

**REVIEW OF THE
IMPLEMENTATION OF
THE TEACHER
INCENTIVES POLICY**

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REVIEW OF THE IMPLEMENTATION OF THE TEACHER INCENTIVES POLICY

1. BACKGROUND

In the October 2004 Medium Term Budget Policy Statement (MTBPS) it was announced that an amount of R4.2bn would be allocated to the education sector to enhance human resources capacity. Consequently, the educator incentives policy was identified as one of the projects and an amount of R840 million was set aside for the financial years 2005/06-2007/08 specifically for that purpose. This amount was accordingly distributed to PEDs according to the equitable share formula. It was expected that PEDs will, as from 2008/09 financial year have allocated funds for incentives as part of their baseline budget. The policy on incentives was only signed by the Minister in December 2008 after lengthy negotiation process in the ELRC failed produce a collective agreement.

The overall aim of policy is to contribute towards ensuring that the public education system recruits and retains the right quality and quantity of educators for all schools in to improve the quality of education. In April and May 2008, the DBE embarked on a programme to support provinces in preparation for implementation. This involved visits to provinces to workshop relevant officials on policy, implementation guidelines, monitoring and reporting.

2. CONTEXT OF THE REVIEW

Although the actual implementation of the policy in PEDs was delayed for some years, progressively more PEDs are implementing. In the 2013/14 financial year all PEDs, except Gauteng and Mpumalanga, were implementing the actual payment of incentives to qualifying educators occupying posts identified to be incentivised.

Certain challenges with the implementation have been experienced in some PEDs leading to complaints from educators who feel that the posts that they are occupying

should be incentivised. The bulk of the complaints come from three (3) PEDs, that is, Limpopo, North West and the Eastern Cape. A common feature about the implementation model chosen by these PEDs is that they chose to use the remoteness/distance criteria to identify and prioritise posts to be incentivised. The basic assumption here is that the further away a geographical area is from some urban centre and thus services, amenities and facilities the more difficult it will be to attract teachers to such an area.

The Free State, Northern Cape and Western Cape incentivise some or all posts in “farm schools” while in KwaZulu-Natal posts are incentivised in poverty “nodal areas”. These criteria, though debatable whether they are in line with the objectives of the policy, are based on established factors which have generally been accepted as objective criteria and thus less or no complaints have been received from these PEDs.

The analysis of the implementation challenges in the affected PEDs shows a combination of factors which together lead to complaints regarding the perceived unfairness in the implementation of the policy in affected PEDs. They are as follows:

- Seemingly inadequate communication of the overall aim and objectives of the policy to districts and schools, possibly due to the lack of understanding of the objectives of the policy by PEDs officials;
- Seemingly inadequate communication of the criteria for identifying posts to be incentivised and in particular criteria used for prioritisation of the posts to be incentivised;
- Inherent weaknesses in the “weighted distance model” due to incomplete data that was used to develop the model including missing schools, incorrect or missing GPS co-ordinates, and the fact that the model uses a straight line to determine distance as opposed to road distance. The “weighted distance model” was specifically designed by the DBE to assist PEDs to identify “remote” schools; and
- Relying on the desktop exercise, using the “weighted distance model”, to identify posts to be incentivised without conducting the manual verification process. It should be noted that PEDs were advised to

conduct a manual verification of posts to be incentivised and only use the model as a tool to assist in determining the remoteness schools with the final decision taken after verification.

The nature of complaints received from the Eastern Cape, Limpopo and North West include the following:

- All or some posts in one school being incentivised while all posts in the next school in close proximity (sometimes literally across the road) not incentivised with no credible explanation (criterion) given;
- In the same school, only some posts incentivised while others not incentivised with no credible explanation (criterion) given; and
- A whole area or circuit where no post has been incentivised when educators feel that the area qualifies. This stems from the failure of the affected PEDs to determine and clearly communicate credible criteria for prioritisation of posts to be incentivised which will explain the principle of the resource limitation. In other words, not all deserving posts will eventually be incentivised.

3. PROBLEM STATEMENT

The criterion for success of any policy is assessed by the extent to which such policy achieves its overall aim and its specific objectives. The overall aim of the policy on teacher incentives is to ensure an equitable distribution of quality educators across all schools with the specific objective being to attract and retain qualified educators in identified areas of shortage. The need for the introduction of the policy on teacher incentives arose from the particular realisation that teacher shortages were generally more acute in two broad areas which were:

- Certain geographical areas especially in “rural” areas; and in
- Certain subject areas which at the time were mathematics, science and technology (MST)

However, the conceptualisation of the policy went further to acknowledge that within these broad categories, there was a need to focus at a level of a post, hence the principle of incentivising posts in which was difficult to recruit and retain educators.

