Inflated Grades, Inflated Enrollment, and Inflated Budgets: An Analysis and Call for Review at the State Level

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Abstract:

Reports of the past 13 years that call attention to deficient academic standards in American higher education are enumerated. Particular attention is given to the Wingspread Group's recent An American Imperative: Higher Expectations for Higher Education. Low academic standards, grade inflation, and budgetary incentives for increased enrollment are analyzed and a call is made for research at the state level. Reported trends in achievement and GPAs are extrapolated to Tennessee and combined with local data to support the inference that 15% of the state's present day college graduates would not have earned a diploma by mid 1960s standards. A conspicuous lack of interest by public oversight bodies is noted despite a growing public awareness of low academic expectations and lenient grading and an implicit budgetary impact of over $100 million. Various academic policies and the dynamics of bureaucratic control are discussed in relationship to the maintenance of academic standards. The disincentives for challenging course requirements and responsible grading are examined, and the growing movement to address academic quality issues through better training and supervision of faculty are critiqued. Recommendations that would encourage renewed academic integrity and make learning outcomes visible to students, parents, employers, and the taxpaying public are offered and briefly discussed.

Introduction and Overview

The purpose of this report is to suggest that a significant but largely overlooked change in
college grading standards may be responsible for the low academic standards and rapidly growing budgets recently found by the Wingspread Group on Higher Education (1993). The relationship between inflated grades, institutional priorities, budgetary control, and public higher education's formula funding is analyzed and a call is made for examination of the problem on a state by state basis. The concerns, needs, and priorities of taxpayers, employers, parents, alumni, and students, i.e., higher education's patrons and consumers, are given primary consideration.

The present report focuses on Tennessee but not because Tennessee's performance is atypical or inferior to that of other states. To the contrary, Tennessee's institutions of higher education are average or above in most regards; and, on the whole, Tennessee has been exemplary in its efforts to improve education at all levels. Yet, like other states, Tennessee has yet to face the Wingspread Group's central conclusion: "The American imperative for the 21st century is that society must hold higher education to much higher expectations or risk national decline" (Wingspread Group on Higher Education, 1993, p. 1). If policy decisions are made at the state level, policy analysis at the same level would seem to be a necessity.

The central premise of the present report is the widely discussed concern that public higher education's enrollment driven funding provides an incentive for increased enrollment at the expense of academic standards (Association of American Colleges, 1985; Astin, 1985; Finn, 1984; National Governors Association, 1986; National Institute of Education, 1984; Van Allen, 1990). It is a public policy concern that most states apparently have ignored despite growing indications of inadequate budgetary discipline and inflated grades. If the findings of the present report are any indication, Tennessee and every state with enrollment driven funding should examine its publicly funded colleges for inflated grades, inflated enrollment, and inflated budgets.

The Wingspread Group's report (1993) is only the most recent of an imposing series critical of academic standards in American higher education. As did its predecessors, it presents a number of alarming findings and conclusions:

A disturbing and dangerous mismatch exists between what American society needs of higher education and what it is receiving. (p. 1)

Establishing higher expectations [for higher education], however, will require that students and parents rethink what too many seem to want from education: the credential without the content, the degree without the knowledge, and the effort it implies. (p. 1)

The simple fact is that some faculties and institutions certify for graduation too many students who cannot read and write very well, too many whose intellectual depth and breadth are unimpressive, and too many whose skills are inadequate in the face of the demands of contemporary life. (p. 2)

According to the 1993 National Adult Literacy Survey (NALS), surprisingly large numbers of two- and four-year college graduates are unable, in everyday situations, to use basic skills involving reading, writing, computation, and elementary problem solving. (p. 10)

In the area of quantitative skills, for example, 56.3 percent of American-born, four-year college graduates are unable to CONSISTENTLY perform simple tasks, such as calculating the change from $3 after buying a 60 cent bowl of soup and a $1.95 sandwich. (p. 11)

The Wingspread Group's distressing assessment is not the only recent report. The federally
sponsored National Adult Literacy Survey (Kirsch, Jungeblut, Jenkins & Kolstad, 1993) additionally found that nearly one in five graduates of four-year colleges read at the level of high school dropouts (i.e., literacy levels 1 and 2).

The critical reports preceding that of the Wingspread Group are remarkable for both their number and the prominence of their authors. All have been published since 1983:

-A Nation at Risk: The Imperative for Educational Reform (National Commission on Excellence in Education, 1983)


-Access to Quality Undergraduate Education (Southern Region Education Board, 1985)

-Higher Education and the American Resurgence (Newman, 1985)

-Integrity in the Curriculum (Association of American Colleges, 1985)


-To Secure the Blessings of Liberty (American Association of State Colleges and Universities, 1986)

-Transforming the State Role in Undergraduate Education: Time for a Different View (Education Commission of the States, 1986)

-College: The Undergraduate Experience in America (Boyer, 1987)

-The Closing of the American Mind (Bloom, 1987)

-Cultural Literacy: What Every American Needs to Know (Hirsch, 1987)


All of the foregoing find that the widely acknowledged deterioration of quality seen in elementary and secondary education has thoroughly penetrated post-secondary education.

The inescapable question raised by these reports is how students with such glaring deficiencies could earn the grades necessary for graduation from college. The answer suggested here is that such an outcome is the result of grade inflation. Grade inflation is an increase in reported grades unwarranted by student achievement. In the following, it is estimated that 15% or more of present-day college graduates would not have been awarded a degree under the minimum academic standards of the mid 1960s, adjusted for grade inflation. It is further estimated that an even larger percentage of students have been permitted to continue taking courses without ever graduating.

The degree of grade inflation estimated in this report would have flooded job markets with college graduates whose academic records significantly exaggerate their educational
accomplishments—a phenomenon that appears to be progressively undermining the credibility and value of academic credentials among employers (Applebome, 1995). Moreover, it would have substantially inflated the cost of higher education by permitting large numbers of students to continue enrolling in courses without meeting what would otherwise be minimum academic retention standards. (Brimelow, 1987; Hood, 1993; Samuelson, 1992)

Tennessee's appropriations for public colleges and universities were over $800 million in 1993-1994 and they were based primarily on enrollment. Although not an exact estimate, an enrollment reduction of 15% would imply a cost to taxpayers in the neighborhood of $120 million per year. It would also imply a cost to student consumers of approximately $50 million per year.

In short, the thesis of this report is that grade inflation has led to enrollment inflation and enrollment inflation has led to budget inflation. If higher academic expectations, greater efficiency, and improved cost control are central to the future of higher education in Tennessee and other states (National Center for Higher Education Management Systems, 1995), a thorough and objective examination of grade inflation would seem a critical preliminary.

Grade Inflation and the Need for Research

Empirical studies of selected U.S. colleges and universities have found that the grade point averages (GPA) of students receiving bachelor's degrees rose from .3 to .5 points (a twelve to twenty percent increase) from the mid 1960s through the early 1980s (Birnbaum, 1977; Goldman, 1985; Kolevzon, 1981; Rogers, 1983; Zirkel, 1995). A recent report by Sabot and Wakeman-Linn (1991) demonstrated essentially the same pattern from the early 1960s through the mid 1980s. Numerous anecdotal reports have corroborated these findings (Alexander, 1993; Cole, 1993; Eckert, 1988; Shea, 1994); and as of the present, there has been no indication that GPAs are returning to their earlier levels. To the contrary, the most recent reports (Alexander, 1993) indicate that the "gentleman's C" has now become the "gentleman's A-" (Cole, 1993, B1).

Although the kind of large scale systematic studies that might have been conducted by public oversight agencies are lacking, published reports that are based on a wide variety of institutions indicate that inflated grades have quietly become the norm (Sabot & Wakeman-Linn, 1991). Not only are inflated grades common knowledge within the higher education community, public recognition has grown to the point that grading standards have become the object of economic analyses (Samuelson, 1991, 1992), and satirical essays (Borkat, 1993), as well as the target of public ridicule (Leo, 1993). The cartoon strip Doonesbury, for example, has caricatured lenient professors repeatedly. (Trudeau, 1993a, 1993b, 1993c, 1994a, 1994b, 1994c)

Rising GPA's are not an unambiguous indicator of grade inflation. Rather grade inflation is evidenced when higher grades are unaccompanied by higher student achievement. Student achievement has been studied by higher education oversight agencies only since the early 1980s. The data available prior to 1980 primarily consists of scores from the Graduate Record Examination and its subject area examinations. None of this evidence suggests an increase in average student achievement from 1965 to 1980. To the contrary, the overall achievement of college seniors appears to have declined during this period (Adelman, 1984). Not only did achievement decline, preparedness for college as measured by the Scholastic Aptitude Test (SAT) dropped steadily from 1963 through 1980 (National Commission on Excellence in Education, 1983).

