

The Strategic Management of Human Capital: Extending the Conversation on Issues and Ideas

*Prepared for the Rose Community Foundation
Leadership Convening – October 30, 2008*

Barnett Berry, Kelly Hupfeld,
Melissa Rasberry, & Ann Byrd

Introduction

Over the last two decades policymakers and researchers of most “stripes” have come to conclude that teachers make the most difference in raising student achievement, and strong principals are key to school improvement. As a result, a wide array of initiatives have been launched to attract non-traditional recruits to education, measure effective teaching and label “highly qualified” teachers, train principals differently, and the like. And no doubt, progress has been made. However, America’s public schools still rest on a relatively dysfunctional system of teacher and principal development.

As Ed Lawler, Distinguished Professor of Business at the University of Southern California, has noted, “Effective talent management is not just about attracting, developing, and retaining the best talent; it is about organizing and managing people so that they perform in ways that lead to excellent organizational performance.” Lawler, who is advising the SMHC initiative of the Consortium for Policy Research in Education (CPRE), calls on senior managers of any organization to spend 30-50 percent of their time focusing on talent management. In one of his background papers, commissioned by CPRE, he suggests that approaches to human capital depend on the focus on the needs of and demands on the organization — high-involvement or global-competitor. High-involvement (HI) organizations focus on finding well-prepared individuals and challenge them to work together to develop and use their skills. Because of the nature of their indeterminate work product, HI organizations rely on “a long-term, mutually beneficial relationship with their talent.” On the other hand, global-competitor (GC) organizations, because of the discreteness of their products and rapid changes in technology, are constantly searching for talent. GC organizations “often need complex organizational structures and the ability to innovate.” As a result they are more focused on individuals, rather than teams, who must do their jobs well. GC organizations expect turnover — however, they do need a core group of employees to complement those who are less likely to remain with the organization for very long. Lawler notes:

The major advantage of the global-competitor approach over the high-involvement approach is the ability to bring in new talent and quickly update or change the technological expertise of the workforce. Although buying talent has some dysfunctions, it is hard to argue with the point that it allows for rapid change. High-involvement organizations take more time to build. Selecting the right employees and integrating them into the communities characteristic of this type of organization does not happen quickly. Thus, the high-involvement approach can limit the speed with which an organization can grow and develop.

Lawler, however, calls for public education to use more of a HI organizational approach. He notes:

It certainly is true that (schools) need to change and that as a result the travel light approach has some appeal, but they are not subject to the same rate and type of change that high tech firms are. (However), schools work best when there is a sense of community and their

talents (teachers) are committed to their customers.

This does not mean that the teacher and principal development system does not need to change dramatically — especially when it comes to teacher union-school district employee contracts. Lawler calls for new employer-employee contracts that “encourage and reward individuals who develop and use capabilities effectively” and “help build competencies of coworkers.” He claims that “having different employment relationships for employees with different needs, desires, and skills makes a great deal of sense.” He asserts that it is “particularly important that organizations retain their high-performance and critical” and that there is “no substitute” for knowing what employees “want and value” in their jobs. According to Lawler, one thing is sure: Different employees value different conditions and rewards — and no organization should assume that all value the same work environment. Both in our scan of the recent SMHC literature and discussions with experts in the field, we have discovered a paucity of attention to working conditions in the development of teachers and principals.

Some Local Context

While a number of school districts and universities in Colorado (and Denver in particular) have made major changes in how teachers and principals are recruited, rewarded, and retained, most efforts have been piecemeal and what unfolds in one community may not have much influence on what happens in another. Systemic reform of teacher and principal development — or the strategic management of human capital in public education — has not been the *watchword*.

Rose Community Foundation (RCF) is exploring how its investments in Denver-area public education — and explicitly its support of teacher and principal development, recruitment and retention — can yield a greater return. Just a few years ago most area school districts offered very limited support to its new teachers and typically would spend most of its professional development dollars on a one-size-fits-all approach to in-service teacher training with a series of disconnected workshops on varied topics. Most teachers had to endure “spray and pray” approaches to professional development that have not served their specific needs demanded by the diverse students they teach.

Universities, with little or no money to recruit talent, would prepare anyone who met minimum standards and wanted to teach. Much like what is found across the nation, colleges of education in any given locale prepare almost every kind of teacher who may not be prepared for high-need schools and labor market needs. With little or no money to support its graduates, universities have ignored the needs of their alumni once they begin to teach. School districts, which are not designed for teachers to learn from one another, have left their novices to sink or swim with few supports available.

