



# Taking Human Capital Seriously:

Talented Teachers in Every Classroom,  
Talented Principals in Every School

Principles and Recommendations for  
the Strategic Management of Human  
Capital in Public Education

NOVEMBER 2009

## INTRODUCTION

The Strategic Management of Human Capital in Education Project was founded in 2008 with one goal: to improve student achievement dramatically in the 100 largest urban school districts. Unless teaching quality and principal leadership improve significantly, lasting education improvement is impossible. In policy terms, without “strategic management” of human capital the nation’s schools will not be able to attain their goal: increased student achievement.

The concept of the 100 largest districts is used both literally and symbolically – the 100 largest can all improve – but so too can the next 100 and the next; indeed, all 15,000 districts can and should set their sights higher. And while circumstances are unique to each district in the nation – some small districts exhibit the traits of their large urban neighbors, and large suburban districts (particularly in the south) are non-urban in character – all schools have in common the need for capable teachers and principals.

What is meant by “strategic management of human capital?” Put simply, “human capital” is the “people side” of education reform. The “strategic management” of human capital is the systematic process of aligning school district academic goals with school district organization and practices, from curriculum and assessment to teacher and administrator recruitment, retention and compensation. Obvious, perhaps, but it bears restating because – unfortunately – “human capital” is not aligned with academic goals in many large districts.

What is the key to student success? Having an effective teacher in every classroom and an effective principal in every building. This essential combination is missing in many urban school districts, most of which face chronic teacher quality problems and high rates of staff turnover. Students most in need are often forsaken, condemned to schools that routinely fail them.

Too often the “people side” of education reform is overlooked. But recruiting and developing talent, building organizational capacity, redesigning human resource departments and tying them to school improvement plans, must emerge as guiding paths to school reform. Instructional staff and administrators need tools and resources to differentiate instruction so they can meet student needs and work to close the achievement gap.

Why raise the issue now? The stakes grow higher with each passing day and the opportunity afforded by the Federal fiscal stimulus package may never be repeated. For the past two decades, policy reforms have focused on standards and assessments and have not given high priority to the central role of human capital: teaching quality and how to cultivate and extend more broadly the expert performance of teachers and principals. The time has come to address these “people” issues; unless there are talented teachers in every classroom and talented principals in every building policy reform will not be realized. Delay is not acceptable.

In this document, there are six broad SMHC principles and 20 state and local recommendations.

Taken together they are sweeping, even radical, but we cannot shrink from controversy. The stakes are simply too high. The scale and seriousness of the problem admits no less. These changes will take time to hammer out and implement. They will involve serious conversations between teacher organizations and district management. They need support from political leaders. Bold proposals will do much to get the nation under way, but as a close reading of the 20 recommendations will make clear, actually aiming higher requires:

- Having teachers who demonstrate effective teaching skills and content mastery;
- Maintaining constant, focused programs to develop and improve teaching and instruction;
- Casting a wide net for teacher and principal talent: broadening and deepening the recruiting pool to improve talent quality;
- Funding multiple routes to certification and holding all graduates to the same high standards;
- Extending and improving teacher and principal induction and residency;
- Creating performance-based evaluations for hiring, promoting and professional development;
- Raising standards for promotion and tenure;
- Rewarding high performance;
- Basing rewards on student achievement *and* instructional effectiveness;
- Aligning HR departments and practices with district goals;
- Knowing how to manage education talent strategically; and,

- Using robust data systems for HR operations and in systems to measure teaching effectiveness and student learning.

Accomplishing these objectives will require leadership, not just from superintendents, but from teachers, teacher union leaders, school board members, parents, mayors, governors, legislators and the community at-large.

President Obama and Secretary Duncan have issued a “call to action” and the nation awaits reinforcing voices, particularly from the profession and the policy world. With this statement the report advances the argument that the nation’s public education system is ready to rise to the occasion. The country must put itself squarely behind policies that attract the best and the brightest to teaching, to ensure that those individuals who enter the profession have the best opportunity to succeed and to reward those who are most successful.

The reform spotlight should be turned where it is most important – on the people who teach and who serve as principals. Teachers, principals and superintendents need to be active participants in the change process. A school system committed to common goals– equal opportunity, access, equity and excellence for all children – supported by incentives and consequences, will ultimately become a performance driven system.