Since the early 1980s, academic achievement in some areas recovered and now exceeds 1965 levels, but the areas with the greatest declines from 1965 to 1980 remain depressed and they are the very ones that experienced the greatest degree of grade inflation. Specifically, achievement in biology, chemistry, physics, mathematics, and economics declined somewhat during the 1965 to 1980 period; and since 1980 they have recovered or exceeded their mid-1960s
average. Achievement in political science, sociology, psychology, education, history, and English literature, however, dropped markedly from the mid-1960s through the mid-1970s, and most of these areas have remained significantly below their 1964-65 averages (Educational Testing Service, 1992). Clearly, the measured achievement in the latter group would not have warranted an increase in average grades, yet these are the very areas in which the ease of obtaining high grades may now be enticing students away from vitally needed but more academically challenging courses in science and mathematics (Alexander, 1993; Sabot & Wakeman-Linn, 1991). In summary, the grade inflation that occurred from the mid-1960s through the early 1980s, for the most part, appears not to have been corrected for in recent years by increased achievement.

The academic, budgetary, and social significance of higher grades without higher achievement can be seen when it is recognized that the minimum GPA necessary for academic retention has remained at its historic "C" average (2.0). Although individual academic programs may have attempted to compensate for inflation by increasing their GPA standards, the continuing institution-wide use of the traditional 2.0 minimum has permitted increasing numbers of marginally performing students to stay in school and, in many cases, to graduate. Thus, academic standards have been lowered, enrollments increased, and budgets correspondingly expanded.

The presence of inflated grades and lessened achievement has been noted in most of the above cited critiques of higher education. For example, the Association of American Colleges (1985) reported "evidence of academic decline and devaluation everywhere." It gave particular emphasis to the point that college grades went up even as SAT and American College Testing (ACT) examination scores went down. Similarly, the Southern Region Education Board (1985) reported that the high grades and low test scores of students suggest that colleges and universities have been awarding degrees to students who lack even basic academic skills. A 1989 Carnegie Foundation poll of 5,450 faculty supported the same conclusion: Two thirds "think there has been a widespread lowering of standards in U.S. higher education" (Kelly, 1989).

The report issued by the National Governors Association(1986) contained a particularly clear message about the need for improvement of learning outcomes and so did a response to the Governor's report by the Program and Institutional Task Force of the State Higher Education Executive Officers Association (SHEEO). An SHEEO task force led by Tennessee's Arliss Roaden endorsed the governors' critical assessment and recommended that public colleges and universities monitor graduation and retention rates as indicators of quality (Roaden, et al., 1987). Noteworthy in the present context was their recognition that institutional attempts to stress graduation and retention rates must guard against encouraging (a policy induced) grade inflation.

In summary, the available evidence indicates that despite an overall decline in achievement, students in U. S. colleges and universities received significantly higher grades from 1965 through 1980. The lower academic standards that emerged during that era, with few exceptions, have remained the norm. Given an unchanging minimum GPA of 2.0 since 1965, institutions have retained substantial numbers of students who otherwise would have been dismissed for deficient grades. Taxpayers, parents, and students have borne the costs. Again, it seems likely that grade inflation has led to enrollment inflation, and enrollment inflation has led to budget inflation. This conclusion is not only consistent with the data pertaining to grades and outcomes, it also fits the numerous findings of serious deficiencies in knowledge, understanding, and basic skills demonstrated by college graduates as well as the widely recognized pattern of budgetary expansion in higher education. Indicators of Grade Inflation in Tennessee.

As is the case with other states, there have been no studies of grade inflation published by Tennessee's public higher education authority--the Tennessee Higher Education Commission (THEC). Neither is such information available from regional accrediting agencies or organizations such as the Southern Region Education Board or the National Center for Higher
In view of the public and scholarly recognition of the phenomenon, such data is conspicuously absent.

In contrast to its inattention to grading, THEC has made an exemplary effort to assess and promote quality learning outcomes (Ewell, 1987; Marchese, 1985). In 1974, John Folger, then Executive Secretary of THEC, commissioned E. Grady Bogue to study and develop a plan under which colleges and universities would be awarded incentive funding based on certain indicators of institutional performance (Bogue, 1980). A prime indicator of performance was measured student learning. In recent years, the mix and weighting of the performance indicators has lessened emphasis on learning (Tennessee Higher Education Commission, 1992), however, the percentage of institutional budget predicated on overall performance has increased to 5.45 percent. THEC's performance funding initiative anticipated the widespread concern with college learning outcomes that emerged in the mid-1980s (Association of American Colleges, 1985; National Institute of Education, 1984; Southern Region Education Board, 1985). Colorado's newly enacted "bonus" funding scheme (Lively, 1994) is the most recent example. Thus, although THEC's efforts were not wholly successful, its executive leadership must be recognized as national leaders in examining this critical but sensitive matter.

Other pioneering efforts to monitor and strengthen learning have originated in Tennessee. The Assessment Resource Center at the University of Tennessee was a recognized national leader in the study of post-secondary outcomes (Banta, 1985; Banta, 1990). Also, the Tennessee Board of Regents (TBR) was among the first to initiate a system-wide program for assuring the preparedness of students entering college. Its Academic Assessment and Placement Program (AAPP) began enrolling under-prepared freshmen in non-credit remedial and developmental courses in 1985 (Tennessee Board of Regents, 1992).

With the exception of the AAPP (discussed below) and perhaps because of grade inflation, the impact of these several efforts has been disappointing. From 1983 to 1991, Tennessee's ACT College Outcome Measured Program (COMP) scores indicated almost no change in measured achievement (Steele, 1992). These results paralleled the national ACT-COMP averages reported for the same era (American College Testing Program, 1992, Appendix A, p. A-3).

Although the following achievement data does not permit clear inference about changes in grading standards over time, it can serve as an indirect indicator of current grade/achievement relationships. In essence, it suggests that the passing grades received by substantial numbers of Tennessee's students do not reflect the levels of educational attainment traditionally expected of a college graduate. The ACT-COMP reported scores for 13,703 college seniors drawn from a group of 29 selected institutions (ACT, 1992, Appendix A, Table A-10)--a group that included several of Tennessee's public universities. Approximately 13 percent of these seniors had an ACT-COMP score of 161 or less--a score equivalent to that made by the bottom 25 percent of freshmen drawn from a national sample of four-year colleges and universities (ACT, 1992, Appendix A, Table A-7). Within this same group of 29 institutions, 30 percent of seniors obtained ACT-COMP scores that were at or below the freshmen average of 172 reported for the same national sample (ACT, 1992, Appendix A, Table A-10). In other words, 13 to 30 percent of the college seniors in these institutions had earned passing grades in the absence of achievement beyond that which would be expected of typical first year students. Although these data cannot be used to document changes in grading standards over time, they are consistent with the Wingspread Group (1993) findings of low achievement and with the hypothesis that something on the order of 15 percent of Tennessee's college graduates have passing grade-point averages despite a lack of meaningful achievement.

An indicator that more clearly reflects change in grading standards over time is the percentage of students graduating with academic honors. Informal reports from professors at a number of Tennessee universities have indicated substantial increases in the number of honors
students from the mid-1960s through the early 1980s. Reports from one institution included specific findings: Approximately 15 percent of the graduating class earned academic honors in 1965. By 1979, over 40 percent of graduates were accorded honors. Around 1980, the minimum GPA necessary for honors was adjusted upward (0.25) to prevent the embarrassing possibility that the majority of students in subsequent graduating classes would be granted honors. Following the 1980 adjustment, the percentage of honor students stabilized at approximately 25 percent. A second upward adjustment of 0.25 around 1990 further reduced the percentage of honors graduates to the 1965 level of 15 percent. Although the degree of grade inflation statewide cannot be estimated from one case, the increased percentage of honors graduates combined with GPA data from the above reported institution clearly suggest a pattern of change similar to published reports from institutions in other states.

