Relations between Policy and Practice in Victorian State Schools

MANAGING PERFORMANCE: A REVIEW OF THE PERFORMANCE MANAGEMENT PROGRAM FOR PRINCIPALS IN VICTORIAN STATE SCHOOLS

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ABSTRACT

The aim of this paper is to link the theory of performance management and performance-related pay with practice, by relating the findings from literature with the process used by the Victorian Department of Education to assess the performance of school principals.

Literature indicates a number of factors deemed necessary to ensure that performance management is successful in achieving its aims and is acceptable to participants. These include the effect of the performance management process on motivation, individual and organisational improvement, integrated planning and changes to the culture of the workplace. Also significant are the ways in which performance management is linked to the strategies and objectives of the larger organisation, its culture and values and the extent to which it leads to a climate focused on quality, accountability and improved performance.

The major focus has been to develop an enhanced understanding of the conditions that lead to effective performance management of middle managers and to clarify the conditions under which performance management is most likely to be accepted by those involved. To achieve this, the study has focused on principals’ perceptions of the current Department of Education Performance Management Program and analysed these perceptions in light of the recommendations from literature and the experiences of other organisations.

The paper concludes with a number of recommendations or issues for consideration in the development of future processes.

Introduction

The concepts of performance management and performance-related pay now appear to be firmly entrenched not only in the private sector but also in the public sector. A report by Wood and Maguire (1993) indicates that performance pay systems now operate in the public sector in twelve OECD countries including the United Kingdom, the United States, Canada and Australia, where many systems focus on middle and senior level managers. Two major objectives appear to be driving these public sector reforms: improved performance, including enhanced efficiency and effectiveness in achieving specified outcomes, and a greater level of accountability.

Many organisations in the public sector relate to the provision of human services, where performance is not easy to measure. This raises the question of how we effectively measure and reward performance when the outcomes are not as easily measured as in many businesses. Literature informs us that the measurement of the performance of managers is one of the most difficult areas of human resource management. This is particularly so in the public sector where managers often have very little direct control over the outputs achieved, and those outputs are often extremely difficult to measure in purely objective terms.

There is also considerable debate regarding the value of linking pay to performance appraisal. In spite of the warnings of literature regarding the criteria necessary for the success of performance management programs and performance-related pay, many
schemes appear to fail to achieve the objectives for which they were designed. It does not appear that a great deal has been learned from the past mistakes of other organisations.

The purpose of this paper is to provide a brief overview of the literature on both performance management and performance-related pay, and the development of the performance management program for Principal Class Officers in the Victorian Department of Education. The paper then offers the perceptions of a group of principals involved in the program and attempts to identify the conditions under which performance management programs and performance-related pay schemes are most likely to be effective and accepted by participants.

How has performance management evolved?

In relation to performance management in education Duke (1992:2) claims that "As research on school effectiveness has focused attention on the central role of the principal, efforts to hold principals accountable for specific performance and outcome targets have increased [however] … little discussion can be found of the conceptual foundations upon which these targets are based.". Chadbourne and Ingvarson (1992:28) claim that "Across Australia the education industry is being influenced increasingly by assumptions underlying corporate managerialism. For schools this means facing demands to become more results-oriented, setting performance indicators that are attached to objectives rather than strategies, adopting the culture of the private sector, and operating more like business enterprises where all 'investments' must realise a 'profit'."

Purpose of a performance management system – why have one?

Much has been written about the merits or otherwise of performance management systems. A number of recent articles question the purpose and usefulness of performance appraisals and assessments. Duke (1992:4) suggests that the evaluation of school administrators is conducted for a variety of reasons. These include selection and advancement, control, accountability, ensuring the achievement of organisational goals, and professional development. Many, such as Eunson, (1994:106); Meyer (1991: 71), and Wright (1995: 151) suggest that the real purpose is not related to performance, but rather to increase managerial control or bringing about conformity. However, writers such as Cogdell (1998:1) contend that we should be looking at a new approach that would "…embrace ideas like continuous learning, process improvement and team development, which are directed at the whole system, and the shaping of roles to get results."