Finally, it bears repeating: two major metrics – teacher and principal effectiveness and student learning measures – are critical to education reform. Districts and states need better ways to assess teacher and principal performance and competence, and more thorough tests of student learning. Qualitative and quantitative data should inform decisions at the classroom, school building, and district level. Performance assessment should be based on multiple factors and include, but not be limited to, student performance indicators.

Improved comprehensive data systems are needed to measure and analyze teacher, principal, and student performance. Data systems should also be able to assess the impact and effectiveness of teachers and principals from whatever source: graduates of schools of education and those who enter teaching or administration through other pathways. Such information will help states identify schools and programs that produce the most effective and well trained teachers and principals.

That being said, new and improved approaches must be developed to measure teaching effectiveness, student learning, and the relationship

between them. Systems currently available are not up to the task. Major efforts are now underway to develop these kinds of new systems, aided by substantial federal and foundation funding, but those responsible for managing teaching and principal talent must be engaged to ensure that the systems will actually “work” in schools; and most important, districts and states must develop the management capacity to utilize new measurement tools.

## **GUIDING PRINCIPLES: STRATEGIC MANAGEMENT OF HUMAN CAPITAL**

Six guiding principles undergird the strategic management of human capital, reflecting emerging understanding of the 21<sup>st</sup> century school. In a word, the overarching issue is “alignment.” It is the concept that knits the six principles together. Everything must work in harmony: learning goals, curriculum, standards, assessments, organization, professional development, HR and administration. At minimum this means elevating the HR function from the tender mercies of bureaucracy to the superintendent’s “round table” and to include HR in identifying the “people issues” in all strategic initiatives. The core focus should be to recruit top teacher and principal talent, develop that talent throughout careers to be ever-more effective, and link rewards, career opportunities and sanctions to effectiveness.

### **SMHC Principle 1**

#### **Improve performance, Close the gap**

The ultimate goal of SMHC – to produce substantial improvement in student learning – requires districts to create a coherent transformation strategy that affects student achievement. Such a strategy includes a rigorous curriculum, development of professional learning communities, analysis and use of student data to improve teaching practice, enhanced use of teaching and assessment technologies, extra assistance for struggling students, parent involvement, and teacher and administrator instructional leadership. Computerized HR also is essential for both operational and analytic purposes.

One key element of an effective improvement strategy is an explicit vision for teaching and learning, an articulated understanding of effective instructional practice. Anchored with measures that track student achievement, effective instruction, then, becomes the centerpiece of an

education improvement strategy. Because different districts face different challenges, they may choose different areas of emphasis, but nothing substitutes for a clearly enunciated strategy.

### SMHC Principle 2

#### **Effective teachers in every classroom, Effective leaders in every school**

While teacher leaders and principals are important, teachers deliver instruction. They implement the system's strategy where it affects student learning most: in the classroom.

Principals bear the ultimate responsibility for implementing school-wide reforms that will lead to high academic achievement for all students. The principal must assume many roles: building leader, education visionary, disciplinarian, community builder, budget analyst, facility manager, and guardian of legal, contractual and policy mandates, but none is more important than instructional leader.

Teachers, teacher leaders and principals are the education system's key people resources. Districts need a talent strategy to acquire, develop, train, reward, and retain the most effective people. Every district and state must take aggressive action to place effective teachers and principals in high-need schools.

### SMHC Principle 3

#### **Excellent instruction, Successful learning**

Instruction is the most powerful tool schools have to influence student learning. While good schools produce many outcomes, teachers and principals whose work does not lead to substantial increases in academic achievement are not effective. They must know and be able to do specific things; they must possess the explicit competencies that drive student performance and be relentless in attaining that performance.

These competencies are the basis of human capital management because they produce the ultimate goal – student learning. Successful districts identify, articulate and measure the knowledge, skills, and competencies that teachers and principals need to realize the system's vision for teaching and learning. Districts must provide consistently excellent instruction to

students in high-need communities, in particular, those whose students' hopes for a better future depend on educational opportunities.

#### SMHC Principle 4

##### **Strategic human capital management, System alignment, Continuous improvement**

Districts manage human capital strategically when their systems – curriculum, instruction, professional development, IT, accountability, and HR – are coordinated and work together. Districts successfully manage their human capital when they create conditions in which teachers and principals continually improve the skills and tools needed to implement the district's education improvement strategy, realize its instructional vision, and increase student learning.

