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The Re-introduction of PRP for Teachers in the UK between the Year 2014 and 2017: A Critical Literature Review

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Abstract:

The reintroduction of PRP was backed by strong justification for the need to raise the standards of teaching for quality education in England and Wales which has been steadily declining over recent years. Further to the PISA study indicated in the introduction, statistics from the DfE show; 'Secondary schools in 17 areas fail to ensure the majority of their pupils get five A to C grades including the core subjects of English and Maths' and in 'Norwich ... only 45 per cent of pupils leave school with a set of decent qualifications (Harris S. 2014). Coupled with cuts to Government spending, the rationale to pay poor performance at the same rate as good performance as demanded by length of service pay becomes more and more unsustainable. The study aimed to review the introduction of PRP for teachers in the UK between the year 2014 and 2017 and make recommendations how PRP could be effectively evaluated and monitored, using publicly available data (secondary data) to initiate further research. Thematic analysis (Braun & Clark, 2006) of secondary data gathered via peer-reviewed academic journals, blogs, reviews, news articles and magazines highlighted major themes related to Feelings of Inequity (difficulty in performance measurement, pay denial due to insufficient funds, discrimination on BME teachers, part-time workers and women, favoritism), Performance Management (inconsistent feedback, unclear goals, increased workload, unpaid overtime, favoritism, issues with identifying teachers contribution) and Teacher motivation (unattractive rewards and work related stress). Due to the negative outcomes of the findings from this review, recommendations were made on how best to design and implement performance related pay for teachers in the UK.*

Keywords: Performance Related Pay (PRP), Teachers, Public sector, UK

1. Introduction

Performance-related pay (PRP) is a system of pay progression where career or pay progression is dependent on an evaluation of an employee's individual performance by a supervisor or manager. As implied in its name PRP is pay linked to performance and this performance is determined by meeting set targets. This is usually performed through a performance management appraisal or system, where performance results can be automatically measured such as sales targets or can also be performed by regular appraisals (Perkins & White 2011). This form of contingent pay is very popular in the private sector especially in the manufacturing industry where tangible outcomes are more measurable and thus easy to link to performance. With success stories of how PRP; 'improved organisational development' and the need 'to deliver a message about the importance of performance', the public sector in Britain saw the rise of PRP in the mid-'90s (Marsden 2004). In 2000, some form of PRP was introduced for long serving teachers in England:

- This comprised the introduction of an Upper Pay Scale with additional increments above the basic pay scale, with progression depending on performance (Atkinson et al, 2009)

This change was due to the public education system in England and Wales, where standards had steadily been declining over recent years. A study conducted by The Program for International Student Assessment (Pisa) found that the UK was ranked 23rd for reading, 26th for math's and 21st for science in 2012 (The Telegraph, 2012), whereas in 2006 it was placed in 17th, 24th and 14th respectively (Shepherd 2010). This decline in the key educational subject areas, as well as a greater emphasis on computing in schools, is what led to the British Government implementing educational reforms in 2013. As outlined in the new School Teachers Pay and Conditions document, the education department policy recommended a pay system determined by performance pay progression, and schools determine teachers' pay progression based on teacher's performance through appraisals on students results, set out by the school (Department for Education 2014ⁿ). A statement from Michael Gove, the Education Secretary at the time, confirmed that these

changes will, “reinforce our drive to raise standards in our schools” (Gove. 2013). These pay reforms were set to create fairer pay arrangements, give schools greater independence over budgets, strengthen performance and bring improvements in teaching quality and student result standards (Department for Education 2014^b).

The result of these educational reforms was pay progression shifting from Service Related Pay (SRP) to PRP because, at the time, teachers’ pay progression was related to their length of service. Pay progression was an automated yearly increment until in September 2013 when PRP was reintroduced. PRP is ‘the explicit link of financial reward to the achievements of objectives’ (Armstrong, 2009). The assumption of service-related pay was that length of service equals improved knowledge and experience, which in turn led to improved loyalty and performance (Stephen *et al.* 2016). The results from the Pisa study implied that service-related pay was not an effective way of encouraging performance within teachers which brought forward the need to change to an individual PRP method.