Developing a performance culture

In order for performance management to become part of the regular and accepted practice of any organisation, changes must occur in the way people think about the assessment of their performance. Fullan (1991) alerts us to the fact that a change in policy does not necessarily result in a change in practice and contends that "… change works or doesn’t work on the basis of individual and collective responses to it." (p.46) He further claims that even modest changes can take from three to five years to be successfully implemented and accepted whilst major changes can take from five to ten years. Proctor et al. (1993:73) suggest that "…the necessary culture may already have to be in place for a system of PRP to work effectively." These views clearly have implications for the introduction of a performance management program.
Requirements deemed to be necessary for an effective performance management program

Numerous studies have been carried out on performance management systems in both the private and public sectors in Australia and worldwide. Each of these recommends dimensions which appear to be necessary to ensure the acceptance of the system and/or which have resulted in effective practices. Work by Stevens (1995), Armstrong and Murlis (1994), Howard (1997), Millman and Darling-Hammond (1990), Hughes (1998a) and others assert that the following are essential components:

- There should be a sense of ownership by stakeholders
- The process should be simple and clearly understood
- The process should be consistent in interpretation and application
- The process should be supported with appropriate infrastructure and training
- Objectives should be measurable, relevant, realistic and within the control of the appraisee
- Feedback should be provided at various stages of the process
- The system must be based on trust
- Confidentiality must be maintained
- The process should contain an appeal mechanism
- The process itself should be reviewed regularly.

Structure/ stages of a performance management system

Most performance management systems studied were relatively similar in their structure. They included a planning and goal-setting stage, review, assessment and finally the setting of objectives for the next period. Where the performance management has a performance-related pay component, the reward follows the assessment stage.

Elements of a performance management plan.

Again, although there was variation in the processes reviewed, the basic elements appear to be similar, although the terminology varies. Most had specific or key result areas with associated targets or objectives and achievement measures or indicators. Assessment processes varied, although most used a rating scale, often a 1-5 scale.

Measurement

The issue of measurement is frequently raised as one of the major problem areas of performance assessment and performance-related pay processes. It has been suggested that often areas for evaluation are chosen more for the ease of measurement than for their contribution to the goals and priorities of the organisation (Duke:1992). This raises the issue of qualitative versus quantitative targets. Many of the areas most important in a school such as teamwork, people management and the development of a positive climate, relate to quality and are not easily measured. Palmer (1996:9) alludes to "the difficulty of measuring the outputs of groups such as nurses or teachers [which] can limit the effectiveness of performance-related pay schemes... ."

Individual or team performance?

Most appraisal schemes reviewed, ignored the interdependent nature of many roles in human service organisations where it is extremely difficult to isolate the performance of the individual from the performance of the team. This is compounded when a performance-related pay component exists.
Performance-related pay

The linking of pay to performance appears to be based on the assumption that people can or will perform more effectively if they are offered a financial incentive to do so. According to Hughes (1998b:1) "Performance Management and Performance-Related Pay (PRP) became entangled in the late 1980s when there was an obsession in many organisations with finding measures to reward individual performance.

Armstrong and Murlis (1994:253) claim that performance-related pay can work well "...where there is a visible direct relationship between focused effort and reward." On the other hand writers such as Hughes (1998) urge caution in linking pay to performance in that it can be divisive, it assumes that money motivates, it is costly to apply and monitor, and has difficulties in ensuring consistency. There are many principals who would agree with Hughes' caution.

Effects of performance-related pay on motivation

Although many groups implementing performance-related pay schemes appear to make the assumption that linking pay to performance will increase motivation, much of the literature rejects this. Factors such as the size and immediacy of the reward are deemed to be significant. Rewards such as those offered by Coles Myer and BHP to their CEOs (Age 13/11/99) might be expected to have a greater motivational effect than the 8% average currently offered to principals in Victoria!