Strategic human capital systems continually improve the teacher and principal workforce by responding appropriately to evidence of effectiveness on the job, using the two metrics of measures of teaching practice and measures of student learning. Well designed human capital management systems should continually improve the workforce by hiring those with the greatest potential to be effective, providing career-long professional development, rewarding effective performers, improving average performers, and improving (or ultimately removing) low performers. The systems must be made explicitly clear to teachers, teacher leaders and principals from start to finish.

Strategic management embodies the belief that all students are entitled to good instruction and significant learning gains and all educators must be positive contributors to these ends.

#### SMHC Principle 5

##### **Rewards and consequences: Rethinking career progression and pay**

Measures of effective teaching practice that reflect core competencies that produce student learning are the keys to successful talent management. Schools – like any system – need comprehensive, performance-based evaluation systems that accurately differentiate among higher and lower performing teachers and principals. Performance evaluation systems should inform key decisions including assignment, induction, professional

development, tenure, career advancement, compensation, and retention. Top performers should be recognized and rewarded generously. Low performers should be counseled and given opportunities to improve, but if performance is consistently inadequate, they should be dismissed.

## SMHC Principle 6

### **Core competencies: Explicit, transparent, accountable**

District HR management quality is measured by its success in supporting and realizing the district's education improvement strategy. Districts must regularly review how well HR systems are aligned with their education improvement strategy, maintain strong programs to develop and improve teachers and principals, develop ways to measure the quality of their human capital and evaluate how successfully the systems perform. Districts must create SMHC metrics that link student learning to teacher and principal performance and which guide the system in overall human capital management.

## STATE ACTIONS

What are the steps states should take to raise student achievement and to place effective teachers and principals in every classroom and school, particularly in the 100 largest urban school districts?

States should launch policies and strategies to recruit, develop, reward and retain top teacher and principal talent. The goal – to improve student learning through improved instruction and effective teaching – will not only benefit students but it will also help teachers and principals as well, giving them the professionalism and respect they deserve as the shepherds of our nation's most precious resource, our children.

What does this mean in practice? States must design and implement three key, linked strategies:

- An **education improvement strategy** that is linked to rigorous state curriculum standards and related assessments measuring student outcomes, all benchmarked to world class standards;
- A **funding strategy** to finance the education improvement strategy including its talent components; and,



- A **talent strategy** – the focus of SMHC – to make sure a talented teacher is in every classroom and a talented principal is in every school.

To assure transparent and powerful policies to help districts acquire and retain effective teachers and principals states must set high, ambitious goals for student achievement and must create rigorous state curriculum standards against which schools can judge their progress. State education leaders must understand and embrace the idea that effective teachers, instructional leaders, and principals are the key to implementing education improvement strategies.

States must begin with a systematic approach to staffing schools with effective teachers. The following are **10** state policy recommendations.

**First**, for new teachers coming from undergraduate training programs, require a rigorous test of basic skills, or high SAT or ACT scores, for admission to any teacher education program to:

- Reduce enrollments in lower quality teacher training programs; and
- Increase the proportion of enrollments in higher quality teacher training programs, particularly those whose candidates enter with solid literacy and numeracy skills.

**Second**, require a rigorous content test as a condition of earning the initial teaching license; all licensed teachers should have solid content knowledge, while recognizing that content for elementary and secondary teachers is different.

**Third**, for teachers entering teaching after earning their Bachelor's degree there should be:

- Alternate certification routes (non-traditional training and licensing of teachers and principals); and,
- Increased state funding, including stimulus funding, for *all* programs that demonstrate success in helping districts recruit top teacher and principal talent. Fiscal support should reflect actual need and seek to support the appropriate supply of great elementary teachers and under supply of secondary teachers, particularly those in math, science, and special education.

**Fourth**, states should provide funding for all organizations – public and private –with strong track records of providing talent to urban districts, including high quality private universities, local organizations, and such national organizations as Teach For America, The New Teacher Project, New Leaders for New Schools, and The National Institute for School Leaders. In many states, independent talent-providing organizations are not eligible for state funds.

States should have standards for program quality, know the difference between effective and ineffective programs and be prepared to close ineffective ones.