The review will consider four aspects of the policy each affecting the next in the order:

- The conceptualisation of the policy focusing on the extent to which it is implementable;
- Whether the policy, as conceptualised, was effectively implemented; and
- The extent to which the policy as conceptualised and implemented has achieving its objectives. Noting that this is an implementation review as opposed to a policy review or impact evaluation.
- The proposed way forward

The ultimate objective of the review is to assess whether the policy is achieving its intended objectives. Decisions on whether to revise certain aspects or reconceptualise the whole policy will depend on this assessment assuming that the need for the policy still holds. In other words the intention is to evaluate whether the policy is achieving its objectives rather than to assess whether need still exists for the policy. Ultimately the review aims to improve the implementation of the policy.

4. CONCEPTUALISATION OF THE POLICY

4.1. PROVISIONS OF THE POLICY

The policy provides for two categories of schools in which posts can be incentivised and these are posts in “Remote Schools” and in “Other schools”. The “Other Schools” category is further divided into the three which is schools (1) posts in schools experiencing chronic shortages of educators in certain subjects/learning areas to be identified by provincial education Departments (2) Hard-to-teach schools (3) where a school Principal or governing body has requested that some post (s) in the school be eligible for an incentive.

The Remote Schools incentive provides for further prioritisation in a particular order which is remoteness of the school, poverty ranking, no-fee school, and combinations of other factors that are impacting negatively on the recruitment of teachers. The main criterion to determine remoteness is the distance from the nearest town that provides reasonable facilities, services, and amenities.

The main criterion for the incentive based on chronic shortage of educators in certain subjects is the shortage subjects as determined by the PED. The policy does not provide for prioritisation in terms of poverty ranking or no fee schools and this suggests that the intention was that once the scarce skills were identified in a PED all posts would be incentivised.

The main criterion for the hard-to-teach schools is based on an unspecified factor which could be any factor or factors that impact negatively on the recruitment and retention of educators.

The incentive based on the request made by the Principal or the SGB is based on a factors which may be unique to a particular school or posts that may be advanced and also unspecified.

5. OVERALL CONCEPTUAL ISSUES

5.1. Fundamental conceptual issues

Conventionally, the recruitment and retention incentives are implemented as a premium attached to a particular phenomenon which leads to shortages and/or scarcity. Usually this is based on a geographical areas e.g. rural (shortage or scarcity) or inner city (difficult-to-teach); scarce skills e.g. mathematics, science etc. With regards to geographical incentives, the objective in this regard is both redistributive (from areas of surplus to shortage) but also attracting new entrants and retaining those already in posts. The rural and scarce skills allowance introduced by the DPSA in 2004 and implemented by the Department of Health was based on the principles of paying a premium for working in the rural areas and possessing a particular skill. This sometimes referred as to a differentiated pay system as the additional payment becomes part of the remuneration package.

The policy on incentives as conceptualised by the Department was based on a practical concept of “a difficult to fill posts” or a post in which it is difficult to recruit and retain. The unit of focus in this regard is a post and this was to ensure that the incentive is more accurately directed towards the need. While in the final analysis the two approaches may achieve the same result, they are fundamentally different both conceptually and practically. Conceptually, while the first approach attaches a value or a premium to a particular phenomenon e.g. working in a rural area (compensating for an unfavourable living conditions) or possessing a scarce skill in relation to **scarcity**, a relatively permanent phenomenon, the second approach focuses on a post that is difficult to fill whether due to the living condition or a scarce skill which is more in line with the concept of **shortage**, a relatively non-permanent phenomenon.

It is at a practical implementation level that the differences are more discernible. In terms of the approach where a premium is attached to a particular condition due to scarcity, the payment of an incentive is related to that condition e.g. “ruralness” or possessing a “scarce skill”. In this instance everyone that is affected by the condition or possesses a skill is rewarded. On the other hand where a post is the focal point additional criteria to determine “difficulty to fill” must obtain. This is more in line with the definition of shortage whereby it is acknowledged that at a right “price” redistribution can be possible.

6. CONCEPTUALISATION AT PRACTICAL LEVEL AND POSSIBLE CONTRADICTIONS

6.1. "Remoteness" and "Rural"

The concept of “remote” as opposed to “rural” was deliberately introduced to avoid the weakness regarding the definition of “rural” as a concept. Though the concept “rural” is widely used and accepted, it is a poorly defined term if it has to be the basis of specific policy decisions. The Department therefore elected to use a purpose specific concept of “Remoteness”. The advantage is that remoteness as a concept is not widely used and can therefore be defined for a specific purpose. It was defined as a distance from the nearest town/urban where basic facilities, amenities and services can be accessed, which is the consideration of living conditions. A model

was developed which classified towns into three, based on the level of access basic facilities to the and a “weighted distance” between the three towns was used as the distance to form part of the criteria to determine posts to be incentivised.

