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**Performance Pay for Teachers: Linking Individual
and Organisational-Level Targets**

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Abstract

The introduction of performance-related pay and performance management schemes in the maintained, state, school sector represents a considerable change in the school management system. This paper combines the results of opinion surveys of classroom and head teachers with Department for Education and Skills school performance data to consider the operation and impact of the new system in England since 2000. We find that teachers' response to the new system closely resembles that of other groups of public service workers to similar schemes. In particular, teachers appear not to be greatly motivated by the financial-incentive element of the system. However, the goal-setting and appraisal aspect of the system is steadily establishing itself in schools, and seems to be giving rise to a better alignment of teacher and school objectives and with those of national-level policy objectives. We present tentative evidence that improvements in goal setting within schools are positively related to rising pupil academic performance.

Keywords: Education, teachers, performance related pay, public sector, compensation, industrial relations
JEL codes: I2, J33, J45, M52

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1. Introduction

The introduction of performance management for classroom teachers in England and Wales from the autumn of 2000 has been a reform with great ambitions. It represents a fundamental departure from long-established methods of managing schools: it introduced a specific focus on the effects of teacher performance on outcomes for their students; and it tied this to ways in which they can be measured, and linked to the targets set for schools. Coming after local management for schools and the establishment of school performance targets and league tables, in principle, performance management for teachers provides the keystone for school management reforms. Schools have greater autonomy to manage their budgets, and the performance league tables and parental choice have created a quasi-market in which schools operate with very real sanctions if they fail to attract pupils. Now performance management promises to give head teachers a mechanism for linking individual teachers' objectives in the classroom with those of their schools.

Although novel for schools, performance pay and performance management have been widely introduced into the British public services since the late 1980s, and indeed, have become quite widespread in the public services of many OECD countries (OECD, 2005). However, this study of schools advances the analysis of such schemes in an important way by scrutinizing the ways in which local management implements and operates a common national scheme across a large number of different local units. It can therefore tackle a key question that the government's Makinson Report (2000) raised but could not answer directly: to what extent are management failures in goal setting and appraisal the cause of the widespread employee disenchantment with the operation of public service performance pay schemes, which occurs despite the general acceptance of the principle of linking pay to performance? Furthermore, schools offer a propitious environment for studying the effects of differences in the way performance management is operated because of the large number of local units, each with its own management team, and a good deal of local autonomy.

The aim of this paper is to evaluate the success of the new system of performance pay and management in schools introduced in 2000, focusing on the hitherto neglected issue of the articulation between goal setting at the level of individual employees and that for organisations. Its scope is limited to England, as the scheme has been implemented with sufficient difference in Wales to rule out direct comparison between schools from differing sides of the border. How well the new pay system and performance management have worked is considered from four main angles:

- improved motivation;
- improved goal setting;
- as a stimulus to improve school management; and
- as a contributor to improved educational outcomes.

The empirical focus of this study is on schools and on teachers. Nevertheless, a comparison of the present study's results with those for a wider range of public services reported in Marsden (2004), including the civil service and health, confirms that similar motivational processes and concerns about management fair dealing are at work.

The paper starts with an outline of the new pay and performance management system for primary and secondary school teachers in England and Wales introduced in the autumn of 2000. It then outlines the key hypotheses to be investigated, and explains the special nature of the panel survey of schools and of teachers, before presenting key results.

2. The New Teachers' Pay and Performance Management System

In December 1998, the government published its green paper 'Teachers: meeting the challenge of change' (Cm 4164). In exchange for a substantial pay increase, which reversed several years of declining relative pay, the government proposed a new pay system designed to reward teachers for excellence in the classroom. In essence, the new scheme proposed to extend the old pay scale by adding a new Upper Pay Scale (UPS) lifting the pay ceiling for experienced teachers, and giving new entrants to the profession a better long term salary profile. The pay rise would take teachers at the top of the old pay scale from about £24k to £26k with the opportunity to rise to £30k at a time when average white collar full-time annual earnings stood at a little over £25k.

In exchange, teachers were expected to accept a new system of performance management. In summary, this involved annual performance reviews for all teachers, and the introduction of 'Threshold Assessment' at the top of the old scale. The latter is based on an assessment of the teacher's general professional competence, and included two important principles: some part of the assessment should be related to pupil progress, and the upper pay scale should be 'tapered' with increasingly demanding levels of performance required for further progression. For teachers who pass the Threshold, progression up the new Upper Pay Scale depends upon performance.

The new scheme was met with widespread hostility from both classroom and head teachers and their respective associations. There was also much academic scepticism as to whether PM was appropriate and could be made to work in schools. Two leading academic economists published critiques of the new scheme and the idea of linking pay to performance in schools (Richardson, 1999; Dolton et al, 2003).

After a legal challenge mounted by the National Union of Teachers, the new scheme was implemented in the autumn of 2000, with teachers getting the results of the first wave of threshold applications in the spring of 2001, bringing many onto the first step of the new Upper Pay Scale (UPS1) from autumn 2001. As the initial pass rate for the Threshold assessment was very high, over 95% based on an application rate of 80% of those eligible, with a similar figure for the second wave in 2002, it has been debated whether there is any practical performance element.¹ Several of the unions argue that effectively it has become like a ‘driving test’, and claim some credit for neutralising the scheme. On the other side, at least one union maintains that it is still a form of payment by results, and the DfES stresses the self-selection element that can apply when teachers and their heads decide whether or not to apply. Most importantly, our own survey, to be described shortly, shows that a similar ambivalence exists in the minds of classroom teachers.

3. Key Hypotheses

There has been a considerable amount of research on incentive pay, although a great deal of this has focused on categories of employees whose output is clearly defined. Lazear’s (1996) often cited study of incentive pay for windscreen replacement staff is a good example, which showed that productivity rose with the introduction of output-based pay as a result of improved incentives and improved selection. Professional sports, sales staff, and chief executives have all been subject of numerous studies, many of which appear to indicate positive results for performance incentives of one kind or another (Prendergast, 1999). Public service workers form a stark contrast with these groups, as it is difficult to find clear and uncontentious measures of their performance. This is partly because of the widespread use of team work for core activities, and partly because of multiple objectives and an important qualitative component of the services provided. Thus, in the light of these observations, Makinson’s conclusion that the operation of performance pay had been especially problematic in the public services is hardly a surprise.

Nevertheless, the definition and measurement of public service objectives and targets has progressed a great deal since the mid-1980s, as has the reorganisation of public service provision

into specialist agencies capable of bearing operational targets. Expectancy theory and goal setting theory (reviewed respectively in Furham, 1998, and in Locke and Latham, 2002) provide the framework for examining incentives and appraisal at the level of individual employees. The former predicts that employees will be motivated by rewards to perform if they value the rewards, they are in a position to raise their performance, and they believe that management will deliver. The latter predicts that employees' performance will be better the more clearly their goals are set, and the greater their involvement and influence in that process. This encourages information exchange, and helps to foster employee commitment to the agreed goals. Contract and justice theories also predict that performance is likely to follow rewards if employees believe their management respects a freely agreed contract, and management behaviour is considered to be fair (Malcomson, 1997; Rousseau, 1995).

Existing theory is much less developed when it comes to the link between individual-level motivation to perform and goal setting on the one hand, and organisation-level targets on the other. This link is especially important in many public services because of the difficulty of defining performance effectively at the micro level such that it contributes to organisational performance. The predominant solution that has emerged in recent years has been to use employee goal setting and appraisal by line managers as the instrument for the micro-level goals. However, unless this process is informed by organisational goals, there is little reason to expect an aggregate improvement in organisational performance. In addition, it is well-known that there is an element of negotiation in setting and appraising employee goals, as rank and file employees can withdraw cooperation from line managers who are felt to behave in an unfair or overbearing manner. Thus, there is pressure to be lenient in both setting goals and appraising performance. Organisational-level targets provide a means of informing employee-level goal setting and also provide a discipline potentially restricting line manager indulgency.