Beginning in 1997, RCF launched its education grant-making with a primary focus on professional development, encouraging school districts to adopt job-embedded approaches to teacher development. In particular, RCF offered support for several districts to identify and utilize expert teachers as mentors and coaches. A lot of reform has taken place.

For example, the Jefferson County Schools now has a coach for every one of its schools. Adams 12 now is far more careful about the quality of its professional development that includes a two-year induction program for all new teachers and site-based training tied to school improvement goals — taught by district teachers, staff developers, administrators, and local

curriculum specialists. The district has changed its schedule, with weekly early release days for students, giving teachers more time to learn from one another.

No doubt important human capital approaches in Denver-area schools are underway. Denver as well as Aurora and Adams 12 are beginning to grow their own principals; Douglas has launched its own alternative certification; and Denver is now drawing on both Teach for America and the New Teacher Project to diversify its teacher recruits. Adams 12 and Mapleton work with the Boettcher Teachers Program — an urban residency — to recruit and deeply prepare teachers for its schools. Aurora pays a substantial bonus for some of its most accomplished teachers to serve as coaches for their peers. Most of the districts have instituted professional learning communities (PLCs) in order for teachers to learn from one another. However, the concept seems nebulous, as described by various district leaders, and the current organization of schools seem to undermine PLC effectiveness. Some report that the Front Range BOCES has delivered good teacher leadership work, but it “doesn’t filter to principals.” St. Vrain, in an effort funded jointly by the district and university, has created a program so new teachers (in their first three years) receive coaching in the classroom three hours per week and can earn their master’s degree.

Indeed, with support from RCF and other national funders, Denver rightfully has taken a large step forward in redesigning teacher compensation to align with system learning goals. National notoriety has been earned — as it should be. Preliminary data suggest that teachers and principals, who are engaged in the new system, are more focused on important matters of teaching and learning — and students are achieving. However, a 21st century approach to the development of teacher leaders and highly effective principals still is not in place. In fact, Denver needs to replace 12 percent of its teacher workforce per year — with no clear sense of who is leaving and why.

Despite very high turnover in the Denver area as well as in high-need school districts, leaders whom we have interviewed have not been focused on working conditions — especially *Version 2.0* that goes far beyond 20th century notions of lower class size and seniority rights as well as traditional notions of professional development, facilities, school leadership, and the like. The good news is that a talented team of educators in the Denver district are leading a serious set of deliberations and actions — including the creation of a system to track its teachers and principals in order to better understand where they come from, how they are prepared and supported, and how effective they are. They will soon be in position to understand why they stay or leave — and the implications for staffing and supporting high-need schools in the 21st century.

Some National Context

Our environmental scan of late has surfaced several approaches to talent development in public education. Two will be briefly outlined herein. While both focus on recruiting the right people into teaching, one is much less concerned with pre-service preparation. However, both have removed university-based teacher education as the cornerstone for recruitment and preparation for teaching. While there are several noteworthy examples, “Teacher U” and the Urban Teacher Residencies (UTRs) are two worth describing — because they begin to suggest what kind of teachers and principals are needed for the schools of today and tomorrow.

On the one hand, Uncommon Schools, along with KIPP and Achievement First, have created its own teacher preparation program to recruit and develop talent for its growing numbers of urban charter schools that are driven by tightly prescribed standards-based instructional models, highly structured teaching environments, and the primary use of standardized test data to define success.

According to program officials, teachers in these schools need to be able to: (1) model the character strength that students will need to have to be successful, (2) have willingness to teach in accord with the school's curriculum, (3) have high expectations for their students, (4) accept they are the locus of control in teaching students, and (5) use student test data to constantly improve and to get results. The recruitment of teachers for Uncommon Schools is built on the assumption that school reform is not "rocket science" — but just requires "hard work" and "common sense." Teachers matter a great deal, but they do not have to be well-prepared with a vast array of pedagogical skills; instead they need high academic ability and the "professional tools and resources to do their jobs effectively."

The three non-profit education organizations are working in partnership with Hunter College to create UKA Teacher U — a "groundbreaking" two-year teacher training program for full-time public school teachers that offers a two-week summer training program, a year's worth of Saturday coursework, and an additional two weeks the following summer in order to become fully certified to teach. Teacher U is currently researching the use of measurement tools that would link student achievement gains as measured by current standardized, multiple-choice tests to the reward of a Master of Education degree. In July 2008, approximately 100 new public charter and district teachers enrolled at Teacher U. Within the next ten years, the program is expected to expand to serve 500 teachers per cohort, or 1,000 teachers per year. Program leaders believe that education schools cannot prepare teachers for high-need schools and limit who can enter the profession.