The concept of an individual PRP system refers to the way salary increases are related to the results of performance appraisal (Heery 2001) and has been associated with the aim of motivation and the improvement of incentives for workers (Brown and Heywood 2002). As well as using pay incentives to improve the performance of teachers, PRP can also be used during times of austerity to help control and cut costs as schools would no longer be required to match a teacher’s existing salary when recruiting new staff (Dept. for Education, 2013). According to the Education Secretary at the time, this will also make teaching ‘more attractive and rewarding’ giving ‘schools greater flexibility to respond to specific conditions and reward their best teachers’ while empowering them to attract and recruit ‘the best’ (Paterson 2013). In a bid to attract graduates into the teaching field where pay is minimal compared to other professions, it makes sense to use pay as a tool for attracting, recruiting and retaining talent rather than; ‘paying people just for being there as it happens in SRP’ (Armstrong 2007:337). Even though some form of appraisal was in place to assess teachers for entry into the upper pay scale under SRP, both the education department and OFSTED believe that this is not adequate as due diligence is not paid to the assessment for transition into the upper pay scale. According to the OFSTED Chief; ‘more than 90 per cent of teachers were put through the threshold on the nod’ (Paton 2013). Hence, introducing PRP at all levels will provide a more robust system for assessment for marking good performance.

Nonetheless, prior research has indicated its failure to motivate workers, while other research has indicated a rise in productivity (Marsden 2004). Performance is also not always easy to measure as it is influenced by both the context (environment) and content (objectives/targets). What works in one environment may not work in another and in any exchange relationship, fairness or perceptions of fairness are of utmost importance. This brings in the question of equity. Also, content wise, goals or target should be SMART (Specific, Measurable, Attainable, Relevant and Time-bound) otherwise they will just remain aspirations and not deliverables. This among other things makes PRP difficult to manage even though it yields some benefits.

Trade unionists, on the other hand, see the reintroduction of such a system as having the exact opposite. For Christine Blower, the general secretary of the National Union of Teachers (NUT); ‘the latest reforms could deter graduates from entering teaching, restrict serving teachers’ ability to move jobs and cause many to leave teaching if they are unfairly deprived of pay progression by decisions which ignore their contribution to their school but focus instead on funding pressure or whether the teacher’s face fits’. The following paper is going to go into more detail about PRP and address criticisms of the educational reforms made by Christine Blower with recommendations that address these concerns and how PRP could be effectively evaluated and monitored.

2. Data Analysis

The longitudinal perspective was utilised in this study to access valuable secondary data in relation to the introduction of Individual Performance-Related Pay for teachers in the UK. The data yielded from the research spanned the years 2013 through to 2017. Thematic analysis of these data which were available via blogs, news articles and employment magazines therefore helped to achieve the research objectives. Data items from these various sources were then coded using Thematic Analysis (TA: Braun & Clark, 2006). This technique was used to organize, identify, analyse and report patterns (themes) within the data set in order to interpret various aspects of the research topic. This proved useful for this study as evidence from the different sources helped to triangulate data and enhanced rigour, validity and the trustworthiness of the research outcomes. The key themes that were derived from the thematic analysis include – Feelings of Inequity (difficulty in performance measurement, pay denial due to insufficient funds, discrimination on BME teachers, part-time workers and women, favoritism), Performance Management (inconsistent feedback, unclear goals, increased workload, unpaid overtime, favoritism, issues with identifying teachers contribution) and Teacher motivation (unattractive rewards and work-related stress).

3. PRP Literature Review – Discussion of Findings

PRP is hinged on motivation theories. What and how people are motivated forms a basis of reward schemes. This paper will focus mainly on process theories such as Vroom Expectancy theory (1982), Adam’s Equity Theory (1965), Lock’s Goal Setting Theory (1968) of motivation while making a brief reference to content theories (Maslow’s Hierarchy of Needs (1943), Herzberg’s Two Factor Model (1959). Emphasis will, therefore, be placed on how people are motivated rather than what motivates. (See appendix... for a detailed explanation of the theories).

3.1. Reality vs Rhetoric

The reintroduction of PRP was backed by strong justification for the need to raise the standards of teaching for quality education in England and Wales which has been steadily declining over recent years. Further to the PISA study indicated in the introduction, statistics from the DfE show; ‘Secondary schools in 17 areas fail to ensure the majority of their pupils get five A* to C grades including the core subjects of English and math’s’ and in ‘Norwich ... only 45 per cent of pupils leave school with a set of decent

qualifications (Harris S. 2014). Coupled with cuts to Government spending, the rationale to pay poor performance at the same rate as good performance as demanded by length of service pay becomes more and more unsustainable. The days of automated pay progression cannot therefore continue instead pay should be reformed so that; schools can attract and retain the best teachers who have the greatest impact on their pupils' achievements' (Says a DfE spokesperson cited by Paton G: 2013). A lot of guidelines have been put in place to guide the reform e.g. Guidance on teachers' pay and condition (DfE, 2015), Role and responsibilities for determining pay progression (DfE, 2013), Ofsted School Inspection Handbook etc.