From these data it is possible to make a rough estimate of the percentage of today's graduates who would not have met the academic standards of the mid 1960s. A 1960 thesis reported the median GPA of the institution's graduates to be slightly over 2.5. The present-day median is approximately 3.0 (a 20 percent increase) and such an increase closely corresponds to published reports drawn from public colleges and universities in other states during roughly the same time period (Birnbaum, 1977; Goldman, 1985; Kolevzon, 1981; Rogers, 1983). The reported increase of 0.5 points in the median or 50th percentile (of graduates) between 1965 and 1991 is consistent with the 0.5 increase in the 85th percentile (the minimum GPA required for honors in 1965 and in 1991) that took place during the same era. Thus it is likely that other points in the frequency distribution were similarly shifted upward. Assuming that the grade distribution did not dramatically change shape, the data implies a shift in the GPAs of all students including those who formerly would have been below the minimum of 2.0. Although not an exact interpretation, the observed change implies that present-day students earning a GPA of 2.5 would have had a 2.0 by 1960s' standards and, more significantly, present-day students with GPAs less than 2.5 would have had a GPA of less than 2.0--the minimum necessary for academic retention and graduation! In short, some substantial proportion of present-day students with GPA's of less than 2.5 would not have graduated by the academic standards of 30 years ago.

From these data it can be estimated that the number of such graduates amount to 15 percent of the overall graduating class. Importantly, fifteen percent is approximately the same percentage of graduating seniors whose ACT-COMP scores are similar to those of the bottom quartile of entering freshmen, and it is approximately the same percentage of college graduates whose NALS literacy scores are like those typical of high school dropouts.

The evidence is limited and informal but it is consistent with the view that Tennessee did not escape the national trend toward inflated grades. In truth, there is no reason to believe that Tennessee would have escaped the national trends given the number and diversity of its publicly funded institutions.

The annual progression of inflating grades and shrinking achievement may have stabilized, perhaps demonstrating the salutary effect of THEC's performance funding program. Also, it may be that the funds now allocated for remedial and developmental studies (TBR, 1992) have helped in arresting the decay. The 1983-91 ACT-COMP results seem to indicate that seniors are at least continuing to meet present-day academic standards despite an increase in the proportion of freshmen needing developmental and remedial courses from one-third in 1983 to nearly two-thirds in 1991. The bad news, however, is that the pattern of high grades and deficient achievement established from the mid 1960s through the early 1980s appears to have become the norm.

**Why Grade Inflation Should be Examined.**

If Tennessee has experienced the inferred degree of grade inflation, it is truly alarming and it implies a very significant level of misdirected expenditures--perhaps $100 million per year in
recent years. Fifteen percent ill-equipped graduates is a conservative estimate drawn from limited data and fallible assumptions. Yet, even in the unlikely event that a thorough examination of the problem at all Tennessee institutions demonstrates only a 5 to 10 percent inflation, such percentages would sum to a very significant dollar amount in the course of a few years.

Beyond budgetary considerations, grade inflation should be examined because of its impact on higher education's human resource development mission. Tennessee colleges and universities are continually serving an increasing number of students, but if a significant number of them attain only those levels of achievement traditionally expected of high school graduates, it is difficult to maintain that the public interest or that of the student is well served. College-level instruction is a poor substitute for a quality high school education and it is very much more expensive (Lively, 1993; Tucker, 1991). And if the compromised social and economic efficiency resulting from debased grades and credentials is considered, there is a far greater hidden cost (Mieczkowski, 1995; Zirkel, 1995).

Grade inflation is not only an academic or budgetary problem. It is a social and economic cancer. The term grade inflation is a euphemism, but the phenomenon is not the benign or insignificant statistical artifact that its name implies. Rather, grade inflation implies a kind of educational fraud, and it presents hard evidence of what the Nation at Risk (National Commission on Excellence in Education, 1983) report termed "a rising tide of educational mediocrity."

Grade inflation effectively lowers not only the threshold for academic recognition, but the ceiling as well. In general, it means that educational accomplishments of present-day students are not as impressive as their grades would indicate. Specifically it means that students who formerly would have been considered "C" students now earn "Bs" and students who formerly would have been considered "B" students are now indistinguishable from those truly excellent students who formerly were the only ones to earn "A's." In essence, it means that the highest levels of effort and achievement are no longer discriminated, much less accorded recognition (Mieczkowski, 1995). The implications for American competitiveness in the international arena are obvious.

The Impact of Enrollment Driven Funding on Grade Inflation, Teaching, and Academic Standards

The principal aim of this report is to suggest that inflated grades are likely to be found in Tennessee's colleges and universities and to recommend that the phenomenon be examined with respect to its impact on academic standards and institutional budgets. Beyond these immediate concerns is the question of why inflated grades and watered-down standards emerged in the first place. Although a definitive answer to this question is beyond the scope of the present discussion, it is suggested that the efficient cause of grade inflation is enrollment-driven funding. For over a decade, a variety of policy analysts and other observers have warned that enrollment-driven funding creates an incentive for institutional growth at the expense of academic standards and the public interest (Association of American Colleges, 1985; Astin, 1985; Finn, 1984; National Governors Association, 1986; National Institute of Education, 1984; Van Allen, 1990). Public institutions of higher education formerly competed for state funding dollars through political lobbying; now they compete by seeing who can enroll the most students (Bogue, 1980; National Education Association, 1989). In essence, there is a substantial body of informed opinion suggesting that grade inflation has come about mainly because enrollment-driven funding has made grade inflation bureaucratically profitable. It may be difficult to prove that increased average grades were caused by an over emphasis on student enrollment, but it is reasonably certain that enrollment has benefited from grade inflation.

Policy analyses of enrollment driven funding have focused primarily on its relationship to achievement and only indirectly to inflated grades. Their implication, however, has been clear. For example, the National Institute of Education's Involvement in Learning (1984) report
Our recommendations to higher education administrators and external agencies are designed to improve the environment and resources for student learning and to counteract the temptation of colleges and departments toward generating the maximum number of student credit hours without regard to the quality of learning.

... [Enrollment driven funding] encourage[s] institutions to focus their energies on acquiring more resources, sometimes to the detriment of student learning and development

A similar concern was expressed by the National Governor's Association Time for Results report on Education (1986):

Governors, state legislatures, and statewide coordinating boards should adjust funding formulas for public colleges and universities to provide incentives for improving undergraduate student learning, based upon the results of comprehensive assessment programs.

Not only did these and many other reports recognize the incentives posed by enrollment-driven funding, the outcomes assessment and performance funding programs designed to address the problem were premised on the recognition that institutions were being pulled the wrong direction by enrollment pressures.

Despite widespread acknowledgment of the threat posed by funding formulas, little has taken place to address or even acknowledge suspected effects at the campus level. Rather, grade inflation, mediocre student performance, and the suspected relationship of both to enrollment-driven funding have become progressively more evident over the last 20 to 25 years (Zirkel, 1995). At the same time, the tradition of academic standards sustained by faculty pride in the quality of its students has eroded along with the attainment of a college education as a recognized measure of achievement (Mieczkowski, 1995). The notion of inviolable faculty integrity and autonomy in the maintenance of academic standards has become an illusion as faculty (and administrators) have had to adjust their values and habits to a bureaucratically governed social and intellectual climate. Clearly, unwanted changes have occurred and their cause widely suspected, but for reasons discussed below an effective response at the campus level has simply not been forthcoming.

Enrollment-driven funding is a prime suspect in grade inflation but there are others. A number of researchers and commentators believe that grade inflation is a product of social and political forces that were prominent in the nineteen sixties (Goldman, 1985; Havighurst & Levine, 1979; Lamont, 1979; Mieczkowski, 1995). Collectively, they implicate the rise of radical egalitarianism in the contexts of the Civil Rights Movement, the Vietnam War protests, the Women's Movement, and student activism, all during the 1960s. They seem to believe that such forces undermined respect for achievement-based distinctions and with it the intellectual and moral authority of faculty—an authority based on achievement. As a result, academic success became a source of embarrassment instead of an object of acclaim. It came to be viewed as a source of invidious comparisons and, as such, contrary to egalitarian ideals. Taken together, these changed views of achievement undermined faculty ability to report discriminating grades or to reserve academic recognition for traditional academic excellence.

Whether or not one believes that grade inflation was initiated by the social and political events of the 1960s, it seems likely that enrollment-driven funding has played a significant role in its continued presence. Moreover it may be that both grade inflation and enrollment-driven funding continue to be linked to the sixties in the sense of serving to maintain educational
institutions that critics claim are a microcosm of the sixties era, i.e., microcosms more congenial to equality than merit based distinctions.

