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AUTHOR Blaschke, Charles L.
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ABSTRACT

One of the principal issues facing educators is whether school management can manage its resources efficiently to achieve results through broad-based accountability procedures such as performance or incentive contracts, in light of possible constraints such as teacher tenure. In this speech, the author suggests some propositions related to education in the 70's, discusses tenure and its ramifications from a management point of view in light of these propositions, and discusses several accountability models and procedures that exist or might be implemented in the near future. (Author/JF)

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SPEAKER: Charles L. Blaschke, President, Education Turnkey Systems, Washington, D.C.

TOPIC: SHOULD PERFORMANCE CONTRACTS REPLACE TENURE?

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As a recent AASA publication argued, "teacher tenure ain't the problem". The topic assigned to this session, although an interesting title, isn't really the issue, without a broader perspective. Rather, I would argue, the main issue is: given the situation facing school officials, can school management in the '70's manage its resources efficiently in achieving results through broad-based accountability procedures, such as performance or incentive contracts, in light of possible constraints, such as teacher tenure. For a few moments this afternoon, I wish to suggest three propositions related to education in the '70's; then to discuss tenure and its ramifications from a management point of view in light of these propositions; and last to discuss several accountability models and procedures, which exist or are being planned for implementation in the near future--sometimes in spite of tenure laws.

Three Propositions

First, educational management is the efficient direction and motivation of people to produce positive changes in the behavior of other people. Unlike any other "industry" in this country, education is the only one where the ratio of labor to capital has increased since 1945, which is certainly an anomaly in an industrialized society--yet not inexorable--but to be sure is a reality of some consequence in the immediate future. Hence, carte blanche replication attempts of industrial models have limited utility in such a people-linked social system.

Second, 'accountability' will increasingly be recognized as a process by which goals, objectives, and most critically, the criteria for assessing attainment, are developed through a participatory process involving those participants and those effected; where decision-making authority over programmatic decisions (i.e., how to accomplish the job) are decentralized to the lowest operating units (usually the classroom); and where those who achieve or surpass their objectives are rewarded in a manner consonant with professional ethics and mores. Bill Pharis went one step further when he noted that accountability without responsibility, records, and redress is mere rhetoric.

Third, if public schools are to survive the crises of the '70's, they must have the flexibility to respond to the needs of a changing yet difficult to-predict political and economic milieu in which they exist and upon which they must depend. If schools are to be productive, an environment conducive to 'creative destruction' and the displacement of concepts through the encouragement of responsible innovative activity not as a means but as an end itself must be created. 'Dynamic Inactivism' an eloquent credo espoused by Dr. James Boren, President of NAITaProDu cannot be taken so lightly in view of the prophetic 'turn-of-the-century' political economist Joseph Schumpeter, who argued that capitalism would destroy itself, not because of its failure as Marx argued, but rather due to its success. As corporations grew, ownership became more dispersed, delegating by default more discretion to corporate management who under the pressures of society and political acceptance diverted attention from its primary function--profit maximization for its owners--to other roles. Only through 'swarms of innovation' would

creative competition emerge and capitalism rejuvenate itself. If the analogy holds for public schools, would it not be more conducive for reform of our public schools that such swarms come from 'within' in the form of healthy rather than deadly competition from the outside?

Tenure from a Management Perspective

The attributes and ramifications of tenure can be viewed from two perspectives--legal and managerial. Statutory tenure evolved over the years essentially to protect teachers, their property rights, and personal liberties, such as freedom of speech. Yet, over the last decade the courts in many cases have ruled in favor of teachers, tenured and non-tenured, beyond statutory protection of tenure laws. And with the increasing availability of 'legal Aid' services, which as many of you are aware are providing 'watchdog' functions over school management, procedures for ensuring due process over dismissal and other personnel actions should continue to improve. In short, statutory tenure essentially protects mostly the raison d'être of legal firms and aspiring young lawyers and organizations who have internal vested interests in maintaining tenure.

From a management point of view, however, the ramifications of the continuation of statutory tenure laws vary as one considers some of the key elements of the propositions mentioned earlier.

First, there exists an inherent philosophical difference if not conflict between management and tenure. Management is prescriptive, implying dynamics of change and achievement of results, while tenure is proscriptive, perpetuating the status quo. Tenure, for example, is designed to protect teachers from being fired unless proven to be incompetent; yet, teachers don't have to demonstrate competencies to be given tenure.

Second, the efficient allocation of resources for school operations is increasingly being hampered by statutory tenure largely because formal education is for the first time in our history no longer a growth market--the number of students have decreased--and the costs of resources are increasing. Tenure has not been traditionally a primary concern when planning for growth; yet, when budget reductions are required, tenure further complicates the problem confronting administrators who themselves are in a novel situation without historical experience.

