

## Compensation reform must be organizationally sustainable

Teacher quality and effectiveness are a function of management quality and effectiveness. This recognition is missing from most of the policy debates on performance-based compensation and teacher quality. Management effectiveness cannot be assumed or taken for granted.

Students and teachers perform at higher levels when a school system is functioning systematically on behalf of the classrooms. Bringing this about requires a dual managerial focus: aligning the organization in support of the classrooms and upgrading the quality of district services to the schools. It also requires clear and widely accepted definitions of what is meant by teacher and management effectiveness—definitions that are lacking in most districts.

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### Alignment and quality

Consider the core requirements of alignment and quality. They include improving the quality of *and* strengthening the relationship between the following:

- Teacher and school objectives.
- How instruction is planned and delivered based on the objectives.
- The instructional help provided to teachers.
- The quality and timeliness of data on student learning.
- The availability and appropriateness of multiple assessment measures that can track individual student gains.
- The substance and relevance of professional development offered to teachers
- The quality of classroom supervision.
- The content of teacher evaluation and its appropriateness to the purpose of the evaluation.
- The connection between student achievement, human resources, and financial systems.<sup>8</sup>

The goal is not just to improve the coordination of services, but to strengthen their quality, as well.

Tying what students learn to what educators earn provides a powerful vehicle for focusing on these issues of organizational alignment. It also requires a district to focus on the twin pillars of effective reform: support and accountability. More is involved than just establish-

ing an accountability target and rewarding annual results; a district has to also intentionally build capacity so that more professionals achieve at higher levels. Failure to recognize the interdependence of support and accountability consistently undercuts the potential of performance-based compensation just as it has undercut the promise of the accountability movement overall.

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## Ownership

The issue of ownership is directly related to the issue of alignment. Understanding and supporting compensation reform needs to become a bottom-line, operational reality throughout a district. Rather than being an additional responsibility piled on what central administrators already are doing, it needs to change what they do.

The fundamental difference between compliance and real ownership is in priority and commitment. When the district approves a design for performance-based compensation and begins implementation, district leadership must identify specifically how the cabinet and each relevant department will address the support requirements, what results are expected, and what the timeframe will be. More is involved than having a list of performance metrics.

What is required in most instances is defining how district resources or practices will be realigned, how departmental priorities will be adjusted, and how current departmental strategies will be modified. These decisions and actions should be incorporated into a cabinet-accountable unified plan of action. This is the kind of effort and leadership that demonstrates ownership. It is essential to making a district's performance-based compensation a success in ways that the reform efforts in so many other districts have yet to achieve.

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## Champions and organizational support

The district should signal the importance of linking compensation to teacher performance by aligning all key organizational units and departments in support of the initiative. Even given the conflicting responsibilities that exist in most large districts, each unit and department must understand that the initiative has unquestioned priority status within the central administration. It must therefore have the same priority status for the unit and department. Meeting this objective means that all affected units and departments—including curriculum and instruction, assessment, accountability, human resources, finance, and communication—support and are held accountable for supporting the implementation of the pilot and longer-term plan.

For example, the superintendent's cabinet, the department heads, and other key stakeholder groups can help advocate for the reform by designating "champions" for the initiative—those who are provided the time, authority, and accountability to identify and implement changes that will accompany compensation reform. These champions must:

- Have the ability and authority to address issues of turf and jurisdiction.
- Bring appropriate parties to the table.
- Ensure that departments respond directly to the needs of the initiative.
- Ensure that decisions are implemented promptly and effectively.

In short, these champions must enjoy the clear support of the superintendent and the cabinet, who in turn must communicate to the entire staff that the initiative will be fully supported throughout the district.

There will need to be particularly clear linkages between the curriculum, instruction, and human resources areas to support implementation of the compensation plan at participating schools. There will be a concurrent need for greater communication and coordination between curriculum staff, the school supervisors, and the professional and leadership development services. Most critically, identifying formal mechanisms among the various departments and units—assessment, curriculum, and professional development—will ensure that principals and teachers learn how to interpret any applicable assessment data and use their results for instructional improvement.

As indicated earlier, increasing the levels of student learning and rewarding a teacher's contribution to student learning depend on organizational and classroom capacity-building. It is this commitment to increasing the levels and extent of teaching excellence that separates true performance-based compensation from more superficial approaches that make financial awards based solely on single test-based comparisons.

Effective launching and scale-up requires anticipating and developing the organizational competencies that will support both the pilot and the subsequent larger-scale implementation of the compensation plan. This also means recognizing and addressing the strains on district systems and culture that emerge during the different phases of implementation.

Spurred by the federal government and foundations, many districts and states are focusing on investments in standards, assessments, and data-driven accountability. Leveraging this investment into scalable and sustainable gains in student achievement requires a parallel investment in strengthening local capacity to use these systems to improve teaching and learning. Doing so is the essence of performance-based compensation.

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### Mid-course corrections

Sustainability depends on organizational change and improvement. In this regard, there are specific national lessons learned in planning and implementing performance-based compensation. Three lessons in particular are relevant to most districts. They set the stage for the mid-course corrections that may be necessary over time to strengthen organizational alignment and quality.

The first lesson is the importance of establishing baseline measurements of student achievement; staffing procedures; related costs; and teacher, principal, and parent attitudes at the outset of the reform. A district can establish these measures and develop methods of delineating outcomes throughout the process of compensation reform. The second lesson is the utility of providing formal interim reports and a final report on the initiative's progress and impact. The third lesson is that it is essential to evaluate both the intended and unintended consequences resulting from the implementation of the new compensation plan.

Performance-based compensation drives reform. Necessary organizational changes are in turn guided by the determinations of whether the components of performance-based compensation are being supported, under what circumstances they are viable, what specific results are being reached in areas ranging from improving student learning to meeting the needs of hard-to-staff schools, and what is required to make their implementation more effective. This analysis includes examining the organizational and financial supports that are marshaled to support effective implementation.

The next phase in developing organizational sustainability comes from establishing priorities based on the results from each successive year of the pilot, the analyses of interviews and survey responses, determinations of the organizational requirements related to increasing the scale of implementation, and the qualitative assessment of the support capacity of district units. The district will next define, determine the roll out, and evaluate the impact of the appropriate intervention and support strategies.<sup>9</sup>

As the initial phase of the initiative comes to a close, it is necessary to define the organizational changes that will be required to implement the reforms planned at a greater level of scale. Because these organizational changes themselves can affect working conditions of teachers, a district will want to evaluate the consequences of implementing the reforms district-wide rather than in expanded phases. Again, the potential impact of performance-based compensation will be compromised if the scale-up is poorly supported or fails to build on lessons learned during the process.

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## Bottom line

Effective implementation requires that systems function on behalf of the schools and classrooms. District leadership and systems need to directly address challenges of organizational quality and alignment.

Both practice and policy have to focus on capacity-building. This need cannot be overestimated. Compensation reform produces organizational strains and brings a district's weaknesses to light. If capacity-building is approached systemically, results can include improvement in student learning on a range of assessments; measurable improvement in

how constituent groups perceive the performance of the district; central administrative systems that have more orientation, reach, and success in supporting the classrooms; and more effective instructional practices that are demonstrably guiding the reform.

When districts understand and address the nuances and complexities of implementation, performance-based compensation works to the benefit of students and teachers. This approach differs markedly from efforts that neither increase the levels of teaching excellence nor fundamentally change management's delivery of services to the schools.