However, its application has not been a rosy affair in the UK even when DfE asserted that with the reform; 'teaching has never been more attractive, more popular or more rewarding and in 2015 a record number of top graduates are now applying to become teachers and there have never been more teachers in England's classrooms, with a rise of 9,000 in the last year. (Mathew R. 2016). This can be seen in the size of schools' workforce increased between 2013 and 2014 by 21,700 full time teachers (DfE 2014).

3.1.1. Teacher Motivation – Drop in the Number of Graduates Entering Teaching

Notwithstanding, PRP have given rise to the 'effort bargain' (Marden D:2004) in the teaching sector, newly qualified teachers may therefore be drawn to idiosyncratic deals that PRP offers as regards starting salaries. However, the question here will be how long such tangible reward will be sufficient? Is the extent to which this is sufficient dependent on their station in life (as Maslow believes in his Hierarchy of Needs Theory)? For OECD countries, newly qualified teachers are mostly in their twenties; could it be that at this age teachers are most likely to be unmarried and without families of their own and so are drawn to tangible reward like pay rather than intangible reward like leave for better work/life balance. Could this change as they move from one station of life to the next. In essence this question asks, what motivates NQTs and how long will they stay motivated?

The answer to this question lies in the Initial Teacher Training (ITT) figures for 2016/17 as it shows it did not that take long for recruitment levels to drop as a decrease became evident in the overall number of students entering teaching compared to the previous year with only 98% of places being filled. This resulted in nearly 2000 places going unfilled (DfE. Cited in NUT, 2017). Hence, this seems to justify Blower's claim that the reforms could, "deter graduates from entering teaching...and cause many to leave teaching' (Blower, C. 2013).

3.1.2. Increased Workloads and Work-related Stress

Moreover, Studies by ATL shows good pay must correspond with a better or balanced work load for new graduates to not only join but also stay in the teaching profession. Dr. Mary Bousted, General Secretary of ATL said at a union's conference in Liverpool that; 'Teachers are leaving in their first year, or not starting teaching when they have completed their training taking work elsewhere ...with better pay and reasonable workload" (Lovewell K :2013). With PRP reintroduced as a cost cutting measure; 'schools would no longer have to match a teacher's existing salary when recruiting staff' (Dept for Education, 2013). Indeed, the issue of 'better pay' becomes a factor for recruitment and even retention when the teaching profession is compared to other graduate professions.

Additionally, in the UK, teachers increased workloads due to PRP prove to be a major dissatisfier. A survey by ATL shows '73% of trainees and NQTs have considered leaving the profession and 76% respondent cited heavy workloads as the main reason' (Weale :2015). With feelings of not having a good work/life balance and what Bousted calls a profession 'incompatible with life' a dislike for teaching is becoming evident. Workload has not only increased within work hours but also outside work hours, as per a TUC survey in 2016; "51% of teachers and educational professionals' worked unpaid overtime which is on average an extra 7.7 hours a week missing out £6,301 in pay" (Metro, 2017). Bousted further went on to say; 'The excessive workload, driven by constant changes to the curriculum and assessment and an increasing volume of unnecessary paperwork, is exhausting teachers and stopping them from focusing on teaching children'. An ATL study has shown that 'working with young people and making a difference' is the top reason why people join teaching (Marsh 2015). And if teacher's workload becomes so heavy that they have little time for their students, they may choose to quit seeing it as a 'breach' to their 'psychological contract' (Rosseau cited in David E. Guest 2004) based on their expectation that teaching will offer them the outlet to work with young people. This draws out the linkage between Herzberg's (1959) hygiene factors and satisfiers which have the potential to negatively affect employee's expectancy (Vroom 1982).

Further to this, the value of PRP reward, which Vroom calls valence, will diminish in the eyes of teachers if the intrinsic satisfaction they derive from working with children is taken from them or if they feel teaching is costing them more than benefiting them. A part time teacher complained that classes for part time teachers are usually timetabled around gaps left by full time teachers; gaps that most times on one wants and for a new mother teaching is becoming costly in both tangible and intangible ways:

- I am currently on maternity leave with my second child and I am concerned that, with 2 children in nursery, if the school offer me a poor timetable again (which could be as bad as 0.4 FTE spread over 10 days costing the earth in childcare, or 0.8FTE over 10 days when I will feel that I am not spending the time at home that I need) I risk having to pay to go to work on my return after childcare and travel costs to keep my career going and/or not have sufficient time at home that I was after when working part time, with a cost to my family life.