Effects of performance-related pay on the team concept

There is a significant emphasis in the literature regarding the tensions that exist between the payment of individual bonuses in a climate that encourages collegiality and team-work. When in Melbourne in 1996 Allan Odden (1996:1) claimed that individual bonuses for teachers and principals cut across the collegial cultures and team decision-making processes that are a feature of many schools and should be abolished.

Key ingredients for success

It would appear that systems of performance management and performance-related pay schemes that have been successful have been carefully planned and tested and are supported by those involved. Whilst it is recognised that change is inevitable, and any scheme will require modification along the way, acceptance is dependent on a high level of understanding by users. To ensure this, transparency and regular, effective communication, appear to be key requirements.

The Performance Management Program for Principal Class Officers in the Victorian Department of Education

In 1994 in conjunction with the Schools of the Future initiative and a review of the Principal Class structure, a performance management system was introduced for Principal Class Officers (PCOs). Performance management consisted of an appraisal process termed accreditation. On successful completion of this stage of the process, PCOs accessed 5% increase over their minimum salary. This became part of their total salary. The assessment
process was based on a performance plan. Successful achievement of all areas of the plan at an outstanding level was to entitle the PCO to a 15% bonus. This did not become part of the ongoing salary and was paid in a lump sum.

Significant changes have occurred to the process since its inception in 1995. Many changes have been procedural, such as the refinement of the proforma used in the plan development. Other changes have been made to the actual structure of the process such as the removal of the identification of an outstanding achievement at the planning stage, the introduction of an 8% average across each region and the removal of peer auditors from the assessment stage. The most recent change has been to the title of the program which is now known as the 'Leadership Recognition and Development Program', and the addition of a professional development component.

Many assumptions appear to underpin the process. These relate to areas such as the validity of the measures used to assess performance, the assumed links between principal performance and the achievement of specified outcomes such as student learning outcomes, to links between incentives and performance and to the conditions necessary for the acceptance of and commitment to a performance management program.

The Current Victorian Program

Stated Purpose

"The performance management system is designed to improve educational outcomes for students by focusing on school improvement through:

- improving the quality of management in schools
- focusing principals on the achievement of key result areas

Plan Development

At the beginning of the school year a principal meets with a designated regional officer (usually the Regional Principal Consultant (RPC) responsible for their local government area) and negotiates the specific goals or targets for school improvement. The guidelines state that "This plan should be based on the school priorities as set out in the school charter, the school accountability cycles (annual and triennial reviews), the principal's vision for the school and specified statewide Department priorities announced at the start of each year." (Department of Education, 1999:1) A written plan identifies a number of Specific Result Areas (SRAs), usually four, each with targets and measures. Each SRA is given a weighting, based on the level of importance of the SRA, at the commencement of the cycle. Weightings must not be less than 10% and not more than 30% and must total 100%.

Additional Requirements

In addition to the targets designated in the performance plan, in order to access performance payment, principals are required to meet the core responsibilities and the role and accountability statement as indicated in their employment contract. If the General Manager considers that the principal is not meeting these s/he must contact the principal at least three months before the review period and explain in writing the requirements necessary to meet a satisfactory level and the consequences of not doing so.
Monitoring

The guidelines indicate that regular contact will be maintained between the RPC and the principal throughout the year to discuss the plan's progress. It is stated that a mid-cycle review is the minimum contact desirable. Interview comments indicate that there is a wide variation in the level of monitoring that takes place.

Assessment

At the end of the year principals assess their own performance against the core responsibilities and each SRA of their plan. Possible assessments for each SRA are:

- 0 if the target has been partially reached (partially seems to mean anything less than fully);
- 1 if the target has been achieved; and
- 2 if there has been outstanding achievement of the target.

The principal and the RPC then meet to determine whether the self-assessment can be verified by the RPC. For most principals this assessment now occurs at the school. The RPC can request further evidence to that provided by the principal. The final score is reached by multiplying the assessment for each SRA by the weighting for that SRA to get a final score of between 0 and 200. The principal is informed by the RPC of the recommended assessment and the assessment is then referred to the General Manager for approval.

