



STRATEGIC MANAGEMENT OF HUMAN CAPITAL

ALLAN R. ODDEN AND JAMES A. KELLY
CO-DIRECTORS

WHAT IS SMHC?

A SUMMARY

By

Allan Odden and James A. Kelly
Co-Directors, SMHC

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STRATEGIC MANAGEMENT OF HUMAN CAPITAL (SMHC)

A Project of the Consortium For Policy Research in Education (CPRE)

Wisconsin Center for Education Research • University of Wisconsin-Madison

1025 West Johnson Street, Suite 653 • Madison, WI 53706-1796 • Phone 608.263.4260 • Fax 608.263.9390

WHAT IS SMHC? A SUMMARY

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The strategic management of human capital in public education concerns the acquisition, development, compensation and retention of top teacher and principal talent in the nation's schools, particularly large, urban school districts. The Strategic Management of Human Capital (SMHC) is also the name of a new action project of the Consortium for Policy Research in Education (CPRE), headquartered at the CPRE offices at the University of Wisconsin-Madison.¹

The **mission of SMHC** is to improve student achievement and reduce achievement gaps by getting more powerful instructional practices into all classrooms through reform and restructuring of state and district human resource management systems, focusing initially on the country's largest 100 districts, most of which are urban.

Although there are widespread and urgent demands to improve student achievement in all of the nation's schools, the improvements needed are arguably most acute for students in the largest 100 districts, particularly those urban districts with significant concentrations of students from low-income and minority backgrounds. Producing large and authentic improvements in student learning in these districts presents the **toughest educational challenges** in the country. These tough challenges are **worthy of the finest talent and management** that can be obtained in America. One of the main objectives of SMHC is to identify strategies, policies and practices that can deliver to, distribute fairly and retain top teaching, leadership and management talent in these city districts and schools.

Two aspects of the strategic management of human capital are critical to dramatically improving the performance of the country's largest school districts. **The first is talent.** One of SMHC's primary objectives is to identify how the highest quality human capital – talent – can be recruited and retained as teachers, principals, and human capital management leaders in the nation's large, urban, school districts. These systems need top talent at all levels, from teachers to top district leadership, to positions in the central office such as the human resource management systems, to leadership positions in schools, and to instructional leadership for every classroom and teaching context. Strategies to recruit, place, develop and retain top talent should be one prime emphasis of districts' human capital management strategies. Initial ideas for accomplishing this task are drawn from case studies of jurisdictions already moving forward on this agenda, such as Boston, Chicago, Fairfax County, Long Beach, Minnesota, New York City, and national organizations including Teacher For America, The New Teacher Project and New Leaders for New Schools.

¹ The co-directors of SMHC are Allan Odden, Professor of Educational Leadership and Policy Analysis at UW-Madison's School of Education and Co-Director of CPRE, and James A. Kelly, the Founding President of the National Board for Professional Teaching Standards. Key staff include UW/Madison Business Professor Emeritus Herbert Heneman, Senior Researchers Anthony Milanowski, Steve Kimball and Connie Showalter, all in the UW-Madison CPRE offices, Professor Margaret Goertz in the CPRE offices at the University of Pennsylvania, and independent consultant Dr. Julia Koppich; all key staff contributed to the development of this paper.

The **second issue is strategic management**. It is not sufficient for districts just to find top talent and turn them loose. As the private sector has learned over the past decade, the highest performance organizations not only recruit top talent, but also manage them in ways that support the strategic directions of the organization. Thus, SMHC also addresses what strategic management of teacher and principal talent should look like in public education. SMHC addresses how all aspects of the human resource management system (typically called personnel administration in most school districts) can be **aligned**, including recruitment, screening, selection, placement/distribution, induction, professional development (focused on curriculum and classroom practice), performance management and evaluation, compensation and promotion into instructional leadership. The goal is to redesign the entire human capital systems so that top talent is acquired, strategically placed, equitably distributed, professionally developed, well compensated and retained over time.

SMHC has two outcomes to assess progress:

1. Student performance, and
2. Teaching performance, indicated by a measure of instructional practice.

Though more work needs to be done, the country has knowledge, tools and instruments for measuring student outcomes, and we encourage states and districts to use measures of student learning that reflect capacities of students to use content to solve problems. On the other hand, measuring teachers' instructional practice and using the measures as a management tool is only at the beginning stages. If one objective of strategically managing human capital in education is to produce better classroom instruction, then an important objective of SMHC is to suggest valid ways to measure teacher's classroom instructional practice, and how to redesign human capital management systems to develop and ensure that effective teachers are provided in all classrooms. Further, to be considered valid, the elements of instructional practice that are measured and used in this way must also be linked to improvements in student achievement.

To be **strategic**, human capital management practices must be aligned with and devolve from a district's educational improvement strategy. The strategic management of human capital and the education system's educational improvement strategy are inextricably linked. Education systems must have a powerful and coherent educational improvement strategy in order to improve student academic achievement.² But education systems cannot implement powerful educational improvement strategies unless they have both the management and teaching talent to execute the complex actions it requires. Conversely, top management cannot improve student academic achievement just with talented people, high expectations and random acts of good practice. To be effective top talent must be professionally managed around a well-designed educational improvement strategy so that talented educators turn their aspirations and talents into instructional practices that boost student learning to high levels.

² We initially take no position on the nature of the district or state instructional improvement strategy; the test over time is whether it actually boosts student achievement by large increments. Articles in the April 2009 issue of Phi Delta Kappan, however, on the strategies used by finalist districts for the Broad Prize in Urban Education, show how such strategies share many common elements across districts; see also Allan Odden and Sarah Archibald, *Doubling Student Performance ... and finding the resources to do it* (Corwin, 2009).