As more rigorous admission policies lead to reduced enrollments in lower quality institutions, public dollars should be available for other investments. States should adopt a solid set of requirements for alternative certification programs for teachers and principals.

**Fifth**, teaching – like other professions – requires an extended period to develop effective professional practice. Neither undergraduate university-based training programs nor alternative route training programs can turn out teachers with a full complement of classroom and instructional management skills to use in their first years of teaching.

States and local districts must provide resources and support for – and teachers must pursue – a professional growth plan that demonstrates continuing skill acquisition and increased effectiveness. Due process rights (sometimes called “tenure”) should be earned by teachers based on demonstrated performance through meaningful assessment, support, and evaluation systems. These principles should be applied with strategies and systems based on state and local needs and contexts.

In order to ensure systematic emphasis on continued skill development and make certain that only teachers with demonstrated effectiveness receive tenure, states and districts should:

- Require an intensive induction/residency program for all new teachers until they meet a minimum standard of performance and impact on student learning and require that successful candidates exit the program within a fixed number of years.
- Adopt a multi-tiered teacher license system and require teachers to earn each level by continuously improving their instructional

effectiveness. For example, the new Ohio framework includes:

- Tier 1 for the Initial License;
- Tier 2 for the Professional License after successfully completing an induction/residency program;
- Tier 3 for the next level of performance, which, with additional local information, is required for tenure; and,
- Tier 4 for advanced performance.

Each higher level should be linked to a measurable impact on student learning.

**Sixth**, to operate a multi-tiered licensure system, states must create a performance-based teacher assessment/evaluation system that measures teaching practice and effectiveness (ideally at different levels of performance). Each level should include, among other things, specific evidence of impact on student achievement. For content areas for which there are student achievement tests, the system should be validated to ensure that teachers in the highest category produce more student learning gains than teachers in lower levels.

Systems that rate most teachers at high performance levels, but have few students performing at or above proficiency level (currently the situation in many urban districts), should be viewed with skepticism.

**Seventh**, make tenure, continuing contract and due process standards require demonstration of a professional level of clinical skill; such skill would be gained during an additional period of performance (and assessment) after earning the Professional License. States should set a minimum and maximum number of years after the residency period to earn tenure status. Medical and architectural internships provide an interesting and useful example.

**Eighth**, require districts to use the results of performance-based teacher and principal evaluation systems to identify professional development needs, career leadership opportunities, and specific emphases in ongoing professional development. Performance-based evaluation systems should operate from an on-line platform and include materials for teacher and principal development.

On-going, targeted and on-the-job professional development is an essential part of school reform. A highly effective strategy involves teachers working in teams to analyze student data, tailoring instruction to diverse student needs, delivering content in multiple ways, and quickly measuring their students' progress (as well as their own).

Just as businesses invest heavily in employee training and development, so too should schools. States and districts will find support from teachers' unions in this effort. Teachers will live up to standards with support mechanisms in place that ensure their success. Thoughtful professional development encourages unions to join districts in improving teacher performance.

States should ensure that funding formulas drive effective, ongoing professional development programs at the local level. For example, all teachers should have time during the regular school day for collaborative work on curriculum and instruction; pupil-free days for training; and school-based instructional coaches to be sure professional development leads to changes in instructional practice that increase student achievement.

**Ninth**, scores from the performance-based teacher evaluation system should become **one** important aspect of new teacher salary schedules. Beyond the typical base salary schedule, this new salary schedule should provide the largest pay increase when the teacher's instructional practice meets the standards for the next tier of performance; it should be augmented further with additional incentives for subject area shortages, high-need schools, National Board Certification, and bonuses (individual and/or group) for improving student performance. Though states can help structure and fund these new approaches, in most states the details must be negotiated locally.

Assuming results from performance-based evaluation systems are valid; teachers with higher scores will produce more student learning gains. Salary schedules should correlate pay and performance.

**Tenth**, states should also develop performance-based evaluation and pay systems for principals.

Principal performance should be based on multiple measures that are objective and take into account the context in which a principal operates. States should use multiple assessments that are aligned with state standards, including performance-based measures and measures of

individual student growth from year to year. A key part of the evaluation should hinge on student achievement levels; when they rise, principals should receive a significant bonus.