Something like this appears to have occurred in the Inland Revenue where performance management occasioned a renegotiation of performance norms (Marsden, 2004). There, line managers faced pressures from their colleagues to be lenient with appraisals and indulgent with the awarding of performance pay. However, the performance targets for their offices meant that top management could sanction such leniency once it became clear that there was a discrepancy between the level of performance awards and how well individual offices met their targets. In that case, performance management appears to have been the occasion for a renegotiation of staff performance norms, with the appraisal process providing management with the means to communicate the new norms with each employee individually. However, this remains very much an inference from somewhat aggregated data, whereas in the case of schools, the survey instrument

used enables us to observe directly the relationship between the way PM is implemented in schools and classroom teacher responses.

Management within the school system is not as hierarchical as this line of reasoning suggests. Most head teachers are not closely monitored by higher levels of management. Nevertheless, the ‘quasi market’ in which schools now operate potentially creates a discipline on schools and their management teams to address issues of internal performance (Glennerster, 2002). League tables of school performance, and Ofsted reports, inform parental choice. They are freely available for inspection on-line, and their details are often published in local newspapers. Thus state schools have to compete for pupils. Failing schools may well be closed down.

School management teams have a degree of choice in how they respond to these pressures. Thus we distinguish between two strategies that management may follow: a ‘reformer’ strategy and a ‘fire-fighter’ strategy.² According to the former, schools will use the new performance pay and performance management in order to achieve ‘joined-up’ targets in their schools. They will use the opportunities for discussing classroom teachers’ objectives and appraising their achievement as an opportunity to focus these on the school’s objectives, as for example set out in the School Improvement Plan. To assist schools in this process, the DfES gave numerous mini case studies showing how the performance review could be used to link teachers’ objectives to those of their schools, for example, by addressing the performance of a particular group of pupils in a given year. Alternatively, schools may treat the new system as a means of obtaining extra government money to fund better salaries for classroom teachers. This could be motivated by concerns about staff recruitment and retention, or it could be improve the atmosphere in the school – showing the head is on the side of her teachers.

These two strategies are not mutually exclusive because the ‘reformer’ strategy could easily be undermined by high rates of staff turnover. But, the emphasis is different, and one would expect the former to be more likely to lead to improved school performance in relation to its own targets. However, one might also expect more schools to move to the ‘reformer’ strategy once they have secured the pay increase for their staff, and tackled their retention problems. The difference between the two strategies should show up in the degree to which goal setting for class teachers reflects the goals of the school, and how well they are ‘joined up’.

4. The Nature of the Survey

The empirical basis of this study is a panel questionnaire survey of classroom and head teachers and their schools conducted at intervals between 2000 and 2004. It has been carried out in close consultation with the teachers' unions and professional organisations and the DfES. Nevertheless, it is an independent study. The panel, based on a random sample of primary and secondary schools in England and Wales, has now completed three waves: the first in February-March 2000, before the new scheme was implemented (see Marsden, 2000); the second in May-June 2001, after the results of the first round of the new system were known; and the third in May-June 2004, after the results of the third round of the system. For classroom teachers, the questionnaire probes their attitudes to and their experiences with performance management, and seeks to measure aspects of their work patterns and priorities alongside other variables such as their degree of organisational commitment and their assessment of the working atmosphere in their schools. For head teachers, it asks also about the operation of performance management in their schools, and whether they believe it has assisted them in their management duties. In addition to the 'before and after' element of the panel, it is possible to link replies from classroom teachers with those of their head teachers, and with other information on their schools concerning the impact of performance management on work patterns, a set of school management practices, and some educational outcomes. Initially, the panel included replies from about 4,000 teachers and about 1,000 heads. Accounting for sample attrition, it is possible to link replies from about 1,000 teachers and about 300 heads over time through the panel. We conducted a number of checks to see whether the panel results reported here differ statistically significantly from the simple cross-section results for each wave, and found that on the whole they do not.

Unlike previous UK public service studies, which relied on cross-sectional evidence, and almost entirely on self-reported information, this study has been designed to enable the researchers to track the same teachers and their schools over time, and to link the replies of class and head teachers in the same schools with DfES data on school performance. We have therefore a number of independent replies from each school and so substantially avoid the problems of common method variance and self-reporting that limit interpretation of standard cross-sectional attitude surveys of performance pay. A considerable methodological advantage enjoyed by this study is that the sheer number of schools and the independence of their management means that we can observe changes in individual management units much more precisely than was ever possible in large government departments or even hospitals. The study also benefits from the fact that a common overall performance pay and performance management scheme was applied to all schools, while giving local school management a degree of autonomy as to how the scheme is operated.

5. Results

In presenting the results, we start by summarising some of the general reactions of class and head teachers to the new system, and then explore the operation of performance management in different schools. We do so by seeing whether head teachers' assessments are reflected in the experience of other members of the leadership group, such as department heads, and in that of classroom teachers. The convergence of these reports in a set of cases confirms that in a substantial and growing minority of schools all three groups independently report improvements in the setting of goals and priorities. In schools where this happens, there is also evidence of a stronger focus on pupil attainments as an objective, and of greater attention to learning about educational practices from schools that are seen to perform well in the DfES performance league tables. We also investigate whether these findings are reflected in improvements in the academic performance of their pupils. However, this last analysis is somewhat tentative owing to the many factors that affect pupil performance, such as their socio-economic background.

5.1 An overview of the survey replies

As a group, teachers have been more sceptical of the principle of linking pay to performance and its feasibility in their area of work than other public service employees (see Marsden and French, 1998). This is reflected in the first wave responses of both classroom and head teachers in 2000 (see Tables 1 and 2 below). A significant factor in this is that it is widely believed that teaching is a collective activity, and therefore it is not appropriate to seek to relate pupils' progress to the work of any one individual teacher. Initially, the views of heads and class teachers were very similar, with 80-90% holding this view, one supported by a number of the academic critiques of the new scheme (Richardson, 1999; Dolton et al, 2003).

However, teachers share many other perceptions of performance pay with other groups of public employees. As with the surveys of civil servants and hospital employees, the financial incentive of PRP is reported to play a rather small part for the great majority. In common with other public employees, they entered into the new scheme very apprehensive about how it would operate in practice. They were suspicious of both line and central management: line managers would reward their favourites, and budgetary restrictions would limit the distribution of performance ratings (Table 1). The authors also found that the same factors that determined perceptions of motivation and divisiveness among other public employees were also influential among teachers (see Marsden and Belfield, 2005). A high-quality appraisal and goal-setting process boosted the perceived

incentive, and its lack raised perceived divisiveness. Further, a sense of organisational commitment enhanced perceptions of incentive, and muted those of divisiveness. Perceptions that there was little scope to raise performance also undermined confidence in performance management. Thus teachers' reactions may differ in degree when compared with other groups, but there is no indication that they are fundamentally different.

What is striking about the changes over time among both classroom and head teachers, is the gradual decline of opposition to key aspects performance management: a gradual rise in acceptance of the principle, growing confidence in the way it is operated in their schools, notably as concerns favouritism and improved goal setting. Nevertheless, teachers remain very sensitive to any threat to continued DfES funding of performance management pay increases, and any suggestion that they should be made dependent on already stretched school budgets. This can be seen in Table 1, where initially fears that quota restrictions would apply dropped (to 23% after the first wave), but rose again steeply by the third wave, following proposals by the DfES to cease central funding of performance increments. In the event, it decided to continue the practice.