The lack of an effective response to grade inflation seems to imply that stronger measures will be needed if the improvement in student learning hoped for by the Wingspread Group (1993) and the governors (National Governors' Association, 1986) is ever to occur. As matters stand, only the decline has been halted; and the reason seems to be that there is too strong an incentive for watered-down academic standards. In comparison to the incentive that exists for increasing enrollment, the incentive for institutions to emphasize rigorous grading standards is minuscule. Without a change in organizational incentives, the established impetus to derive "profit" by focusing on enrollment growth is unlikely to be overcome. No organization, higher education or otherwise, is likely significantly to alter its performance if it finds "business as usual" more profitable.

Few in higher education (faculty or administrators) are willing to face the fact that there are limits to the public's willingness and ability to provide funding for institutions that lack effective cost and quality controls. But just as the health care professions have had to face budgetary limits and prioritize, higher education will have to confront economic reality. Taxpayers and other patrons want their public universities to educate as many students as can benefit from college-level studies, but they have a greater interest in educational quality. Although the waste may be hidden, underused educational opportunities and deficient learning are waste on a huge scale. Paraphrasing the Southern Regional Educational Board's report Access to Quality Undergraduate Education (1985), without quality, numbers served mean nothing. Yet, in spite of the public interest, institutional priorities continue to be skewed by funding. It is not that colleges and universities are doing a poor job, it is that they are greatly rewarded for doing a good job of the wrong thing.

Academic Policies and Practices that Contribute to Grade Inflation

A variety of institutional practices and conditions are thought to contribute to grade inflation, and some of them are academically defensible. For example, any grade increases that are due to increased learning are not only defensible but welcomed. Others, however, are clearly questionable. One suspected cause of grade inflation is the admission of increasing numbers of poorly prepared students (Birnbaum, 1977). Despite additional instructor time and tutorial assistance, most poorly prepared students are unlikely to exceed the average levels of performance exhibited by their better prepared peers. Instructors whose classes include substantial numbers of such students must lower expectations or risk creating an insurmountable pedagogical task for themselves. If expectations are not lowered, many students fail, enrollment is lowered, and student satisfaction is decreased--all decidedly unrewarding outcomes. Conversely, lower expectations make passing grades and continued enrollment attainable for all.

Other inflationary factors are curricular options that permit students to elect less challenging courses and programs (Prather, Smith, & Kodras, 1979; Sabot & Wakmann-Linn, 1991). That is, the proverbial "underwater basket weaving" courses. Also, academic policies that permit students to enroll in a large number of courses and later drop the ones in which they are failing can inflate average grades. So can a policy such as permitting students to replace failing grades when they repeat a course (Geisinger, 1979). Whatever the wisdom of these policies with respect to other academic considerations, they all have the effect of adding to the need for expanded funding.

Attempts have been made to offset the impact of inflated grades by adding plus and minus to the formal grading scale (Singleton & Smith, 1978) and by altering the GPA minimums for advanced programs. As is true with respect to policies such as the above-cited change in the GPA required for academic honors, these adjustments are more cosmetic than substantive.
Despite widespread usage and surface credibility, the use of student ratings with respect to merit, promotion, and tenure decisions remains a controversial matter (Zirkel, 1995). Many faculty suspect that institutional reliance on student ratings of instruction is a prime cause of lowered standards and grade inflation (Cohen, 1984; Goldman, 1985; Mieczkowski, 1995; Renner, 1981). A case for relying on them, however, can be made on the grounds of correlational studies that have shown student ratings to be valid in the sense of having a statistically significant relationship (r=0.4) with measured achievement (Benton, 1982; Cohen, 1981; Marsh, 1984). Moreover student ratings have had great appeal in higher education because they afford convenient and seemingly objective assessment of teaching without the exercise of peer or administrative judgment.

Institutional reliance on student ratings of instruction has grown steadily since the mid to late 1960s. Seldin (1993) reports that over 85 percent of 600 colleges surveyed used them as of 1993. Of course, this is precisely the same era in which grades inflated and academic learning outcomes first declined and then stagnated. Thus, whatever it is that student ratings measure, they apparently failed to detect the flawed teaching practices that produced these unwanted phenomena.

The apparent inconsistency between research reporting validity for student ratings and their failure to detect declining achievement and inflated grades may be due to the way in which they are used. A statistically established validity of r=0.4 means that 16 percent of the differences among the ratings of instructors are attributable to differences in measured student achievement. However, the remaining 84 percent of the variability in ratings is attributable to factors that must be controlled for in their use and interpretation with respect to individual instructors. The most sophisticated and convincing student rating validation studies carefully control student achievement, reported grades, and other possible sources of bias (Benton, 1982). Typical institutional applications of student ratings, however, rarely employ the monitoring and controls found in validation studies. Thus, rating instruments with a modest degree of validity may be producing invalid faculty evaluations because they are used without appropriate precautions.

Although it is understood that student-opinion-based assessments of individual instructors should be corrected for watered-down objectives, inflated grades, and other potential sources of bias (Aleamoni, 1981; Seldin, 1993), in practice, ratings are typically presumed valid, sometimes despite indications to the contrary. For example, although instructors who receive the high ratings often report higher grades, administrative interpreters of such data most often simply assume that such higher grades are a function of superior student learning. Their assumption is rarely checked.

Instructors are evaluated on the basis of a comparison of their student ratings with those of colleagues who teach similar courses. Given that the biasing effects of insufficient expectations or too-lenient grading serve to increase, not lower, ratings, individuals who receive relatively low ratings must question not their own ratings, but the expectations and grading of their colleagues who have received higher ratings. Because most faculty are understandably reluctant to raise such questions, instructors who are judged unfairly have little choice but to accept student opinion and quietly find a means of competing with their higher rated peers. In contrast to those who receive less favorable ratings, instructors with ratings that may be biased by low expectations or lax grading are comfortably insulated from skeptical inquiries and otherwise given little cause to be concerned about the student rating/evaluation process.

Without unrelenting vigilance, local standards against which teaching is judged can become biased. Because students have no basis for judging whether an instructor's expectations were too low or grades were too high, inflated ratings can occur any time student ratings are
collected without appropriate checks (Seldin, 1993). If they are entered into the normative data base, the benchmarks against which faculty are compared become biased by default and to an unknown extent.

The longer term impact of teaching evaluated by student ratings now seems to be evidencing itself. It is as a former American Association of University Professors president, Fritz Machlup, anticipated: We now have "Poor Learning from Good Teachers" (Machlup, 1979). The fact that learning has declined and stagnated during the twenty-five or so years that higher education has relied on student opinion as a measure of "good" teaching speaks for itself.

Economists Gordon Tullock and Richard McKenzie (1985) argued that economic theory predicts that professors will ease that which is expected of their student customers to buy higher ratings. Are typical institutional procedures for interpreting student ratings sufficiently stringent to prevent such transactions? Proponents of student ratings must agree that even if student opinion can, under carefully circumscribed conditions, serve as a sound basis for evaluating teaching, the task of insuring correctly interpreted ratings under real-world conditions may be beyond the practical limits of institutional ability.

Although most students want to learn, their idea of academic accomplishment is often very different from that of the professor, or for that matter, that of the taxpayer (Mieczkowski, 1995). As the Integrity in the Curriculum (Association of American Colleges, 1985) report bluntly observed: "The credential is for most students more important than the course." Higher education makes a very great mistake if it permits its primary mission to become one of serving student "customers." Treating students as customers means shaping services to their taste. It also implies that students are entitled to use or waste the services as they see fit. Thus judging by enrollment patterns, students find trivial courses of study, inflated grades, and mediocre standards quite acceptable. If this were not the case, surely there would have long ago been a tidal wave of student protest. Of course, reality is that student protest about such matters is utterly unknown. Tomorrow, when they are alumni and taxpayers, today's students will be vitally interested in academic standards and efficient use of educational opportunities. Today, however, the top priority of most students is to get through college with the highest grades and least amount of time, effort, and inconvenience (Chadwick & Ward, 1987).

A fundamental misconception underlies the student-as-customer view. Students are not higher education's only customer or even its most important customer. Rather, higher education's forgotten customers are the taxpayers, the parents, and the employers who both "pay now and pay later" for higher education's failures. It is these customers--the "paying" customers--who are insisting on better results.