With such a worry, it will be difficult at best to meet these targets as other conditions have a chance of preventing teachers from attaining their performance related rewards such as their home or work environment (MeenuDev 2016). Thus, in this context, if the teacher's effort does not lead to performance of students (expectancy), the teacher will not be rewarded (instrumentality). In the situation were the teachers are rewarded through PRP, there is also a question of how valuable teachers view this reward. (Valence) "People should not be expected to work hard for rewards they do not find especially attractive." (Jacobson, 1992 pg.37). Note, in the

above scenario, it can be stated that the teacher does not find the reward 'especially attractive' seeing that it is costing her more and will likely affect her performance.

At worse it will enhance work related stress. According to BBC, 83% of teachers in 2015 had reported of work related stress (BBC: 2016). In a survey done by HSE, education workers (out of three other sectors) made up 1800 of those affected with work related stress such as depression and anxiety per 100,000 for the period 2013/14 and 2015/2016 (Anon. 2016a). It is worthy to note that this was less during the previous years before the reintroduction on PRP. This makes one to question how SMART these goals are and whether these goals were agreed on in the first place. The issue of SMART goal setting will be further issued.

3.1.3. Unattractive Rewards

Even where pay is a motivator it is becoming more and more undesirable as receiving pay at the end of appraisal year becomes more and more uncertain decreasing the 'instrumentality' (Vroom 1982) of reward – the degree to which one is certain that performance will yield reward. In survey of more than 8,000 teachers in England published by NASUWT; '59% of teachers reported that their schools had failed to confirm they would be paying the 2016/17 pay award and '60%' of those eligible for incremental pay rise have not received their pay progression and for Keates NASUWT General Secretary, this has contributed to make teaching; 'less and less attractive to new graduates' (Anon. 2017).

3.1.4. Pay and Progression Denial due to Insufficient Funds

A further NUT and ATL teacher unions' survey results show that one in five teachers were being denied pay progression as at 2016 (NUT 2017) This was blamed on insufficient funds, and budget constraints and had nothing to do with teachers' performance. The absence of any of the three elements (expectancy, valence and instrumentality) leads to an expectancy of zero for teachers, and therefore, they will not be motivated to put in any effort since they are sceptical about if their efforts will lead them to actually obtain their PRP.

The foregoing points suggest the complexity of motivation as people are motivated by the tangible and intangible both intrinsically and extrinsically. Hence using IPRP as a motivation tool for 'attracting, recruiting and retaining' teachers cannot be a long-term solution; 'as it is simplistic to assume that it is only the extrinsic motivators in the form of pay that creates long term motivation' (Armstrong, 2007:336).

3.1.5. Issues with Inequity

The other issues this paper will now look at include the issues of equity and goal setting as it relates to PRP. The new measures of PRP – 'improving student result, keeping order in the class room and taking part in extra-curriculum activities' as a combination may be setting up some teachers to fail. If a teacher is unfortunate to be timetabled to a poor performing and unruly class or inherits a class from a poor performing teacher, the teacher may have little chance to meet targets when compared to a teacher will a different class and performance levels. Will it be fair to penalize such a teacher?

Also, if a teacher is married or even single with very young kids, the teacher might not be able to take part in extra curriculum activities because of the demand of family life. Will it be fair to deny such a teacher a pay rise?

This could then 'unfairly restrict a teachers' ability to move jobs' (Blower, C. 2013) and any other performance related rewards. A statement from NASUWT backed this up by stating that the managing of the goals being set is being used as a "punitive management tool to either drive teacher out of the profession or to prevent them accessing their entitlements" (Keates, C. Cited in NASUWT 2016). Instead of being used to as a supportive process for teachers by setting clear achievable goals it is setting high performing teachers up to fail.

3.1.6. Issues with Identifying Teacher's Contribution due to the Individualistic Nature of PRP

Since this form of PRP is individualistic, other teachers' contribution in developing the student are ignored because it not easy to identify exactly what one teacher is contributing to a student's performance and differentiating their contribution from other teacher or external factors such as family can be extremely difficult (Evans, D. 2001). For instance, teachers who give counselling services to students providing them a safe place to unburden themselves thereby enabling them to better focus in the classroom aiding their chances of good results are often not considered because of the difficulty of measuring such qualitative indicators.

But why? One may ask. Is it because of the budget or marginalization or both? To use Blower's (2013) words again; 'PRP ...focus instead on funding pressure or whether the teacher's face fits'. The subsequent paragraphs will look at these issues while linking it to lock's Goal Setting Theory (1968) and Adams Equity theory (1965).

