

C. Questions specific to performance pay

Does evidence suggest that teachers prefer some types of performance pay systems more than others? For example, are group-based performance awards that reward teams of teachers or all teachers in a school more likely to motivate teachers than individual 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. This last measure—scores on standardized tests—can be calibrated either by examining individual teacher's student scores or by appraising student scores achieved by groups of teachers working together.

Azordegan et al. (2005) note that 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 (Milanowski, 1999; Odden & Kelley, 1997). 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 that can be used to calibrate teacher pay (Solmon & Podgursky, 2000).

Azordegan et al. also point out that those who favor group-based awards believe that this structure encourages teacher collaboration and that it may encourage teachers to address broader goals that match community and school expectations. Those who favor individual-based awards, on the other hand, assert that this system avoids the free-rider problem of some teachers earning added pay without exerting added effort (Milanowski, 2007). In general, teachers' dispositions to support or oppose performance award systems are influenced by a number of factors, 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 one teacher in a grade was replaced with a highly effective one,

student achievement in math 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 help their peers.

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. While acknowledging the difficulty of measuring performance, they seem to accept that those who contribute more should be paid more. 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- vs. group-based awards (see evaluation reports by Springer et al., 2007, 2008a, 2008b, and 2009; see also the corresponding series of policy 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 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 options that became increasingly competitive (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 were held by both new and veteran teachers, and by award recipients as well as non-recipients.

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 team work is emphasized and tests measure more of the important outcomes, may feel more comfortable with a school- 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 teachers' 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. This is often the case for teachers of subjects that are not tested with standardized achievement tests (e.g., art, music, physical education, vocational education, and foreign languages), those who teach grades that are not usually tested, and those who teach English language learners or students with disabilities (see Prince et al., 2008). One solution is to reward those teachers that we can on the basis of individual measures and others via school rewards until better measures become available. 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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