Table 1. Classroom teachers' judgements of Performance Management: before and after implementation (Balanced panel results)

Classroom Teachers	Disagree	Neutral/ don't know	Agree
The principle of relating teachers' pay to performance is a good one.			
Wave 1	65	13	22
Wave 2	55	16	29
Wave 3	44	18	39
Salary levels > Threshold too low to make me want to work harder			
1	15	50	35
2	23	39	38
3	27	38	36
Managers will reward favourites			
1	16	28	55
2	22	36	42
3	48	32	20
Quota/inadequate funding			
1	4	13	83
2	43	34	23
3	4	17	79
Targets set more clearly			
2	30	31	40
3	23	26	51
More aware of school's targets in the School Improvement Plan			
2	47	26	28
3	41	23	36
Hard to relate the work done in schools to individual performance			
1	4	6	90
2	8	7	84
3	14	10	76

Note: Results are based on the balanced panel, that is those replying in each of the three waves. The number of responses that could be linked across all three waves was around 760 unweighted observations. This compares with A total response at each wave was: wave 1: 4369, wave 2: 1876, and wave 3: 1,114 teachers. The results of the balanced panel differ only slightly from those of the three cross-sections. Changes between the waves were all statistically significant at the 1% level (chi2). Scores in the table are weighted by sample fractions (*simplwt*). Variable names: ppgdprin, critcash, ppblueye, ppquota, pptarget, ppmeawar, ppmeasur.

Thus, a first view of the survey results is that the system has had a mildly positive effect in promoting more effective coordination of priorities in schools, especially over time, but, for most teachers, it does not provide a financial incentive. This latter observation is all the more striking given the potential size of the cumulative pay increase over several years offered under the new system, and the high rates of success in passing the Threshold and moving up the initial steps of UPS. However, it is consistent with the findings of other research on teachers, which finds that they see pay as a source of dissatisfaction, but not as a primary source of their motivation, which lies in other aspects of their work (eg. Vaarlem et al, 1992).³

Table 2. Head teachers' judgements of Performance Management: before and after implementation (Balanced panel)

Head Teachers	disagree	neutral	agree
Principle of relating teachers' pay to performance is good.			
Wave 1	46	17	37
Wave 2	42	18	40
Wave 3	27	11	62
Hard to relate work to individual performance			
1	9	9	82
2	20	14	67
3	39	18	43
EFFECTS OF THE NEW SYSTEM			
Targets set more clearly, as in school development plan			
1	25	21	53
2	10	7	83
3	6	11	83
Gives teachers greater incentive to focus on pupil attainments			
	37	21	42
	37	21	42
	30	22	48
Unfair because too few teachers have autonomy to change work practice			
1	39	27	33
2	45	29	27
3	70	21	9
PR assists in dealing with poor performance			
1	27	19	54
2	41	15	44
3	37	22	41
Link with pay will make people take appraisal more seriously			
1	30	11	60
2	34	14	52
3	30	12	57

Note: the balanced panel consists of about 105 head teachers (175 unweighted observations), compared with the cross-section sample numbers of 479, 232, and 164, or unweighted numbers of 479, 420 and 293. The figures in Table 2 differ only slightly from those of the three cross-section samples. Changes between waves highly significant (chi2 probability <1%) except for pupil attainments, poor performance and take appraisal more seriously, which were not statistically significant. Weighted results using `smplwt`, by sample fractions.

*SIP: School Improvement Plan. Variables used: `ppgdprin`, `ppmeasur`, `pptarget`, `tcattain`, `themcant`, `pppoorwk`, `ppserious`.

Behind the general picture, one might expect there to be considerable variation between schools given the relatively large degree of autonomy their management teams enjoy within the frameworks established by the DfES and their local education authorities. The information we have from league tables about the range of academic performance of individual schools, and of the conditions in which they operate, give good reason to expect considerable variation in the way that performance management has been implemented. The next section explores this dimension.

5.2 Improvements in school management

To address how far PM has changed school management, we examine head teacher assessments of how far PM has helped them address issues of teacher performance and how far it has led to improved goal setting. The heads' questionnaire measured two ways in which this might occur: improvements in goal setting and the linking of individual teacher objectives to school targets; and attempts to provide support to teachers in order to assist their performance.

Measures of improved goal setting are explored in Table 3. The first two variables show that, by the third wave, a majority of teachers considered that performance management made teachers more aware of the school's objectives, and helped them prioritise their work better. An important link, particularly in larger schools, would be the quality of work by middle management team or leadership group. Between 55% and 60% of heads considered this to be important in their schools, although the increase between the two waves was small. As a control, we also ask whether performance management had caused the quantity of work by teachers to increase, and it is clear that a declining minority of heads thought this to be a key element of performance management.

In the view of many heads, an important feature of PM is its use as a means of identifying ways schools can support their teachers (Table 4). The questions that comprise the table reflect the factors identified by heads in the first wave as potential causes of variations in the effectiveness of experienced teachers in their schools. Mostly, these factors are of kinds that could be addressed by the school's management team, for example through training or other forms of support. Thus, we asked heads whether PM had enabled them to address some of these problem factors. By wave 3, benefits were identified in a substantial minority of cases, between 20 and 35%, the most important being assistance in identifying teachers' professional development needs, and workload problems. There was a notable increase between the second and third waves for some issues. By 2004, 35% of heads in the balanced panel reported that PM had helped them identify and assist teachers whose workload problems that might inhibit their performance.

Table 3. Contribution of performance management to improved goal setting in schools: Head teacher views.

Performance management has:		Agree % Balanced panel
made more teachers aware of the school's objectives in the School Improvement Plan	W2	41
	W3	57**
made teachers think more systematically about their work priorities	W2	39
	W3	54*
increased the importance of good middle management.	W2	55
	W3	60
caused increase the quantity of work teachers do.	W2	17
	W3	13**

Note: sample numbers in the balanced panel are 104, and in the cross section about 420 and 290 respectively in waves 2 and 3. Changes between waves are statistically significant (Chi2 prob $\leq 1\%$) for questions 1 and 4, significant at the 5% level for priorities, and not significant for middle management. Similar differences between the waves are shown in the comparison of cross-section data, but significance levels are higher, except for middle management owing to the larger number of observations. Statistical significance of change between Waves 1 and 2: ** 1%; * 5%. Weighted results using *smp1wt*. Variables used: *themgoal*, *thempros*, *themmidl*, *themquan*.

Table 4. Performance management as a means of support for teachers: Head teacher views

PM has helped the school assist those teachers:		Agree % balanced panel	Agree % cross-section
- with difficult or inappropriate workloads.	W2	11	14
	W3	35**	29**
- whose professional development needs are greatest	W2	37	33
	W3	36	41**
- whose morale was low	W2	18	17
	W3	23	25
- who had difficulty motivating their pupils.	W2	12	10
	W3	21+	17

Weighted with *smp1wt*. Number of observations: balanced panel 103, and in the cross section, wave 2 c. 415, and wave 3, c. 290. Chi2 tests of statistical significance had the following levels of significance: for the balanced panel they were respectively for each question: 0.4, 0.2, 0.08, and 0.003; and for the cross section comparisons: 0.004, 0.146, 0.229, and 0.003. ** change significant at 1% level, + at 10% level. Variables used: *pmaidwkl*, *pmaidskl*, *pmaidmle*, *pmaidmtv*.

A critical question is whether these head teacher views are simply personal beliefs, or whether they reflect underlying changes in their schools. To explore this question, we must compare head teacher reports with those of other members of the leadership group, and with those of classroom teachers more generally. To simplify the analysis, we use factor analysis to compute an index that measures the degree to which head teachers consider PM to have improved goal setting in their schools, and we then compare this with the replies of the leadership group and classroom teachers.