3.1.7. Inconsistent Feedback and the Issue of Favoritism

If PRP is introduced as a cost saving measure as in the UK, school heads worried about their budgets, will rather measure quantifiable indicators as it is easier and easily justifiable in matters of appeal and because all targets must be meet for increment more people will likely miss one target than meet all. This is a case for demotivation as teachers are no longer sure that effort will yield the desired outcome (expectancy). This is evident in one teacher's complaint that his head teacher keeps on moving the 'goal post' every time he feels he has made some improvement with feedback of "requires improvement" even though all his other observations in year 2014 have been "good to outstanding" (Teacher, 2014). With an unclear, inconsistent feedback and a goal that has no time frame, the desired effort needed for performance is unknown. Since one cannot act on what one does not know, performance for pay becomes a

mirage. One wonders whether the Head Teacher was deliberate in his actions because the available budget could not go around for all 'performing teachers' as studies show PRP is money that is not available. Whatever the cause, this teacher feels PRP is unfair and calls it a 'performance pay conspiracy' as another teacher who has not put in the same effort as him received higher reviews and pay creating a sense of confusion as to why he was rejected. Goals set for employees at the same level must be accepted, consistent and appraised the same way if not perceptions of unfairness will arise.

Which begs the question is PRP at a risk of 'preferential favouritism' (Rosseau cited in David E. Guest 2004). Are some teachers denied pay and progression because of their 'face'? An ATL survey shows that; 27 of 89 black teachers (30.3 per cent) were denied pay progression and of the 482-part-time staff surveyed, 118 (24.3 per cent, who were mainly women) were also not allowed to progress. A further study by IER under the auspices of University of Warwick indicated that:

- The average pay for all male teachers in 2014 was £39,600 compared to £36,700 for women... The gender pay gap widened for younger and older teachers from 2011 to 2013. Men were more likely than women to be employed as head teachers or deputy head teachers. In 2012, 17% of men were employed as head teachers or deputy head teachers compared with 11.5% of women. White teachers (18.3% of men and 12.3% of women in 2014) are much more likely than teachers from BME backgrounds (8.7% of men and 8.1% of women in 2014) to hold senior positions (head teachers, deputies or assistant). (Anon. 2015).

3.1.8. Discrimination based on Gender and Ethnicity

Furthermore, a study by the Education and Training Foundation (ETF) found that 89% of men working full-time had a starting salary of £20,000, compared to 75% of woman (Zaidi, A. et al. 2015). Also, before the educational reforms, 54% of black and minority ethnic (BME) teachers who responded to a survey by the teacher union NASUWT reported that they had experienced discrimination during their career in regards to their ethnicity. Overall, 28% of the sample believed that they had received negative discrimination in applying for posts. Also, 71% felt that white teachers were perceived as better leaders (McNamara, O. et al. 2009). This suggests that BME teachers believe they are being "unfairly deprived" of leadership opportunities, and thus better options in their careers which may, in turn, lead to talented teachers being overlooked and leaving the professions based on their ethnicity. The lack of opportunities for BME can be shown with government statistics which states that in 2013 88% of teachers are white, however, 93% of head teachers in state-funded schools in England are white (DfE, 2014).

A percentage of 87% out of 10,000 of teachers from a survey by the Association of Teachers and Lecturers, who were denied of their performance related reward, felt the decision was unfair (ATL Media Office 2016). This is clear indication of a perception of inequity. This backs a study by Ballou and Podgursky claiming performance-based rewards are difficult to administer fairly and objectively (Ballou and Podgursky 1993);

Because decision of pay and career progression lies with school managers pay awards are likely to be at a risk of bias and favouritism. This research shows there is discrimination on age, gender and ethnic background raising the issue of equity and consequently ethics. PRP is therefore not rewarding 'best teachers' as DfE argued but rather rewarding a particular age, gender and ethnicity (mainly white British males 35 years of age and above).

It is obvious from the case above that there is no distributive, procedural or interactional justice. The amount and allocation and even the processes and procedures of reward will most times favour men over female. Just being male may mean having more time to participate in extra curriculum activities and less time away from work because of 'family related career breaks' (NUT, 2015). It can be argued that in PRP length of service does not matter but a man will have a better chance of meeting targets than a woman because a man has more time to improve performance than a woman at the same level but away on maternity leave (NUT 2017).

This is therefore contrary to the purpose of PRP especially when teachers react by a reduction in effort; they withdraw commitment to their job emotionally and physically (Adams 1963). Also, teachers might try to influence supervisors to increase rewards, or influence co-worker's inputs, by convincing them to decrease their inputs too or leave their jobs, and this creates an issue of employee retention. It becomes problematic when schools continuously lose high skilled and competent teachers.