Teacher U works close with several organizations, for example New Leaders for New Schools (NLNS), to prepare principals who can run their schools. NLNS recently launched the Effective Practice Incentive Community (EPIC), a web portal that serves as a clearinghouse for defining best practices in compensation reform, human capital strategies, and professional development as well as case studies (including those from Denver) that outline "attributes" of school success and how administrators became "effective leaders." Full case studies are completed on schools with the largest improvement in student achievement scores, while less extensive profiles are created for schools with slightly lower gains. Both studies serve the purpose of assisting schools with similar demographics with their professional development needs.

On the other hand, UTRs are an emerging innovation designed to embody best practices in recruitment, screening, preparation, placement, induction, and teacher leadership for urban school districts. In some ways they bridge the best recruitment and marketing practices of alternative pathway providers (e.g., Teach for America) as well as high-quality teacher education practices of more "traditional" universities (e.g., Stanford or UCLA's teacher education programs). The most prominent and well-established UTRs are located in Boston, Chicago, and Denver. (The latter includes the Boettcher Teacher Program, established in 2004, and supports the development of about 20 teachers per year for Adams 12 and Mapleton. Several UTRs are emerging — including in Chattanooga, New York City, Philadelphia, and another one for the Denver Public Schools.

In UTRs, aspiring teachers — known as Residents — are selected according to rigorous criteria aligned with district needs. They integrate their master's level course work with *an intensive, full-year classroom residency* alongside an experienced mentor. Residents are paid during their initial year of training — and as such — are expected to teach for 4-5 years. The costs and benefits of paying Residents during their year-long internship — which range from \$10,000 to \$33,000 in different programs — can affect who can be recruited, especially in school communities where short-cut entry routes are encouraged as well.

In their second year, they become teachers with their own classrooms while continuing to receive intensive mentoring. UTRs, in some cases, have begun to recognize the need to wrap a more strategic approach to development of their Residents — preparing them in cohorts and supporting them to turn around low performing schools as a team and developing stronger principals who know how to utilize the teacher leaders as change agents who emerge from the program. UTRs take pedagogical preparation seriously — tightly weaving together education theory and classroom practice while still serving school districts by recruiting and training teachers to meet specific subject area needs. UTR recruits are expected to know a great deal about second language and other special needs learners — and to be prepared to teach more than the specific curriculum that a district may be using at any given time. Standardized test scores are important indicators for identifying effective teachers, but they are not the only ones. UTR recruits are expected to teach well beyond the test.

Like for those who matriculate through Teacher U, UTR recruits are expected to perform. School administrators rate UTR graduates' skills highly — and in Boston researchers are using student standardized achievement data to determine teacher effectiveness and advance program improvement. However, UTR recruits are expected to stay — and they do. Almost 95 percent of UTR graduates are still teaching, after five years. These retention rates far exceed those of both current traditional and alternative programs. UTRs take teacher retention seriously while Teacher U seems to expect and almost rely on high teacher turnover. UTRs are struggling to find a way to develop a career continuum for its recruits. They are working to specifically help UTR recruits, once they become effective in the classroom, to take on mentoring roles as well as the school principalship. The UTR in Chicago is working with NLNS to develop its teachers into principals.

Similarities between the approaches are striking. Both are drawing on expert K-12 teachers as teacher educators and using alternative approaches to develop school principals. While university professors are helping drive the respective initiatives, neither are driven by higher education whose structures and processes have been viewed as constraining their efforts. Both focus on developing teachers to serve school districts.

[Note: Our final report also will draw on the CPRE-generated case studies of SMHC efforts in key school districts — Boston, Chicago, Fairfax, Long Beach, and NYC, as well as one state, Minnesota.]