Performance Pay

A performance payment is only available to principals who have submitted a performance plan, although all principals are assessed. The guidelines indicate that "The available performance budget will be allocated according to the distribution of performance assessments which may vary from year to year. The performance payment available at each level of performance will be determined by the Director of Schools after all assessments within each region have been completed." (Department of Education 1999:6)

Leadership Development

Principals are now required to submit with their performance plan, a leadership development plan. On this they indicate their major strengths, suggested improvements and the leadership development activities to be undertaken.

Samples of Actual Specific Result Areas from Plans

Sample One: A Secondary School Principal

<table>
<thead>
<tr>
<th>SPECIFIC RESULT AREA</th>
<th>CONTEXT</th>
<th>PERFORMANCE TARGETS</th>
</tr>
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<tbody>
<tr>
<td>Strategic Focus: To improve CSF assessments in</td>
<td>Annual Report has continued to highlight the lack of spread in student achievement in both Maths and English generally across all levels.</td>
<td>• Staff survey in Maths and English reveals that teachers’ confidence in making CSF assessments has improved. 70% of</td>
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Sample Two: Primary School Principal.

The principal concerned scored zero on this SRA because s/he failed marginally to achieve the required level of improvement in one year level in one area of student achievement.

<table>
<thead>
<tr>
<th>SPECIFIC RESULT AREA</th>
<th>CONTEXT</th>
<th>PERFORMANCE TARGETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Focus:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy</td>
<td>Literacy is a school charter priority. In 1997 student achievement data in English indicates a number of students not achieving at the indicative CSF level (3 modes) in years Prep, 2, 4 and 6. A number of students also are not achieving beyond the indicative CSF level in Years 1, 3, 6 (Writing) and Years 2, 3 &amp; 6 (Reading and Speaking and Listening)</td>
<td>• All teaching staff to have professional development in CSF moderation (3 modes), Keys to Life and WA First Steps (Reading or S&amp;L) module with the expectation that strategies from these P.D. sessions are to be implemented into the literacy program, documented in weekly planning and evaluated. 80% class teachers express satisfaction of 3 on a 5 point scale (Office of Review Survey) as to P.D. received and that literacy strategies have assisted with catering for individual student needs. • Improvement in the number of students achieving at the indicative CSF level in years Prep, 2, 4 and 6 (3 Modes) as compared to Dec. 1997 school benchmark data.</td>
</tr>
</tbody>
</table>
Research Design.

The central question addressed in the research was: “To what extent has a performance management program in a human service organisation met the criteria deemed to be necessary to achieve an effective system that is accepted by and professionally rewarding to participants?” The research focused on five key areas relating to a performance management program. These were as follows:

a. Links between the Performance Management Process and Professional and/or Organisational Development.

Does involvement in a performance management program result in professional development for the manager and/or lead to improvement of the organisation?

(b) Process Issues

Is the process deemed by those involved, to be valid/credible/reliable?

(c) Issues Relating to Assessment and Measurement

Are measurement procedures such that valid, reliable and accurate inferences can and are perceived to be made regarding the participant's performance?

(d) Ethical and Moral Issues

Is the process seen to be based on values such as trust, confidence and honesty? Is it seen to be fair and equitable in its implementation?

e. Performance-Related Pay

Does the linking of a financial reward to performance bring about improvement and/or motivate those involved? Is it seen as a reward for "superior performance"?
Approach Used

The case study method was selected as the most appropriate method for the research component of the study and interviews were chosen as the research instrument.

Thirty one principals from government schools were selected to cover a range of school types – primary, secondary and specialist. These were all from the metropolitan or outer metropolitan area. The aim was to obtain principals’ perceptions of the various elements of the performance management program.

Interviews were conducted as the major source of data collection. Each interview lasted 1½ to 2 hours and was tape recorded with the principal’s approval. Principals were asked approximately 100 open-ended questions based on the findings from literature and my own observations from working with principals during the first two years of the program. After transcribing all interviews and having the transcripts verified by the interviewees, I then used the QSR NUD*IST (1997) program to analyse the data and develop reports.