Moreover, employees through word of mouth can discourage people in similar positions from believing in the reward system and therefore deter them from putting in effort for reward acquisition. Which also creates a loss for the profession because there is a slip in an opportunity to make use of potentially skilled teachers who can add value to the occupation as they go through the 'five different stages of resistance' (Ackroyd and Thompson 1999) before ultimately leaving the career.

This feeling of inequity can evolve into a 'self-fulfilling prophecy', once the teacher perceives inequality they may act out and not perform and even leave. In 2016, the school's minister, Nick Gibb, confirmed that of the 21,400 teachers who began teaching English in 2010 before the reform, 30% quitted after the reforms by 2015 (Weale, S. 2016).

3.1.9. The Effect of the Introduction of PRP on Student Performance

Having discussed the effects of PRP on teachers, this paper will now examine its effect on student's performance and education. Raising students' test score and giving them, a decent qualification was one of the reasons for its reintroduction. What is the relationship between student's test scores, quality education and PRP? In a PISA study; evidence from OECD countries (2012) 'found no relationship between average pupil performance and the use of performance-based pay schemes.' (Cited in Teachers' pay research in brief, 2015) even as 81% of teachers agreed or strongly agreed when asked whether objectives relate to improving the education of pupils against their prior attainment (O'Birne, C. and Pyle, K. 2014).

The above response cannot be a valid argument for PRP when it has set in a heightened level of fraud in test scores, limited teacher/student relationship to safeguard student wellbeing and limited the school curriculum. Since PRP is not democratic as reward

(Anon. 2017) is given for holistic performance which in itself may affect productively as little or no importance is given to those areas of work that are not measured. For instance, a teacher may not be concerned about a student's absence especially if the teacher feels this student will not make good results not minding that the student absence may stem from home issues or teenage esteem issues. So much emphasis has been given to students' results that schools and teachers go to every extent to raise test scores. According to Mark Leach (2015), Employment Partner at law firm Weightmans, '130 penalties were issued to schools and colleges for cheating in GCSEs and A-levels...five institutions were stripped of the power to run their own exams altogether and one school had its exam entries suspended' (Times Educational Supplement, 2015).

The consequences of putting emphasis on students' results worry Corbett and Wilson (1989) about the end result; 'the end result is that the emphasis in the school becomes to improve the next set of test scores rather than some longer term more general goal of improving student learning' (p.36). In the UK, this seems to be the legacy of Gove's education reform - schools and teacher's obsession with:

- Meeting short-term numerical targets... so much so, that they serve an increasingly limited and impoverished pedagogical menu, designed purely for profit in key exams rather than genuine long-term nourishment of the mind (Birrell 2014)

Hence, the foregoing evidences show for the UK, PRP is not a good indicator of attraction, recruitment and retention or even pupil's performance for improved education and teacher morale.

The Hutton Review of Fair Pay (2011):

- Argued that performance-related pay systems work less well in the public-sector due to the complexity of outcomes and goals, difficulties in monitoring and the proportion of employees who work in teams (and associated lack of evidence of performance-related pay affects individuals in teams). (Cited in Teachers' pay research in brief, 2015).

This can explain the case of UK; however, the American case begs to defer as it seems to have worked there. What is their secret? The next section will explore the American case while comparing it with the UK to offer ways in which UK can improve.

3.2. Successful PRP Models – The American Case

Performance related pay as a model for teachers in the public sector has worked in other countries; therefore, it raises a question of why it has created so many issues in the U.K. To answer this, the UK's PRP policy model will be assessed with that of schools in America; to highlight areas where improvements could be made. A performance management model titled Teacher Advancement Program (TAP) was designed to attract and retain high-quality teachers and they were successful at this (Buck et al. 2011). The strategy involved using both individual and school wide performance measurement, unlike the U.K, which mainly bases its measurement on student performance. Teachers are measured 50% on their skill achievement, 30% on classroom achievement and 20% on school wide achievements. The TAP's main components focus on a career path, professional development, academic accountability, and performance based bonuses (Alger 2014); which encourages the skill development of teachers in conjunction with student performance.

Schools in the U.K claimed they did not have sufficient funding therefore not all teachers qualified for the PRP were not awarded (NUT 2017). In preventing this issue of insufficient capital, the TAP programme is privately funded by the Milken family foundation and this helped in successfully awarding qualified teachers. They set specific targets that teachers needed to meet to earn up to \$5,000 (Buck et al. 2011). The average bonus received had an average of between \$2,250-\$2,500.

The Houston Independent School District also based in America developed a performance award plan that awarded both individual and school wide bonuses (Department of Research and Accountability 2012) thus incorporating some element of TBP (team based pay). What distinguishes this programme from that of the U.K is that it employs a value-added methodology, meant to provide teachers with information to be used to measure student progress in the classroom and on campus (Department of Research and Accountability 2012). Therefore, teachers are not only given goals but, are involved and guided as to how these goals can be achieved.

