Differentiated Compensation
Who are we? An organization anchored in a vision, honoring a legacy
Why education leadership?
Great leadership in critical roles significantly impacts student achievement

Research says supporting leaders throughout our school systems can deliver great results for kids across the state

After teachers, **school leaders** are the most significant influence on student outcomes

Effective **district leadership** influences student achievement & is required to build and maintain successful schools

Students' learning trajectories can only be turned-around by talented leadership

Widely distributed leadership is more effective than leadership "from the top"

Highly effective principals can raise achievement in their schools by as much as 2 to 7 months of learning in a single year
Core programs designed to achieve Holdsworth's mission

3 core programs delivered in each Holdsworth partner district

**District Leaders**
- 2 year program for sitting superintendents and their teams
  - Elevate the vision for excellence
  - Build a strategy for change
  - Engage a team to lead the change

**District Support**
- Leadership pipeline
- 5 years of implementation support to build a strategic leadership pipeline:
  - Build a bench of talent, to meet future vacancies
  - Retain your best talent through opportunities to develop

**School Leaders**
- 2 year program for sitting principals and their teams
  - Elevate the vision for excellence
  - Build a strategy for change
  - Engage a team to lead the change

**Action-based approach to learning**
- All teaching concepts are applied to transforming the districts' leadership development systems

**Customized support for each district**:
- Assess district capacities against benchmarks
- Develop a plan & build infrastructure to address gaps
Our approach is characterized by long-term partnerships that build districts’ capacity to develop leaders at scale

Instead of 'quick fixes', **take a long-view** recognizing that meaningful improvement doesn't happen overnight.

Leadership isn't about superheroes; it requires **teams & systems of leaders** throughout the organization.

Holdsworth will not replace the district role in developing leaders; it will **build districts' capacity**.

Holdsworth won't peddle prescriptions, it will develop **deep partnerships** with school districts.
We believe that effective compensation & incentives can contribute to a robust leadership and talent pipeline.

**District-wide Leadership Definition**

- District culture

**OUTCOMES**

- School climate
- Student engagement
- Parent engagement
- Staff engagement & retention

**PILLARS**

- Identify future principals
- Develop future principals
- Place principals
- Support principals

**ENABLERS**

- Role definition
- Data systems
- Evaluation
- Communication
- Incentives

**Excellent & Equitable Outcomes for Students**

- Staff engagement & retention

**Draft—for discussion only**
Eight key priorities related to teacher quality—several of which can be supported by differentiated teacher compensation

Setting clear expectations

Attracting the best into teaching

Preparing teachers with useful experience

Matching teachers’ skillsets with student needs

Leading teachers with strong principals

Motivating teachers to perform

Supporting teachers to improve instruction

Mentoring teaching and learning

= can be supported through effective differentiation

Source: World Bank 2013 (SABER-Teachers)
We endorse thoughtfully designed differentiated compensation
This is different than traditional approaches to ‘merit pay’ or ‘performance pay’

### Key elements of differentiated pay

**A system of compensation that attempts to strengthen intrinsic motivation***
- Provides opportunities for individual growth and advancement
- Strengthens the system through retaining top performers and building capacity
- Recognizes and rewards high-performers

**Pay increases connected with changes in how high-performers spend their time**

**Consideration of multiple indicators of performance and potential**

### “Merit pay” approaches to avoid...

**Incremental addition to base pay that attempts to enhance extrinsic motivation:**
- Tries to differentiate between top and bottom performers
- Assumes that the difference in performance is rooted in lack of motivation and, as a result, financial incentives will 1) motivate and 2) drive stronger performance

**Incentives with no impact on how high-performers spend their time**

**Relying exclusively on narrow quantitative measures—such as standardized tests**

*We use Daniel Pink’s framework for intrinsic motivation—autonomy, mastery, and purpose*
Here’s one example of differentiated compensation, from Singapore

Key difference between the Singapore system and historic approaches to ‘career ladders’ in the US—a meritocratic system for determining performance & potential

Teaching Track
- Principal Master Teacher
- Master Teacher
- Lead Teacher
- Senior Teacher

Leadership Track
- Classroom Teacher
- Director General of Education
  - Director
  - Deputy Director
  - Cluster Superintendent
  - Principal
  - Vice Principal
  - Head of Department
  - Subject Head / Level Head

Senior Specialist Track
- Senior Specialist 1
- Senior Specialist 2
- Lead Specialist
- Principal Specialist
- Chief Specialist
And another, from Shanghai

<table>
<thead>
<tr>
<th>TIME USE</th>
<th>Direct Instruction</th>
<th>Coaching &amp; Developing others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third-grade / Novice Teachers</td>
<td>Promoted to 2\textsuperscript{nd} grade after:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5 years of teaching</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• A school-based evaluation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 levels of pay</td>
<td></td>
</tr>
<tr>
<td>Second-grade / Intermediate Teachers</td>
<td>Promoted after:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5 years of service at 2\textsuperscript{nd} Grade</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• An internal school-based evaluation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• And an external district-based evaluation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3 levels of pay</td>
<td></td>
</tr>
<tr>
<td>First-grade / Advanced Teachers</td>
<td>An extraordinary honor that is only bestowed upon 0.1% of teachers after careful district consideration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Conduct research</td>
<td></td>
</tr>
<tr>
<td>Senior-grade / Master teachers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Draft—for discussion only
Several conditions required for differentiated compensation to succeed

Districts need to have established the expectations for high-quality teaching and defined the qualities of great leaders (for teachers who want to progress to teacher leadership and other roles)

Districts need to have established a culture of strong coaching and feedback:
• Leaders have the skills to effectively coach others and have candid conversations about performance
• Leaders dedicate time to coach and develop others
• There is an organizational culture in feedback is given and received as an opportunity to grow and improve, not as an exercise in compliance or a “gotcha” system

Finally, ‘the how’ matters as much as ‘the what’
• Context matters: the compensation system must respond to the unique history and needs of each district
• “Our system” vs. “Their system: Needs to be developed in a way that builds local ownership—with leaders, teachers, and the community
• Go slow to go fast: Needs to be developed over time in a way that builds capacity for the work to succeed
Example from Tennessee: Go slow to go fast

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>TDOE gathered stakeholder input about how the state/districts could use compensation to increase teacher effectiveness and equitable access</td>
</tr>
<tr>
<td>2011</td>
<td>A total of 16 districts piloted compensation plans</td>
</tr>
<tr>
<td>2012</td>
<td>3 additional districts launched compensation plans</td>
</tr>
<tr>
<td>2013</td>
<td>TN state differentiated pay policy revised • Provided four intensive support sessions to 34 districts • Then moved to building statewide support model</td>
</tr>
<tr>
<td>2014</td>
<td>All districts in Tennessee adopted differentiated compensation schemes—based on one of four models designated by TDOE: • New roles for teachers • Incentives for hard-to-staff subject areas • Performance pay • New salary structures</td>
</tr>
</tbody>
</table>

Used early adopters to refine the model, identify what works, and identify key conditions for success

Source: Reform Support Network, ‘Implementing Differentiated Compensation Systems for Educators’