The Research Results.

[Sample comments from interviews are provided to illustrate the responses. These are indicated in italics.]

(a) Links between the performance management process and professional or school development.

The majority of principals interviewed did not feel a sense of professional achievement on the completion of the annual process. Their reasons included the difficulties encountered throughout the process, not seeing the process as important, lack of relevance of the plan to their ‘real work’, perceived inconsistencies and a feeling of lack of control over the process.

- I felt relief [at the completion of the process] but no professional achievement at all. It was all a bit of a game and I felt that I had done pretty well at the game.
- The things that give me a sense of professional achievement are student achievement and staff and parent satisfaction.

Although a reasonable number felt a sense of ownership of their plans, over half of the respondents did not. Imposed SRAs and unrealistic measures were the main reasons given by the latter group. For some there was a belief that this had improved over the years, for others a feeling that it had got worse. This seemed to depend on the person with whom the plan was negotiated.

- I do feel a sense of ownership of my 1998 plan. At last it’s right on track as far as reflecting my priorities. All of the SRAs relate to what we are doing.
- I have never had a sense that what I really wanted to do was in my performance plan. It has all been couched in terms of what was easily measurable.

The vast majority of principals did not believe that the process had provided them with a structure to improve their performance as principals or had resulted in improvement in their performance. Most felt that they would be doing the things in their plan anyway so the benefits of the process were limited. There was general concern about the use of the term performance as used in the process. Principals did not see the measurement of four areas per year as a measure of their performance.
• The plan measures certain things that I do in the school but it doesn’t measure my performance.
• I don’t think it takes into consideration aspects of the job such as managing people and recognising what needs to be done to improve student learning in the broader sense.
• I think involvement in the process probably detracted from school improvement because I had to play games that took me away from the real work that I was doing.
• The things that I put in my plan were not the important things. The significant things are relationships with teachers, children and the community and dealing with day to day things that are important to the functioning of the school. These can’t be measured in the way required by this process.

The majority of principals did not believe that their involvement in the process had resulted in improved student learning outcomes that might not otherwise have occurred. General feeling was that other processes in the school, including the school charter priorities ensured that improvement occurred. Some acknowledged that involvement in the process had resulted in greater adherence to time-lines and improved documentation of results, but not improved outcomes.

• Documentation of a slice of the improved student learning outcomes has improved. The actual learning outcomes have not improved because of the plan.
• Without the performance plans you would have had the same outcomes if you were seriously treating your charter. The plan just hangs out the side there as another level of accountability.

Half the respondents believed that their involvement in the process had resulted in improved planning processes for the leadership team. They referred to the links that had developed between members of the leadership team, the setting of clearer objectives, improved and more focused planning and greater follow-through. In the cases where it was not believed that planning had improved as a result of the process, many of those schools had already had strong planning processes in place prior to performance management.

• My 1998 plan links school priorities with the roles of the leadership team. Performance management for my leadership team now focuses on improving people’s skills and rewarding their efforts.
• The planning would have happened anyway. I have to acknowledge that it has probably tightened up time-lines.

Almost 100% of respondents believed that their performance plans should be part of an integrated school plan. Links with the school charter were seen to be the major factor in ensuring that this happened.

• The performance plan of the principal and others should flow from the charter and the overall school plan.
• The first places the principal should look to for ideas for their plan are the school charter, the annual report and the triennial review if they show up areas that need to be improved.
• It is difficult to develop and maintain long term integrated plans because the rules change and school directions are in many ways determined by Department of Education priorities which may not be the school’s priorities. [Principals of self-governing schools would relate very easily to this comment at the moment].
a. Process Issues

The amount of time spent by principals in the negotiation of their plans varied from about one hour to in excess of two hours. Most agreed that this time had decreased considerably over the years, largely due to those involved developing a better understanding of the requirements. The removal of the requirement to define at the planning stage, what constituted an outstanding achievement for each SRA, also reduced the planning time.