In Table 5, we show the index of head teacher judgements concerning the beneficial effects of PM on goal setting in their schools in relation to those of teachers in the leadership group. The index has a mean of zero and a standard deviation of unity, so that a positive figure indicates that head teachers identify positive benefits, and vice versa. The standard deviation of unity means that we can expect about one sixth of heads to have a score greater than one, and one sixth, a score less than minus one. The figure of 0.402 in the top left-hand corner of Table 5 shows that in schools where the leadership group agree strongly that PM makes class teachers more aware of the school's objectives, head teachers believe PM has improved the effectiveness of goal setting. Likewise, where the leadership group disagree strongly, so do heads (score -0.359). A similar correspondence can be observed for leadership group replies to questions about their colleagues' priorities, and the importance of good quality middle management.

Table 5. Comparing the effects of PM as seen by head teachers and the leadership group in their school.

Leadership group response (excl head):	Makes class teachers more aware of school targets (<i>themgoal</i>)	Promotes better work priorities among class teachers (<i>thempriors</i>)	increases importance of good middle-mgt (<i>themmidl</i>)
Agree strongly	.402	.300	.181
Agree	.111	.202	.188
Disagree	.105	.127	.095
Disagree strongly	-.359	-.302	-.217
Neutral/no view	.210	.054	.131

Factor scores for better goal setting as judged by head teachers. Cells show factor scores for head teacher replies in these schools, waves 2 and 3 combined. Mean zero, standard deviation of unity.

Among classroom teachers, the same correspondence between their heads' assessment of improved goal setting and their own experience of PM can be observed as for the leadership group, albeit a little less pronounced (Table 6). Thus, it seems that the heads' judgement of the effects of PM on goal setting are indeed reflected in the experience of the leadership group and classroom teachers in a good many schools. The analysis is shown separately for all classroom teachers, including those in the leadership group in the upper panel, and classroom teachers excluding those in the leadership group in the lower panel. The latter figures although 'cleaner' are based on a smaller sample. As can be seen, the relationship between head and classteacher judgements of goal setting is similar in both cases.

Table 6. Comparing the effects of PM as seen by head teachers and the classroom teachers in their school.

Class teacher views of effects of PM (all classroom teachers including those in the leadership group):

	Made me more aware of school targets (<i>meaware</i>)	Given me incentive to work beyond job requirements (<i>mejobreq</i>)	Means good work now rewarded (<i>Ppgdwork</i>)	Mgt set better targets (<i>pptarget</i>)
Agree strongly	.439	.268	.202	.194
Agree	.100	.160	.133	.108
Disagree	.046	.101	.107	.040
Disagree strongly	-.075	.104	.057	-.001
Neutral/no view	.214	.118	.088	.143

Factor scores for better goal setting as judged by head teachers. Cells show factor scores for head teacher replies in these schools, waves 2 and 3 combined. Mean zero, standard deviation of unity.

Class teacher views of effects of PM (excluding teachers in the leadership group):

	Made me more aware of school targets (<i>meaware</i>)	Given me incentive to work beyond job requirements (<i>mejobreq</i>)	Means good work now rewarded (<i>Ppgdwork</i>)	Mgt set better targets (<i>pptarget</i>)
Agree strongly	.427	.224	.238	.047
Agree	.094	.205	.130	.123
Disagree	.077	.097	.114	.012
Disagree strongly	-.047	.125	.070	.001
Neutral/no view	.226	.108	.097	.224

Finally, we turn to the link between head teacher assessments of PM, and three other items relating to the effectiveness of PM in schools. When the new system was introduced, the government placed special emphasis on there being an element of pupil progress, and as the scheme was applied, the government also sought to make movement up the new Upper Pay Scale contingent on increasingly challenging performance standards. Both of these were strongly contested by the teachers' unions, and it can be argued that their action led to a moderation of the government's initial position on these issues. As mentioned earlier, there was some ambivalence among teachers as to whether the pupil progress element really had been reduced, and whether movement on the UPS has become less demanding.

In Table 7 we compare teachers' replies about these issues with those of their heads on PM and goal setting. What emerges is that in schools where PM is judged to improve goal setting, classroom teachers are more likely to report that the emphasis on pupil performance has been sustained. They were also more likely to be confident that all good teachers could hope to progress to the current top point on the upper pay scale. This again would be evidence that PM has functioned effectively in a good number of schools where teachers see their goals and the school's goals to include pupil

progress, and where teachers are confident they can move up the performance-related upper pay scale.

Table 7. Class teacher views of changes to PM

Class teacher responses (all classroom teachers)	Yes	No	Neutral /no view
Now less focus on pupil progress in PM	.0484	.1819	.0623
All good teachers can now reach UPS3	.1205	.089	.095
School looks to education practices of schools higher up league tables	.1259	.0360	.1505

Cells: head teacher scores of whether PM aids goal setting in their school. All class teachers combined.

The last element to be considered is the question of league tables. As mentioned at the start, these play a key part in the ‘quasi market’ in primary and secondary education where schools have to compete to attract pupils. Schools’ standing in the performance league tables is one important element in this because it communicates to parents how their children might be expected to perform. Do some schools look to those better placed in the league tables for ideas of new educational practices they could emulate? A notable feature of the classroom teacher responses on this is that they are more likely to report reference to the league tables if performance management is working well in their schools.

5.3 How many schools have adopted the ‘reformer’ strategy?

It would seem therefore that slowly growing number of schools have adopted the ‘reformer’, as compared with the ‘fire-fighter’ strategy. What is the share of such schools in the total population?

The best criterion for judging whether a school has adopted the ‘reformer’ as opposed to the ‘fire-fighter’ strategy is to gauge the degree to which goal setting is ‘joined-up’. In terms of the analysis so far, one might measure this by the degree to which positive assessments on improvements in goal setting by the head teachers, leadership group and classroom teachers in the same school correspond. If they all share the same view, then it is likely that there is an active dialogue about goals and how they can best be achieved within their school. The main problem with this measure is that it places great strain on the number of observations because schools will need to have a complete set of responses from their heads, members of the leadership group, and from non-leader classroom teachers. For this reason, the columns in Table 8 show various stages of this linked set of observations: linking a) heads and all classroom teachers; b) heads and the leadership group; c) the leadership group and non-leader class teachers; and d) linking all three groups.

Table 8. Percentage of schools with ‘joined-up’ goal setting:

Schools in which class teachers respond ‘agree’ given that both head teachers and the leadership group agree that PM has improved goal setting in their schools

	PM has led to improved goal setting in my school			
	(a)	(b)	(c)	(d)
	% agree	% agree	% agree	% agree
	Cross section analysis pooled across waves			
Waves 2 & 3 using pooled responses	28.7	26.5	26.0	15.6
<i>Schools with a complete set of observations</i>	397	219	273	224
	Panel analysis using wave-specific responses			
Wave 2	20.4%	27.2	14.3	8.2
Wave 3	35.8%	38.5	26.8	20.3
<i>No complete obs. wave 2</i>	206	81	70	85
<i>No complete sets of obs wave 3</i>	137	65	82	74

Notes:

- (a) heads and all classroom teachers
- (b) heads and leadership group
- (c) leadership group and non-leader class teachers
- (d) heads, leaders and non-leader class teachers

The heads’ judgements on goal setting were based on the same index as that used in the previous tables, but taking the median value as dividing positive from negative judgements as to whether PM had improved goal setting. The leadership group values relate to those who agreed that PM had improved goal setting in their schools (themgoal), as did the class teacher question (pptarget). Members of the leadership group were identified from the biographical data obtained in the first wave.