Irrespective of the fact that these systems worked in America, it is important to acknowledge that in comparing different countries there should be awareness that there are many differences that exist between these countries and therefore a system that works in one country might not exactly work in another. A factor such as differences in culture and specifically, the difference in the school system can make it more challenging to duplicate the American success in whole. Nonetheless, it provides a model that UK can learn from as a new pay policy needs to be developed to address the shortcomings seen in the UK experience. Hence a policy document and some recommendations have been put forward in order to address the issues discussed above.

4. Policy Document (Policy Revision)

Teachers Performance Related Pay for Public Sector Schools

4.1. Policy Statement

The purpose of this policy is to ensure that the government and school authorities can fulfil the expectations of teachers and teacher trade union's in terms of acquisition of their Performance Related Pay. This policy is intended for the British Government, teacher trade unions, and teaching authorities in public schools, and should be implemented in 2018/2017 academic year, to be revised at a period of every two years.

4.2. Policy Principles

The underpinning principles of this policy are that fair rewarding of PRP for teachers is essential to foster motivation, improvement in performance and improve the retention rate of teachers and make the profession more attractive to others.

4.3. Broad Objectives

This policy is designed to support schools in improving the PRP processes by:

- I. Ensuring equality in awarding PRP and prevent unlawful discrimination against ethnic groups, maternity mothers, and part time teachers
- II. Reviewing the measurement criteria of the reward strategy and provide more clarity on goals that are set and the entire PRP evaluation process.
- III. Implement attractive packages for improved employee retention and encourage more people into the profession
- IV. Ensure work is flexible enough to accommodate life outside work for better work/life balance

4.4. Strategies

The strategies listed below are going to address the broad objectives mentioned above (from I – III)

4.4.1. Objective I

- I. A 10% increase in the base rate should be set for all teachers depending on their position.
- II. A blind panel system should be adopted by schools in recruiting teachers and during performance evaluation to reduce the level of discrimination.
- III. Schools should adopt the school based reward model, whereby distribution will be made using the equity-based principle to prevent free riding of other employees.
- IV. Schools should adopt the standardised computerised evaluation systems developed by the government, whereby every teacher will go be assessed using the same criteria which are transparent to all involved.

4.4.2. Objective II

- I. Teachers' assessment should be based equally on the performance of their students, as well as their knowledge and skills gained, through organised training and development programmes.
- II. Teachers should be included in the setting of goals and targets and they should accept these targets before it is implemented.

4.4.3. Objective III

- I. Revise the reward packages to include the flexible benefits system. Research should be done into the generational workforce of teachers in each school to design a suitable flex package, to satisfy immediate needs of the workforce. These should include non-financial rewards such as medical benefits, paid vacations, shop vouchers and training opportunities.
- II. Create more opportunity for career advancement through training and development, e.g. focusing on leadership training opportunities.

4.4.4. Objective IV

- i. Work that does not require teacher/student contact can be taken home.
- ii. Team tasks can be distributed based on what every member is good at and loves

4.5. Specific Actions

The policy recommends the following actions should be taken:

- I. Training programmes should be organised with more focus to be put on subjects or teaching skills, which need improvement.
- II. Teacher surveys should be done after every academic year to assess levels of engagement.
- III. Student results should be monitored yearly to assess progress associated with this policy.
- IV. Government partnership for the development of evaluation software specifically for all public schools to use.
- V. There needs to be a review panel under the education ministry specifically to monitor and ensure the success of this new reform.
- VI. The government allocation of yearly funds into its budget specifically to finance Performance Related Pay for teachers.

4.6. Desired outcomes and Performance indicators

- I. Effective training programmes should increase teacher's skills and knowledge, which will be measured by a 10% improvement in curriculum structure and deliverance effective deliverance for better student understanding.
- II. The utilisation of teachers' skills and knowledge should lead to an increase in performance of students, and this will be measured by an average performance of minimum 70% by schools.
- III. Teacher job satisfaction, leading to attractiveness to the profession and higher level of retention. This will be indicated by a 20% increase in the number of graduates in the profession and 15% reduction rate of teacher withdrawals from schools
- IV. 70% increase equity perception by teachers especially for lower minority ethnicities, part time teachers and maternity mothers, which will be indicated through positive feedback surveys.
- V. Teaching profession should be seen to be more attractive indicated by a 20% increase in the number of graduate applicants in teaching.
- VI. Ensure pay is felt and seen to be fair, by introducing self and peer evaluation in all schools by September 2019.