The distance model was a key element of the determination of the “Remoteness Incentive”. The weaknesses in the model were acknowledged upfront hence PEDs were requested to do manual verification before finalising the incentives determination. These included:

- missing schools, missing GPS co-ordinates and incorrect GPS co-ordinates; and
- the model was based on straight line distance from the school to a point in the nearest town as opposed to distance by road as indicated in the policy.

The main **conceptual challenge** here is to reconcile the concept of “remoteness” as a condition that affects all teachers (posts) in those schools and the principle of selecting certain posts based on the observed “difficulty to attract and retain” educators in those posts. It should be noted that this was one of the areas of disagreement with the unions in the ELRC as their conceptualisation was more in line with rural incentives where all teachers in areas identified as “rural” will benefit from the incentive. Further to note is that the research on teacher incentives and rewards has shown that differentiated pay or reward system may affect collegiality in an environment such as a school where professional mutual respect and a sense of equity is critical.

At **practical** implementation level, an additional criteria to determine posts that are difficult to “attract and retain” teachers is required. This would for example be a staff turnover rate and a particular standard or target would have to set in relation to the PED average. This would have to be scientifically defensible and not anecdotal in order to avoid disputes of unfairness. In the context of the current human resource management information in the sector, it will be difficult to manage, monitor and evaluate the approach.

6.2. Shortage in certain subjects

Similar **conceptual** issues raised above apply in the case where chronic shortages occur in certain subjects. However, in addition to a conceptual challenge of having to incentivise certain posts e.g. mathematics in certain areas or schools as opposed to paying a premium to all mathematics and science teachers, the issue of collegiality will arise where a certain group of teachers will be paid differently.

At practical level, the issue of identifying subject teachers will be a challenge in all schools given the fluidity of the post allocation at school level. Also given that educators teach at least two subjects it will be a challenge to decide what amount workload would qualify one to be regarded as a full subject teacher for the purposes of incentives.

Also to note is that the policy does not provide for any further prioritisation e.g. poverty ranking. The logical assumption is that the intention was that once the scarce skills are identified, all qualifying posts and teachers occupying such posts will be eligible for an incentive.

6.3. Hard-to-teach

Similar conceptual issues as discussed above can arise in this regard given that if a school is regarded as hard to teach all educators will be exposed to that situation. Identifying particular posts for incentives will conceptually be viewed as unfair. At practical level, given the open-ended and undefined concept of a “hard-to-teach” school, it will be difficult to manage its implementation with any level of consistency.

6.4. Incentive posts requested by the Principal

This type of an incentive could raise similar conceptual and practical implementation issues as the other three discussed above. Similarly, practical implementation will be difficult particularly given that reasons advanced may vary leading to difficulty in

making a fair assessment of deserving posts. This may lead to perceptions of unfairness and lead to disputes.

7. IMPLEMENTATION PEDS

The purpose of this section is show how the PEDs have implemented in relation to the key conceptual and practical issues raised. Table 1 below summarises implementation in different PEDs. Seven PEDs have implemented some form of a remoteness incentive with Gauteng not implementing and the Mpumalanga planning to implement scarce subject based incentive.

Some PEDs have introduced additional criteria either with or without factoring in distance e.g. farm schools. Generally all PEDs are broadly in line with the objectives of the policy in that areas and schools that experience shortages are identified. However, the central trend in all PEDs that are implementing is that once schools are identified all posts in that school are incentivised which is short of what the policy had intended.

As indicated above, the practice or the actual implementation in PEDs is not necessarily incorrect when considering the broad conceptualisation of the different types of incentives; it is however, short of the principle of prioritising specific posts that are hard to fill.

Also as discussed above the practical implementation issues that arise in the implementation of the “hard-to-fill post” need taken into account. Given the both the conceptualisation and practical challenges discussed above it would be unfair to be critical to the implementation approaches taken by PEDs.