Although we had information from 424 schools for the balanced panel analysis, this yielded only 214 in wave 2 and 139 in wave 3 with information on the head’s assessment of improved goal setting. The numbers of schools with a complete set of observations dropped further when tabulating these replies against those of classroom and leadership group teacher. This will tend to eliminate smaller schools disproportionately. Results are unweighted and do not correct for over-sampling of secondary schools. (Program used: Reformer schools 19.7.05_1).

On these crude estimates, roughly between 15% and 25% of schools in the sample can be characterised as possessing ‘joined up’ goal setting, between the different layers of school management (Table 8). This can be seen in the top row, which uses the largest number of observations available by pooling responses for 2001 and 2004. A similar analysis was carried out for the other indicator used in the earlier tables, namely, whether PM had increased one’s personal awareness of school targets. The effects were somewhat smaller, as shown in Table 1 above, as was the number of observations. These estimates are consistent with those of early case studies by Wragg et al (2001), and by Maloney et al. (2003), who found modest effects of the new system in changing how teachers perform. However, what these early studies could not capture is the growth in the number of schools in which goal setting is becoming ‘joined-up’. Even though the small numbers of effective observations beckons caution, whichever measure is used, there has been an

increase of about ten percentage points in such schools: from 10-20% in 2001 to 20-30% in 2004. The growth in the numbers of ‘reformer’ schools was confirmed by computing a transition matrix between such schools in 2001 and 2004, which showed strong movement from ‘non-reformer’ schools in 2001 into the ‘reformer’ category in 2004, with only small number of moves in the opposite direction. Thus, one can say that the number of schools adopting the ‘reformer’ strategy has increased quite strongly since the inception of the new system.

5.4 School performance

Finally, we turn to effects on performance management on school performance as reflected in the government’s league table performance indicators. To gauge these we take changes in the academic results of schools at Key Stage 2 for primary schools, and for GCSE (aged 15) for secondary schools (Table 9). We identify those schools which improved their relative academic performance as reflected in the results for school years ending 1999-2000 and 2002-2003, and compare this group with those reporting an improvement in goal setting between waves 2 and 3. The sample numbers of those changing between waves 2 and 3 are quite small, so the results can be only tentative, but we found a positive and statistically significant relationship: schools whose heads report improvements in goal setting were more likely also to have improved their academic results (with a chi squared value of 3.1 significant at the 10% level, based on 169 schools).

Table 9. Goal setting and school performance

(Column %) Improved use of goal setting in school	Improved relative academic performance at school	
	No	Yes
No	53	40
Yes	47	60
	Chi ²	3.1
	P	0.079

Notes: Table shows changes between waves 2 & 3.
Goal-setting score computed by factor analysis

Confidence in these findings is boosted by similar findings from researchers at the CMPO, Bristol University, using a completely different methodology, which show a positive effect of threshold assessment on the academic performance of pupils in classes taught by eligible teachers (Atkinson et al, 2004). The CMPO study examines the change in academic achievements of pupils in classes taught by teachers who were, or were not, eligible to pass the Threshold. They found that pupils with teachers eligible to pass the Threshold were more likely to improve their performance.

Although the CMPO study emphasises the financial incentive of passing the threshold, their evidence is consistent with that of this paper. Their statistical results could equally well derive from improved goal setting as opposed to simple financial incentive. Although the findings of our own study suggest that teachers do not attribute much motivational effect to the financial incentives offered, it is clear that being eligible for the threshold, would make teachers more amenable to focusing on the goals agreed with their head teachers.

6. Conclusions and Implications for Practice

Like other groups of public services covered by performance pay and performance management, it would seem that most teachers believe the financial inducements to improve their performance are ineffective. This is so despite the large cumulative pay increase that could be obtained over several years. In terms of pay levels before implementation, the new UPS opened the prospect of up to 25% increased pay for sustained high performance over several years, carrying such teachers well above average non-manual pay. Moreover, the pay increase would be permanent and pensionable unlike performance bonuses in some organisations.

In contrast, the new system appears to be having a greater impact on the goal setting and appraisal. Although there was fairly pervasive scepticism among teachers at the start about all aspects of the new scheme, it is in this area that the most striking changes have occurred. There has been declining scepticism about the measurability of teachers' performance, and a growing confidence in the clarity of target setting and in the fairness of their line managers. The opinion of head teachers has also changed markedly during the lifetime of the scheme, displaying increased confidence in the quality and utility of goal setting.

Successful implementation of performance management in schools may best be judged by the degree of concordance between the views of head teachers, the leadership group, whose members play a central part in performance management, and classroom teachers. During the lifetime of the scheme, there has been a clear growth in positive judgements, and the degree of alignment between the views of these three groups suggests performance management is taking root in schools. Moreover, the responses concerning different aspects of goal setting, and the increased awareness of school objectives, suggest that it is more than a mere paper exercise. This in itself is interesting given the failure of the attempt to introduce performance appraisal in schools in the early 1990s (Ofsted, 1996).

Behind the general picture, it appears that schools have operated different strategies, which we denoted as the ‘fire-fighter’ and the ‘reformer’ strategies. In the latter case, schools have sought to take advantage of the new system in order to change the way they are managed, and to develop more systematic means of knitting together the objectives of individual classroom teachers and those of their schools. All schools are obliged to hold performance reviews, and they are also obliged to have development or improvement plans, but it requires a positive decision to coordinate these, and join up both sets of objectives.

Our continuing research will explore the set of factors that determine whether a school will adopt one strategy or the other. First indications from this study suggest that the proportion of schools following the ‘reformer’ strategy may be as many as one school in five, with signs that this proportion is increasing, especially when one considers the improvements in goal setting reflected in the overall sample. Where head teachers report improved goal setting, it appears that classroom teachers notice a stronger focus on pupil progress within PM, and they also notice greater reference to relative school performance in league tables. Whether this materialises in better pupil results in league table indicators is the subject of our on-going work, and the jury is still out, but first results shown here indicate a positive effect.

This study, like the others on public service performance pay and performance management, underlines the importance of PM as a means of agreeing objectives and linking them with wider organisational objectives, and confirms the limited responsiveness of public employees to financial incentives to increase or vary aspects of their performance. Nevertheless pay is still relevant. As noted earlier, young teachers did express the view that the improved long-term earnings opportunities made teaching more attractive. In addition, compared with the abandoned appraisal scheme of the 1990s, which was divorced from pay, the present system of PM may well be taken more seriously by both heads and class teachers because of the link with pay.

¹ According to the Department for Education and Skills (DfES), about 250,000 teachers were eligible for the Threshold. About 201,000 (80 per cent) teachers applied. About 97 per cent of those who applied met the Threshold standards and passed onto UPS point 1, a rate that was sustained in the years immediately following (DfES 2001, Annex A, Appendix B; DfES 2004, para. 3).

² We are indebted to Mike Chapman, former head of Cambridge Educational Associates, for first drawing our attention to the different ways in which schools were approaching the new system. The CEA was in charge of the system of schools’ external advisors for the first wave of threshold assessments.

³ Nevertheless, results of the first wave, reported in Marsden (2001), did suggest that new entrants are sensitive to the improved earnings prospects associated with the new pay scale, so there could be performance benefits from improved retention, even if the financial incentives have little positive effect on motivation.

7. References

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8. Appendix 1: Alternative Estimates for Figures in Tables 5, 6 and 7

In Table 5, the figures report the views of those who responded to the section of the questionnaire for those in the leadership group, including team leaders. Because it is possible that some classroom teachers may also have completed this section of the questionnaire by mistake, the analysis was repeated for those who declared themselves in the first wave, in 2000, to be members of the leadership group. Using this narrower definition makes little difference to the results shown in Table 5 in the main text.

