Compensation Philosophy: Goals & Strategies

Development of Compensation Philosophies

Beyond the initial stage of research and brainstorming, schools serious about addressing compensation issues will develop a compensation philosophy and a series of strategies, to be presented to the board and faculty. ISACS recommends the following goals and strategies be considered as part of the process.

I. Set Goals (5):

- Attract All-star Teachers
- Retain the best of the best;
- Reward exceptional performance and group performance;
- Improve collegiality and the environment advantage;
- Move the institution forward.

II. Develop and Prioritize Strategies (8):

- First, determine the top priority: e.g., to attract all-stars with nationally competitive salaries (>30+K to start and >40+K median).
- Second, decide "how to pay for it": i.e., via a balance of tuition increases, class size growth, and/or endowment & giving.
- Third, establish a retention strategy for teachers 3-5 years into the system (e.g., major jump in salary and responsibility).
- Fourth, explore compensation re-engineering design: consider broad-banding and faculty rank systems.
- Fifth, develop a "meaningful evaluation" system that combines administrative responsibility for 360-degree assessment (to address individual performance issues, both positive and negative) with faculty ownership (focused on professional growth and development). Resolve the "merit pay" conundrums of divisiveness, performance "grade inflation" and lack of relationship to student achievement. Consider as an alternative to merit pay, a performance pay system that marries "more pay for more work" for all-stars.
- Sixth, implement strategies to develop a more collegial environment (NB. Roland Barth’s Improving Schools from Within, 1990, Josey-Wales): The most important factor in determining the quality of a school is the relationship of the adults.)
Seventh, examine work culture and work climate with intent to making it harder to leave. Flexible leave policies & work schedules, increased security, financial planning, Section 117 tuition "golden handcuff" plans, etc.

Eighth, collaborate on determining school-wide programmatic and strategic goals to be incentivized: If there’s more money on the table, let’s attach some of it to group performance.

Schools that manage to put all of the above pieces together in a comprehensive compensation plan will be miles ahead of those with whom they will compete for the next generation of teachers.

New Models:

- Meaningful Faculty Evaluation: ISM Model by Walter Buckalew: evaluation that is mission-based and formative. (Cincinnati Country Day School, Columbus School for Girls, Marburn, OH; Lake Forest Academy, IL).
- Pay at Risk/Group Performance Rewards: Set school-wide faculty goals related to strategic plan and/or program development. (Rohan Woods School, MO; Summit County Day Technology Plan; Douglas County, CO rewards groups of teachers who create and implement plans to improve student achievement).
- Increasing Tuitions To Push Salaries: Raising starting and median salaries by $7500 over three years to approach $30K and $40K levels (Diocese of Washington)
- Increasing Ratios of Students: Faculty: For dramatic step increases to public school norms (Lawrence School, OH). NB: Average teaching time/week = excluding extracurriculars. (1600 minutes at elementary levels/1200 minutes at middle school level/900 minutes at secondary school level); average independent school ratios are 9:1 vs. 16:1 in public schools.
- Dedicated Endowment Campaigns: $12 million for faculty salaries & growing (University School, OH; Laurel School, OH)
- Broadbanding: Fewer steps and more overlap to transition away from rewarding only degrees and longevity (Springer School, OH; Columbus School for Girls, OH).
- Pay for Performance: Bonuses at year end as school financial performance permits. (Breck School, MN)
• Faculty Ranking System: Replace current "salary step" systems with simplified and streamlined ranking system. Cincinnati Public Schools: 5 steps (ranks): apprentice, novice, career, advanced, accomplished, from $30,000 to $62,500: based upon administrative evaluation of planning, class climate, teaching, professionalism as one component and "competency-based pay" as another (Praxis III & NTSB board certification); Marburn School (OH) has 4 ranks (assistant, provisional, lead teacher, master teacher); Randolph School (AL) has 4 ranks (instructor, teacher, senior teacher, master teacher) and adds 20 days of pay for professional development.

• New Benefits: Tuition Remission vs. Section 117 Plan. Medical Premiums: Fixed Contribution vs. Fixed Benefit ($5-7000). Medigap for senior faculty members (security vs. salary). Financial Planning for Faculty: The power of the SRA.

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