A Look at Gen Y

Although we are approaching the end of the first decade of the 21st century, our nation's teacher development system still seems to be built on the assumption that talented females, as a captive labor pool, are willing to work for below-market wages. Most universities, while attracting more academically able candidates than in the past,ⁱ still do not prepare teachers for teaching in high-needs schools. School district recruitment and hiring practices rest on mid-20th century organizational assumptions about teaching and learning as well as the career mobility patterns of Baby Boomers — not those of Generation Y.ⁱⁱ

The next generation of educators, like in other sectors, cannot be expected to stay in one job or career over the course of their working years. Indeed, the US Department of Labor expects today's college graduates to hold up to a dozen jobs by the time they are 38 years old. These next generation educators are learning in new ways — over 35% of them use websites as their primary source of news, over 77% use social networking sites to learn from and connect with one another, and 30% have their own blogs (while almost 50% read blogs regularly).ⁱⁱⁱ Micro-multinational

enterprises, online data gathering, and dynamic decision modeling are redefining how professionals learn and work. Digital tools, from laptops to cell phones, are used by groups of people — smart networks — to “gain new forms of social power, new ways to organize their interactions and exchanges.”^{iv} With its well over 100 million registered users, MySpace, if it were a nation, would be the 11th-largest in the world (positioned somewhere between Japan and Mexico).^v

Several recent opinion polls indicate that the new generation of teachers is more open to major changes in their profession and the “strategic management of human capital.” However, the responses seem to be all over the map — suggesting there is a lot more to learn about what new teachers believe they need to be effective and how they differ or not with their more veteran counterparts. Below are several highlights from five recent reports:

- 65% of new teachers are interested in creating and leading their own schools.^{vi}
- New teachers are more favorable toward performance pay systems.^{vii}
- Only 4% of new teachers and 10% of veterans think unions pay more attention to new teachers’ needs than the needs of veterans.^{viii}
- Newcomers (83%) and veterans (85%) believe that the best way to attract good teachers to high-needs schools is by giving them more time to plan and prepare for their classes.^{ix}
- Newcomers (65%) more so than veterans (37%) believe that the best way to attract good teachers to high-needs schools is by giving them signing bonuses.^x
- Only 48% of the newcomers and 45% of the veterans believe that the best way to attract good teachers to high-needs schools is by easing state certification requirements while intensifying in-class supervision, mentoring, etc.^{xi}
- While most new teachers had some preparation in teaching ethnically diverse students, only 39% reported that their training helped them “a lot” in the classroom.^{xii}
- Newly minted teachers from alternative certification programs, compared to those who have been traditionally prepared, are **more likely** to:
 - a. Give fair or poor ratings to their administrators;
 - b. Give fair or poor ratings to colleagues and mentors for giving them support and good advice; and
 - c. To leave the profession within the next year or two.^{xiii}

...And those who were alternatively prepared are **less likely** to:

- a. Believe they were prepared to manage classrooms (60% v. 84%), help struggling students (38% v. 71%), and provide individualized instruction to students (49% v. 77%);

- b. Give high marks to their cooperating teacher; and
 - c. Report they had enough time working with a real teacher before having their own classroom.^{xiv}
- New teachers (with fewer than 5 years teaching), compared to their more experienced counterparts, were:
 - a. Slightly less concerned that unions were “absolutely essential” (51% v. 60%);
 - b. More likely to support more pay for NBCTs (75% v. 56%) and those who receive outstanding evaluations from their principals (68% v. 52%); and
 - c. More likely to support financial incentives for “teachers whose kids routinely score higher than similar students on standardized tests” (40% v. 28%).^{xv}

Issues Raised by External Experts and District Practitioners

In addition to outlining key strategies, we are in the midst of assembling insights from a variety of experts who are engaged in SMHC efforts nationwide as well as assembling data from local school districts, complemented by interviews with administrators, teacher educators, and teachers. Here are several issues raised so far.

1. Defining teaching talent is not as simple as identifying those with high academic ability and right attitudes for teaching in high-needs schools. Both are important, but having the right mix of content knowledge, pedagogical skill, and dispositions may be a bit more complicated. One national expert claimed that teachers who took high levels of high school math, not earning a college degree in math, was a better predictor of whether someone was going to be a good math teacher.
2. School districts need to rethink their teacher recruitment and development policies to accommodate the expectations of the young Gen Y recruits who will not teach for 30 years, as well as the pedagogical needs of mid-career switchers who enter classrooms with substantive content knowledge and life experiences but little understanding of diverse learners, curriculum, assessment, and the like. As one reformer noted, “I suspect we should not invest too much in teachers who will not stay long,” but we should have teachers for five to seven years. Yet, I would rather have an excellent teacher for three to five years than average one for five to seven.” Local district officials wanted to keep good teachers as long as possible.
3. Little attention has been paid to retain teachers for how long in different contexts. Lofty concepts like “leadership and culture” are seen as key to teacher retention (like at Bruce Randolph). But what do these concepts mean, how are they operationalized and measured, and how are best practices spread and replicated? As one expert noted, “While there is no question that pre-service education could (and should) be improved, the idea that it can be a substitute for changing the culture of schools is wrong.”