Table 5A. Leadership group only

Leadership group response (excl head):	Makes class teachers more aware of school targets (<i>themgoal</i>)	Promotes better work priorities among class teachers (<i>thempriors</i>)	increases importance of good middle-mgt (<i>themmidl</i>)
Agree strongly	.365	.242	.218
Agree	.037	.128	.205
Disagree	.177	.205	.110
Disagree strongly	-.435	-.508	-.390
Neutral/no view	.188	.001	.013

Note: in wave 1, teachers were asked to state whether they were members of the 'leadership group'. In the above sample, there were 961 out of 2820 in the leadership group.

A similar analysis was repeated for the classroom teacher analysis in Table 6 because of the possibility that substantial numbers of classroom teachers in 2000 many have been promoted by 2004. The relationship shown in Table 6A is somewhat weaker than that in the main text using the narrower definition of the leadership group, but it should be added that the sample numbers are considerably smaller.

Table 6A. Class teacher views of effects of PM (excluding teachers responding to the leadership questions, leadership group and team leaders)

	Made me more aware of school targets (<i>meaware</i>)	Given me incentive to work beyond job requirements (<i>mejobreq</i>)	Means good work now rewarded (<i>Ppgdwork</i>)	Mgt set better targets (<i>pptarget</i>)
Agree strongly	.242	.207	.239	-.138
Agree	.001	.142	.141	.051
Disagree	.036	.095	.092	.044
Disagree strongly	-.007	.102	.066	.011
Neutral/no view	.229	.145	.073	.169

Table 7A shows similar calculations for table 7 in the main text, this time, excluding classroom teachers in the leadership group.

Table 7A. Class teacher views of changes to PM

Class teacher responses (excluding leadership group)	Yes	No	Neutral /no view
Now less focus on pupil progress in PM	.0189	.1748	.0934
All good teachers can now reach UPS3	.1228	.1221	.0643
School looks to education practices of schools higher up league tables	.1015	.1003	.1154

9. Appendix 2: Sample Design and Questionnaire.

The questionnaire was developed in close consultation with the teachers' unions and the Department for Education and Skills, and piloted on groups of lay representatives. For the first wave, a random sample of 1,675 schools was drawn from the Register of Educational Establishments for England and a similar register for Wales, and packages of questionnaires were sent to head teachers. Heads received a covering letter explaining the nature of the study, that it had the support of the head teachers' associations, and that it had been developed in consultation with the teachers' unions and the DfEE. They were asked to distribute the questionnaires. In small schools with under 35 teachers, every teacher was sent a questionnaire, and in larger ones, heads were asked to select every nth teacher off the school's staff list depending on the size of the school. Heads were asked to complete a special questionnaire. Being a panel study, the initial respondents to wave one were approached again for waves two and three.

The overall response rate to the first wave was about 20%, which comprises a double response: whether the head teacher agreed to distribute the questionnaires in the first place, and then whether the teachers themselves chose to reply. In many schools, head teachers have a policy of not distributing questionnaires in their schools in order not to add to the workload on their teachers.

Initially, the panel included replies from about 4,000 teachers and about 1,000 heads. Accounting for sample attrition, it is possible to link replies from about 1,000 teachers and about 300 heads over time through the panel. We conducted a number of checks to see whether the panel results reported here differ statistically significantly from the simple cross-section results for each wave, and found that on the whole they do not.

The questionnaire used for classroom teachers and for head teachers in Wave 3 is given below. That for Wave 1 can be found in Marsden (2000).

LSE Study of Performance Management for Teachers

Questionnaire for classroom teachers

1. Have you passed the Threshold or had pay progression on the Upper pay Scale?

<i>(Please circle the appropriate answer)</i>		Yes	No	Don't know
1	Have you already passed the Threshold?	1	2	0
2	Have you already had pay progression on the Upper Pay Scale?	1	2	0
3	Have you had a Performance Review in the past 12 months?	1	2	0

2. Please tell me your views about different aspects of the post-2000 teachers' pay system.

Please say whether you agree or disagree with the following statements, circling the answer closest to your opinion.

a) The Threshold <i>(please circle)</i>		Disagree strongly	Disagree	Neutral	Agree	Agree strongly	Don't know
4	The higher levels of pay above the Threshold mean that good teaching is rewarded at last.	1	2	3	4	5	0
5	The salary levels above the Threshold are too low to make me want to work harder in order to get them.	1	2	3	4	5	0
6	The Threshold has caused resentment among teachers who feel they already meet the standards but are not eligible to apply.	1	2	3	4	5	0
7	The higher pay levels above the Threshold make it more attractive for me to remain a teacher.	1	2	3	4	5	0
8	Introducing the Threshold has had no effect on the quality of my work because it is already at the appropriate standard.	1	2	3	4	5	0

b) The Upper Pay Scale: Linking pay with the Performance Review *(appraisal/objective setting)*

9	Linking pay with the Performance Review results in a fairer allocation of pay.	1	2	3	4	5	0
10	The link undermines my confidence in the Review.	1	2	3	4	5	0
11	The link makes me take the Review more seriously.	1	2	3	4	5	0
12	The link is problematic because it is hard to relate the work done in schools to individual performance.	1	2	3	4	5	0
13	The link has little effect because, in practice, all eligible teachers benefit irrespective of individual performance.	1	2	3	4	5	0
14	Managers use Performance Review to reward their favourites.	1	2	3	4	5	0
15	An appeals procedure is needed to ensure that progression on the Upper Pay Scale is operated fairly.	1	2	3	4	5	0
16	Many good teachers will not progress up the Upper Pay Scale because of limits on the funding available.	1	2	3	4	5	0

c) Considering the new pay system as a whole:

	Disagree strongly	Disagree	Neutral	Agree	Agree strongly	Don't know
17 The principle of relating teachers' pay to performance is a good one.	1	2	3	4	5	0
18 The principle that individual teachers' pay should take some account of pupil progress is a good one.	1	2	3	4	5	0
19 The new pay system is designed to raise pupil achievements.	1	2	3	4	5	0
20 For all that is said about pupil attainments, the new pay system is simply a device to get more work done.	1	2	3	4	5	0

3. I should like to ask you about your most recent Performance Review:

<i>(Please circle the appropriate answer)</i>		Yes	No	Don't know
21	Did the meeting establish specific objectives for the coming year?	1	2	0
22	Were they clear and measurable?	1	2	0
23	Were they focused on issues/matters over which you have direct control?	1	2	0
24	Did they relate to wider objectives in the school, eg, as in the School Development Plan or department or team plans?	1	2	0
25	Did they take account of your professional needs?	1	2	0
26	Did they include indicators of pupil progress?	1	2	0
From the objectives set in your most recent Performance Review:				
27	Are you in a position to achieve them?	1	2	0
28	Do you understand how they will be monitored and reviewed?	1	2	0
29	Did you have the opportunity to discuss them with your team leader?	1	2	0

30	Could you influence which objectives were chosen?	1	2	0
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4. If you have applied for the Threshold in the past two years:

(Please circle the appropriate answer)		Yes	No	Don't know
31	Did you receive feedback from your head teacher when you were informed of the result?	1	2	0
32	Did the feedback give clear reasons for the result?	1	2	0

5. If you have been considered for UPS pay progression during the past two years:

(Please circle the appropriate answer)		Yes	No	Don't know
33	Did you receive feedback from your head teacher when you were informed of the result?	1	2	0
If yes, did this feedback:				
34	give clear reasons for the result?	1	2	0
35	help you identify areas for your further professional development?	1	2	0
36	refer to evidence that you have met the objectives agreed in your Performance Review?	1	2	0
37	refer to evidence based on classroom observation (if applicable)	1	2	0