Third, since motivation is key to effective management, tenure will increasingly become counter-productive. With greater pressures to reduce school budgets, monetary incentives (e.g., salary increases) will be difficult to justify. Or if such increases occur, they will be at the expense of non-tenured young teachers, whose competencies might have been demonstrated or certified (e.g., at least five states have initiated such programs), and whose supply exceeds demand increasingly. On the other hand, if administrators convince the public that the quality of instruction can be increased if they are willing to pay for it, after fixed 'tenure costs' are earmarked how much discretionary funds will be left for staff motivation to fulfill promises to the public?

Fourth, if one accepts the above definition of accountability, stature by tenure could impair its implementation especially regarding the identification of assessment measures and through a participatory process and methods of redress. Tenure could provide 'shelter' against 'redress' and in some cases reduce the credibility of 'collective sessions or negotiations'. Since accountability implies the attainment of results, the major function of management, it is ironical that the limits of 'results' and even remedy might conceivably be defined in the courts, due largely to the default of management and partially indirectly to the existence of tenure laws. And if malfeasance and negligence are declared as a result of cases such as "John Doe", the demise of tenure, as we know it, could be immediate as the property rights of students confront those of teachers.

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Fifth, the past, present, and future impact of tenure on 'innovative activities' is difficult to determine and generalize about. However, based upon our experiences in accountability and related innovative if not different projects, I would offer the following. When such programs have been voluntary, an overwhelming percentage of teachers have been young with less than three years experience; when participation in the projects was involuntary, older, tenured teachers have responded negatively at a rate of 3 to 1 greater than younger teachers. However, turnkeying or adoption of the successful innovations were seriously affected by teacher reassignment or turnover, which to varying degrees could be attributed to tenure and/or traditions created by tenure.

Promising Accountability Models

While it is true that statutory tenure can conflict with attempts to introduce greater accountability into public schools it is equally valid to say that much can be done by creative, effective, and committed administrators in spite of tenure. In the remainder of this session, several approaches and models, which our firm has developed or studied for adoption elsewhere, are described. Each of these models are described in light of several common characteristics: (a) the degree to which school staff participated in the process of identifying problems and/or determining instructional and other objectives, determining the evaluation design and/or criteria for assessment, and selecting the delivery system to be used; (b) the extent to which decision-making regarding programs was delegated to the school and classroom and the level of financial support provided to the staff; and (c) the nature and extent of rewards, dollar or other, and redress provided either individually or collectively for those being held accountable; and (d) the nature and extent of evaluation ranging from product to process. It should be noted that since the models vary in scope (systemwide vs. special project) and the stage of existence (implemented vs. being planned), any generalizations should be made with caution.

Michigan Chapter 4 Performance Contract (1972 - present)

Four performance contracting firms and one teacher group provided instruction in reading and/or math to about 5,000 students, who gained during the 1972-73 school year between one month to 1.9 months for each month in the program or an average of 1.4. This year the program has been expanded to include two additional teacher groups and two more firms; one of last years projects has been turnkeyed. This group of contract projects has demonstrated the most significant results to date in the field. In addition to third party evaluations, education program audits are being conducted.

Michigan Chapter 3 Performance Pact Program (1971 - present)

The 23 million dollar compensatory education program involved 66 districts and over 110,000 elementary students; districts receive \$200 per child in subsequent years only if the child achieves 75% of his objectives. Results from 1971-72 indicate students achieved over 100% above the national average. During the second year, several districts were given the opportunity to 'make-up' their unearned monies by entering into an incentive penalty arrangement with the MDE if they agreed to use an alternative delivery system. Districts had almost total flexibility in the use of funds.

Kalamazoo Accountability Model (1973 - present)

The Superintendent has entered into a performance contract with the Board, risking 10% of his salary, if he fails to meet his objectives. Principals and teachers will receive bonuses upon 'excellence'. The principal receives a Job Performance Rating (JPR) using seven sets of criteria including ratings by various groups and the degree to which he achieves his objectives. Teachers are rated in five categories--student, principal, peer, and self ratings and student achievement data. At the heart of this unique accountability model is a clear statement of policy and priorities, a dedicated management team, and a sophisticated management

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information system, used not only for personnel evaluation but most critically for feedback to teachers.

