C. Questions specific to performance pay

Does evidence suggest that teachers prefer one type of performance-based compensation system over another, such as group-based performance awards or individual performance awards?

Teacher compensation can take many forms: added pay for demonstrated knowledge and skills (related to improving student performance), incentive pay for teaching in hard-to-staff schools and subjects, responsibility pay for teachers who assume additional duties, and higher compensation for teachers who improve scores on their students' standardized tests. Researchers generally calibrate this last measure—scores on standardized tests—either by examining individual teacher's student scores or by appraising student scores achieved by groups of teachers working together. This issue is controversial, and those who oppose awarding incentive pay to teachers based on their students' scores argue that current testing systems do not accurately or comprehensively assess students' progress or learning (Azordegan, Greenman, & Coulter, 2005; Milanowski, 1999; Odden & Kelley, 1997). Conversely, advocates of individual-based awards assert that when used carefully and in a sophisticated manner, scores on student achievement tests can provide reliable measures of student learning to calibrate teacher pay (Solmon & Podgursky, 2000).

Azordegan et al. (2005) also point out that those who favor group awards believe that group-based structures encourage teacher collaboration and that they may encourage teachers to address broader goals that match community and school expectations. Conversely, those who favor individual awards assert that individual-based systems eliminate the "free-rider" problem of some teachers earning added pay without exerting added effort (Milanowski, 2007). In general, a number of factors influence teachers' dispositions to support or oppose performance award systems, including their perceptions of the relative fairness of the system (Heneman & Milanowski, 1999; Kelley, Heneman, & Milanowski, 2002).

What are the prospects for teacher performance pay? New evidence from a study of North Carolina elementary teachers suggests that effective teachers do have a "spillover effect" on their colleagues, and this finding has implications for the way that performance-pay systems are structured. Jackson and Bruegmann (2009) found that when a highly effective teacher in a grade replaced a previous, less effective, teacher, student achievement in mathematics and reading rose across all classrooms within the grade. The researchers caution that performance-pay systems that reward individual teachers rather than teams may reduce these positive spillover effects if the system fosters competition and reduces

teachers' incentives to work collaboratively and assist their peers. Giving credence to this warning, new research from the POINT program in Nashville, Tennessee, which gave individual teacher awards, indicates no existence of a spillover effect (Springer, Ballou et al., 2010).

Another study of individuals preparing to be teachers suggests more favorable attitudes toward individual rewards than might be expected (see Milanowski, 2007). Most teacher candidates indicated a preference for performance pay. They acknowledged the difficulty of measuring performance but seemed to accept the idea that teachers who contribute more deserve higher compensation. Interestingly, this group also favored individual-based performance pay and pay for knowledge and skill above group-based performance awards.

Recent evaluations of two statewide performance-pay plans in Texas, the Governor's Educator Excellence Grant (GEEG) and the Texas Educator Excellence Grant (TEEG) programs, revealed a number of significant findings about teacher preferences for individual versus group awards (See evaluation reports by Springer et al., 2007; Springer et al., 2009; Springer, Podgursky, Lewis, Ehlert, Ghosh-Dastidar et al., 2008; Springer, Podgursky, Lewis, Ehlert, Gronberg et al., 2008; see also the corresponding series of research briefs from the National Center on Performance Incentives, 2008a, 2008b, 2008c, and 2009). Participants in the GEEG program indicated a slight preference for group rewards over individual rewards, but there was strong support for both approaches. GEEG participants were somewhat more likely to favor egalitarian award distribution systems (i.e., all teachers receive the same-sized bonus) over more individualistic award distribution systems (i.e., the size of the bonus varies, depending on the performance of the individual teacher). The majority of participants in the TEEG program also preferred bonuses that were equally distributed among teachers, and this preference became stronger when presented with increasingly competitive options (i.e., progressively larger bonuses restricted to smaller portions of top performers). TEEG participants in schools with more individualistic award distribution systems held more positive views of performance pay in general but more negative views of TEEG plans, specifically. On the whole, survey responses indicate that the majority of participants in GEEG and TEEG did not believe that these performance-pay programs had adverse effects on workplace collegiality or teamwork in their schools. These views remain consistent among new and veteran teachers and award recipients as well as nonrecipients. Additional research on the Texas DATE program—a grant program that gives money to districts implementing performance-based compensation systems—showed similar patterns in teacher attitudes (Springer, Lewis et al., 2010); teachers in the DATE schools did not experience more levels of teacher competition under the performance-based compensation program.

Like most other groups of professionals, teachers are likely to vary as to which reward bases they prefer. Age, personality, values, trust in management, and the likely outcome for the particular teacher may affect pay system preferences. Factors such as whether the system is viewed as fair and whether the teacher believes he or she can influence the performance to be rewarded are also likely to be important in determining teacher preferences (Milanowski, 2007). Teachers in small elementary schools, where

collaborative teamwork is emphasized and tests measure more of the important outcomes, may feel more comfortable with a school-based or team-based reward than teachers in a large high school, where available tests measure learning in only a few of the subjects taught.

At present, research is not yet mature enough to definitively determine teacher preferences for either individual or group performance awards. In addition, individual awards may simply not be practical for some groups of teachers due to current limitations in assessing the effect that an individual teacher has on student performance. For example, teachers of nontested grades and subjects (e.g., art, music, physical education, vocational education, and foreign languages) and those who teach English learners or students with disabilities may encounter such limitations because they have no standardized assessment results for use in evaluation (see Prince et al., 2009). Hybrid programs are a popular solution because they base part of a teacher's award on individual classroom performance, when possible, and part on group performance (at the school, department, or grade level).

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The Center for Educator Compensation Reform (CECR) was awarded to Westat — in partnership with Learning Point Associates, Synergy Enterprises Inc., Vanderbilt University, and the University of Wisconsin — by the U.S. Department of Education in October 2006.

The primary purpose of CECR is to support Teacher Incentive Fund (TIF) grantees in their implementation efforts through provision of sustained technical assistance and development and dissemination of timely resources. CECR also is charged with raising national awareness of alternative and effective strategies for educator compensation through a newsletter, a Web-based clearinghouse, and other outreach activities.

This work was originally produced in whole or in part by the CECR with funds from the U.S. Department of Education under contract number ED-06-CO-0110. The content does not necessarily reflect the position or policy of CECR or the Department of Education, nor does mention or visual representation of trade names, commercial products, or organizations imply endorsement by CECR or the federal government.

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