Dear Sir/Madam,

Thank you for giving the Institute of Directors (IoD) the opportunity to participate in the GCSE Reform Consultation, published by Ofqual in June 2013. The improvement of standards in education has been a consistent priority for IoD members for many years, and we are very pleased to contribute to the current consultation. This paper presents the IoD’s comments on some of the key issues raised in the consultation, to complement our response to the parallel GCSE subject content consultation conducted by the Department for Education.¹

About the IoD

The IoD was founded in 1903 and obtained a Royal Charter in 1906. It is an independent, non-party political organisation of approximately 35,000 individual members. Its aim is to serve, support, represent and set standards for directors to enable them to fulfil their leadership responsibilities in creating wealth for the benefit of business and society as a whole. The membership is drawn from right across the business spectrum. 71% of FTSE 100 companies and 51% of FTSE 350 companies have IoD members on their boards, but the majority of members, some 70%, comprise directors of small and medium-sized enterprises (SMEs), ranging from long-established businesses to start-up companies. IoD members' organisations are entrepreneurial and growth-orientated, and more than half (57%) export goods and services internationally.

Summary

1. The UK faces a global competitiveness challenge and, to meet it, the nation’s education system must deliver higher standards, ensuring that more children leave education well-equipped for life and the workplace. The UK’s national qualifications must meet the excellence bar set by the highest-performing international competitors, and businesses welcome reforms that inject greater rigour into the system. In that context, the IoD has been reassured by Ofqual’s recognition of the need to act to safeguard standards, and has strongly supported the Government’s commitment to raising levels of educational achievement.

¹ The IoD’s response to the DfE GCSE consultation is available at: http://www.iiod.com/influencing/policy-papers/education-and-
2. Whilst reforming GCSEs is just one part of the wider effort to improve educational achievement and attainment, there is evidence to suggest that grade inflation has weakened the demand of the exams over time – as the Chief Regulator has previously acknowledged.\(^2\) This has probably contributed towards an erosion of business confidence in the qualifications. When the IoD last surveyed its members on this subject, in 2008, we found that over half (57\%) of business leaders did not have confidence in GCSEs, and that only 18\% believed the qualifications were as demanding as 10 years previously. It is important for the Government and Ofqual to address these issues: it is unacceptable and economically damaging for the exam system not to command the confidence of all those who rely on it.

3. The IoD shares many of concerns outlined by the regulator on pages 7-8 of the consultation about aspects of the structure and assessment of GCSEs. These include the impact of modularisation, the high proportion of controlled assessment in some subjects, the degree of ‘stretch’, and the lack of grade comparability between different subjects. The IoD therefore supports the thrust of the proposed changes to the assessment structure outlined in the consultation paper, such as the shift to linear assessment and the award of marks to reward good spelling, punctuation and grammar. The suite of changes should increase the overall level of demand of GCSEs, and help to restore confidence in our national qualifications.

4. We would have welcomed considerably more detail about the proposed changes to the GCSE grading system – in particular the impact of moving to a new numerical grade range from the current letter-based system. We feel that this was a deficiency in the consultation. Moving beyond the policy decision of whether a numerical grade range is superior, which clearly requires considerable thought, any such change would have to be implemented extremely carefully. It risks causing widespread confusion among employers, particularly if GCSEs were to have a different grading system from A levels.

**IoD response: specific issues**

5. **The purposes of the reformed GCSEs.** Page 8 of the consultation states that: ‘The proposed primary purpose of the reformed GCSEs will be to provide evidence of students’ achievements against demanding and fulfilling content and a strong foundation for further academic and vocational study and for employment. The reformed GCSEs should also provide a basis for schools to be held accountable for the performance of all their students.’ The IoD broadly agrees with this outline of the primary purposes of GCSEs, but our subsequent comments highlight a particular issue relating to the assessment of functional literacy and numeracy in the context of GCSEs providing a strong foundation for employment. We recognise that there is an obvious crossover here between subject content and assessment arrangements, and so have raised the issue in our responses to both the Department’s and the regulator’s consultations.