This comprehensive set of state policy recommendations poses real political challenges; the policies will require multi-year periods of adoption and implementation. While the policies themselves are straight forward, a major developmental effort to design residency programs, fund professional development resources, and develop and operate performance-based evaluation systems is required.

Finally, and most important, states should utilize robust data systems that link student achievement and demographics to teachers and schools. This linkage is needed in order to track the effectiveness of teacher and principal pipelines; to validate performance-based evaluation systems; to evaluate new program impact (by entering new program data into the system); to run performance pay systems for teachers and principals; and to permit assessment of value-added impact by school, classroom, and teacher. Support and training for productive use of these systems by teachers and principals is also crucial.

## LOCAL ACTIONS

In the previous section, state actions to implement education improvement strategies to facilitate strategic management of human capital were discussed. At the local level the focus must be on finding, developing, and keeping talented people with the expertise to increase student achievement and meet district goals. One imperative must be clear: put an effective teacher in every classroom and an effective principal in every school. And to attract and retain the best and brightest teachers, districts need to move beyond traditional mid-20<sup>th</sup> century management systems and use 21<sup>st</sup>-century human resources practices: open pathways for highly qualified applicants to secure teaching and principal positions, opportunities and incentives to strengthen their performance, leadership that continues to inspire, and clear standards to provide every educator a road map for success.

Drawing on the experience of leading-edge urban districts that are tackling human capital issues, documented in SMHC cases, the following are 10 important district action recommendations.

**First**, expand the talent pipeline to recruit top teacher and principal talent. SMHC case studies of five districts found that strong candidates were

recruited in two types of places: colleges and organizations such as the New Teacher Project, Teach For America, New Leaders for New Schools and the Academy for Urban School Leadership. In several districts, partnerships with local universities strengthened the pipeline of candidates. In Fairfax County, where recruitment goes on nonstop, the net was cast to East Coast colleges that produce a surplus of well-prepared teachers. Chicago recruited from the best teacher training programs within a 500 mile radius of the city. Long Beach built a decade-long successful partnership with Long Beach State University and the district's teacher union. Nearly all successful districts also created optional pathways inside the district from teacher leadership positions to principalship.

Districts should actively support college- and university-based programs that produce effective teachers, as university-based training programs will continue to provide the vast bulk of new teachers. At the same time, districts should partner with independent local and state organizations whose mission is to recruit and train talented teachers and principals. In addition, they can begin to eliminate emergency certification and can work with local colleges to encourage graduate and undergraduate interest in teaching among the most talented and promising students.

While districts employ many innovative methods to find and recruit teacher talent, and active recruiting does produce talent, none is fail-safe. Thus, districts should constantly assess the efficacy of alternate certification programs, partnerships with colleges and universities, and “grow your own” recruiting programs to determine over time which ones provide teachers and principals that are effective in boosting student learning.

**Second**, bolster new teacher and principal selection. Districts should strengthen the screening and selection process to assess the effectiveness of prospective teachers, principals and administrators. They should have screening mechanisms that help identify candidates who will understand and embrace the school's instructional vision. The recruitment strategy should reflect the district's education vision and only people who can support the school's goals and strategies should be offered jobs in the system.

Further, let schools select teachers to ensure fit. This means moving up the budget cycle so schools can start interviewing in late winter or early spring. It also means no central-office forced placements or seniority bumping into schools.

**Third**, ensure that top teacher and principal talent is placed in high-need schools. Too often, the lowest performing schools— with the largest percentage of high-need students – frequently have the least effective teachers and principals. Those schools can be transformed, however, with top teachers who successfully meet the needs of diverse student populations, with administrative talent and with teachers teaching only in their licensure area. To acquire and retain teacher talent over the long term, schools must have well managed induction and mentoring program that help teachers refine both their classroom management and teaching skills.

Furthermore, to avoid recruiting difficulties and problems with turnover, new teachers should be offered positions in schools where they are prepared and ready to work and that reflect their training and interests in serving specific student populations. The bottom line is this: effort is required to place an effective teacher in every high-need classroom and an effective principal in every high-need school.

**Fourth**, systematically develop new teacher intensive induction and mentoring. Novice teachers who receive quality support in their first and second year are more likely to be able to move beyond basic classroom management and to focus on teaching and learning. In most of the SMHC case study sites, induction and mentoring programs are intensive and are well developed. Mentors provide much needed support by performing classroom observations, modeling lessons, providing constructive feedback and making school-based professional development opportunities available.

