

## Providing Performance-Based Incentives

*National Comprehensive Center for Teacher Quality*

An increasingly popular local reform strategy to supplement teacher pay and increase shared accountability for student results is to design and implement a performance-based incentives program. Performance-based incentives typically are monetary and may apply to individuals or be based on the collective performance of all staff in the school. Although the evidence on the impact of performance-related incentives on student learning is only starting to emerge, early figures indicate a range of results, including no significant effect (Springer et al., 2009), positive impact on student achievement on high-stakes mathematics tests (Vigdor, 2008), and some positive gains in student achievement scores at the elementary level, although effects may drop off in later years (Springer et al., 2008). In addition, a more consistent finding is that performance-based incentives lead to teacher retention in targeted schools (Springer et al., 2009). Further, there is evidence that the traditional resistance among teachers to differentiated pay is subsiding. A recent study finds that Generation Y teachers (e.g., those born between 1977-1995) are more open to differential pay than are their more veteran counterparts, and that between half and two-thirds of teachers from all age groups support pay incentives for teachers who achieve National Board Certification, take on difficult assignments, put in more effort, or consistently receive high ratings from their principals.

To be effective, performance-based incentive systems should involve significant teacher input at each stage of development and implementation, set clear performance goals, use multiple measures of teacher performance, provide monetary incentives that are large enough to affect teacher behavior, be sustained with resources available over the long-term, and be subject to rigorous evaluations of program implementation.

### Action Principles

#### For District

1. Base performance incentives on multiple measures of strong performance.
2. Ensure that valid data are available on whether performance indicators have been met.
3. Decide whether to award individual or school-wide performance incentives.
4. Create a system for making awards that is transparent and fair.
5. Determine the amount of the incentives, based on budgetary considerations and consideration of what is needed to be effective.
6. Work with teachers and teachers' union at each stage of development and implementation.
7. Secure sufficient funding for long-term program sustainability.
8. Develop and implement a communication plan for program clarity and building stakeholder support.

### References and Resources

*A guide to implementation: Resources for applied practice.* Retrieved from <http://cecr.ed.gov/guides/compReform.cfm>, includes:

Classroom Observations of Teacher Practice

Principals and Alternative Compensation

Communication and Stakeholder Engagement

Alternative Compensation for Teachers of Non-Tested Subjects and Grades

Data Quality Essentials

Paying for a Performance-Based Compensation System

Information Technology Considerations

Value-Added Measurement

- Alternative compensation terminology: Considerations for education stakeholders, policymakers, and the media.* Retrieved from [http://cecr.ed.gov/guides/EmergingIssuesReport2\\_8-21-09.pdf](http://cecr.ed.gov/guides/EmergingIssuesReport2_8-21-09.pdf)
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