6. **Tiering.** On tiering, the IoD supports Ofqual’s proposal that the default approach for the reformed GCSEs should be the use of an untiered model, thereby removing tiering for subjects such as English and geography (and keeping an untiered approach for history). As the consultation paper notes, tiering risks limiting the potential achievement of students who follow the lower pathway. Equally, where common exam papers cannot be designed to provide valid assessments for all students, across the ability range, such as mathematics and the sciences, some form of tiering will likely need to be retained. Again, on the basis of the evidence in the consultation paper, an improved version of the current overlapping tiers model seems – on balance – to be the best option for such subjects.

\(^2\) In comments published in the *Daily Telegraph* in 2012, the Chief Regulator, Glenys Stacey, said: “If you look at the history, we have seen persistent grade inflation for these key qualifications for at least a decade...The grade inflation we have seen is virtually impossible to justify and it has done more than anything, in my view, to undermine confidence in the value of those qualifications...One of the reasons why we see grade inflation, and it is a laudable reason, is that a lot of the time there are very small gains just by giving the benefit of the doubt. But the benefit of the doubt factor has an impact over time. We need to find ways to manage grade inflation.” Source: “A-level overhaul to halt ‘rampant grade inflation’”, *Daily Telegraph*, 28 April 2012, available at: http://www.telegraph.co.uk/education/secondaryeducation/9233517/A-level-overhaul-to-halt-rampant-grade-inflation.html.
7. **Assessment.** On assessment, we support the Government’s policy that where subject content can be validly assessed by written exams, such exams set and marked by exam boards should be the default method of assessment. However, there are clearly particular subjects and aspects of subjects where written exams cannot adequately assess the knowledge and skills required – such as practical work in the sciences and oral tests in modern foreign languages. It is important that such subjects retain such alternative assessment arrangements as are necessary.

8. The consultation paper is right to emphasise the importance GCSEs in English language and mathematics – not just for students’ progression and school accountability measures, as noted in the consultation, but also to employers. These are vital subjects and their assessment must be watertight. We understand the stance the regulator previously adopted with respect to speaking and listening in the current GCSEs, and on balance support the similar proposal in the current consultation that any teacher-marked assessments in English language should not contribute to the overall grade, but should be reported separately on the certificate. It is extremely important, however, for assessments relating to such fundamental skills as speaking and listening to remain visible and transparent to potential recruiters.

*Functional literacy and numeracy*

9. Whilst on the subject of English and mathematics, we would like to raise a related issue that we also highlighted in our response to the Department’s parallel consultation on GCSE content. IoD research suggests that that there is a particular issue concerning employers’ perceptions of young people’s functional literacy and numeracy skills, findings that are, of course, echoed in numerous other employer surveys and independent studies. Employers also encounter candidates who have achieved impressive grades in national examinations, but who nevertheless lack functional ability. There is a particular concern therefore over the efficacy and accuracy of GCSE English and mathematics in signalling young people’s functional literacy and numeracy skills to employers.

10. Students’ mastery – or otherwise – of these key skills needs to be much more transparent. Employers need all young people as potential employees to have well-practised, ingrained and competent functional skills. It is our experience that employers expect a ‘good’ grade (C or higher) in GCSE mathematics automatically to indicate that a young person is functionally numerate, and possession of a grade C or higher in English language to denote functional literacy. However, in practice, neither GCSE subject appears to act as a reliable proxy for functional numeracy or literacy. There are simple and logical reasons for this. GCSE English and mathematics teach a broad curriculum – the aim of both qualifications is obviously far wider than the simple assessment of functional skills. It has been argued that it would be difficult, within the structure of a single qualification, to accommodate greater emphasis on functional skills without squeezing out ‘higher’ content.

11. Moreover, under a ‘compensatory’ qualification approach, as exists currently and as is envisaged will continue under the proposed reforms, stronger achievement in one area counterbalances weaker achievement in another. It appears possible, therefore, for a candidate to perform poorly in sections of the GCSE English or mathematics exams assessing functional capability, and still be awarded a grade C. In other words, to an employer looking to recruit a young person, there is no ‘guarantee’ that a young person achieving a good pass in GCSE English or maths has achieved mastery of functional literacy or numeracy.

