. The most direct and influential sources of feedback are, of course, marks and grades obtained in assessments both by themselves and by others. The more inflated grades are in a particular subject, the less motivated that the students will be to exert themselves to achieve high standards and the less that teachers will be motivated to teach to high standards. Being more assured of higher grades for poorer performance, there is no reward for further effort.This further diminishes the quality of academic performance, which in turn causes lecturers, anxious to maintain pass rates and grade profiles, to drop their performance expectations even further, which then leads to another round of performance decline and standards debasement.

The National Qualifications Authority of Ireland (NQAI), the state agency entrusted under the Education & Training Act 1999 with the establishment, promotion of the maintenance and improvement of the standards of awards of the further and higher education and training sector, other than in the existing universities, has recognised the motivational function served by grade differentiation. In a report discussing various approaches to the

grading and classification of third level awards in different countries, some of which simply employ a pass/fail approach, it was stated that:

> *….removal of any sort of differentiation would be considered unhelpful because it might take away any incentive by learners to do well* (NQAI, 2005, p68).

While grade inflation does not immediately eliminate grade differentiation, it causes a progressive shift in that direction with, ultimately, a similar impact on student motivation to achieve.

Students' expectations are also shaped by information about the existing grade patterns in particular subjects or institutions. Their choices of particular courses or subjects may inevitably be determined by a desire to achieve the highest possible grades for a given level of effort. For example, the higher rate of failure in Mathematics in the Leaving Certificate may well be due to the difficulties in inflating grades in a subject possessed of such objective standards of performance. In 2006, 12% of candidates failed Ordinary Level Mathematics as compared with a failure rate of 7% in English, 8% in French, 5% in Geography, 5% in Business and 4% in History. Science subjects share with Mathematics a high level of objectivity when it comes to standards and grading. In 2006, among Ordinary Level candidates 9% failed Physics, 13% Biology and 16% Chemistry. Another subject lending itself to objective assessment is Accounting. It had a 17% failure rate at Ordinary level in 2006.

It is no accident that science subjects have become less and less popular among second level students as, indeed, has Higher Level Mathematics. Why choose a subject where there is less grade inflation when more inflated grades with the attendant all important points are to be obtained in other subjects? In the circumstances, second level students competing in the points' race for college places can hardly be expected to put the needs of the nation for trained scientists ahead of their own chances of obtaining a high points tally. Bruce Bartlett, a senior fellow at the US National Centre for Policy Analysis has described the follow on effect in third level of this trend:

> *One consequence [of grade inflation] is that students are discouraged from taking science courses, where the nature of the subject matter has held down grade inflation, in favour of those in the humanities, where it is rampant. Over time this has caused universities to drain resources away from science programmes. Eventually this will harm economic growth by reducing technological innovation and advancement* (Bartlett, 2003, p2).

The reluctance of second and third level students in Ireland to choose courses in the sciences is regularly cited as a serious risk to our continuing economic success. It appears that the problem is not that science subjects are too hard

but that alternative subjects have simply become too easy by virtue of grade inflation.

There are other problems at third level. The Irish economy is in a boom period and there is a surfeit of reasonably well paid part time (and full time) jobs available to third level students to enable them to supplement their other sources of income. This finances a level of spending and a lifestyle undreamt of by former generations of Irish students. Such a lifestyle is self sustaining in that once it is the norm among any group to consume at a certain level, then the pressure is sustained to finance the lifestyle. Spending generates the need to work which generates more spending and so on. Both the work and the spending inevitably interfere with education. Large scale absence of students from classes is the norm. There is little time for independent study. Performance slides but grade inflation masks the outcome. Here again there is another self sustaining dynamic. Diminishing student effort leads to reduced real educational performance, which leads to grade inflation designed to prevent a rise in failure rates, which in turn leads to further diminished student effort due to the feedback effect and then to more grade inflation and so on.

4. Graduate Selection and the Dilemma for Employers

Grade inflation throws up some serious dilemmas for employers. On the one hand, there is the difficulty that increasingly qualifications do not attest to the standard of ability and achievement which they formerly did. One might assume that the solution here lies in concentrating on the relative performance of students. By selecting from near to the top of the graduate cohort, employers should be guaranteed the best available employees. However, the 'ceiling effect' undermines this approach as in a degree award, for example, the ceiling is the First Class Honour. It is the best you can do.