This approach to the strategic management of human capital in public education draws directly from emerging approaches to talent management and development in the private sector. Current thinking in the private sector emphasizes the importance of (a) the strategic management of human capital in carrying out organizational strategies to improve performance and (b) organizational strategy as a basis for a human capital management program design, paralleling points we will make. Indeed, during the past decade and a half, many private sector organizations concluded that people, talent and human capital *per se* needed to be placed on their strategic agendas. They further found that strategic human resource management strategies should be formally linked vertically to their organizational improvement programs and horizontally across all the specific HR elements. In addition, multiple analysts have shown empirical links between these kinds of aligned human capital management practices and improved organizational performance in private sector organizations.

The Problems and Early Responses

Research has documented the multiple problems with the human capital development and management systems—sometimes referred to as *human resource management (HRM)* systems—in education, particularly in large urban districts and their high poverty, high-needs schools, which limit the districts’ and schools’ abilities to improve instruction and student learning. These problems include:

- Lack of a human capital management strategy and alignment of HRM practices to that strategy.
- The difficulty many districts have in staffing high-need (e.g., high-poverty, low-achieving) schools with quality teachers.
- High teacher turnover, particularly in urban districts.
- Chronic shortages of qualified math, science, and technology teachers.
- The difficulty nationwide in attracting the “best and brightest” to teaching and using nontraditional sources of teacher supply (e.g., career changers; people wanting only a partial career in teaching, such as those in Teach For America; young, smart adults disillusioned with the bottom-line focus of private sector employment, like many recruited by The New Teacher Project).
- Professional development systems that spend upwards of \$6000-8000 per teacher per year, with little impact on instructional practice, and very little focus on the core subjects of mathematics, science, reading and writing.
- Compensation systems that pay for factors not linked to student learning gains – years of experience and miscellaneous education units, no differentiation for areas experiencing teacher shortages, and few if any elements linked to the core goal of the system – student performance.

Over the past decade, however, leaders in some large, urban districts in the country concluded that with such unproductive and dysfunctional SMHC systems, their districts could not expect to dramatically enhance student performance over the short, medium, or long term. Further, they concluded that if urban districts were to make headway on their ambitious education reform goals, they needed to revamp the systems that trained, recruited, inducted, deployed, developed,

evaluated, paid, and managed its strategic human assets—high-quality teachers and school and district leaders. In this project, we conducted case studies of some of these initiatives and the effects of the multiple new human capital strategies these initiatives created, and case studies of partnerships the urban districts have created with new organizations working to address the same problems, such as The New Teacher Project, and Teach For America.

These initiatives were developed while state standards-based education reform was maturing, NCLB was implemented, and several other reforms to improve teaching quality were launched. These include many efforts to make teacher pre-service training and NCATE accreditation more rigorous, the creation of the National Board for Professional Teaching Standards and CPRE work on designing new forms of teacher compensation.³ CPRE’s work on teacher compensation was complemented recently by the federal government through its Teacher Incentive Fund that helps districts recruit, retain, and reward teachers and principals in high-poverty, high-minority enrollment schools and/or in subjects with teacher shortages, such as mathematics and science.

Though all these initiatives were focused on enhancing teaching quality, they were not very coordinated or linked, which detracted from their potential impact. What is needed now is an effort to orchestrate all these promising efforts into a much more strategic approach to the acquisition, development, compensation and retention of talent in education. We need to learn from the urban school leaders and founders of talent-recruiting organizations, and from other innovators. The pioneering work being done by these leading-edge organizations, districts, and states needs to be documented, disseminated, and then adopted and deployed in other large school districts, and indeed, in all districts. More broadly, local and state policymakers need to define and institute ways to incorporate these kinds of teacher and principal initiatives into a more strategic approach to human capital development in education.

Currently, there is no group or organization taking the lead in trying to guide the nation through this process. We have designed this SMHC project to remedy that void.

WHAT IS STRATEGIC MANAGEMENT OF HUMAN CAPITAL IN EDUCATION?

Strategic management of human capital is a complex and comprehensive set of activities and ideas. Put simply, it is the people side of education reform. The basic argument is that without talented people urban districts will be hard pressed to execute an effective instructional improvement strategy as the means to attain their goals to improve student achievement. The following summarizes the core ideas of SMHC.