San Antonio Project Management and Evaluation System (Planned 1973)

PMES is designed to improve the management and evaluation of special projects, which constitute about 20% of the total District operating budget. The underlying philosophy is unique: (a) accountability will evolve through participatory planning, evaluation, and management; (b) the major objective of evaluation is to provide information to the classroom teacher for program improvement; (c) evaluation is a shared responsibility between central staff, principals, and teachers. The model includes a practical planning technique, procedural checklists, and workshop simulations. Field testing is occurring at the present time.

Dade County Incentives Project (1971 - present)

Two groups of teachers contracted to increase student performance in math and reading using programs which they designed; bonuses equal to \$110 per student would be paid if students achieved 100% or more above expected gains; in addition teachers were provided up to \$110 per student as risk capital. During the first year of operations, students achieved between 50% and 200% above expectancies and teachers earned bonuses up to \$3,000. During the second year the project was expanded to additional schools under turnkey and incentive arrangements. A similar program was developed in Woodland, California in 1972; over 90% of the students achieved their objectives and the entire school received a collective bonus of \$9,600 this year.

Turnkey Profit-Sharing Cost-Saving Model (Modified Implementation in 1972)

This model represents an amalgamation of those workable elements of the above, plus some additional ones, building upon the so-called Scanlon Plan used in several industrial settings in the last two decades. In fact, two authors in the December 1972 Phi Delta Kappan cited the Dade County Project as an illustration of a 'Scanlon Plan for Education'. In fact, the Woodland Project and one just initiated in Grand Rapids were attempts to implement such a model; in the case of the former, the project faltered due to a scandal regarding a school official and in the latter, a late funding.

Very briefly, highlights of the model include the following. First, operating units would be defined, usually schools or regions and within each a Committee representing administrators, teachers, students, parents, and the Board would convert broad policy goals into specific objectives in light of resource and other constraints. Second, programs are jointly developed and planned. Third, assessment criteria and methods of evaluation would be determined. Fourth a scale for providing bonuses or instituting salary deferments would be negotiated. One set of criteria would be student performance; another, process criteria (e.g., demonstrated competence in the use of a specific instructional program); and the last set would focus upon cost-saving initiatives taken individually and/or jointly by staff (e.g., if by increasing class size by 4 students would save \$800 per classroom per year, then a percentage of the savings would be earmarked for the teacher in subsequent year). Fifth, support services from the central staff would be negotiated and scheduled. Sixth, during operations, management by exception principles would prevail with continuing evaluation provided to staff. And last, when results were in, an independent program auditor would certify evaluation reports on attainments and the amount due.

What Does All This Mean for Tenure?

First, the existence of the above and a limited number of other similar models indicate that management can take an initiative in introducing accountability in spite of statutory tenure. Yet, it must be emphasized that the application of most of the models represent special projects, usually funded at least in part by outside sources which provided for example, the

incentive payments. Moreover, with budget tightening and a reduced number of students, the opportunities for reward may give way for the need for redress; herein lies the rub with tenure.

Second, given the rising demands for accountability, management will increasingly be forced to become prescriptive in its efforts to show results for the dollars spent in a constantly changing political, social, and economic milieu. Yet, such efforts will be futile unless they evolve through a participatory process. To do which will require a flexibility which tenure makes difficult if not precludes and which puts collective bargaining in a new light.

COMPONENT	MODE '4'	MODE '3'	KALAMAZOO	SAT-PMS (Planned)	DADE COUNTY	TURKEY PROFIT-SHARING COST-SAVING MODEL
PARTICIPATORY MANAGEMENT						
(1) Objectives - identify problems.	M	H	H	H		H
(2) Evaluation design criteria.	M	M	M	H		H
(3) Evaluation design criteria.	H-L	H	M	M		H
DECENTRALIZATION OF DECISION-MAKING						
(1) School.	M	H	?	M		H
(2) Classroom.	M	M	?	H-M		H
(3) Financial support.	H	H	?	H-M		H
CONTINGENCIES						
(1) Reward --						
(a) Collective	H (\$)	H (\$)	0	M (non-\$)	M	H } For student H } performance H } and efficiency
(b) Individual teacher	L (\$)	L (\$) M (Psych)	M (planned)	M (non-\$)	H	
(c) Principal	L	L	H	M (non-\$)	M	
(2) Redress --						
(a) Collective	H (\$)	H (\$)	0	0	H	M
(b) Individual teacher	L (\$)	L (\$) H (Psych)	H (planned)	0	H	M
(c) Principal	L	L	H (planned)	L (non-\$)	M	M
EVALUATION						
(1) Product.	H (\$)	H (\$)	H	M-L	H	H
(2) Process	L (\$)	L (\$)	H (opinion)	H (PMS-M)	L	H

H = High M = Medium L = Low 0 = None

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