In your school, would you say the Threshold and UPS have been:		Yes	No	Don't know
38	used mainly as a way to ensure teachers get their pay increase?	1	2	0
39	used to make staff better informed about objectives within the school?	1	2	0
40	used to help better identify teachers' professional development needs?	1	2	0
41	the cause of divisions between management and staff?	1	2	0

6. Please tell me how Performance Management has affected your own work:

(Please circle the appropriate answer)		Disagree strongly	Disagree	Neutral	Agree	Agree strongly	Don't know
42	Performance Management has made me more aware of the targets set in the School Improvement Plan.	1	2	3	4	5	0
43	PM has reduced my wish to co-operate with management	1	2	3	4	5	0
44	PM has made me want to show more initiative in my job	1	2	3	4	5	0
45	Even if my performance is good enough, I doubt if the school can afford to reward me with a pay rise.	1	2	3	4	5	0
46	PM has made team leaders and managers set work targets more clearly	1	2	3	4	5	0
47	My performance is always well above that of other teachers in my school	1	2	3	4	5	0
48	Managers/team leaders in my school know enough about the work of their staff to identify poor performance	1	2	3	4	5	0
49	Linking pay with performance will give me more incentive to work beyond the requirements of my job	1	2	3	4	5	0

7. Does your school use any of the following methods to try to produce better academic performance in the school?

(Please circle)		Yes	No	Not sure
50	Learning about educational practices used at comparable schools scoring strongly in school 'league tables'?	1	2	0
51	Discussing ways to improve your school's academic performance at group or dept. meetings within your school?	1	2	0
52	Establishing goals/targets for your school's performance improvements?	1	2	0

8. Please tell me about your work hours and activities outside directed (formal school) hours: in the evenings, before the school day, and at weekends.

53	Last week, approximately how many hours did you spend working outside directed hours in the evenings, before the school day, and at the weekend?	No. of hours.	
54	If this was NOT a typical term-time week, did you work:		
	a) more hours than usual?	1	
	b) less hours than usual?..	2	

55 During the last two school weeks (excluding half term) , roughly how many hours per week have you spent on each of the following activities outside directed hours in the evenings, before the school day, and at weekends?		
	<i>Please give the number of hours per week to the nearest half hour</i>	Most important reason (See key in Q 56 below: please enter the appropriate number in the col. below)
a) Lesson preparation and marking (including report writing, pupil records etc.)		
b) Seeing parents and pupils outside class time (e.g. for additional help with work, guidance)		
c) Involvement in school clubs, sports, orchestras, etc.		
d) School/staff management: meetings, management activities etc. (including appraising staff and PM)		
e) General administrative tasks (e.g. organising resources, general record keeping, photocopying)		
f) Individual & professional development activities (e.g. professional reading, courses, conferences, and being trained or being appraised)		

56 **Most important reason for undertaking the above activities outside directed hours.** Below are some common reasons why teachers work such hours. Please would you indicate the most important reason in the right hand column of Question 55 above, giving its number 1- 9.

- 1) I felt it necessary because I wanted to get the work done
- 2) I felt under pressure to do so from management
- 3) I felt it necessary because it is the only way to continue to give a high quality of education to my pupils
- 4) I have taken on extra responsibilities because I need the money
- 5) I really quite enjoy the work
- 6) I do it for the benefit of my school
- 7) I don't want to let my colleagues or my pupils down
- 8) The activities concerned are only available outside formal school hours
- 9) Some other reason (*please specify in writing*).....

9. Please tell me about your general feelings and views about your school:

	Disagree strongly	Disagree	Neutral	Agree	Agree strongly	Don't know
57 I feel quite proud to be able to tell people that I work at my current school	1	2	3	4	5	0
58 I feel myself to be a part of my current school	1	2	3	4	5	0
59 To know that my own work had made a contribution to the good of my school would please me	1	2	3	4	5	0
60 In my work, I like to feel that I am making an effort not just for myself but for my school	1	2	3	4	5	0
61 Even if my school were in serious financial difficulty, I would be reluctant to change to another school	1	2	3	4	5	0
62 The offer of a bit more money at another school would not seriously make me think of changing school	1	2	3	4	5	0
63 I can always get a similar job in another school if I want to	1	2	3	4	5	0

10. Which groups do you identify as sharing the same interests as you in connection with Performance Management?

When considering the implementation of PM, which groups do you feel share broadly the same interests as yourself? (<i>Please circle</i>)	<i>Broadly the same</i>	<i>Mostly different</i>	<i>It's hard to say</i>
64 Your school's governors	1	2	0
65 The leadership group/management team in your school	1	2	0
66 Other teachers in your school	1	2	0
67 Other teachers in your union or professional association	1	2	0
68 Your union or professional association	1	2	0
69 Your LEA	1	2	0

70 The DfES	1	2	0
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11. It is said that some important changes have been made to the operation of Performance Management in schools since its introduction in 2000. I should like you to consider two such changes, and let me know who you believe was responsible.

	Disagree	Neutral	Agree	Don't know
71 Now most good teachers can expect to progress to UPS 3 on the Upper Pay Scale.	1	2	3	0

72 If you agree: Whose action do you consider brought this change about? *(Please circle)*

	<i>Most important</i>	<i>Second most important</i>
1. The DfES	1	1
2. Your LEA	2	2
3. The teachers' unions	3	3
4. Individual head teachers voicing their concern	4	4
5. Individual teachers voicing their concern	5	5
6. All of these groups are equally responsible	6	6
7. None of the above	7	7

	Disagree	Neutral	Agree	Don't know
73 The 'pupil progress' element in teachers' performance is now less prominent, and treated more broadly, in Performance Management than originally proposed by the DfES.	1	2	3	0

74 If you agree: Whose action do you consider brought this change about? *(Please circle)*

	<i>Most important</i>	<i>Second most important</i>
1. The DfES	1	1
2. Your LEA	2	2
3. The teachers' unions	3	3
4. Individual head teachers voicing their concern	4	4
5. Individual teachers voicing their concern	5	5
6. All of these groups are equally responsible	6	6
7. None of the above	7	7

12. Additional questions for Team Leaders.

If you are a Team Leader, I should like to ask some further questions. Thinking of those you in your team, what is your opinion of the following:

	Disagree strongly	Disagree	Neutral	Agree	Agree strongly	Don't know
75 Performance management has made more teachers aware of the school's objectives in the School Improvement Plan	1	2	3	4	5	0
76 Performance management has caused many teachers to increase the quantity of work they do	1	2	3	4	5	0
77 Performance management has made many teachers less willing to cooperate with management in the school	1	2	3	4	5	0
78 Performance management has caused teachers to think more systematically about their work priorities	1	2	3	4	5	0
79 Performance management has increased the importance of middle management in my school.	1	2	3	4	5	0

Thank you for your help in completing this questionnaire. Please return it directly to me, Professor David Marsden at the LSE, using the pre-paid envelope enclosed.

If you would like to take part in a follow-up telephone interview, please give your number and a convenient time to call: tel: convenient time:

If you wish to add any other comments on the post-2000 teachers' pay system, please add them here or on the back of the cover letter.

London School of Economics Study of Performance Management for Teachers Wave 3
LSE Study of Performance Management for Teachers
Questionnaire for Head Teachers

1. Your views about the working of the post-2000 teachers' pay system in your school

Please say whether you think certain elements of the post-2000 teachers' pay system for teachers will assist you with the management of your school.