12. From a business perspective, this is a very unsatisfactory situation, and undoubtedly contributes to the ‘credibility gap’ perceived to exist in education – between what official grades show and employers’ ‘real world’ experience of recruiting and employing young people. In reforming GCSE English and mathematics, we believe that it would be a missed opportunity were this current weakness not to be addressed. In the IoD’s response to the Department’s parallel consultation, we welcomed the Government’s determination to improve standards of functional literacy and numeracy via more demanding content specifications. But there is also a strong structural element at play that inevitably touches on assessment arrangements.
13. We do not possess the technical expertise required to determine whether it is possible both to meet the wider assessment objectives for GCSE English and mathematics and to ensure the functional skills elements are rigorously, transparently and credibly assessed. But if GCSE English and mathematics cannot be reformed to operate as effective proxies for functional literacy and numeracy within the structure of a compensatory qualification, if – in layman’s terms – a good pass in either subject cannot be taken as a guarantee of functional ability then, from an employer's perspective, it would likely be preferable to decouple and separately recognise/examine/assess/test/certificate functional skills. We recognise that this issue is not directly addressed in the consultation, but it is of such significance to employers (and, ultimately, to young people as future employees), that we raise it nevertheless.

14. **Linear qualifications.** As the consultation notes, although all GCSE assessments are once more required to take place at the end of the course, they are still modular in design. “In other words, there is still one discrete assessment per unit, with no synoptic assessments requirements. Synoptic assessments require students to integrate different aspects of a topic and test students’ enriched understanding of a subject.” The IoD supports Ofqual’s proposal that the reformed GCSEs should include synoptic assessment, and that examinations should only take place in May and June. The increasing trend of early and double entry for some subjects is a further reason for supporting such a change.

15. **Spelling, punctuation and grammar.** As we made clear in our response to the relevant Ofqual consultation in 2011, whilst the IoD supported the principle of introducing specific marks for good spelling, punctuation and grammar into GCSE assessment, we had very significant concerns as to whether the proposals were anywhere near robust enough. We outlined a series of ways in which the proposals could be beefed up to protect the credibility of the policy, none of which appear to have been taken forward.

16. As the current consultation observes, GCSEs incorporating marks for spelling, punctuation and grammar have not yet been awarded. Thus, Ofqual does “not yet know, therefore, what impact the provision has had on marking, on attainment, on grading or on the teaching and development of students’ spelling, punctuation and grammar skills. We will evaluate the spelling, punctuation and grammar policy and its continued use once we have evidence about its impact.”

17. The IoD will be taking a close interest in the results of that evaluation, given the concerns we expressed about the strength of the proposals in the initial public consultation. In the current document, Ofqual now proposes that “the current requirements should be carried forward to the reformed GCSEs in the subjects for which spelling, punctuation and grammar marks have already been introduced”.

18. The IoD disagrees. We believe that this is an ideal opportunity to revisit the current requirements to determine how they might be strengthened. A key related issue is our earlier comments about the transparency of young people’s functional literacy and numeracy. One of the objections Ofqual voiced about dedicating a higher proportion of marks than the current 5% to spelling, punctuation and grammar was that it would distort the focus of the qualification. But on an issue of this importance, a ‘halfway house’ solution is far from satisfactory. If it is not possible for single subjects (English and mathematics) simultaneously to satisfy wider qualification aims and guarantee a threshold level of functional literacy or numeracy has been reached, this must be addressed – for example by separate assessment or certification of those skills. Awarding 5% of marks for good spelling, punctuation and grammar in greater (but ultimately limited) number of subjects, in a confined number of questions, and

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3 GCSE Reform Consultation, Ofqual, p. 23.
5 Again, see IoD response to Consultation on GCSE reform, Ofqual, September 2011.
6 GCSE Reform Consultation, Ofqual, p. 24.
7 GCSE Reform Consultation, Ofqual, p. 24.
flagging to students when they’re being assessed on those skills, is simply not an adequate substitute.

19. Whilst this submission is narrative rather than structured to follow the individual question prompts listed at the end of the consultation paper, in this area we felt it would be useful to supplement our general remarks above with responses to relevant specific questions:

Question 22. In the reformed GCSEs in English literature, geography and history we propose 5 per cent of the marks should be allocated to spelling, punctuation and grammar, as for current GCSEs in these subjects. To what extent do you agree with these propositions?

