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Teachers Should Be Rewarded for Performance

Talk of performance-based pay for teachers often provokes heated reactions in education circles.

This is odd. What else would you pay teachers (or anyone else) for if not their performance? Surely not for non-performance?

We have always had a form of performance pay for teachers. In the past, teachers moved more or less in lock-step up the basic scale each year.

Were they getting paid more for getting older? Hardly. The implicit idea was that with experience, teachers generally got better at their job.

So the issue is not whether pay should be related to performance, but how that relationship should be determined.

Being paid according to the number of years spent teaching is obviously a very crude proxy for performance. It does little to reward effort and success and reflect how valuable a teacher is to a school.

Interestingly, despite the heat associated with the subject, there has been a quiet revolution in teacher pay arrangements in recent years.

Schools are now given a set number of what are called management units, which are in effect a bonus amount that they can distribute among their staff as they see fit.

The current value of the units is \$3,800 a year, and they can be paid in multiples or fractions.

Obviously the normal use of management units is for running departments, as the name suggests, but they can be used for other purposes, such as rewarding outstanding teachers who don't want to be heads of department or attracting teachers with subject skills (like physics) that are in short supply.

In addition, schools now have what is called RRR (recruitment, retention and reward) flexibility from locally raised funds (such as income derived from fee-paying international students) to top up pay, even for entry-level teachers.

So in practice we have moved a considerable distance towards more flexible pay arrangements for teachers. All of them are at the discretion of heads of schools, which is as it should be.

The standard objections to such an approach do not stand up.

Teachers point out that measuring performance simply on the basis of examination scores is unreasonable because the ability of students at different schools varies. Quite right: there should be no mechanistic link, although we should not lose sight of the importance of academic performance.

They also argue that much of teaching is teamwork, involving cooperation and sharing of knowledge, and that teacher participation in extra-curricular activities should be valued.

Again, all important and true points, but they are no less relevant in many other public and private organisations.

None prevents sound performance assessment by managers and heads of all these organisations. School principals, other teachers, parents and students themselves typically know which are the outstanding teachers and which the weaker ones.

In his book *Education Matters* published by the Education Forum, Australian academic Mark Harrison made several other points about performance pay.

One is that most workers in the economy are evaluated subjectively rather than mechanistically; the fact that output is difficult to measure is not unique to teaching.

Another is that good teachers are extremely valuable to society, and there is no reason why they should not be earning six-figure salaries, especially if schools were organised to get the maximum benefit from them.

For example, for some subjects and some teachers, larger classes might facilitate higher pay at no additional cost to the school.

Harrison points out that wider features of the education system affect the structure of pay and who is attracted to the teaching profession.

He quotes Harvard University academic Caroline Hoxby as saying that “schools that faced stronger competition would favour teachers who raised the schools’ ability to attract students...

“In turn, you would expect their tolerance for less-effective teachers to wane. You would expect, in fact, that teaching would be transformed into a true profession, where workers are rewarded not only on the basis of seniority but also on the basis of their skills and performance.”

Hoxby’s comment brings out a related point: pay arrangements are not the only thing that matters for teacher performance. The nature of employment arrangements, such as the ability to hire teachers for trial periods or fixed terms, and to dismiss ineffective teachers, are also critical.

And in a more competitive system, just as in private schools, those making the decisions about promotions and bonuses have incentives to get them right.

Much research shows that teacher quality is a key factor in the educational success of students.

With respect to teacher pay we have come some distance towards better arrangements.

But there are still rigidities in pay structures, employment arrangements, and the education system as a whole. We should not let shibboleths get in the way of further improvements.

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