<i>(Please circle the answer that most closely reflects your view).</i>		Disagree strongly	Disagree	Neutral	Agree	Agree strongly	Don't know
The Threshold and Upper Pay Scale							
1	The higher pay levels above the Threshold mean that good teaching can be rewarded at last.	1	2	3	4	5	0
2	The Threshold has caused resentment among teachers who feel they already meet the standards but are not eligible to apply.	1	2	3	4	5	0
3	Linking pay above the Threshold with the Performance Review results in a fairer allocation of pay.	1	2	3	4	5	0

Performance Review: (Objective setting/appraisal meetings)							
4	The meetings help focus teachers' efforts on the objectives in the School Improvement Plan.	1	2	3	4	5	0
5	Linking pay above the Threshold with the Performance Review makes everyone take appraisal more seriously.	1	2	3	4	5	0
6	The meetings assist the leadership group in dealing with poor performance.	1	2	3	4	5	0

c) The new pay system's linking of pay to performance as a whole (Threshold and Upper Pay Scale):							
7	The link can do little to raise performance because teachers already work as hard as they possibly can.	1	2	3	4	5	0
8	The link gives teachers greater incentive to focus on pupil attainments.	1	2	3	4	5	0
9	The link is problematic because it is hard to relate the work done in schools to individual performance.	1	2	3	4	5	0
10	The link is unfair because too few teachers have enough autonomy in their jobs to change their ways.	1	2	3	4	5	0
11	The link has little effect because, in practice, all eligible teachers move up the UPS regardless of individual performance	1	2	3	4	5	0

d) Considering the new pay system as a whole:		Disagree strongly	Disagree	Neutral	Agree	Agree strongly	Don't know
12	The principle of relating teachers' pay to performance is a good one.	1	2	3	4	5	0
13	The principle that individual teachers' pay should take some account of pupil progress is a good one.	1	2	3	4	5	0
14	The new pay system is designed to raise pupil achievements.	1	2	3	4	5	0
15	For all that is said about pupil attainments, the new pay system is simply a device to get more work done.	1	2	3	4	5	0
16	It is better to reward the achievements of the whole school than the performance of individual teachers.	1	2	3	4	5	0

2. Conduct of Threshold assessments and Upper Pay Scale progression

Please tell me something about the measures in your school for dealing with these issues.

<i>(Please circle the appropriate answer)</i>		Yes	No	Don't know
a) the Threshold				
17	Was there someone in the school available to advise or 'mentor' applications?	1	2	0
18	Were teachers given feedback when they were informed of the result?	1	2	0
b) Upper Pay Scale progression:				
19	Is there a procedure in your school for teachers to apply for UPS progression?	1	2	0
20	Were teachers given feedback when they were informed of the result?	1	2	0

Would you say the Threshold and UPS process helped the management in your school to:	Disagree strongly	Disagree	Neutral	Agree	Agree strongly	Don't know
21 Ensure teachers in my school get their pay increase?	1	2	3	4	5	0
22 Make staff better informed about objectives within the school?	1	2	3	4	5	0
23 Provide an opportunity to discuss the school's PANDA, and its School Development Plan with staff?	1	2	3	4	5	0
24 Identify better individual teachers' professional development needs?	1	2	3	4	5	0
25 They have caused divisions between management and staff.	1	2	3	4	5	0

3. Performance Reviews in your school (including objective setting/appraisal meetings)

(Please circle the appropriate answer)		Yes	No	Don't know
26 Does your school have a Performance Review for its teachers?		1	2	0
27 Does your school have a written pay policy for teachers?		1	2	0

If you have already held objective setting or appraisal meetings, how have they helped you to manage your school:	Not at all	No	Neutral	Yes	Yes, definitely	Don't know
28 Did the meetings help establish specific objectives for teachers for the coming year?	1	2	3	4	5	0
29 Did most of the teachers in your school approach their objective setting meetings positively?	1	2	3	4	5	0
30 Did the meetings help relate teachers' objectives to wider objectives in the school, e.g., as in the School Improvement Plan or department or team plans?	1	2	3	4	5	0
31 Did the meetings provide a good opportunity to discuss individual teachers' professional needs?	1	2	3	4	5	0
32 Did they provide an opportunity to discuss how to sustain or improve pupil progress?	1	2	3	4	5	0

4. Effects of Performance Management (PM) on teachers' performance in your school

	Disagree strongly	Disagree	Neutral	Agree	Agree strongly	Don't know
33 Performance management has made more teachers aware of the school's objectives in the School Improvement Plan.	1	2	3	4	5	0
34 PM has caused many teachers to increase the quantity of work they do.	1	2	3	4	5	0
35 PM has made many teachers less willing to cooperate with management in the school.	1	2	3	4	5	0
36 PM has caused teachers to think more systematically about their work priorities.	1	2	3	4	5	0
37 PM has increased the importance of good middle management in my school.	1	2	3	4	5	0

In the previous surveys, about 45% of head teachers thought there was significant variation in teaching effectiveness among experienced teachers in their schools. In your experience so far, are there any ways in which the combined effects of the Threshold and Performance Reviews help reduce the variation?

PM has helped the school assist those teachers:	Disagree strongly	Disagree	Neutral	Agree	Agree strongly	Don't know
38 whose professional development needs are greatest.	1	2	3	4	5	0
39 whose morale was low	1	2	3	4	5	0
40 who had difficulty motivating their pupils.	1	2	3	4	5	0
41 with difficult or inappropriate workloads.	1	2	3	4	5	0
42 Are there any other ways it may have helped in your school? (Please write any comment in box to right)						

5. Do you use any of the following methods to try to produce better academic performance in your school?

(Please circle)	Yes	No	Not sure
43 Learning about educational practices used at comparable schools scoring strongly in school 'league tables'?	1	2	0
44 Discussing ways to improve your school's academic performance at group or dept. meetings within your school?	1	2	0
45 Establishing goals/targets for your school's performance improvements?	1	2	0

6. Which of the following effects, if any, would you say that 'league tables' in education have had on your school?

(Please circle)	Yes	No	Not sure
46 More resources provided in subjects (such as maths) covered in the tests, at the expense of other subjects or areas	1	2	0
47 Significant resources devoted to teaching students test-taking skills for the school tests, as opposed to teaching about the content of the subject matter in the tests.	1	2	0
48 Stronger motivation for <i>teachers in general</i> in your school to help the school perform strongly academically	1	2	0
49 Stronger motivation for the <i>weaker teachers</i> in your school to help their students perform strongly academically	1	2	0
50 Stronger motivation by most students in your school to perform well academically	1	2	0
51 More academic content in courses covered by tests, as opposed to other possible classroom content	1	2	0
52 More pressure from parents on the school to perform well academically	1	2	0
53 More pressure by parents on their children to perform well academically	1	2	0
54 More tension in the classroom	1	2	0

7. Finally, some general questions about the teachers in your school

(Please circle)	Disagree strongly	Disagree	Neutral	Agree	Agree strongly	Don't know
55 The experienced classroom teachers in my school generally have the same level of teaching skills	1	2	3	4	5	0
56 For a given starting attainment, the increase in pupil attainment depends largely on the effectiveness of individual teachers	1	2	3	4	5	0
57 The current workloads of teachers in my school prevent them from raising their pupils' attainments as much as they could	1	2	3	4	5	0
58 Teachers in my school enjoy a lot of autonomy to try out new ideas in the classroom	1	2	3	4	5	0

Compared with all the teachers you have encountered in your professional life in teaching, would you say that the majority of teachers in your school are in:		(please circle)
59	* The upper third of teacher morale ? * The middle third * The lower third	1 2 3
60	* The upper third of teaching skills ? * The middle third * The lower third	1 2 3
61	* The upper third in terms of how hard they work ? * The middle third * The lower third	1 2 3

62	Which is the strongest of the teachers' unions in your school?	1. ATL 2. NASUWT 3. NUT 4. PAT/PAN 5. UCAC 6. Other
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