F. Building Teacher and Community Support for New Compensation Systems

What factors affect teachers' perceptions about the fairness of performance-based pay?

Teachers' perceptions about the fairness of performance evaluations and the extent to which they are held accountable or responsible for students' test scores affect their willingness to participate in performance-based pay plans.

Accurately evaluating teacher performance is difficult, as Murnane and Cohen's research demonstrated (1986). Despite this difficulty, teachers' impressions of performance-evaluation systems play a crucial role in the success of performance-based pay programs. In fact, research suggests that teachers' inclinations to participate in performance-award systems are related to their perceptions of the system's fairness.

Teachers often have concerns about performance systems that use methods such as principal evaluations to award financial bonuses, especially if these systems are viewed as overly subjective. Some research has found that the correlation is low between teachers' performance evaluation ratings and student performance (Medley & Coker, 1987). A qualitative review of the literature by Peterson (2000) concluded that principals are not accurate evaluators of teacher performance and that both teachers and administrators have little confidence in performance evaluation as a process.

However, a number of other researchers have found that principal ratings of teachers are reliable predictors of teacher effectiveness, as measured by student test score gains (Armor, Conry-Oseguera, Cox, King, McDonnell, Pascal, Pauly, & Zellman, 1976; Murnane, 1975). Jacob and Lefgren (2005), for example, found that principals' assessments of teachers predicted future student achievement significantly better than teacher experience, education, or actual compensation, though not as well as value-added measures of teacher effectiveness. Principals were quite good at identifying teachers in their schools who produced the biggest and smallest achievement gains, but were less effective at making finer-grained distinctions among teachers in the middle of the distribution, and they tended to discriminate against male and untenured teachers. In addition, a principal's overall rating of a teacher was a better predictor of parent satisfaction as measured by future parent requests for that teacher than the teacher's experience, education, actual compensation, or value-added measures of effectiveness.

In addition, financial incentive systems based solely on students' scores on standardized tests also often are viewed with suspicion by teachers. They view this as being held accountable for matters outside their control. (Research indicates that test scores are related to multiple factors, including students' socioeconomic status and outside-of-school support.) Such

suspicion about the efficacy of test scores to evaluate teacher performance may begin to diminish with the application of increasingly sophisticated value-added systems of assessment. These value-added systems measure student growth rather than absolute achievement and can take into account factors over which teachers have little control (Azordegan, Greenman, & Coulter, 2005).

Performance-pay systems that rely on a variety of measures rather than on a single measure tend to be more likely to be accepted by teachers. Measures might include student performance gains, demonstrations of knowledge and skill, and peer and principal review (Azordegan et al., 2005).

Teacher performance pay is a relatively new phenomenon that is just gaining prominence among policymakers. As systems develop and are implemented, more will be learned about them, including how to increase teachers' perceptions of system fairness.

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This synthesis of key research studies was written by:

Cynthia D. Prince, Vanderbilt University; Julia Koppich, Ph.D., J. Koppich and Associates; Tamara Morse Azar, Westat; Monica Bhatt, Learning Point Associates; and Peter J. Witham, Vanderbilt University.

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CECR Center for Educator Compensation Reform

Allison Henderson, Director
Phone: 888-202-1513
E-mail: cecr@westat.com

28082.1009.83670407