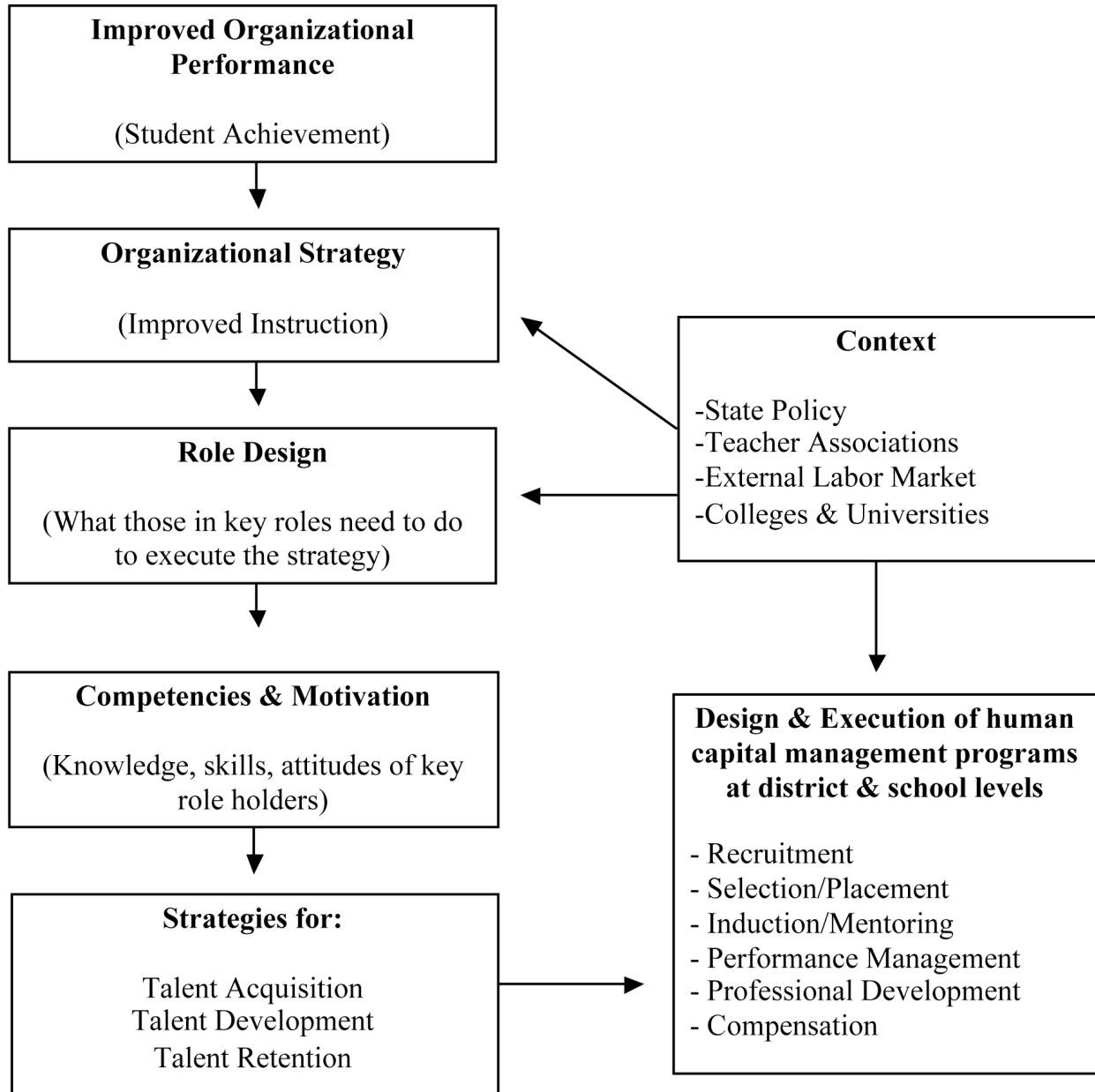
The strategic management of human capital starts from an understanding that substantially improved student performance is needed in the country’s large urban districts. To improve student achievement, large urban school districts with large numbers of low performing students from low income and high-needs backgrounds need a powerful and ambitious strategy.⁴ We call that strategy a district’s “educational improvement strategy.” We argue that to carry out that strategy, however, districts need to attract, develop, motivate, and retain talent – individuals with the expertise and willingness to do the job. Diagram 1 depicts how strategic management of

³ SMHC Co-Director James Kelly was the founding president of the National Board and SMHC Co-Director Allan Odden led the CPRE work on new approaches to teacher compensation.

⁴ We are neutral with respect to the specifics of the strategy but would assess its effectiveness by whether it produced quantum gains in student academic achievement.

human capital evolves from the creation of a powerful organizational improvement strategy. Many private sector companies develop their strategic human capital management strategies and programs directly from their organizational improvement strategies

Diagram 1
How Performance Goals Determine
Strategic Human Capital Management Program Designs



Once a district has developed an educational improvement strategy, it then needs to identify the key roles needed to carry out or implement that strategy. For education, the key roles at the site level include teachers, teacher leaders and principals.

The next step is to identify the knowledge, skills and competencies required for the individuals placed in those key roles who implement the educational improvement strategy. For teachers, this means the system needs to identify the specific instructional strategies that teachers need and then to manage the human capital system around helping them acquire and use these effective instructional practices. The same task is required for principals, focusing on competencies need to be a school leader, including in addition to instructional leadership skills, site-based human capital management expertise.

The final step is to create an SMHC strategy that guides the system for recruiting, developing and retaining the talent with the needed skills and competencies for each of those key roles.

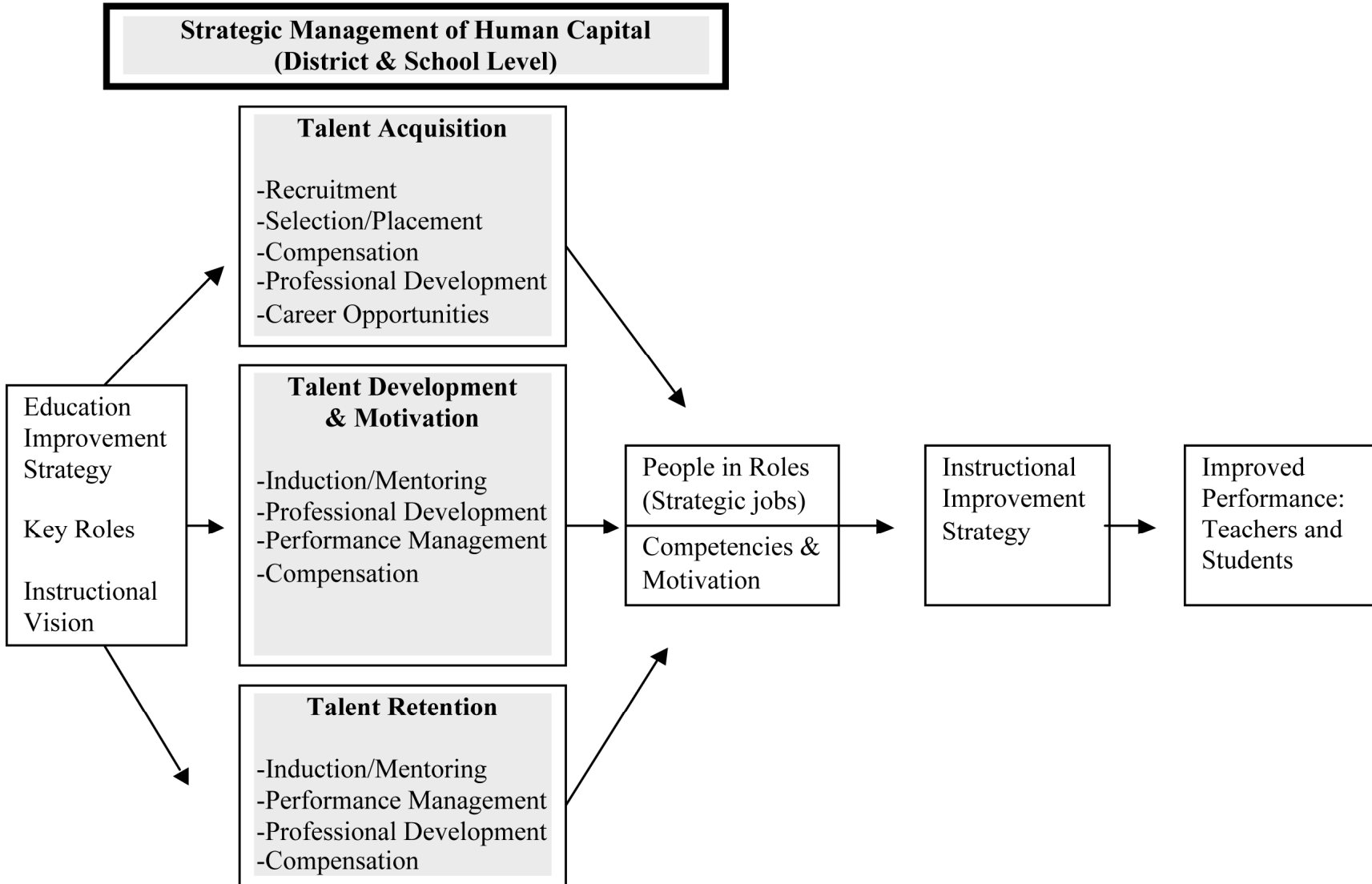
As Diagram 1 also makes clear, many human capital initiatives are designed in the context of state programs and policies that impact teachers. These contextual factors include licensure requirements, tenure laws, support for National Board Certification, teacher associations or unions and collectively bargained contracts, the state and local teacher labor market, colleges and universities, local politics such as mayoral control, and any other state or local contextual factor that might impinge on either the district's educational improvement strategy or the design and implementation of the human capital management strategy and programs created to implement the strategy. These contextual factors can both facilitate and impede, sometimes dramatically, the ability of the system to implement human capital management actions, and in the case studies we developed, we describe how the districts dealt with these contextual factors.