In summary, student ratings of instruction can serve as valuable feedback to an instructor about student preferences, but there is good reason to suspect that using them as a basis for administrative decisions on promotion, tenure, and merit pay has been a major contributor to the academic decline and devaluation of the past twenty-five or so years (Cahn, 1987; Heller, 1986).

Organizational Priorities, Bureaucratic Control, and the Budget

That enrollment-driven funding influences institutional priorities and practices is widely believed (Astin, 1985; Bogue, 1980; National Institute of Education, 1984). That formula funding and the related policies governing resource allocation reflect institutional priorities and practices as seen from a perspective peculiar to academic administrators is less well understood. Both teaching faculty and administrators may seek "educational quality", but their intermediate objectives and their operative definitions of the term differ significantly. These differences are both a product of the incentives posed by the funding formula and a cause of the budgetary emphases embodied in the formula. Of critical importance to an understanding of these contrasting viewpoints is the recognition that teachers and administrators have different
professional roles in higher education and that differential budgetary attention to the fulfillment of these roles greatly influences institutional priorities. Administrators are primarily responsible for interpreting and carrying out the will of higher organizational authority (Niskanen, 1973). Faculty are primarily responsible for discharging their duties in a manner consistent with their understanding of academic and intellectual ideals. The view advanced in the following is that grade inflation and other causes of budget inflation flow from the pursuit of educational priorities operationally determined from an administrative perspective.

Good teaching is known primarily by the quality of student learning—an outcome that is difficult to observe and often not immediately evident. A successful career in teaching is marked by the teacher's reputation in propelling students to notable accomplishments. The level of accomplishment is more important than the number of students; the cases of individual students whose accomplishments are truly exceptional are of special importance. A teacher distinguished only by service to a large number of students is rarely considered exceptional. The job performance of teachers is directly enabled by factors such as adequately prepared and highly motivated students and, more than anything, by the presence of an organizational environment in which the achievement of academic excellence is accorded an unrivaled priority. These observations hold true in both higher education and secondary education (Bogue, 1980; Enarson, 1989; US. Department of Education, 1986).

Success in educational administration is also known by the accomplishments of students; but it is much more dependent on immediate and visible factors such as numbers of students, organizational size, and program development (Bogue, 1980). Thus, job performance in the role of administrator is far more directly influenced by budgetary factors than is the case for the role of teacher. The budget, after all, is the lifeblood of the organization for which the administrator is responsible (Niskanen, 1973). Perhaps Peter Drucker put it best: "[Administrative] performance is the ability to maintain or increase one's budget" (Drucker, 1974). This is not to say that teachers are unconcerned about money or that administrators are unconcerned about academic quality, rather there inevitably exists a different emphasis in their concerns.

Not only does institutional resource allocation shape administrative actions, the policies that govern resource allocation are themselves shaped by administrative priorities. Given the degree to which administrative success is directly dependent on funding, such an arrangement is not surprising. Administrators not only execute policy at the campus level, they recommend the policy adopted by oversight panels and agencies. A good illustration of the process is the recent effort to find an improved funding formula for Tennessee's colleges and universities (Walker, 1994b). Teaching personnel are virtually unrepresented in the negotiations.

Typically there is faculty "input" to the recommendatory process, but those faculty views that find inclusion usually come from committees composed of faculty and administrators and are percolated through multiple layers of administrative bureaucracy. The views of "outside" consultants are also relied upon, but consultants typically are selected on the basis of administrative recommendations. In essence, the decisions and policies regarding resource allocation made by oversight agencies are creatures of administrative thought that serve to govern administrative action (Niskanen, 1973).

Not only is the system of budgetary allocation built from an administrative perspective, the institutional needs that generate budgetary allocations are administratively shaped. Because budgetary need is generated by faculty activities, administrators have a special concern with the faculty activities that produce budgetary enhancement. Thus, in realms such as enrollment, student recruitment, program development, and externally funded research, there is a clear incentive for administrators to manage faculty as administrative instrumentalities.

**Bureaucratic Influences on Faculty Behavior**

Historically, institutional directions in higher education were greatly, if not primarily,
influenced by an independent faculty. Colleges and universities traditionally were their faculty. Present day reality, however, is quite different. Institutions of higher education are typically large bureaucratic organizations, and as is true with such organizations generally, they are effectively governed by the personnel who exercise budgetary control (Pinchot & Pinchot, 1993). Despite tenure and in contrast to public perception, in today's colleges and universities, the effective ability of faculty to decide matters that have significant budgetary impact is quite limited. Faculty do not "run" colleges and universities, rather, they more typically have "input" on significant decisions and that "input" can be highly influenced by administrative views and priorities. Faculty are not independent agents. They are employees evaluated and rewarded in terms of their contribution to a budgetarily operationalized institutional mission (Tennessee Higher Education Commission, 1972).

The reality of bureaucratic control through budgetary discretion is a frequently overlooked but troublesome influence in public higher education. It is not troublesome because it is somehow improper, offensive, or otherwise beyond the bounds of managerial propriety. Rather it is troublesome because it serves to place bureaucratic and organizational priorities ahead of the academic quality issues that traditionally have been the prime concerns of faculty. If we want to know why higher education has not maintained acceptable quality standards, the budgetarily grounded imbalance between faculty and administrative influence with respect to institutional priorities must be considered a prime suspect.

The observed degree of faculty participation in institutional decision-making belies the true degree of faculty influence (Mieczkowski, 1995). Faculty influence policy to the extent that they are permitted to influence policy. In most institutions of higher education, there is a very considerable commitment to the process of entertaining faculty views. Virtually all decision making involves the use of committees on which faculty are heavily represented. Deliberative bodies ranging from faculty senates to academic councils to campus parking committees make decisions, set policy, and share influence with administrative officers. Clearly, it is not the case that faculty views are never solicited or heard. It is not that faculty expressions are not represented in policy matters or that faculty are uninvolved in campus decision-making. It is not that faculty views are not communicated to bodies like the TBR and THEC. Rather it is more the case that faculty views are heard and relied upon selectively, that is, whenever they do not seriously differ with institutional priorities as seen from an administrative perspective.

This operative arrangement is neither the product of some Machiavellian scheme, nor does it stem from a lack of good faith on the part of faculty or administrators. Rather, it is most often the outcome of well-intentioned efforts to engage in collegial governance. Most administrators try to lead while maintaining a substantial openness to faculty views. Most faculty express their views when asked and otherwise retain a cooperative posture. It is simply the case that administrators have the prerogative of accepting or rejecting faculty views and they tend to be especially selective about matters having budgetary impact. For example, at one regional institution, faculty surveys repeatedly reported widespread concern about institutional reliance on student ratings of instruction as a basis for faculty evaluation. The faculty senate of the institution tried repeatedly to address the problem, but the solutions desired by the faculty were administratively rejected or shunted aside, in part, because of concerns about student satisfaction. Thus, the administrative view prevailed.

Faculty views are not only relied upon selectively, they are shaped through administrative control of resources. Although the principles of academic freedom and the protections of tenure would seem to insure independence, the extent to which faculty thought and action are administratively shaped is much greater than is generally acknowledged or appreciated. Academic matters such as teaching, grading, curricular requirements, and academic standards are by long-standing tradition the exclusive purview of faculty, yet the actions taken by faculty both collectively and individually on such matters are usually consistent with administrative emphasis
on consumer satisfaction and convenience. In great part, the reason for this outcome is that the faculty comprising colleges, departments, and programs are subjected to the same incentives that impact the institution as a whole. Chief among these incentives is internal flow of institutional resources.

The allocation of institutional resources is administratively controlled in such a way that the academic units with the greatest enrollment growth are generally afforded the greatest resources. The incentives are such that no individual faculty member can comfortably question activities that build his or her department's or college's budget. After all, the job they save may be their own. The same can be said for peer evaluations of faculty for promotion, tenure, and merit pay. Faculty typically find it difficult to negatively evaluate colleagues who are high credit hour producers and who have high student ratings even if their academic standards are suspect. Credit hours and student ratings are routinely and carefully monitored by the administrative bureaucracy. Learning outcomes are given much less attention. Units that fail to grow not only remain under-supported, they are sometimes cannibalized, and their share of the budget is channeled to the areas demonstrating greater potential for growth. Thus, there is a great incentive for faculty collectively to support the administrative emphasis on growth.