All principals interviewed had in the last two years negotiated their plans with an RPC. About half found this acceptable. Opinions were coloured by the attitude and approach taken by the RPC. Clearly personalities and interpersonal skills, together with the RPC’s perceived understanding of the school setting and the role of the principal, had a significant impact on the level of acceptance.

In reference to the level of understanding of the guidelines and rules, there was a mixed reaction ranging from those who felt that the guidelines were clear to those who were not aware that there were guidelines. Frequent reference was made to the verbal rules as opposed to the written rules.

- Most of the rules are verbal and not written therefore we are playing games. I feel that I am being manipulated.
- It’s hard to say. I’m not sure what the rules are because most of them are not written. The verbal rules seem to change as we go along… When you put your plan in you know it will be changed anyway, no matter how hard you have tried to get it right.

When questioned about the appropriateness of relating principals’ performance to improved student learning outcomes, a quarter felt that this was appropriate because they saw student learning as the focus of their job. The remainder thought that the link was inappropriate due to the validity of measures, reliance on others, the global nature of the principal’s job, the variables beyond the control of the principal and the need to contrive plans and measures to appear to make the link.

- That is the hardest thing to measure. It is appropriate in that what you do should improve student learning outcomes, but because you are removed from student learning, particularly in a large school, it makes it difficult to write measures to prove direct links.
- It forces you to contrive ways to relate what you have done to improved student learning outcomes. Not everything done in a school can be measured in those terms, e.g. visionary things, support to others, problem solving, creating a positive learning environment. None of these can be measured directly in terms of student outcomes.

Lack of flexibility to include difficult to measure areas and to make changes to plans when circumstances changed were both raised as concerns. Reference was again made to measurable as opposed to important targets. A number of principals had been unable to achieve SRAs because circumstances in their schools had changed from the time the plans were written to the assessment stage. Only in two instances had allowances been made for such changes.

The issue of feedback was one that was raised frequently throughout the interviews. Although feedback is identified in the literature as being one of the key criteria to ensure acceptance of performance management, it appears to have been almost non-existent in the program that was studied. In most cases principals were only informed of results, rather than reasons for results. Even the mid-cycle review that was intended to provide feedback, had in most cases not occurred. The result of this lack of feedback was that principals felt that they
were not valued by the system. A number indicated that feedback would have been more
motivating than a bonus payment.

- I really think that if the process is going to be a professional development for
  principals, there should definitely be feedback, particularly for less experienced
  principals.
- I would feel valued if the G.M. phoned me occasionally to comment on the work I am
doing. This would be far more important than any performance dollars.

a. Issues Relating to Assessment and Measurement

The majority of principals interviewed regarded self-assessment as an important component
of the assessment process. They saw it as an extremely important part of their role. Some
found the process difficult when it came to determining whether their achievement could be
considered outstanding.

In response to the question as to who was in the best position to assess a principal’s
performance, a range of people was suggested. It was also felt that this might vary from year
to year according to the circumstances. Apart from the principal her or himself, principals
suggested the school leadership team, a skilled outsider, teachers, the District Liaison
Principal (a position that no longer exists), school council, peers, the RPC and the General
Manager. The key factors were that whoever was involved should understand the role of the
principal and the setting in which they operated, and that the assessment should occur at
the school.

- It really doesn't matter as long as the person knows the principal, the school and the
  charter and there is an agreed process of measurement.

It was felt that the current process, in which the General Manager has final responsibility for
the approval of the plan and the assessment to be given, was not a workable one. This
opinion was based on factors such as the size of regions, the other responsibilities required
of General Managers, and their inability due to purely practical reasons, to know all schools
and principals equally. It was recognised that the involvement of RPCs in the process had
brought plan negotiation and the assessment of evidence closer to schools. However their
role, with approximately fifty schools per RPC and significant other duties, was still not seen
to provide the ideal situation to enable the process to operate effectively.