As Diagram 1 connotes, the educational improvement strategy is the foundation of the strategic management of human capital and the programs created to implement it. To be strategic in concept, the human capital management system must devolve from the educational improvement strategy of the district and data about student learning and instruction. To be strategic in practice the human capital programs must acquire, develop and retain the talent with the knowledge, skills and competencies that are key to implementing the educational improvement strategy.

Diagram 2 indicates in more detail how the various components of what typically constitute the human resource management system – recruitment, selection/placement, induction, mentoring, professional development, evaluation/ performance management, compensation and instructional leadership –impact the three major strategic components of SMHC: talent acquisition, talent development and motivation, and talent retention.

Examples of districts that feature innovative programs for improved talent acquisition include, among others, Boston, Chicago, and New York City. These districts were not satisfied with the quality of talent that traditional pipelines had been providing them. They had significant overall teacher shortages, a lack of math, science and special education teachers, and many teachers who struggled with classroom management and poor instructional skills. So they took a strategic stand and asked the question: How can we recruit a sufficient number of talented teachers (and ultimately principals) as well as a higher level of talent? As a result, these districts launched

SMHC Diagram 2
The Role of Strategic Management of Human Capital in Implementing Educational Improvement



several related initiatives. They created working relationships with existing talent pipelines that they had not previously tapped, developed relationships with new talent pipelines, and in some cases, created their own talent pipelines. Chicago, for example, began recruiting at the top universities in the area such as Northwestern, University of Wisconsin-Madison, University of Illinois at Champaign-Urbana and the University of Michigan, and other universities within a 500 mile radius of Chicago. The leaders of this initiative had read the research that the bulk of teachers end up working in schools within 50 miles of where they either grew up or went to school; the 500 mile radius meant that all teachers recruited would be, though not 50 miles from home, within a one day's drive to/from their home. All three districts developed partnerships with new groups such as The New Teacher Project (TNTP), Teach For America (TFA) and New Leaders for New Schools, organizations which recruited talent from top colleges and universities in the country – TFA recruiting newly minted graduates, whereas TNTP recruited graduates most of whom had tried but soured on the private sector . In addition, these and many other districts created new district-run programs so that they, themselves, could train both teachers and principals.

Whatever criticisms one might have about these new recruitment pipelines, they do represent a strategic approach to recruiting teacher and principal talent. The strategic way to recruit talent for an organization is to identify multiple sources of talent, evaluate and select those producing the talent needed by the organization, and even work with some sources – e.g., teacher training colleges and universities – to modify their talent training strategies to focus more on the skills needed by the organization.

Talent acquisition also includes screening and placement, and course assignment. Placement also raises the issue of the equitable distribution of effective teachers and principals across schools. Currently, too many schools characterized by high concentrations of low income and minority students have the least effective teachers and principals. Those schools can be turned around only when they have the same access to quality teachers and principals as other schools and sometimes even priority access to this newly recruited top talent.

Compensation also impacts recruitment in terms of the level of salary, the way salary progression can be earned over time, whether individual teacher performance will be recognized and rewarded (or just years of experience regardless of contribution to school success), and whether there are rewards for boosting student performance either as a faculty or individually.

Diagram 2 identifies four primary elements of the human capital management system related to the second key strategic area of the human capital management system: talent motivation and development: 1) induction and mentoring; 2) professional development; 3) performance management, which entails teacher evaluation and use of results in managing teachers; and, 4) compensation.

Strategically as well as practically oriented school systems realize they have a major, ongoing responsibility to induct, mentor and continue to train teachers and principals. It is unrealistic for schools, districts or states to expect colleges and universities to produce newly minted professionals who from day one are accomplished masters of their practice. Colleges and universities can be expected to produce good beginning teachers, who nevertheless are just

novices. Once teachers (and principals) are hired and placed, schools and districts then have the ongoing responsibility to provide continuous training that helps those professionals learn the knowledge, skills and expertise needed to be successful in the classroom and school. Further, given the increased performance demands on schools, which are translated into performance demands on teachers and principals to produce more student learning, there is an even greater responsibility for the system to provide even more intensive, ongoing and collaborative professional development.