The internal competition for resources shapes individual faculty behavior as well. Temporary and non-tenured faculty are especially vulnerable to the level of enrollment; their jobs are at stake, usually on a semester to semester basis. They are, therefore, in the interest of self-preservation, especially inclined to accommodate academic standards to the student market. The same holds true for tenured faculty who seek to build a new course or a new program or even to offer a course during the summer term. They must accommodate their expectations to what the student traffic will bear. Whether this level of expectation resembles an academically defensible standard is problematic.

Beyond the influence exerted by administrative control of resources, there is a host of subtle but effective rewards for faculty who hold the "right" views (Mieczkowski, 1995). In general, "administratively correct" views and decisions are accorded a noticeably warmer reception than discrepant ones. Faculty who hold such views are frequently sought for their "input" and sometimes afforded opportunity for prestigious leadership responsibilities. The organizational exposure afforded by these opportunities can lead to enhancement of the individual's reputation, to merit pay for service activities, and occasionally to career advancement. In contrast, faculty who hold administratively discrepant views frequently find their thinking to be less well received, and those who are overly vocal in expressing the wrong views sometime find that their actions lead to unpleasant consequences. For example, critics may find themselves carrying a much greater burden of proof in convincing administrators and colleagues of the value and quality of their teaching or scholarship or service. More often, however, holders of discrepant views are politely ignored by administrators and bypassed by ambitious peers.

The informal but evident discrepancy in the levels of comfort afforded those faculty who are "team players" has its impact. Most faculty with discrepant views save themselves the frustration of "fighting city hall" by keeping their opinions to themselves. This posture enables them to preserve the administrative cooperation necessary for the pursuit of collaborative opportunities in areas that are administratively rewarded.

Again the operative arrangement does not necessarily reflect pernicious intentions. Rather, those faculty who hold the "correct" views simply seem to be more reasonable and cooperative individuals. Again, the argument raised in this paper is not that the pursuit of administrative priorities is unreasonable, irresponsible, or even unexpected. Neither is the present paper an attempt to argue that faculty who are not considered "team players" are necessarily seeking to enhance academic quality. In truth, some faculty place their professional and commercial interests above academic considerations. Others have a social or political agenda, and a few
could correctly be termed "deadwood." But the view advanced here is that the administrative influence has become so effective in shaping faculty collaboration that the collective ability of faculty to speak or act independently on issues that might adversely influence enrollment has been seriously compromised.

**Other Budgetary Influences on Faculty Behavior**

Other efforts to enhance budgets are believed to divert faculty effort and thereby undermine the quality of teaching and learning. The primary vehicle for this influence is a well known arrangement that supports the administrative interest in budget building and the activities of faculty whose interests lean toward research and program development. The short version of the standard collaboration is: "You plan it and get it funded; my budget will be enhanced; you will be freed from all or part of your teaching load; and we'll both get credit for it." This arrangement produces a nearly limitless flow of plans requiring released time from teaching and budgetary allocations for institutional matching funds. The impact of such collaboration on the allocation of faculty effort and institutional budgets is a critical facet of organizational life in higher education (Hood, 1993). Contrary to reports that criticize administrators for PERMITTING overemphasis of research at the expense of teaching (Association of American Colleges, 1985; National Education Association, 1989), most administrators ENTHUSIASTICALLY ENCOURAGE AND SUPPORT non-teaching activities that bring in added funding.

The following collaborative opportunities are well-known activities that lead to budgetary enhancement and career advancement. Their obvious popularity again illustrates the administrative priority accorded activities that increase the budget.

- **Academic program development**: New academic programs provide

  more services as well as budgetary and organizational enhancement. Student need is not ignored, but it is very often an afterthought based on informal surveys and "friendly" testimony. Sober-minded assessment of public and economic need is rarely given serious attention.

- **Research**: Theoretically, research grants make funds available

  to support the efforts of individuals who have "good ideas" about a particular area of study. In practice, however, faculty are encouraged to forward any credible proposal in response to the availability of funding. In many cases, the mutually understood priority is simply to generate something that the funding agency might support.

- **Student recruitment**: Recruitment is necessary presumably

  because a sizable element of the public wants and needs more education but lack an awareness of opportunities or financial support. Other members of the public are thought to need encouragement to try their hand at college. In truth, recruitment is often a matter of soliciting, persuading, cajoling, and otherwise inducing sometimes finicky student "customers" to avail themselves of well-known services (Jorgenson, 1994). Often, convenience is stressed while student qualifications and commitment to studies are quietly overlooked.

Given the advantages of collaborative expansionism, there is virtually no incentive for anyone within institutions to raise serious questions about how well these activities serve the public (Sowell, 1992). If programs fail, if researchers produce findings of little worth, or if
recruited students are marginal achievers, only the taxpayers lose. Anyone who raises questions of this nature is considered an obstructionist or, at best, an eccentric. Given the lack of budgetary risk to the parties who promote these activities, both insufficient attention to need and wasting of public funds are practically invited.

Faculty Influence, Grade Inflation, and Academic Quality Control: The Realities

Despite tenure, academic freedom and the concept of faculty governance, the agenda in colleges and universities is set much the same way that it is in other bureaucracies, that is, from the top down. Faculty may have formal, collective decision making responsibilities on a wide range of matters and "input" on virtually everything, yet the administrative superstructure both recommends the policy governing institutional incentives as well as manages their distribution. In short, faculty are free to behave in anyway they see fit, but administrators control the consequences that make those actions attractive, unattractive, or, indeed, viable.

The ideal that academic policy and educational practice reflect the considered judgment of an independent faculty seems to have become a necessary and convenient fiction. It is necessary because instruction is the primary activity of an educational institution, and institutional credibility depends on faculty expertise. It is convenient because faculty control implies faculty responsibility for the results. If grades are inflated or if students fail to learn, it is the faculty who failed.

The same could be said about the idea that faculty, if truly motivated, could reverse the decline of standards by collectively reasserting academic and intellectual ideals. The headline of the lead article of the March 18, 1985, Chronicle of Higher Education (Scully, 1985) exemplifies the conventional understanding: "Panel Calls Bachelor's Degree Meaningless, Asks Professors to Take Lead in Restoration" (p.1). Expecting that even highly professional individuals will disinterestedly adhere to academic and intellectual ideals in the face of pervasive incentives to do otherwise is unrealistic. Tenured faculty are like federal judges in the sense that they hold lifetime appointments made for the purpose of protecting the integrity of their thought and action. Unlike judges, however, they can be individually rewarded, punished, or circumvented by those who control the purse strings. Significant change in grading practices is likely to take place only when academic standards are reinstated as the centerpiece of the academic enterprise and when faculty are encouraged to render objective and discriminating judgments regarding student performance.

In the absence of changed institutional priorities, efforts to improve teaching through micro-management of faculty are likely to produce more of the kind of "improvements" that have been associated with student ratings of instruction. The TBR's recent "post-tenure review and faculty development policy" is an excellent example of such an effort. Under the TBR policy, faculty who are administratively deemed "no longer performing at a level consistent with the current institutional mission" would be required to participate in a "faculty development" program or (ominously) be subjected to "appropriate action" (Floyd, 1992). Such a policy both discourages academic independence and integrity and promotes compliance with bureaucratically mandated aims. It not only misses the target of supporting the exercise of independent professional judgment, it opens the door to the direct application of bureaucratic control to academic decisions. It is the very kind of policy that, for example, has enabled educational bureaucrats to mandate the "politically correct" at the expense of the academically credible (Mieczkowski, 1995; Wiener, 1990).

Contrary to some published reports, conditions such as weakened standards, a fragmented curriculum, and inflated grades did not arise from some spontaneous, mysterious, and precipitous deterioration of numerous faculty into listless "deadwood" (Wiener, 1990). Neither did faculty inexplicably and on a widespread scale forget how to teach. Rather, these problems seem likely
to have developed as a result of the continuing insidious pressure placed on teaching and grading practices by the imperative to keep students happy and enrollments up. However, as illustrated by the recent mid-semester dismissal of an instructor at the University of Montana, such pressures can also be direct and overt (Magner, 1995). Post-tenure review and similar policies for removing tenured "deadwood" are higher education's version of improving team performance by firing the players and keeping the coach.