Coaching and mentoring driven by rigorous teaching standards and performance rubrics is a must. While many districts have these in place for their teacher induction programs, few maintain the same standards to serve as an anchor for ongoing professional development, tenure review, evaluation, or career progression. To achieve true reform of the talent management system, these standards should be in place across the system, from the time a teacher is hired, to the time he or she is considered for tenure, and continuously throughout a teacher's career.

**Fifth**, provide intensive, ongoing and high quality professional development. A critical element of any reform effort is an intensive, targeted and sustained professional development program that brings consistency to teaching and assessment. The system should provide teachers with skills, confidence and on-going training (based on both standards and subject matter) and expertise that will enable them to

implement a rigorous instructional program successfully. Professional development must be aligned to student learning goals, a school's instructional vision and specific teaching standards. In this context it does not make sense for teachers to design their own professional development program, for example by taking self-selected courses, as is the common practice across the country.

**Sixth**, finely tuned performance evaluation systems are essential. Each district needs a performance-based teacher and principal evaluation system that is coordinated with emerging state systems to measure teacher effectiveness. Local systems should be tied to the state's vision of teaching and learning and be tailored to the instructional focus of the district.

Districts should clearly spell out a set of core instructional practices and the related teacher and principal competencies. All HR programs – recruitment, induction, professional development, evaluation, compensation, and career development – should be designed to reinforce these competencies. Ideally teachers and principals will be evaluated in ways to help them improve their practice. They will be rewarded and their career will progress as their competency increases and they are able to demonstrate improvements in student achievement. Using a valid evaluation system means an individual's skills, abilities, and performance are accurately and credibly assessed.

As a result, superintendents and principals will be able to use data to make key decisions involving teacher and principal assignment, professional development, career progression, compensation, retention and in some cases, dismissal. Results should also fundamentally support performance pay systems. One level should be used to make tenure (or continuing contract status) something that is professionally earned after a teacher earns the Professional License. Awarding tenure should also include demonstrating performance to a professional standard and success in producing student achievement.

As well, principals should be assessed in large part on gains in student performance in their school.

**Seventh**, manage performance. Despite good intentions, performance management in education lags behind other sectors. Most districts rely on teacher evaluation standards that are low quality and not linked to state, national, or professional standards. Principal evaluation is even less useful. Revamping these systems is a complex process. But new performance-based evaluation systems can help if the results are used. Good evaluation



systems should help guide professional development for all teachers, especially new teachers, as well as principals.

Some districts face significant challenges on this front because they gave tenure to inadequate teachers. Despite good faith efforts to increase their classroom management and teaching skills, some teachers still show no improvement in their job performance. If they are not able to become effective instructors who can bring about measurable gains in student learning they should be removed.

A comprehensive performance management system must be anchored in student achievement and instructional performance standards. It can and should incorporate in-depth evaluations of teachers, master teachers and principals to identify problems and inform decisions about professional development activities.

That being said, both teacher and principal evaluation systems across the country need substantial restructuring and enhancement. More closely linking these evaluation systems to key HR programs will make them stronger and more strategic. Most importantly, comprehensive high quality evaluation programs will lead to improvements in teaching, teacher quality and student achievement.

**Eighth**, reward, promote, and retain effective teachers and principals. Finding ways to structure, develop and implement new teacher and principal compensation strategies is the subject of heated debate. Teachers are motivated by two principal factors: seeing their students improve academically and knowing their professional practice is improving. If the system provides increased base pay for improved teaching performance, i.e., teaching effectiveness, bonuses should be based on higher student performance. The compensation system should align with and reinforce intrinsic teacher motivation.

Effective compensation systems recognize and reward talent. They identify and retain better teachers and at the same time they discourage those who do not show improvement. Good compensation systems do not reward longevity without considering effectiveness.

Performance bonuses can be awarded based on a combination of multiple factors, including but not limited to results from a teacher's performance evaluation, individual classroom student achievement and overall school results. Large bonuses for improved teacher and principal competency and demonstrated student achievement – greater than twenty-thousand dollars,

for example – may be necessary to effect change. Substantial monetary rewards will encourage smart and capable people to enter the field and keep them committed to the profession. New and innovative ways to bring talented individuals into the teaching profession are needed. States and districts should consider this approach.