Difficulties in the collection and collation of evidence were frequently raised as concerns.
Although this was seen to have improved over the years, as people became more aware of
and skilled in the process, this was still the most time consuming element of the process. In
the early years, principals were required to collect and collate their evidence and deliver it to
peer-auditors. There was no communication permitted between peer auditors and the
principal. More recently, evidence has been presented to the RPC at the school. This has
improved the situation since discussion can occur and additional evidence produced if
required. The nature of the targets and the measures determines to a large extent the
volume of evidence required. With greater emphasis on student achievement measures and
surveys, the volume of evidence and the time taken to collect and collate it has decreased
for many. However, this emphasis on statistical evidence does not meet with everyone’s
approval.

The issue of whether or not principals perceive the current process as adequately measuring
their performance is seen to be one of the major factors when considering whether or not the
process has been effective. In general, principals did not see the current performance
management process as a measure of their performance, but as a measure of the extent to
which they had achieved certain specified tasks. Interestingly, documentation throughout the process has never referred to the measurement of total performance but to the measurement of performance against a number of key result areas.

- **Performance is about looking at whether as a principal I have made a difference. The leadership role is so esoteric. It is hard to pigeon-hole what leadership is, what things like vision and direction are. To improve my performance I can’t be measured as in industry. My performance has to be measured on the improvement in me as a person and the improvement in this workplace.**

Principals believed that performance management and assessment should focus on improved performance, rewarding outstanding performance and professional development.

- **It should be something that gives you feedback about your actual performance. There should be some link to a professional body such as the Australian Principals’ Centre. Those links with professional development could be very powerful.**

  **a. Ethical and Moral Issues**

Although the stated purpose of the performance management program is to improve student learning outcomes via improved management, the achievement of key result areas and the recognition of high performers, most principals believed that the agenda was a political one related to a corporate trend and more about accountability and control than about improved performance.

- **I think they wanted to make schools more efficient, more business like, more managerial. They lacked understanding of the appropriateness of the structure they had in place. If they wanted to implement performance management they should have changed the system structure. Performance management requires that someone knows and understands what the person being assessed is doing.**

Although there was no interview question specifically relating to trust and confidence in the process or the system, frequent mention was made of principals not trusting the process and those who assessed them, and not feeling trusted by the system. This linked with perceptions relating to equity and consistency. None of the respondents believed that there was equity and consistency in the current process. Reasons given included perceived discrepancies within and between regions, variation in what is accepted in the actual plans as well as variation at the assessment stage, and the 8% regional average in bonus payments. It was also felt that the lack of clear documentation allows people to interpret rules in their own way. The range of personnel involved in assessments together with the size and nature of the system were also considered to be factors working against consistency.

  **a. Performance-Related Pay**

Although many of the principals interviewed were happy to get a bonus payment, they did not see it as a motivating factor, apart from motivating them to get through the process. A number saw the payment as a way to breach the gap between what they were paid and what they believed they should be paid. Whilst some thought the amount was hardly worth the effort, others found it an insult that it was assumed they could work harder or smarter if a bonus was involved.

- **The money is important, although not in a comparative sense. It is not a motivating factor for me to be a better principal, but it is an incentive for me to put in a plan.**
• I don’t like the concept of dollars being offered to entice greater performance. I don’t mind being assessed on my performance but I don’t like having dollars attached to the process.

Principals had difficulty accepting the notion of a moderation process and the 8% average. The process had been sold to them with an understanding that if they achieved the maximum they had stipulated they would achieve at the planning stage, and could provide hard evidence of this, they would gain 15%. The introduction of this component during the process rather than being indicated as a possibility at the start, has resulted in principals feeling that they have been cheated by the system.

• It is a worry that the return for the state needs to average 8% regardless of how well participants are performing. This is surely an artificial ceiling imposed on the process.

For some principals, tensions exist between individual performance payments and the team approach being fostered by many schools. Whilst this has much to do with a cultural shift in the way principals view their role in the school and performance pay, there are still many principals who do not feel comfortable about accepting a bonus payment when others have been involved in the achievement of the target. Some principals felt that it was due to their leadership and ongoing support that key result areas were achieved, whilst others felt quite uncomfortable about accepting a bonus unless they had been directly involved in reaching the target. There was support for a model that offered a team reward.