Instead of micro-management, administrative support for responsible standards and discriminating grades is needed. Leadership by presidents, vice presidents, and deans who have recently taught large undergraduate classes would also be valuable. These are the classes where organizational policies and budgets confront the reality of recent high school graduates. What faculty are getting, however, is "faculty-development" programs premised on the belief that higher education can be improved through better training and management of instructors. Administrators who seek to micro manage teaching appear to believe that institutions can have high productivity, high academic standards, and high customer satisfaction if only faculty can be induced to work hard enough and expertly enough. Their mission is to expand and market the services of their institutions, and they see students as willing purchasers. It is a view that can cause high expectations and rigorous grading to be treated as an inconvenient damper on the workings of a mutually enticing economic transaction.

More importantly, the view that instructors can simultaneously maximize productivity, academic standards, and customer satisfaction overlooks a critical reality about learning. Learning is not a matter of passive absorption. Rather, learning is inescapably dependent on the time, effort, and commitment of students to their studies (Tomlinson, 1992). Faculty can make a course of study attractive, but they cannot assure that a student--immersed in the adult world of competing demands and attractions--will make study the priority it must be if he or she is to achieve meaningful academic success. Unfortunately, marketing efforts that emphasize customer satisfaction and ignore the need for hard work convey the opposite message. They imply that students' dreams of academic success will come true irrespective of time and effort if only they experience the excellent instruction that is available at "We Want U."

Most faculty are willing to work with any student who demonstrates a commitment to learning and evidences a modicum of progress. Virtually all faculty are regularly available for counseling, advisement, and tutorial help. In contrast to the perception that students are unable to learn because professors are aloof and inaccessible, faculty find that few students avail themselves of the extensive help that is readily available. In truth, the real problem is that a sizable number of students are simply unprepared by inclination or experience to make the effort that significant accomplishment requires.

Learning at the college level requires motivation and self-discipline. Even where help is available, one has to make use of it. The more-structured and more-controlling teaching methods appropriate to elementary and secondary schools can be used at the college level, but they are typically more labor intensive and expensive. Also they tend to sustain student dependence and immaturity instead of permitting students to become responsible for themselves, i.e., to grow up. Marketing that emphasizes an expectation for student maturity and responsibility would do far more for student achievement and institutional cost-effectiveness than the present customer satisfaction messages. Perhaps something that expresses the challenge implicit in the Marine Corps recruiting message--"We're looking for a few good men"--would be appropriate.

In addition to immature students, instructors are faced with a great many individuals who attempt to both work full-time and attend college full-time (McCartan, 1988). Not surprisingly, their typical preferences favor maximum ease and convenience (Association of American Colleges, 1985; Chadwick & Ward, 1987). Again, marketing and recruiting typically encourage such students to believe that instructor expectations for academic performance should be accommodated to their limited time and energies.
The Wingspread Report addresses the reality of learning in a way that is well understood by college instructors but few others in the higher education community (Wingspread Group on Higher Education, 1993):

Finally, we want to stress that responsibility in a learning institution is a two-way street. Students, at any level of education, are the workers in the educational process. They have a major obligation for their own success. Too many students do not behave as though that were the case, apparently believing (as do many parents) that grades are more important for success in life than acquired knowledge, the ability to learn throughout a lifetime, and hard work on campus. (p. 20)

This is the same reality addressed by Tennessee gubernatorial candidate Bruce Shine in his position on elementary and secondary education (Shine, 1993). Shine's view is that unrealistic expectations for what K-12 teachers can accomplish have thoroughly skewed the whole teaching/learning process. These are expectations that seem to have grown from a widely accepted educational orthodoxy (Stone, 1995), but one that fits hand-in-glove with the student-as-customer perspective. Instead of students working hard and making maximum use of their educational opportunities, Shine argues that teachers typically find themselves doing all they can to teach while many students make no more than a token effort to learn. The waste of taxpayer-funded educational opportunities stemming from such misuse and under use has not been economically estimated, but it would almost certainly be a staggering amount.

The institutionally emphasized concept that quality learning is a product of faculty commitment to "customer service" encourages waste by lessening student responsibility for learning. As Shine notes, if the public wants to know how it is that many young people seem to lack a sense of responsibility when they enter the workplace, consider the object lesson they are given in their school and college experiences. He argues that we cannot expect students to understand that they are the parties who must work hard to achieve if we continue to talk as though those who are working to teach them have exclusive responsibility for their success or failure. Instead of a focus on customer service, Shine calls for students to make responsible and cost-effective use of educational opportunities as a matter of personal and civic responsibility. In addition, he proposes that educational leaders at all levels need to reaffirm and emphasize the primary dependence of learning on study and effort by the individual student.

The administrative penchant for presuming that the student customer is always right not only undermines student motivation, it makes teaching unattractive--especially at the lower-division undergraduate level. Students prefer ease and convenience to difficult and time-consuming study (Chadwick & Ward, 1987). Students prefer high grades to low grades, even if they do not deserve them. Students who earn higher grades feel satisfied and they stay enrolled. In theory, faculty are encouraged only to help their student customers learn. In practice, however, customer satisfaction is deemed desirable, and dissatisfaction is deemed undesirable regardless of its exact cause. Those instructors who elicit satisfaction are rewarded. Those who elicit dissatisfaction are typically required to defend themselves. Thus, the simplest way for instructors to avoid an unpleasant dilemma is to avoid teaching the courses where conflicts between responsible teaching practices and customer preferences are most probable.

**Conclusions and Recommendations**

As matters now stand, higher education seems well down the same road to academic decline traveled by elementary and secondary education. Public confidence in its value, cost-effectiveness, and integrity is clearly at risk (Applebome, 1995; Carter, 1995; National Center for Higher Education Management Systems, 1995; Schilling & Schilling, 1993). Emphasis on the visible and the budgetarily significant has largely displaced concern with the academic quality issues that are visible mainly to teaching faculty. In addition to the disincentives that exist for
raising questions about academic quality, faculty who recognize the necessity for raising such questions are gradually being phased out and replaced by individuals more acculturated to the bureaucratic priorities. The few tenured diehards who oppose the prevailing institutional drift do so at their peril.

Enrollment driven funding has created a decided imbalance in the priorities of publicly funded higher education. Student enrollment counts greatly, student achievement counts little. Unless a system of funding that does not rely on enrollment can be devised, the present emphasis must be counterbalanced with greater emphasis on student achievement. Attempts to produce improvement without changing the fundamental incentives to which the administrative bureaucracy responds are doomed to be circumvented or undermined. These include now popular programs to improve academic quality through so called faculty development, i.e., "improved" training, management, and supervision of faculty. So long as bureaucratic profit is enhanced primarily by increases in enrollment, the quality and cost of learning outcomes will not be optimized. The performance funding plans developed in Tennessee and other states seem to be a step in the right direction, but they fall far short of that which is needed.

The following points are offered for consideration. They do not purport to be definitive recommendations, but they may be useful in the development of policy that assures academic achievement an unrivaled institutional priority.

1. In order to establish an historic baseline, the nature and extent of grade inflation and its budgetary impact should be estimated on an institution by institution basis. It may be necessary to draw representative samples of reported grades and of graduates’ GPAs at five year intervals from 1965 to the present. The data should be analyzed for trends within academic units and programs, and interpreted in light of entrance and exit examination scores where available. Also, it would be important to the case for higher standards to have more evidence about the percentage of under qualified graduates of each of Tennessee's colleges and universities that would be based not on grades, but on failure rates on licensure exams, etc. A good measure of the magnitude of the problem and the extent to which it varies in different institutions would be useful in deciding policy actions (J. Folger, letter to N. L. Griswold III, March 1, 1994).

2. Current funding policy and changes that would put added emphasis on recruitment or retention should be analyzed as to likely impact on grade inflation.

3. Educational outcomes should be made much more visible to the public. Students, parents, taxpayers, employers, and all other consumers need much better access to that which is now known primarily to faculty and administrators. Outcome competence measures, grade distributions, GPAs, and measures of preparedness are useful indicators, and they should be systematically gathered by THEC so as to enable comparison by consumers and taxpayers. Despite inattention to issues such as those raised by the present report, accrediting agencies have begun to realize that more attention to results is needed (Leatherman, 1994).

4. The vast body of technical data that would result if more detailed reports on academic outcomes were available would create the need for expert interpretation and a market for private sector entities whose business would be to publish institutional assessments. Unlike traditional accrediting agencies, such private sector organizations could employ appropriately credentialed individuals to act exclusively in the interest of the consuming public.