Performance management of teachers and principals is also critical. Districts need a way to measure teaching performance i.e., their level of the instructional practice, the results of which they can use to guide ongoing professional development, the awarding of tenure, the promotion of teachers into leadership roles, increases in salary, and/or counseling out of the profession and termination. Over time, districts also need ways to identify the most effective teachers and principals; value-added methodologies show significant promise for accomplishing this objective, even though the method faces complex technical challenges before it can be used for consequential decisions. One objective for the project is to place the most effective talent in urban classrooms which in the past have been starved of top teaching and principalship talent.

Diagram 2 also shows that there are four primary elements of the human resource management system that are linked to talent retention: induction and mentoring, performance management, professional development, and compensation. Why these four? First, there is significant research that documents how good induction and mentoring programs can retain teachers in the important first 5 years, when large numbers of new recruits leave teaching for many reasons, a critical one being not systemically helped to become an effective teacher. In addition, teacher assignment is also important; teachers assigned to teach subjects they are not licensed to teach turnover more often than those assigned to appropriate classes. Further, performance management combined with professional development also affects the retention of needed talent by helping to eliminate those whose performance is not sufficient and by recognizing those whose performance is. Finally, compensation systems contribute by recognizing and rewarding competence and effectiveness which in turn differentially retains the better performers and discourages the retention of poor performers, who are not rewarded just for staying around, the implicit practice of the traditional salary schedule. Compensation systems can also encourage retention by providing incentives for exceptional individuals to follow career paths toward leadership roles or National Board Certification.

It should be clear by now that one underlying concept of SMHC is that for each key strategic job in the system, and we are emphasizing those of teacher, teacher leader and principal, the SMHC system can be structured around the knowledge, skills and competencies those jobs require, and thus be aligned horizontally across each aspect of the system, including recruitment, screening, induction/mentoring, placement, professional development, performance management/evaluation, career progression and compensation. The private sector has sometimes called this Strategic Human Resource (SHR) alignment. Our cases in Long Beach, Fairfax County and Minnesota's QComp program have been selected because they represent examples of how some education systems have moved forward to bring coherence to the various elements of their human capital management programs.

The chart on the following page describes the domain of HR practices that must be aligned to support the educational system's strategy for improving instruction. Each of these practices can be grounded in the education system's vision of effective instruction. Though each HR program itself has various structural features that make it reflect best practices, what would make all of these HR practices strategic is whether they each are designed to reinforce the specific instructional strategy of the school, groups of schools, district or state and do so in ways that are reinforcing across each of these programs. A recently developed CPRE HR Alignment tool provides more detail on these ideas and how to conduct an audit of the alignment of all HR elements in an education system (please see the Resources tab at www.smhc-cpre.org and select District Reform Network Conference to view the HR Alignment presentations and materials).

In sum, we define the strategic management of human capital in public education as including the following core ideas:

- a. The strategic directions for acquiring, developing and retaining talent should flow from the education system's educational improvement strategy, which should include an explicit vision of effective instructional practice. This constitutes a vertical connection between human capital management and the strategic directions of the organization.
- b. The next concept includes aggressive and comprehensive strategies to recruit top teaching and leadership talent into urban schools and districts under the assumption that the education challenges in these districts are the toughest in the country and deserve the best talent to address them successfully.
- c. That talent then needs to be professionally managed to produce the instructional practice in classrooms and schools that boost student learning to high levels, as well as an equitable distribution of this talent across all schools, especially schools characterized in the past by high poverty concentration and low student achievement.
- d. The system also needs to horizontally align all the key pieces of this system so all aspects – recruitment, selection, staffing, induction/mentoring, professional development, performance management, compensation and instructional leadership – are focused on the knowledge, skills and expertise teachers need to implement the instructional vision of the school, groups of schools or district of which they are a part. Similarly, the HR pieces need to be designed around the knowledge, skills and expertise, i.e., the competencies teacher leaders, principals and other key district leaders to execute their roles in the educational improvement strategy
- e. In the process of designing and implementing both the educational improvement strategy and the human capital management program, the education system should produce an additional result, namely a professional school culture which is characterized by high expectations for student achievement, a common vision of effective instruction and accountability for the student performance results.

Finally, the goals of implementing a strategic human capital management system are to improve student academic achievement and teachers' instructional practice (as well as a fair distribution of talent across all schools). Thus, in order to manage the system, districts will need good measures of both student performance and teaching performance, to insure that the teaching practices they espouse are indeed linked to improved student learning and to manage the system around these core goals.

Seven Human Resource Areas and Their Components

HR Areas	Definition
1. Recruitment	
<u>Applicant Pools</u>	Sources of applicants based on the knowledge, skills and abilities necessary for performance competency vis-a-vis the competency model.
<u>Information</u>	Information provided to applicants about performance expectations, the district and school, and the teaching assignment.
2. Selection/Placement	
<u>Licensure</u>	Licensing requirements and the basis for them.
<u>Assessments</u>	Methods of assessing knowledge and skills and predicting future teaching performance.
<u>Standards</u>	Actual hiring requirements and “cut scores” for accepting applicants.
<u>Placement</u>	Who has final hire authority?
3. Induction	
<u>Pre-service</u>	Assistance and information provided to teachers prior to start of school.
<u>On-the-Job</u>	Assistance and information provided to teachers during the first years of teaching.
4. Mentoring	
<u>Content</u>	Subject areas, pedagogy, social support, school and classroom procedures.
<u>Mentors</u>	Who provides the mentoring (e.g. formal mentor, other teachers)?
5. Professional Development	
<u>Content</u>	Subject areas, activities (e.g., courses, inservice projects).
<u>Teacher Planning</u>	Mechanisms for focusing and assisting teachers’ choices of professional development content.
6. Performance Management	
<u>Tenure</u>	Systems and standards for providing tenure, and how linked to evaluation.
<u>Teacher Evaluation</u>	System for measuring teacher’s performance.
<u>Feedback/Coaching</u>	Information given to teacher about results of the appraisal; assistance to teacher in how to maintain and improve performance.
<u>Goal Setting</u>	Formal setting of specific goals, with timetables, to guide performance planning and improvement.
<u>Remediation</u>	Activities for intervention and assistance to low performing teachers; outplacement and termination.
7. Compensation	
<u>Base Pay</u>	Regular salary for teaching duties during contract period, and measures that trigger base pay annual increases.
<u>Variable Pay</u>	Supplements on top of base pay for additional duties or performance, e.g., bonuses; base pay increases linked to performance.
<u>Hiring Packages</u>	Regular salary plus other financial inducements, such as hiring bonus, loan forgiveness, and tuition reimbursement, housing assistance or regular salary “bump” for high quality.

