

This piece appeared in the editorial page of *The Indian Express*, 30 June 2006

Reward teachers but ensure output

Karthik Muralidharan

The discussion around expanding the capacity of India's higher education system in these pages ('Learn this Lesson', IE, June 26) and elsewhere has correctly identified the biggest constraint: a lack of quality faculty in institutions of higher learning. Making salaries in academia more attractive is clearly a part of the solution to the problem of attracting quality faculty. It is just not tenable to have a system where engineering graduates in an IT firm typically make more in their first year on the job than the professors who taught them in college. We could then end up in the socially tragic situation, where it is often those who don't get the best jobs who consider teaching as a choice, giving credence to the saying: "Those who can't do — teach!"

However, an important distinction that is often forgotten is that while the 'level' of salary is an important component of determining who gets attracted to a profession, it is the structure of pay (in terms of performance-basis of raises, promotions, likelihood of disciplinary action for shirking, etc) that determines how hard people work once they are in a job. Thus if we want additional spending on education and salaries to result in superior output as opposed to a more bloated salary bill, we need to think hard about how compensation and incentive structures can be designed to elicit continuous high performance by high-quality teachers.

Incentives should be thought of broadly, and not just merely in monetary terms. The US academic system generates incentives via the 'publish or perish' norm that underlies the tenure system. While post-tenure incentives can be less sharp, there is still enough motivation to be a cutting-edge teacher and scholar with mechanisms such as competitive funding of grant proposals, constant peer review of one's work, professional recognition, and student evaluations of teaching. And while money is typically not the prime motivation for most academics, many universities reward faculty for bringing in external grants ensuring that there's some monetary reward for good work.

That these are not concepts alien to our environment is highlighted by the compensation structure of one of India's leading IIT-JEE coaching centres. Faculty at this institute are paid between Rs 2 lakh/year to Rs 20 lakh/year, with only the very best teachers making it to the top end of that range. The institute bases the rating and compensation on a combination of hours of teaching, student feedback, creation of new pedagogical content, and a carefully constructed metric of 'Rank Potential Improvement' that uses internal tests to measure the extent to which faculty have improved the student's potential. The salient point here is not the higher average pay as much as its range, which is what makes it possible to reward good performance without the draining financial burden of increasing salaries across the board to the level needed to attract the best.

The point regarding the ‘marginal incentives’ to perform applies to all levels of education, including primary schooling, where it is commonly believed that school teachers’ salaries are very low. However, in recent research (with co-authors) we find (in a random sample of primary schools across 20 states of India) that, on the one hand, more highly paid teachers are in fact more likely to be absent from work. On the other, private school teachers — who are on average paid much lower salaries (as low as one-tenth as much as public school teachers in many rural areas) — are less absent and more likely to be engaged in teaching activity. This is not surprising when we see that only one head teacher in our sample of around 3,000 government primary schools had ever dismissed a teacher for repeated absence and compare it with the 35 head teachers out of the 600 rural private schools in our sample who had done so. This implies that delinquent teachers in private schools were 175 times more likely to have action taken against them!

The idea here is not to emphasize public versus private institutions as much as it is to highlight the importance of accountability with both the possibility of rewards for good performance and sanctions for poor performance. However, accountability is a complex business, with the ideal systems using both objective and subjective measures as opposed to a standard formula that is imposed across the board from a central ministry. It is therefore critical that institutions be given the autonomy to decide on the accountability measures that are most appropriate to them.

Teachers should certainly be paid better, but it’s also essential to ensure that they deliver superior output on research and teaching.