Despite repeated calls for improved learning outcomes and the need for review of data such as that referenced in the present report, accrediting bodies have focused on input resources and otherwise have participated in a seeming conspiracy of silence about outcomes. Instead of addressing the issues raised by the Wingspread report and similar critiques, regional accrediting organizations have only belatedly acknowledged a need for change (Leatherman, 1994) and have
otherwise devoted their energies to imposing controversial social and political mandates. For example, the Middle Atlantic Association of Colleges and Schools and, more recently, the Western Association of Schools and Colleges (Leatherman, 1993) have attempted to enforce a cultural diversity standard for the faculties and student bodies of member institutions. Similar nonacademic goals have been mandated by organizations that accredit professional training programs. For example, the National Council for the Accreditation of Teacher Education’s (NCATE, 1994) recent "refined standards" emphasize cultural diversity and related social and political matters while ignoring the notoriously inflated grades (Zirkel, 1995) historically associated with teacher education programs. As a recent critical report termed the traditional self-review and accreditation process, "We have constructed a Potemkin Village in which there is less behind the facade of accreditation than we might like to acknowledge" (Wolff, 1993, p. B2).

Assessments of colleges and universities by wholly independent agencies--ones whose priorities are more closely aligned with the interests of education's patrons and consumers--would have the potential for profoundly reshaping higher education. The ready availability of such assessments would greatly empower all consumers in their respective decisions. Assessments targeting the needs of employers (i.e., ones conducted by an educational "Dunn and Bradstreet") would carry particular weight because of their influence with respect to hiring decisions.

5. Recommendations for making quality more visible would result in a greater institutional emphasis on measurement of academic learning outcomes. Inevitably, such an emphasis raises the question of whether greater reliance on objective measurement would improperly constrain or distort the educational process by overemphasizing measured outcomes at the expense of less visible ones. In anticipation of this question, the following considerations are offered: a) There must be some way to validly detect all important outcomes, otherwise professors and institutions could not claim to know that they are achieving them or to argue that reliance on objective measurement is interfering with them. Thus, using the methodologies already employed by academic personnel, privately sponsored assessors could sample and report on these same subtle and less visible outcomes for consideration by prospective consumers. b) Law, medicine, nursing, and psychology are among the several academic areas that have traditionally used comprehensive examinations for admission to their professions and the quality of their academic programs does not appear to have been resultantly compromised. c) As students will readily report, very many professors teach to their own examinations, again, without apparent violence to the educational process. d) Institutions and programs could employ customized examinations to measure unique programmatic aims. In fact, a program of helping interested academic programs to build local exit exams was successfully undertaken at the University of Tennessee (Banta & Schneider, 1988). In any case, an emphasis on test performance is unlikely to produce any greater educational distortions than has the prevailing emphasis on student ratings of instruction and customer satisfaction.

6. Performance funding may have been ineffective as an incentive for improved learning outcomes because it could not be permitted to jeopardize overall institutional budgets. However, salary increments contingent on gains in student learning could be employed for faculty, staff, and administrators at all levels without broad budgetary risk. In the interest of promoting organizational cooperation and morale, such increments should be afforded across the board within units and institutions. Student gains are already being measured. "Value-added" student gains have been monitored in Tennessee at the K-12 level (Education Improvement Act, 1992) and in Missouri at the higher education level (McClain, 1985).

7. An often overlooked truth is that higher education cannot meaningfully improve without improved student performance, and student performance cannot improve without
students devoting greater time and effort to study. Even with the most sophisticated applications of technology and the greatest enhancements of facilities and teaching practices, learning cannot improve without better use of educational opportunities by students. Thus incentives for students to make maximally efficient use of opportunities are pivotal to cost-effective education.

One means of encouraging "best effort" performances might be to reward those students whose academic performance level exceeds the performance predicted by indicators of their preparedness for study. Although certain measurement problems would have to be overcome, such a proposal would encourage efficient use of resources and opportunity.

Another means of encouraging the efficient use of resources might be the allocation of vouchers worth a fixed amount of educational costs (Bohanon, 1992). There are a number of merits to such a proposal, and in a marketplace where quality was clearly visible to employers, funding agencies, and graduate schools, vouchers could have a quality enhancing effect as well. In the absence of such an environment, however, vouchers could exacerbate the tendency of institutions to serve only the near-term student interest in convenient credentials and institutional interest in budgetary enhancement.

In any case, oversight bodies would be wise to revise the policies that effectively accord a quantity discount to students who enroll in more courses than are necessary for full-time status. Such policies encourage questionable decisions by students--especially those students who have only average academic records and/or extensive extracurricular responsibilities.

Proposals that would encourage students to take challenging courses may be needed as well. A requirement for transcripts to report both grades and class averages would tend to remove the GPA penalty inherent in taking more challenging courses. A more informative option would be to accompany reported grades with a standard score equivalent. Such information recorded on transcripts would enable employers and other users of transcripts and grade reports to make better informed interpretations of academic records.

8. A number of existing practices should be reconsidered in light of their likely impact on academic quality issues. a) Many marketing and recruiting practices--ones involving promotional incentives, bus tours, etc. (Jorgensen, 1994)--go absurdly beyond anything justified by the public interest in human resource development. Some are outright fraudulent (Stecklow, 1995). Although enrollment driven funding encourages the opposite, recruitment policies should emphasize the need for preparedness for higher learning and the availability of assistance for the less-well-prepared who are willing to commit the necessary time and effort to study. b) Academic tenure policies and other faculty personnel policies requiring consideration of student ratings of instruction should be reviewed. When student ratings of instruction are used only as feedback to the instructor, instructors can insure the priority of study and outcome learning by exercising pedagogical discretion. But when student ratings are used as officially recognized measurements of teaching effectiveness, complex and subtle matters of interpretation require safeguards that are quite difficult to assure. c) Post-tenure review policies should be reviewed so as to assure that they do not further undermine faculty ability to exercise honest and objective judgment. Faculty development programs that rely on student ratings of instruction as a measure of teaching quality encourage accommodation to students, not the exercise of independent judgment.

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John E. Stone's work brings to light an issue of profound significance to all educators and public administrators. Inflated grades clearly point to structural problems in American higher education. If one accepts Stone's argument, which is carefully constructed and well supported, the very idea of such educational fraud is somewhat unnerving. On a national level consider the level of resources going to support students who twenty years ago would have been academically dismissed early in their college careers. In addition, consider the ongoing expenses of retraining these "qualified" graduates and it doesn't take a degree in economics to see that much more harm is being done than good.

Stone suggests that the large bureaucratic nature of university systems necessitates funding levels which must be financed through increased enrollments. Correspondingly, inflated grades serve to maintain these preferred levels of enrollment. One can quickly point blame to faculty members for such grade inflation, but total responsibility does not lie there. Faculty answer to department and college level administrators. These administrators control faculty research funding, as well as other financially linked items. Careful manipulation of these funds insures that the desired level of students will be maintained from year to year. Whether faculty members agree to this under pressure from key administrative personnel or a conscious decision is made independently is not the issue. The issue is grades are inflated.

Stone concludes his work by offering seven areas of potential change. What I find missing in his conclusions is a simple tenet I have learned through my own course work. As a student of Public Administration, I have had the fortunate opportunity to read the classic work on public management by Douglas M. Fox entitled "Managing the Public's Interest: A Results Oriented Approach." Fox makes continuous reference to a systems-based management approach that stresses production over process. What has evolved over the years in higher education is a carbon copy of the iron fist bureaucratic structure that runs the federal government. Bureaucracies manage the flow of information, nothing else. As is apparent in Stone's analysis, administrative personnel in higher education have far too much control over the outcomes of the process. Higher education is about learning. The faculty represent the most important input in the process of making the product, i.e., students who can recall, recognize and comprehend any given subject and who with ease and precision can apply the skills learned from any given subject.

Accordingly, higher education needs to be structured around the idea of production. Any process that does not relate to the effect of more products would be regarded as non-production. It is important to note that these areas are by no means unimportant. Campuses definitely need Student Affairs personnel, Facilities Engineers and a whole host of other support services. But the focus needs to be on the classroom and empowering the faculty. Stone makes the rough
comparison of the college faculty member to a federal judge. He states that faculty enjoy the
same lifetime tenure as a judge but do not enjoy the same freedom of controlling their destiny.
Faculty members need to regain such freedom if we are to rid higher education of the plague of
grade inflation.

Higher education officials, faculty members, and public administrators must take the time
to study what makes higher education function properly. It is clear that the case made by inflated
grades does not paint a favorable picture of the current state of higher education in America.
However unsavory the truth may be, it affords the opportunity for examination and ultimately
correction.