Perceived Positive outcomes.

A number of principals believed that their involvement in the process had resulted in them putting new structures into place, and led to more effective team planning for the principal and leadership team, particularly when all plans were integrated with the school’s priorities. For some there had been an improved adherence to time-lines and better documentation of program outcomes. The concept of rewarding effort was seen by some as positive, although the process for achieving it was not.

• I think for some principals it has forced them to look at educational outcomes and priorities. The links between all plans in this school has been very beneficial.

Perceived Concerns.

Concern was expressed that the time spent on the plan took principals away from their ‘real’ work. Lack of flexibility and the imposition of targets and measures were frequently mentioned. Poor communication, particularly in relation to rule changes was seen to result in increased inconsistencies. Inappropriate and inaccurate measures, together with an over-emphasis on data and surveys was of concern to many. The inappropriateness of the current process in relation to the total role of the principal was highlighted. Principals felt that the focus on achievement in purely statistical terms had failed to recognise the range of competencies and skills required of a principal and had devalued their role.

• It has devalued what we do and achieve. It has caused us to think of achievements in statistical terms. It has taken away the good feelings and personal incentives that I had about what I was doing.

How has practice related to policy?

In the performance management program that was reviewed, it is difficult to provide a definitive answer to this question as there does not seem to be an actual policy statement. If
we look instead at the stated purpose of the performance management system we would have to ask whether the process has resulted in:

• Improved educational outcomes for students
• School improvement
• Improved quality of management in schools
• Focused principals on the achievement of key results
• Recognised high performers?

In relation to the first three points, there has been no attempt to measure the links between the principal’s involvement in the performance management process and improvement in those areas, although student learning is assessed annually as part of the annual reporting process. Principals’ perceptions, as indicated in response to interview questions, would indicate that improvement in those areas would have happened anyway, and not because of their involvement in performance management.

Apart from questioning the definition of ‘key results’ it could be claimed that the process has focused principals on a number of Specific Result Areas each year. Principals have acknowledged this increased focus, although they do not see this as an appropriate way to measure their overall performance.

Definition is again significant in determining whether or not high performers have been recognised. If we define a high performer as one who has achieved to the maximum level (now not clearly defined) that which they stated they would achieve, then high performers have been recognised, albeit within the constraints of the 8% average. If however we define a high performer as one who leads and manages a highly effective school, then this process has not recognised that.

If we assess the effectiveness of the performance management program against the criteria deemed to be necessary for an effective system, and by the level of acceptance of a group of participants in the program, it would be difficult to claim that the program had been successful.

Where to from here?

It is my belief that there is a reasonable level of support from principals for some form of performance management or appraisal, however the model would have to be vastly different from the current one. Whether or not performance-related pay would be a component is debatable. Whilst I do not see it as being appropriate, research indicates that where bonus payments have been removed, appraisal processes have eventually become ineffective. It would be unfortunate if this occurred.

I would see a new model being determined only after extensive consultation with principals. A pilot program should then be trialled by a small group of schools to enable problems to be identified and overcome before they had an effect on large numbers. Whilst modifications are inevitable in a new program, too many modifications can obviously lead to confusion and non-acceptance. A new model would have a strong focus on the professional development and growth of the principal. The profession would be encouraged to define the competencies and standards on which performance can be profiled and improved. A further focus would be on school and organisational improvement but the process would recognise and not repeat existing accountability structures. It would be based on cooperation rather than competition and would not operate against the team concept being fostered in many schools. Emphasis would be placed on longer-term goals as well as short-term goals.
Effective communication would be required at all stages of the process, particularly in relation to regular, constructive feedback. Guidelines would be clearly documented so that the process was transparent and clearly understood by all involved. The whole issue of measurement would be well researched to ensure that measuring instruments used were appropriate, accurate, valid and reliable for the purpose of measuring principals’ performance.

The process would provide strong motivation for principals to improve their performance and that of their schools, thus providing improved conditions for student learning.
REFERENCES