Source: Heneman and Milanowski, 2007

Recognizing Context

There are multiple contextual issues that impact both the specifics of any district's human capital management system, as well as how it can be designed and implemented.

The first is the nature of school districts and teacher union relationships, and the nature of the collectively bargained contract. Most contracts address at least some of the issues discussed above. In collective bargaining states, changes in teacher evaluation, compensation and performance management cannot be made outside of the collective bargaining process. In other words, changes in human capital management programs would need to be developed in collaboration with the teacher union and reflected in a revised contract or agreement. The nature of school district/teacher union relationships obviously impacts how smoothly such changes could be developed. Several other contextual factors include the nature of school district governance (whether the mayor or some type of Board controls governance), the fiscal condition and health of the district, the local teacher labor market, and state education policy issues such as licensing, tenure, salary incentives, professional development or teacher mentor programs, etc. All can and will impact how strategic human capital management systems can be created as well as their specific character.

The Result of SMHC

If all of the elements of the SMHC system discussed above work as argued, the result should be four-fold:

1. The district and each school should have sufficient quantities and quality of talent that is equitably distributed in all strategic jobs (teachers, teacher leaders and principals) and in all schools.⁵ Teacher turnover in the medium term should be reduced and teacher retention should be increased.
2. Those individuals should have the core competencies (improved over time by the system's development, management and reward systems) needed to execute those job tasks successfully.
3. The system's educational improvement strategy should be clear to everyone, and should be implemented effectively and efficiently.
4. Both teacher performance and student performance should improve, i.e., teachers should become better at teaching, and thus more effective with students, and students should achieve to higher and higher performance levels.

In Appendix A of this document, we identify strategy, policy and practice initiatives that will advance the use of strategic management of human capital in schools, districts and states across

⁵ Since many urban districts and high poverty schools have had large numbers of open positions so have made the focus recruiting new talent, with school selection of personnel and limited or constrained seniority bumping, those districts that have ineffective evaluation systems also might find themselves with a "pool" of ineffective teachers with no offers of a position from any school. Indeed, New York City has simply paid such teachers without having them perform work tasks. This practice obviously strains limited school budgets, especially today. Schools, districts and unions must create ways to insure that only effective teachers remain in the district and that ineffective teachers are counseled out or terminated in ways that are procedurally and substantively sound.

the country. This is a “beginning” list of the key policy and practice actions that the SMHC project will elaborate over time as well as urge that states and districts implement.

SMHC in 2008 and 2009

In **2008**, the SMHC project:

- Defined Strategic Management of Human Capital in Public Education (see the Allan Odden and James Kelly paper, and Ed Lawler paper on the SMHC Web site).
- Organized and activated a nationally prestigious Task Force of 33 individuals chaired by Minnesota Governor Tim Pawlenty, which met twice (see Appendix B).
- Planned and conducted the first National SMHC Conference.
- Completed case studies of SMHC reforms in six urban districts, three education reform organizations, and one state (see Resources section of SMHC web site), and began studying other effective SMHC reforms.
- Wrote six papers on new approaches to teacher compensation (see Resources section of SMHC web site).
- Launched its interactive Web 2.0 site, www.smhc-cpre.org, which is becoming the “go-to” Web site for improving urban school districts through SMHC reforms.

Case studies in Boston, Chicago, Fairfax County (VA), Long Beach (CA), Minneapolis (MN), New York City, the Minnesota Q Comp program, and of the talent recruiting organizations The New Teacher Project (TNTP), Teach For America (TFA) and New Leaders for New Schools (NLNS) have shown how these issues can be successfully addressed.

The cross case findings show that districts can move substantially towards solving teacher and principal quality and shortage problems with a range of recruitment initiatives that include:

- Actively recruiting more teachers and principals from top colleges and universities
- Partnering with talent recruitment organizations such as TNTP, TFA and NLNS
- Growing their own teachers and principals
- Forging new relationships with local and high quality colleges and universities
- Restructuring and automating the application, screening and selection systems
- Moving the hiring calendar up to early spring
- Revising seniority transfers and eliminating seniority bumping, and
- Devolving selection decisions to school sites.

All case study districts have 5-10 quality applicants for every position and open school each fall with fully staffed classrooms and schools in all core classrooms.

The findings also show that districts are making progress towards strategically managing this talent by aligning the key human resource management programs around a rigorous, content-rich curriculum and visions of effective instructional practice, but have significantly more progress to make on this front. Case study districts are looking for better ways to:

- Identify effective teachers and principals during the hiring process
- Bolster teacher and principal development
- Ensure that tenure is granted only to highly effective teachers
- Find a way to measure teachers' instructional performance in ways that are linked to their effectiveness in producing student learning gains, and
- Identify the key skills principals and teachers need in school sites to implement recruitment, selection, induction, mentoring and professional development initiatives to produce schools that are successful in showing large gains in student academic achievement.