4. School districts need somewhere between 25-33% of their teachers to be highly accomplished teachers who are ready to prepare and support Gen Y recruits. While preparing all recruits before they begin to teach is a noble and important goal, reorganizing schools so that a team of teachers with varied expertise and experience can effectively teach is an important strategy to best address some of the needs of teachers.
5. In Denver, district officials have claimed that the best new teachers are those who are well-prepared in professional development schools or residencies (i.e., who have had extensive clinical experience). School officials asserted that universities can prepare teachers they need when they focus on one to two districts. However, they also noted that only one in five teachers is hired with these experiences and the skills they are seeking. Critical skills include working with second language and special needs learners, using test and other data to assess student learning, and finding and adapting curricular resources for different students.
6. Most experts have claimed that the above skills cannot all be learned easily on the job. Local officials claimed it would be better to invest in retooling schools to accommodate a wide variety of teachers who are differentially prepared. (See Wise, A.E. (2004). Teaching teams: A 21st century paradigm for organizing America's schools. *Education Week (Vol. XXIV, No. 5, Sept. 29, 2004)*).
7. We have learned from varied sources that teachers in high-needs schools may need at least eight hours a week to learn from one another. While a focus on Gen Y teachers is critical, the system is still primarily staffed by veterans who continue to experience poor professional development — or at least this is the assumption!
8. Very few experts have considered how to position the roles of school principals and teacher leaders in redesigned 21st century schools.
9. Local officials claim that new teachers want to be rewarded for results — and if they have a good idea, they want the system to be able to accommodate it. Some assert that some of best teachers have taught for only four to five years and need to be acknowledged as leaders. (We need to unpack on how and why these 20-somethings became excellent teachers.)
10. Rewarding the spread of teaching expertise is more critical than identifying individuals who are produce higher student test scores. While standardized test scores need to be used in identifying effective teachers, individually and collectively, new measures must be used to forge 21st century learning outcomes. The proper of mix of current standardized tests and “newer” more authentic measures is undefined — at best. Local officials have called for incentive systems that strike better balance among individual, team, and school performance and rewards. Dan Golhaber reported that another study is coming out that questions the stability of value-added measures for use in high stakes decisions. He noted that “the estimates are not terribly stable so if you look at how effective teachers are this year vs. next year, the year-to-year correlation is very low — around 0.2.”

ⁱ See Drew Gitomer’s recent analyses of the improved academic ability of teacher education candidates and graduates found at http://www.ets.org/Media/Education_Topics/pdf/TQ_full_report.pdf.

ⁱⁱ The New Teacher Project and the Annenberg Institute for School Reform have forged considerable progress of late in helping urban school districts create more effective human resource systems.

ⁱⁱⁱ Junco, R. & Mastrodicasa, J. (2007). *Connecting to the Net. Generation: What higher education professionals need to know about today's students*. Washington, DC: NASPA.

^{iv} Rheingold, H. (2002). *Smart mobs: The next social revolution*. Cambridge, MA: Perseus Books.

-
- ^v See http://scottmcleod.typepad.com/dangerouslyirrelevant/2007/01/gone_fischin.html for Karl Fisch's PowerPoint presentation, *Did you know?*
- ^{vi} Farkas, S., Johnson, J. & Duffett, A. with L. Moye & J. Vine (2003). *Stand by me: What teachers really think about unions, merit pay and other professional matters*. Washington, DC: Public Agenda.
- ^{vii} Ibid.
- ^{viii} Duffett, A., Farkas, S., Rotherham, A. J. & Silva, E. (2008). *Waiting to be won over: Teachers speak on the profession, unions, and reform*. Washington, DC: Education Sector.
- ^{ix} Ibid.
- ^x Ibid.
- ^{xi} Ibid.
- ^{xii} National Comprehensive Center for Teaching Quality & Public Agenda (2008). *Teaching in changing times*. Washington, DC: Authors.
- ^{xiii} National Comprehensive Center for Teaching Quality & Public Agenda (2008). *Working without a net: How new teachers from three prominent alternative route programs describe their first year on the job*. Washington, DC: Authors.
- ^{xiv} Ibid.
- ^{xv} Duffett, A., Farkas, S., Rotherham, A. J. & Silva, E. (2008). *Waiting to be won over: Teachers speak on the profession, unions, and reform*. Washington, DC: Education Sector.