

Teachers before the ‘Threshold’

David Marsden (London School of Economics)

1. Performance, pay and partnership

'The Government wants a world-class education service for all our children'.

The opening sentence of the Green Paper *Teachers: meeting the challenge of change* expresses the manifold pressures on our education system to provide the skills our children need in a fast-moving global economy while at the same time stressing the need for social inclusiveness. A distinguished French politician summarised his country's response to the shifting balance in the world economy as: 'we have no oil, but we have ideas'.¹ As the former US Labour Secretary, Robert Reich, argued, jobs in the advanced industrial countries depend increasingly upon our human capital, and hence on the quality of our educational systems². The question is how to deliver this with a workforce of teachers who feel and are widely seen as under-paid and under siege.

To address these problems, the Government has proposed to raise teachers' salaries substantially, but selectively, by introducing a 'Threshold' at the top of the current experience-related salary scale. On passing this, teachers would enter a new upper pay range with further pay increases based on an annual performance review. Passing the Threshold would itself be based on an assessment of their professional knowledge and teaching skills, and more controversially, on pupil progress. Although performance pay has operated for head teachers since January 1991, its introduction for classroom teachers is a radical departure. As the teachers' unions point out, there has been nothing comparable for teachers since the experiments of linking pay to pupils' results were abandoned a century ago.

Unlike its recent predecessors, this Government espouses social partnership as a method for promoting social and economic change. This offers a new role and a new challenge to unions. Modern pay systems that seek to encourage employees to develop their skills and improve their performance pose a direct challenge to the old 'rate for the job' systems, but they also generate new demands for employee representation.

Recognising the importance of this new approach to teachers' rewards, the Centre for Economic Performance decided to launch a 'before-and-after' study of the reforms. This article discusses *provisional* results from the 'before' part of the study based on a questionnaire survey of teachers carried out in January and February 2000³. The new salaries are scheduled to come into operation in the autumn of 2000 after an intense period of teacher assessments for the Threshold to be carried out during the summer. We plan follow-up surveys next year and in two years' time.

This article examines some of our early findings on teachers' responses to the proposed system. At the end of the article, I discuss some likely problems and look at the potential role for union-management partnership.

2. Key elements of the new pay system

In the words of the Green Paper, the key objective of the new salary and performance management system is 'to provide greater incentives and rewards for good performance and to establish routes for better career progression'.⁴ It comprises two key elements: the Threshold, and Performance Management.

The aim of the Threshold is to lift the barrier for classroom teachers' careers and rewards under the current salary system, which they normally reach after between seven and nine years in the job. It also seeks to improve the rewards for remaining in teaching as distinct from moving into management or education administration. The standards required to pass the Threshold successfully include: professional knowledge, teaching skills, wider professional effectiveness and characteristics, and the hotly debated element of 'pupil progress'. On passing the Threshold, the Government has proposed that teachers should receive an immediate salary enhancement of £2001.

The second element is Performance Management. Passing the Threshold would open up a new upper pay range extending from about £26k to about £30k, comprising four enhancements of about £1,000 based on the outcome of a Performance Review⁵. The system of Performance Review would apply to all teachers, but only for those on the upper pay spine, those in the leadership group, and those on the proposed 'Fast Track' below it, would pay be linked to performance.

3. Teachers' views on linking pay to performance

Teachers stand apart from most other groups of public servants, but alongside doctors and nurses, in their opposition to performance pay in principle. Of the two thirds who disagreed with the principle, over half did so strongly. This opposition was already evident in the CEP's earlier study which included head teachers⁶, and is visible too in the more recent opinion surveys carried out for the teachers' unions.⁷ Opposition is also strong to one of the key proposals: that performance management should take some account of pupil progress. Teachers are strongly attached to the principle that pay should reflect job demands, there is a strong feeling that all teachers deserve a pay rise, and that whatever the unfairness and inconsistencies of the old system, the proposed link between pay and performance will do little to improve fairness.

No.		Disagree	Neutral	Agree
2	The principle of relating teachers' pay to performance is a good one	63	12	24
4	The principle that individual teachers' pay should take some account of pupil progress is a good one	56	17	27
3	Teachers' pay should reflect the demands of the post and not the performance of individuals	11	11	77
16	The salary levels above the Threshold are too low to make me want to work harder in order to get them	14	39	36
6	The best way to reward good teaching is to raise existing salary levels for all teachers	12	9	79
21	Linking pay with the Performance Review will result in a fairer allocation of pay	70	15	11

Note: in this, and similar tables in this article, the figures show row percentages, omitting 'don't knows'. Thus 63% disagreed with the principle of performance pay (Q2), 12% were 'neutral', and

The Green Paper stresses the positive arguments for improving rewards and incentives, but much of the teachers' response is likely to be conditioned by what they believe are its true objectives. Here, there is general scepticism about the professed goal of raising pupil achievements, and a strong suspicion that there is a hidden agenda of minimising the cost of uprating teachers' salaries, and of getting more work out of them. This is clear from the belief that financial constraints will impose a 'quota' so that many deserving teachers will not be allowed to pass the Threshold. Signs of teachers feeling the 'under siege' can be seen in the large number who believe they cannot work any harder than they do, and that they usually lose out whenever things change in education.