During **2009**, the SMHC project will continue to work to establish Strategic Management of Human Capital as a critically important strategy for the nation's educational reform agenda. SMHC will continue its research and analytic work, conduct Task Force meetings in August and November, and convene a second National Conference. In addition, several action initiatives are being launched that are designed to stimulate important reforms in urban districts and place SMHC on the nation's education reform agenda:

1. Create a district SMHC Reform Network with districts addressing the full range of human capital management issues. This network of 20+ districts had their initial meeting in Chicago in late March 2009.
2. Create a State SMHC Reform Network that will identify key state policies and practices that can support local implementation of district SMHC reforms, and get several states to begin enacting laws and policies to implement them. The first meeting of this network was in early May 2009.
3. Conduct webinars to help urban districts create and implement improved staffing and recruitment strategies for teachers and principals. The first webinar was held in May.
4. Help districts pilot one or more systems that measure teachers' instructional practice at various performance levels, and help urban districts use the results to bolster teacher development programs and improve decision making about promotion, pay and tenure.
5. Identify the key practices principals use in recruitment, screening, selection, induction and mentoring programs that result in effective teaching and increased student learning.
6. Develop HR alignment audits so that urban districts can identify the extent to which HR functions are – or are not – aligned with effective instructional programs.
7. Enhance HR transactional processes including surrounding policies and practices so they facilitate new strategic directions of the overall HR system.

The goal is to place SMHC reforms on the nation's education reform agenda so that all districts have the teacher and leadership talent needed to boost student achievement to high levels.

To support its efforts in 2008-09, SMHC received generous anchor funding from Carnegie Corporation of New York, with additional generous support provided by the Gates, Ford and Joyce Foundations.

APPENDIX A

Strategic Management of Human Capital Area	School Policy or Practice	District Policy or Practice	State Policy or Practice	Federal Policy or Practice
1. Outcomes:				
Measure Student Performance	Augment district and state testing with school/ teacher developed performance assessments; use commonly across grades or subjects	Use annual tests of student performance that assess thinking and problem solving; use common end of course tests for secondary core courses	Use annual tests of student performance that assess thinking and problem solving; use common end of our course tests for secondary core courses	Invest in development of improved tests that assess thinking and problem solving across the curriculum. Continue to require assessment of student progress in NCLB re-authorization.
Measure Teacher Performance	Conduct in-school induction, mentoring, and peer counseling programs aligned with district-wide teacher assessments of teacher performance.	Use a local or state performance evaluation instrument to assess teacher performance. Seek appropriate teacher involvement in assessment program.	Adopt a performance evaluation instrument and use for a multi-tiered teacher licensure system. Remove any regulatory obstacles to performance evaluations and encourage districts to use them.	Invest in further development and validation of teacher/principal performance evaluation instruments, and provide fiscal incentives for states to use them in re-authorized NCLB programs.
Measure Teacher/Principal-School Effectiveness	Use individual teacher value-added results for performance management of teachers	Create a data system that allows for value-added analysis of both schools and individual teachers, and make the results available for use at the school level	Design state student testing, personnel and school data systems that allow for value-added analyses at the school and individual teacher levels	Continue to encourage and provide funds for states to develop data systems that allow for value-added analyses at the school and individual teacher levels
2. Assess the Alignment of the 7 SMHC practices	Use an HR alignment tool to assess the coherence of all 7 SMHC program areas	Use an HR alignment tool to assess the coherence of all 7 SMHC program areas	Use an HR alignment tool to assess coherence of state policies that parallel the local 7 SMHC program areas	Sponsor substantial and rigorous studies of impact on student and teacher performance of coherent SMHC programs

SMHC Area	School Policy or Practice	District Policy or Practice	State Policy or Practice	Federal Policy or Practice
3. Design and Implement SMHC Reforms				
Recruitment of talent	Engage principals in selection of teachers to fill needed instructional roles. Build assessments of recruitment into evaluations of principals.	Mount an active recruitment strategy with multiple providers Assess viability of traditional pipelines Identify new pipelines; partner with new recruiting organizations Assess viability and impacts of persons recruited from all pipelines.	Create a “Teach for <state>” program like TFA and reach out to highest quality colleges and universities to encourage applications from their top graduates Develop and implement standards for accrediting teacher training organizations that are not colleges or universities Provide public dollars for all teacher training organizations, (not just colleges or universities) that meet state standards	Use presidential and Cabinet-level leadership to engage presidents of leading research universities to significantly deepen their involvement in pre-service and in-service development of highly talented teachers and principals. Support research on effectiveness of multiple pipelines supplying teachers and principals.
Selection/placement	Select “cohorts” of top talent rather than 1-2 individuals, especially in high poverty, hard to staff schools Determine degree to which HR department processes and screens applications, and does background checks	Adopt policies to let schools select staff Modify seniority bumping to aid on-time school hiring Begin hiring process as early as possible Allow schools to protect high-quality/untentured teachers	Create and operate an “electronic” teacher and principal hiring market, for listing job openings and for teacher/ principal applications	Support research on effectiveness of cohort placements contrasted to traditional individual hiring patterns.
Induction	Involve principals, peers and cohorts to assure effective in-school induction programs	Develop first-year induction programs bridging pre-service training and first year teaching Develop collaborative induction programs involving pre-service institutions, teacher organizations, and employing districts.	Embed effective induction programs in accreditation of pre-service training programs and in tiered state licensure systems Encourage districts to use teacher and student assessment data in induction programs	Support research evaluating various induction strategies Disseminate widely the results of this effectiveness research