- VII. Bridge the gap in gender and race disparity by half. Undertake an equality impact assessment from April 2020 and devise recommendations for pay equity and equality for implementation starting September 2020.

5. Recommendations

5.1. Review Scheme

5.1.1. Policy Implementation

The department of education in collaboration with trade union should ensure a unified structure of governance and implementation of this policy irrespective of a persons race or gender. The implementation of this policy will start with pilot tests in one school preferably in a smaller city like Coventry. It should be monitored by the Department for Education, and measure the progress of teacher satisfaction in terms of skills building, training, and retention. In addition, the performance of students will be monitored against a benchmark to analyse progress. This will go on for a two-year period, before being introduced to ten other schools in the same region, to be tested out in the same manner also for a two-year period, before being introduced nationwide.

5.1.2. Policy Evaluation

The centralised evaluation software will be introduced to ensure that each school has a centralised evaluation system. Organised body from the education ministry will be responsible for inspecting and ensuring school administrators are complying with the evaluation system. There is also a need to ensure that all teachers have been trained on how the system works and informed on all steps involved in the evaluation process. Any disparity or disagreement that is identified by teachers should be communicated through trade unions and liaise with the education ministry to address and be amended at the end of the two-year period.

5.1.3. Policy Surveillance

The effectiveness of the policy on teachers will be completed in two forms, self-appraisal where individual teachers will be able to rate how effective the new PRP system has been to their growth in terms of knowledge and skills and effectiveness of their teaching methods. Also, peer appraisal will be done to measure co-workers' opinions on effort and effectiveness, in order to prevent free riding, which is usually common in team-based pay. Student performance will also be monitored accordingly, to ensure teacher performance is impacting student results accordingly.

5.2. Short-Term and Long-Term Recommendations

Over the short-term period commencing September 2018/2019 academic year, the following should take place:

- I. The policy should be presented to teacher trade unions to ensure concerns have been met, and make any necessary amendments.
- II. Organise the pilot schools that the policy will be introduced to and develop a change management process for an effective initiation.
- III. Training should be done for school authorities on the policy reform and the new evaluation software. Further training should then be given to teachers on the policy and performance management.
- IV. At the end of the academic year, results should be assessed in preparation for any possible amendments that will need to be done.
- V. Undertake an equality impact assessment
- VI. Restore pay portability

5.2.1. Long Term Recommendations

Over the long term, the following should take place:

- I. The policy will be introduced to ten more schools in the region in the 2019/2020 academic year and will further be introduced nationwide in 2021/2022 academic year.
- II. Organise termly forum meetings with NUT and ATL to receive appropriate feedback on the policy.
- III. Implementation of company culture, that is supportive to PRP in schools.
- IV. Set in yearly appraisals for continuous improvement
- V. Continuous training to keep users up to date
- VI. Introduce yearly best practise days starting September 2018 for recognition of best in class performance

6. Conclusions

One of the main reasons for the introduction of the educational reforms was to improve the global rankings of students from England and Wales whilst also maintaining an appeal to new graduates and maintaining high performing teachers during a period of austerity. Recent PISA results have shown a marked improvement in the UK's ranking for science, rising from 21st in 2012 to 15th and a small increase in reading, 23rd to 21st (Gurney-Read, J. 2016). However, over the same period, Math has fallen slightly from 26th to 27th. This can point towards PRP having improved some results but not all.

Teacher retention rates are still quite low, as mentioned in the Literature Review 30% of teachers had left the profession since the introduction of PRP. It could be argued that it is still too early to show that PRP is the only factor for this, however, the perceived inequity that teachers are feeling could be a contributing factor.

In conclusion, PRP can be very useful in motivating teachers to perform well, especially in the public sector where a lack of money has always been a problem as seen in the American example. There have been countries that have effectively practised this system and have found it effective, and therefore by analysing those systems, British teachers are able to highlight and duplicate some of these practices that make them effective to revise their current policy. Performance Related Pay just like any other policy is not perfect; however, by implementing this policy, there is a hope of survival and acceptance by stakeholders.

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Appendix 1- Thematic Analysis on the outcomes of the introduction PRP for teachers in the UK

Theme No.	Data Item	Initial Code
1	Inequity	<ul style="list-style-type: none">• Difficulty in Performance Measurement• Pay denial due to Insufficient funds• Discrimination on BME teachers and Women
2	Teacher Performance	<ul style="list-style-type: none">• Inconsistent feedback• Unclear goals• Increased work Load• Unpaid Overtime• Faults in appraisal (How teacher performance is Measured)
3	Teacher Motivation	<ul style="list-style-type: none">• Unattractive rewards• Work related stress