No.		Disagree	Neutral	Agree
8	The Green Paper pay system is designed to raise pupil achievements	58	22	13
9	The Green Paper pay system is a device to avoid paying more money to all teachers	9	18	68
10	For all that is said about pupil attainments, the Green Paper pay system is simply a device to get more work done.	14	26	54
20	In practice, many excellent teachers will not pass the Threshold because there is certain to be a quota on places available	3	8	82
14	Whenever changes are made in education teachers usually lose out in the end	10	22	66
13	It is very hard for teachers like me to improve our performance because we already work as hard as we possibly can	6	6	88

4. Working time pressure and commitment

One very important factor conditioning teachers' responses to the Green Paper is their perception of the new system as punishment-centred. It rewards those judged to be doing well, but by implication it withholds rewards from those who are not. One should not underestimate this factor. It is easy for highly successful managers, political leaders, and consultants to forget such fears among those struggling lower down the pile. This feeling is captured in teachers' beliefs about a quota, that they cannot work any harder, and the general lack of fairness.

Although probably not intentional, fostering such fears among teachers jeopardises some of the key factors teachers find motivating about their work. Our first survey results echo the long working hours found in earlier School Teachers' Review Body working time surveys. Teachers in our sample worked a median 14.8 hours beyond 'directed time' in the week before the survey, equivalent to a term-time work week of over 50 hours.⁸ The reasons they give for these extra hours are revealing, and have little to do with financial and promotion incentives. The most common reason given is that it was felt to be the only way 'to continue to give a high quality of education' to their pupils.

Type of out of hours activity	% of 'non-directed' hours devoted to each activity	First reason	Second reason
Lesson preparation and marking	54	Quality of education	To get the work done
Seeing parents and pupils outside class time	10	Quality of education	Activities occur after hours & don't let down pupils & colleagues
Involvement in school clubs, sports, orchestras, etc.	5	Activities after hours	Enjoy the work
School/staff management: meetings	11	Management pressure	To benefit school
General administrative tasks	14	To get the work done	Quality of education
Individual & professional development activities	5	Quality of education	Activities occur after hours
Total	100		

These reasons mirror those given for remaining in teaching, which stress the intrinsic interest of their work over the financial and status rewards of their jobs. They also reflect the very high levels of commitment our survey found both to their schools and the teaching profession. These appear far above those of many other groups of workers in the economy.

In other words, teachers do not see themselves as cynically taking advantage of their relative job and pay security to enjoy 'on-the-job leisure'. If anything, they feel trapped into going the extra mile, or two, in order to give their pupils the quality of education they believe they deserve.

5. Fairness of operation and union-management ‘partnership’

If it is to succeed, the Threshold and Performance Management system must be seen to operate fairly. The CEP’s earlier research on performance pay has highlighted just how far perceptions of unfair operation can blight incentive schemes, causing them to demotivate rather than to motivate staff. This opens up one of the most important challenges for the Government’s and the TUC’s belief in social partnership. Our survey provides several examples of where this might be achieved, and where partnership between the employers, school management and the teachers’ unions can help reduce the risk of the scheme going badly wrong and demotivating teachers

The fear of unfair operation mentioned earlier doubtless explains why over 80% of our respondents saw the need for an appeals procedure. As a general rule, appeals procedures need a strong measure of independence if they are to be seen to be fair. Beyond this, the unions can also help get the balance right on the measures to help teachers achieve Threshold performance standards. Economists often argue that employers need to link pay to performance when jobs involve a lot of discretion and effort is hard to monitor because employees will take the easy option if they are paid the same no matter how hard they work. Our survey probes this factor by asking teachers for their views about whether there are significant variations in teacher effectiveness, and what might be their causes. Around 60% believe there are such variations. So at first glance, one might think the economist’s view is vindicated: there is plenty of scope for incentives to get more people up to the higher standard.