SMHC Area	School Policy or Practice	District Policy or Practice	State Policy or Practice	Federal Policy or Practice
Mentoring	Assign expert, accomplished teacher as mentor to each new teacher – or mentors to cohorts	Develop structured, explicit mentoring guidelines to facilitate alignment with district educational improvement strategy Evaluate effectiveness of individual mentors and mentor guidelines and program	Create distinct “mentor teacher” category at advanced licensure levels using National Board Certification equivalent standard of teaching expertise.	Support research on mentoring programs Disseminate widely the results of this research.
Professional development	Conduct a district-designed PD fiscal and program audit Design a new PD strategy and reallocate extant PD resources to fund it	Design and conduct a PD fiscal and program audit Design a new PD strategy and reallocate extant PD resources to fund it	Establish state-funded “pools” of qualified mentors and other experts in teaching to provide efficient cross-district PD services and programs.	Create NSF-funded models for developing and utilizing cutting-edge technologies to maximize PD effectiveness
Performance management, evaluation	Adopt/create a tool to measure teacher instructional practice Pilot the tool to assess impact on teachers, reliability and validity Use the results to manage teachers: development, career progression, pay	Adopt/create a tool to measure teacher instructional practice Pilot the tool to assess impact on teachers, reliability and validity Create value-added measures of teacher and principal effectiveness Use the results to manage teachers: development, career progression, pay	Support groups of districts, or state-wide consortia, developing evaluation tools and methodologies for assessing their effectiveness	Fund systems to develop teacher performance assessment tools Fund pilot programs to determine effectiveness Fund use to link results to improvement in teacher performance and value-added student performance

SMHC Area	School Policy or Practice	District Policy or Practice	State Policy or Practice	Federal Policy or Practice
Compensation	Add pay elements to the salary schedule based on teacher and/or student performance Provide pay premiums for teachers in subject area shortages and/or in low performing schools	Add pay elements to the salary schedule based on teacher and/or student performance Provide pay premiums for teachers in subject area shortages and/or in low performing schools Provide incentives for National Board Certification	Provide state funds for districts to design new teacher salary structures that link professional development, expertise, teacher performance and student performance in new salary systems Ensure that it is legal for districts to provide premiums for teachers in subject area shortages and/or in low performing schools Provide incentives for National Board Certification	Support research on validity and effectiveness of innovative compensation programs, measured against improved teacher and student performance
Instructional leadership	Use data from teacher evaluations to promote teachers into mentoring, professional development and leadership roles	Use data from teacher evaluations to promote teachers into mentoring, professional development and leadership roles Create flexible, “mixed” roles for expert teachers to remain at least part-time in the classroom while simultaneously filling instructional leadership roles	Require that pre-service programs for principals and superintendents focus on instructional leadership knowledge and skill including HR-system management skills	Encourage and fund innovative training, induction, and professional development programs for instructional leaders drawn from both traditional and non-traditional pipelines, Support research on the effectiveness of programs to develop instructional leaders
4. Establish and Use Metrics to assess SMHC progress	Use HR metrics to monitor progress in implementing SMHC within the school	Design a set of school and district metrics for each of the above 8 program areas Use the metrics to monitor progress in implementing SMHC	Assist districts in design a set of metrics for each of the above 8 program areas	Fund development of metrics to assessing SMHC implementation for use in both local progress management but also research on the efficacy of SMHC reforms

SMHC Task Force Members

Chair: Tim Pawlenty, Governor, Minnesota (R)

Vice Chairs:

- Sir Michael Barber, Partner, McKinsey & Company; Former Chief Adviser on Delivery to the British Prime Minister, Tony Blair
- Carl A. Cohn, Clinical Professor, Claremont Graduate School, Former superintendent in San Diego Unified Schools and Long Beach Public Schools
- Michelle Rhee, Chancellor, District of Columbia School District; Former CEO and President, The New Teacher Project

Other members:

- Joseph A. Aguerrebere, Jr., President and CEO, National Board for Professional Teaching Standards
- Jo Anderson, Senior Counselor to Secretary of Education Arne Duncan, Former Executive Director, Illinois Education Association; resigned in early 2009 when he became Senior Counselor to the Secretary of Education.
- Michael Casserly, Executive Director, Council of the Great City Schools
- Yvonne Chan, Principal, Vaughn Next Century Learning Center; Member, California State Board of Education
- Antonia Cortese, Secretary-Treasurer, American Federation of Teachers
- Jack D. Dale, Superintendent, Fairfax County Public Schools, Virginia; Former Superintendent, Frederick County Public Schools, Maryland
- Timothy Daly, President, The New Teacher Project
- Daniel Domenech, Executive Director, American Association of School Administrators
- Denis Doyle, Co-Founder, Vice Chairman and Chief Academic Officer, Schoolnet, Author, The Doyle Report
- Susan Fuhrman, Chair, CPRE; President, Teachers College, Columbia University
- Beverly Hall, Superintendent, Atlanta Public Schools
- James B. Hunt, Jr., Former Governor, North Carolina, and Partner, Womble, Carlyle, Sandridge and Rice, PLLC
- Carol R. Johnson, Superintendent, Boston Public Schools; Former Superintendent, Memphis City Schools and Minneapolis Public Schools
- Thomas J. Kane, Professor of Education and Economics, Harvard Graduate School of Education, Harvard University
- Joel I. Klein, Chancellor, New York City Department of Education
- Janet M. Knupp, Founding President, Chicago Public Education Fund

- Matthew Kramer, President and Chief Program Officer, Teach For America
- Edward E. Lawler, III, Director, Center for Effective Organizations and Distinguished Professor of Business, University of Southern California
- Francine Lawrence, President, Toledo Federation of Teachers
- Susan Hiles-Meadows, Director, Auxiliary School Principals, Cincinnati Public Schools; National Board Certified Teacher
- Kimberly Oliver Burnim, Kindergarten Teacher, Broad Acres Elementary School, Montgomery County Public Schools, National Board Certified Teacher, 2006 National Teacher of the Year
- Josh Reibel, President and Chief Operating Officer, Wireless Generation
- Sharon P. Robinson, President and Chief Executive Officer, American Association of Colleges for Teacher Education
- Eric Smith, Commissioner of Education, Florida; former superintendent of Ann Arundel County (MD) and Charlotte Mecklenburg (NC)
- LaVerne E. Srinivasan, President, New Leaders for New Schools; Former Deputy Chancellor of Operations of the New York City Public Schools
- Gerald N. Tirozzi, Executive Director, National Association of Secondary School Principals
- Dennis Van Roekel, President, National Education Association
- Randi Weingarten, President, American Federation of Teachers, United Federation of Teachers
- Gene Wilhoit, Executive Director, Council of Chief State School Officers