While some progress has been made with respect to reforming teacher compensation systems, principals typically have a salary schedule that provides higher pay for time served, not for student achievement gains or instructional leadership. New York City principals are virtually unique as they are eligible for a twenty-five thousand dollar bonus based on improved student performance.

Designing and implementing pay systems is not simple. It requires, in most cases, collective bargaining and broad teacher support. The demise of the Florida STAR teacher bonus program is an example of a teacher pay system designed at the state level and imposed on districts. It was met with significant opposition and was dropped when a new governor took office. But until we learn what compensation systems work best, districts should experiment with many versions of performance pay, including very large bonuses for improving student learning.

**Ninth**, restructure HR departments. Districts that marry HR with standards, assessments, professional development, data, and accountability will be those that boost student learning off the charts. Thus, districts must move HR into more strategic management of human capital. Include a modern HR director in the superintendent’s cabinet. Conduct HR alignment audits to ensure that each HR program – from recruitment to compensation – reinforces the instructional and leadership capabilities teachers and principals need to drive student learning. Have the HR department prepare a strategic plan for recruiting the teacher and principal talent needed. And develop HR metrics so that the system will have the information needed to determine whether each program is working as intended and whether the HR system is effective. At the core, strategic management of human capital is structured around measures of student learning and teaching performance.

**Tenth**, strong data systems move from numbers, to knowledge, to wisdom. Strong data systems are the hallmark of performance-driven enterprises, government, for-profit and not-for-profit organizations. To be effective, they must exhibit several characteristics. First and foremost they must be *user relevant, providing the data needed for strategic management*. But they must also be *user friendly and user useful*. They must simplify the

user's professional life and increase a user's sense of professional efficacy as they increase professional productivity.

To help manage district-wide human capital the HR department needs a full panoply of IT-enabled human capital management tools, including but not limited to on-line job posting and password protected on-line query capabilities for employees and prospective employees, ranging from salary and benefit issues, to PD, to succession planning. At a more sophisticated level, analytic software must be available to coordinate and align all HR functions with the district's education improvement strategies.

## CONCLUSION: CHANGE WE CAN, CHANGE WE MUST

This document presented the following core SMHC ideas:

- Recruit both from traditional university programs and from independent initiatives that have a track record for producing top teacher and principal talent;
- Develop that talent through intensive, goal-oriented, curriculum-based professional development so teachers and principals produce large gains in student achievement; and,
- Reward and retain effective teachers and principals.

This report suggested an integrated set of state and local policies that – if implemented – would provide and develop the effective education talent the nation needs. Putting this all together will require close cooperation between states and districts, determined commitment from all parts of the education policy community including teachers, teacher union/associations, and administrators, and strong political leadership and support. With these supports in place, higher levels of learning for all students are within reach.

SMHC was created a year before the 2008 elections. So far as SMHC is concerned, President Obama and Secretary Duncan's strong emphasis on human capital issues, while welcome, is fortuitous. Indeed, human capital's ascendancy – as the center piece of education reform – is a classic example of policy convergence.

The issue cries out for action because it is mature. The current national interest in people issues is exciting; they give added impetus to education concerns. There is a growing national interest in these issues. For example,

it is good news that the first round of stimulus funding required state assurances that effective teachers and principals be equitably distributed across all schools. And it is good news as well that the *Race To the Top* guidelines emphasize getting more talented teachers and principals into high-need schools.

This document, then, complements and reinforces an emerging national consensus. It outlines what needs to be done at the state and district levels to attain key people goals; without them our ambitious education reform objectives – to dramatically improve student achievement and reduce the achievement gap – cannot be accomplished.

All of the recommendations in this report need to be implemented. We must aim higher as students, teachers and parents; we must aim higher as a nation. To do so will require hard decisions, political will, and courage. But in the words of the old proverb, where there is a will there is a way. Yes we can.

Finally, the SMHC project is convinced that these recommendations, while far-reaching and challenging, are good for students, fair to teachers, and important for the future of our nation.

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*To view more research findings ~ including SMSC case studies ~ please see the Resource section of the SMHC website:*  
[www.smhc-cpre.org/resources](http://www.smhc-cpre.org/resources).

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