However, the reasons teachers gave cast a more subtle light. Differences in teaching skills were cited by a quarter of teachers, and another quarter mentioned the ability to motivate their pupils. Both of these might be addressed by training. Hence, one way to make the Threshold more effective, both raising standards and rewarding teachers, would be to encourage teachers and their schools to invest more in professional development. One in seven mentioned difficult workloads suggesting that the Threshold would lead to higher performance by encouraging some schools to address the workload issues. Only one third mentioned the issue stressed most by the economic theory of incentives: differences in motivation and morale. Without closer analysis it is not possible to say how far such differences in motivation are due to lack of financial incentives or to other causes.

Sources of variation in teaching effectiveness among experienced teachers in my school	% citing as main factor
different levels of teaching skills	25
differences in motivation or morale	32
differences in age	1
ability to motivate their pupils	22
some teachers have a very difficult workload	14
Other	7
Total	100

One very important role for the teachers’ unions then would seem to be to keep the pressure on the government, and school management to ensure that the necessary professional development and other procedures are in place to help teachers achieve the standards necessary to pass their Threshold assessment.

Finally, union pressure may help to avoid the injustices that could arise from uncertainty about future government funding of the pay increases for those passing the Threshold. The Government has pledged that salary increases arising from teachers passing the Threshold successfully will be funded for the first two years, and has assured that it has budgeted for its medium-term costs. It is very important that the Government should not be ‘blown off course’. Should financial constraints make it harder to pass the Threshold in the future there is a clear danger of inequity between ‘first’ and ‘second generation’ applicants. It is just such feelings of unfair operation that emerged in the CEP’s previous research as undermining the legitimacy of performance management in the eyes of public servants.

When considering the implementation of PM, which groups do you feel share broadly the same interests as yourself?	Broadly the same	Mostly different	It’s hard to say
a) Your school’s governors	24	16	60
b) The leadership group/management team in your school	49	19	32
c) Other teachers in your school	79	5	16
d) Other teachers in your union or professional association	65	5	30
e) Your union or professional association	61	7	32
f) The DfEE or your LEA	9	36	54

Are the unions the right groups to do this? A telling piece of evidence from our provisional results shows how far teachers trust their unions to represent their interests faithfully in this area. Two thirds replied they felt they shared the same interests with other teachers in their unions, and sixty percent felt their unions themselves shared their interests. Indeed, half of the teachers feel the leadership team in their school shares their interests on the Green Paper. Of the remainder, most found it ‘hard to say’. In contrast, most teachers either thought the DfEE’s interests were different, or found it hard to say how close their interests were. Our previous research shows how important it is that performance management systems are seen to be fairly operated. The DfEE might well be as capable as the other parties of administering the procedures fairly, but what counts are teachers’ perceptions. On our evidence so far, if the teachers’ unions were to judge the scheme to be fairly operated, teachers would be far more likely to believe them than the DfEE or other government bodies, and they would therefore be far less likely to find the scheme demotivating. The stakes are high. On the success of these management reforms, hangs the success of the Government’s ambition for a world-class education service.

6. Acknowledgements.

This study would not be possible without the willingness of the many classroom and head teachers who have given up their time to complete the questionnaires. I should also like to thank all the officials of the teachers' unions and the DfEE, and my academic colleagues at the LSE, who have generously helped with the design of this study, and who have commented on this short article. Thanks also to my students in 'Lara's team', as it became known, who carried out the coding and data entry with great speed and efficiency, and the excellent administrative support we received. The study is funded by research grants to the Centre for Economic Performance from the Economic and Social Research Council and the Leverhulme Foundation. The opinions expressed are the sole responsibility of the author. A slightly edited version of this article will appear in the May issue of *CentrePiece* published by the Centre for Economic Performance.

David Marsden is Professor of Industrial Relations at the London School of Economics, and a member of the Centre for Economic Performance.

¹ 'On n'a pas de pétrole mais on a des idées'.

² Reich R. B., 1991, *The work of nations.*, Vantage Books, New York.

³ It should be stressed that all of the statistical results in this article are provisional, using that part of the final sample ready for analysis at the time of writing. It represents about two thirds of the likely final sample, and is based on just under 3,000 replies.

⁴ Green Paper, Technical Consultation Document, p. 17.

⁵ There will also be additional allowances for management, recruitment and retention and special needs.

⁶ Marsden D.W, and French S. (1998) *What a performance: performance related pay in the public services.* Centre for Economic Performance Special Report, London School of Economics.

⁷ 'Teachers' attitudes to the Green Paper', NOP Survey for the NASUWT, January 1999. 'Teachers' Threshold Survey. Tabulations and report prepared by NOP Research Group for the NASUWT', September 1999/430817.

⁸ This compares with an average (mean) of 12.1 hours in primary, and 13.3 hours in secondary schools found by the STRB survey 1996, against a background of average weekly hours of 50.8 hours in primary and 50.3 hours in secondary schools.