Disagree. We agree in principle with the move, but it’s insufficiently demanding.

Question 23. In the reformed GCSEs in English language, 20 per cent of the marks should be allocated to spelling, punctuation and grammar. To what extent do you agree with this proposition?

Disagree. Whilst the level of marks allocated to good spelling, punctuation and grammar should clearly be higher in an English language GCSE, we are not convinced this approach will satisfy employers’ demands on functional literacy, as outlined above.

Question 24. If marks are to be allocated for spelling, punctuation and grammar in English literature, geography and history, are 5 per cent of the marks the right amount? And in English language are 20 per cent of the marks the right amount?

English literature – Too little
Geography – Too little
History – Too little
English language – Too little (not the right approach)

20. Reporting student performance – GCSE grade names. We support Ofqual’s proposal to retain a grading model for the reformed GCSEs. Ofqual further proposes that the new grades “should be described by the numbers 1-8, with 8 representing the highest level of performance. New grades will not correspond precisely, or even necessarily approximately, to old grades, and so any continuation of the same grade names would be confusing. We think the best and clearest alternative to letters is a numbered grading system.”

21. The consultation paper makes some pertinent points about the effectiveness of the existing GCSE grading system, which “does not currently discriminate effectively throughout the ability range in all subjects”. This appears to be a particular issue at the higher end of the grade range, with more grades than necessary below C. In short, “the current grade scale provides more discrimination at the lower end of the range than at the top end…This means that the outcomes at the lower end appear to make finer distinctions between students than may be necessary.”

22. These are important observations, and ensuring that the GCSE grading system effectively discriminates throughout the ability range is indubitably important. However, disappointingly, the document fails to set out how a numeric scale would, in practice, improve matters. We are also very concerned about how the potential introduction of a new system could prove confusing, particularly if a numbered grading system for GCSEs sat alongside the existing letter-based A level grading system. If such a proposal is taken forward, it would be absolutely imperative to prioritise the communication of the changes – and how the new system should be interpreted – to employers. To repeat, the consultation paper lacks the detail confidently to say whether such a change would be

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8 GCSE Reform Consultation, Ofqual, p. 29.
9 GCSE Reform Consultation, Ofqual, p. 29.
10 GCSE Reform Consultation, Ofqual, p. 30.
positive or negative. But if the case is convincingly made, it might also be sensible – for consistency and ease of understanding – to consider making a similar change to A level grading.

23. This is largely a narrative response to the issues raised in the consultation. But, as for the questions above relating to marks for spelling, punctuation and grammar, we thought it would be helpful – for clarity – to provide responses on the specific consultation questions on this issue.

   Question 29. Eight grades would allow for sufficient differentiation of performance between students. To what extent do you agree with this proposition?

   Don't know. The consultation paper simply doesn’t provide sufficient explanation or modelling conclusively to determine this issue either way.

   Question 30. The number of grades at the higher and middle performance range should be increased to allow for greater differentiation. To what extent do you agree with this proposition?

   Don't know. This may be a sensible move, but the consultation paper simply doesn’t provide sufficient explanation or modelling conclusively to determine the issue either way.

   Question 31. The number of grades at the lower end of the performance range should be reduced. To what extent do you agree with this proposition?

   Don't know. This may be a sensible move, but the consultation paper simply doesn’t provide sufficient explanation or modelling conclusively to determine the issue either way.

   Question 32. Grades should be described using a new system to differentiate them from current GCSEs. To what extent do you agree with this proposition?

   Don't know. This might be appropriate, but there isn’t sufficient discussion of the issue in the consultation paper to comment more purposefully. In addition, we have real concerns about the potential confusion this move could cause employers.

   Question 33. Grades should be described using numbers. To what extent do you agree with this proposition?

   Don't know. This might be appropriate, but there isn’t sufficient discussion of the issue in the consultation paper to comment more decisively. In addition, we have real concerns about the potential confusion a change to the system could cause employers.

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Thank you once again for inviting the Institute of Directors to participate in this consultation. We hope you find our comments useful and look forward to seeing the consultation report and to further engagement on ensuing policy changes. If we can provide further information on any of the issues discussed, please do not hesitate to contact me.

Yours faithfully,

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