

in brief...

# Performance pay for teachers: is it working?

The introduction of performance-related pay in England's schools has had a generally bad press. But **David Marsden** and **Richard Belfield** find that it is starting to have a positive impact both on school management and pupils' academic achievements.

## Performance pay and performance

management were first introduced into schools in England and Wales in the autumn of 2000. With their specific focus on both the contribution of teachers' performance to the achievements of their pupils and how they can be measured and linked to the overall targets set for schools, these reforms represent a radical departure from long-established methods of paying teachers and managing state schools. But are they working? To answer this question, we have been carrying out a regular survey of more than 300 head teachers and 1,000 classroom teachers since just before the new system was launched.

The new performance management scheme gives heads a mechanism for linking teachers' classroom objectives with those of the school as a whole. It involves annual performance reviews for all teachers in which they agree targets for the coming year with their team leaders or the head. There is also a 'threshold assessment' of performance, which is situated at the top of the old pay scale. If teachers pass, they then move onto a new upper pay scale in which progression depends on performance.

Passing the threshold brings a large salary increase and movement up the upper pay scale. When it was first introduced, the pay rise would take the annual salary of teachers who were at the top of the old pay scale from about £24,000 to £26,000 with the opportunity to rise to £30,000. This was at a time when average white-collar full-time annual earnings stood at a little over £25,000.

The success of the new performance pay system can be evaluated in a number of ways:

- whether the opportunity to earn more has improved motivation and given teachers' greater incentives;

- whether the performance reviews have improved co-ordination of teachers' efforts through better goal-setting;
- whether the system has helped to improve management within schools;
- and whether it has led to better academic results for pupils.

## Motivation and incentives

Only a small minority of the classroom teachers we survey say that performance pay gives them extra incentives and motivates increased effort. This fits with other studies of teachers' attitudes to financial rewards: they look to other aspects of their work for positive motivation. Nevertheless, a greater proportion of younger than older teachers think that the extended pay scales make it more worthwhile to stay in teaching.

## Goal-setting

In contrast to the rather negative findings on motivation, much larger numbers of both teachers and heads think that performance management has helped to improve goal-setting within their schools. What's more, the percentage of those reporting improvements has increased with each wave of the survey.

Initially, there were widespread fears that heads would adopt simplistic goals based on test pass rates. In contrast, examples include reviewing performance weaknesses of a whole class or school year and agreeing targets that would seek to address these, such as narrowing the gap between girls' and boys' achievements in a particular subject. This suggests how reviews can help to focus teachers' efforts less on possible weaknesses in their own performance and more on the needs of their pupils and the school.

Performance management makes it possible to integrate classroom teaching objectives with those of the whole school