An unavoidable consequence of grade inflation is that increasingly the distribution of grades is pressed up against the ceiling. A few very pertinent statistics illustrate this reality. In 1994, approximately 7% of degree graduates across all seven Irish universities obtained a first. By 2004, this proportion had doubled to 14%. In Dublin City University in 2004, the proportion of first class honours degrees exceeded 20%. In Trinity College Dublin in 2004, combined first and upper second degrees amounted to some two thirds of the total, up from approximately 30% in 1994 (O'Grady and Guilfoyle, 2007b, Tables 1 & 2). The effect of this for employers is that even the first class honours grade no longer identifies the best people. Among the top one fifth is an important variation in real ability which the examination in no way differentiates if one fifth or more all get the top grade. As for the

upper second grade, once that becomes the majority result, it loses all its traditional capacity to help identify better talent. In a grade inflationary climate, where grades and actual performance become progressively more divergent, the standard attested to by a first or an upper second will vary increasingly from one institution to another and from one discipline to another. Add this problem to the ceiling effect and one begins to appreciate the challenges faced by employers in using qualifications as a selection tool. Qualifications inevitably become devalued over time.

A very real instance of grade inflation and the attendant ceiling effect having a profound impact on the usefulness of a qualification is to be found with respect to A-Levels in the UK. Traditionally a good grade (A or B) in A-Level examinations was used to identify those with an unusually high level of academic talent. Grade inflation over many years has led to a situation where nearly a quarter of A-Level subject results are now A's (24.1% in 2006). In 1982 only 9% of subject results were at the A grade. After a long debate driven significantly by the needs of the Universities, a new more demanding exam was introduced in 2002. This is called the Advanced Extension Award. It is now doing the job that A-Levels did proficiently until undermined by grade inflation: differentiating among those at the upper end of the academic ability spectrum. Of course, if grade inflation is allowed to continue it will only be a matter of years before the new qualification will start to fail in its function for the very same reason.

The National Qualifications Authority of Ireland, in a report examining the merits and demerits of various approaches to grading and classification at third level, has recognised that employers require that grades adequately differentiate between holders of qualifications. The report states:

> ….*it is felt that many employers would argue that they need a system which provides them with enough information to make an informed choice about potential employees. In those countries which have undifferentiated systems it appears that employers had to use other methods of selecting employees* (NQAI, 2005, p.68).

5. Discussion and Conclusions

Grade Inflation undermines the delivery of quality education. Because grades are no longer a faithful representation of actual performance, the value of examinations as a quality control mechanism on educational standards is undermined. Both teachers and students grow less motivated to achieve since apparent success can be attained with less effort. Society at large is misled about the natural limits that exist to real educational achievement. The result is that an ever higher proportion of students of low ability may spend fruitless time and waste valuable resources in obtaining qualifications that

no longer attest to any meaningful or useful educational achievement. At the same time due to the educational process becoming degraded, the capabilities of the more academically talented in society are squandered. Employers are faced with the not inconsiderable challenge of differentiating between those whose qualifications and grades are backed up by actual learning and the great many whose grades are deeply misleading. At the same time, both employers and in a broader sense the nation suffers the consequences of poorer standards of education.

Grade inflation left unchecked for long enough is likely to seriously damage our international competitiveness and our economy as a whole. This reality has been recognised by Forfas, the state agency with responsibility for providing policy advice to the Department of Enterprise, Trade and Employment, on enterprise, trade, science, technology and innovation in Ireland. In a submission to the Department of Education and Science it stated:

> *…..future enterprise will require a greater proportion of highly skilled graduates and this has implications for the quality of degree programmes as well as rates of progression to advanced degrees.*
>
> *There is a significant body of opinion, both in the enterprise community and among academics that standards have declined in the Irish education system over the past decade, both at second and third level. Empirical evidence to support this perception is contained in an earlier submission to the YES review. This decline has occurred despite the fact that the distribution of grades awarded has remained roughly constant over this time through the phenomenon known as "Grade Inflation". This trend must be strongly countered* (Forfas, 2004).

When Forfas made its submission in 2004, it did not have the benefit of the detailed research subsequently conducted demonstrating the extent to which grades have increased in consequence of grade inflation in both the University and the Institute of Technology sectors (O'Grady and Guilfoyle, 2007a, 2007b).

The dangers associated with grade inflation, which we certainly cannot avoid indefinitely, are likely to arise from two sources. Firstly grade inflation is not only undermining education at the lower end. It inevitably undermines standards at the top end as well where education really does matter for our economy. In simple terms when 15 or 20 percent of graduates – drawn from a weaker talent pool – are obtaining first class honours, the standard at the top end has fallen well below the capabilities of the truly talented. Poorer education in that realm will really matter for how well we compete internationally. The second danger arises out of the drift of less demanding jobs to lower cost economies or their replacement by mechanisation of one kind or another. We almost certainly will require a higher proportion of well

educated individuals as time passes because the only option will be to replace lower skill with higher skill employment. An educational system undermined by decades of grade inflation, grown complacent by the fact that poor standards were adequate for so long, will find it very difficult to adjust when the need arises.

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