Table 1

Province	Are any incentives currently being paid, if yes list the types?	Indicate the criteria used to identify posts to be incentivized	Comment	Collective Agreement (CA).
EC	Yes. Remote	Further than 30km from nearest town	Criteria of distance from nearest town (relevant to objectives) (All posts incentivised).	No indication
FS	Yes, Remote	All public schools on private property (farm schools) posts	In line with objectives and uses established criterion (farm schools) (All posts incentivised in a school).	Collective Agreement signed in 2012
GP	No	Still in discussion with organised labour discussion with Labour on the criteria to be used.	Remoteness and possibly subject scarcity not applicable may consider farm schools or hard to teach schools.	Not implemented and no CA in the Chamber
KZN	Yes. Remote	Quintile 1 remote/ rural schools. Identified promotional posts	In line with objectives and uses established criterion which is distance and specifying further by using promotional posts.	PELRC CA No 2 of 2014 (Framework)
LP	Yes. Remote	Rural/remoteness using distance and quintile 1.	Using distance from the nearest town and further prioritising quintile 1.	No Collective Agreement
MP	No.	Schools in areas covered by the provincial rural development programme were identified. Scarce subjects criterion (Maths and Science).	External criteria which are not part of the policy rural development programme) applied.	No Agreement.
NC	Yes. Remote	Remote schools based on availability of specific amenities. Remoteness determined by schools that are 25 or more kilometres from medical facilities, financial facilities & shopping complexes. Preference to no school fees falling in quintiles 1, 2 & 3. Special schools with less than 10 educators. All post level 1 educators, REQV 13 & above.	In line with objectives of the policy. (All posts incentivised)	No Collective Agreement
NW	Yes. Remote	Remoteness in terms of distance (112km)	In line with objectives (All posts incentivised)	No Collective Agreement
WC	Yes. Remote	All farm schools all schools in excess of 20 km away from	In line with objectives and used an	No Collective Agreement

		nearest town that offers basic services and amenities all schools outside the municipal boundaries. All schools on gravel road in excess of 5km from nearest town that offers basic services and amenities.	established criterion (farm schools)	
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8. THE PROPOSED WAY FORWARD

As indicated the purpose of the review is to relook at the implementation of the policy and to propose specific improvements. The implementation of the policy thus far has been largely inconsistent and it will be difficult if not impossible to evaluate whether or not the policy has achieved its objectives. The focus of the review is therefore on proposing changes to the implementation of the policy based on certain conditions. The option to discontinue the implementation is also being considered if the proposed changes cannot be implemented.

8.1. Continue with implementation for another three financial years and address the implementation challenges

It is proposed that PEDs continue to implement the policy for the next three financial years at which time an in-depth evaluation will be conducted to establish whether or not the policy has achieved its objectives. However, certain conditions will have to obtain. These are

- Agreement on the principles and conceptualisation of the policy and objectives. This is critical not only to clarify the policy objectives and to achieve some form of uniformity but also to ensure that the policy is evaluated based on clear objectives and criteria, that is, its ability to attract and retain teachers in in areas of need. The following is proposed:
 - That only two types of incentives are implemented- the remoteness and scarce skills/subjects.
 - With regards to remoteness criteria in addition to distance e.g. farm schools, poverty nodal areas be used for prioritisation. This should,

however, be a clearly defined both as an acceptable concept and in terms of evidence of difficulty to recruit.

- Similar prioritisation is provided for in terms of prioritisation in terms of scarce skills.
 - Once criteria had been determined all posts in a school must be incentivised.
 - Only professionally qualified teachers should qualify for the incentive. The performance criteria should not be applied as it is managed through the performance management system.
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- Develop a clear monitoring framework with clear indicators. This will involve regular reporting based on the agreed upon indicators and targets. In order to enable a meaningful evaluation of the impact of the policy in the next three years a baseline evaluation will have to be conducted.
 - The DBE must work closely with PEDs that have implementation challenges to with the view of resolving such challenges. As indicated above most implementation challenges relate to the identification of posts to be incentivised based on remoteness using the “distance model”. This would include revising the distance model based on the more accurate GPS co-ordinates and distance by road.
 - There needs to be a clear commitment from all PEDs that there will be consistent implementation throughout the three financial years. This would include the commitment in terms of numbers and most importantly the financial resources.
 - The option to agree on a framework for implementation with social partners should be explored, preferably at provincial level. However, this should be on the basis that the implementation will be for a specific time frame upon which an evaluation will be conducted.

8.2. Discontinuing the implementation of the policy

The option to discontinue the policy with the view of exploring other alternatives should also be considered. This should be a serious consideration if the proposals or conditions for continuing with implementation are unlikely to be met. This would include:

- giving sufficient notice to the educators of the termination of the current incentives programme.
- re-valuate the need for the recruitment and retention incentive taking into account other developments such as targeted bursary schemes and improved supply, targeted recruitment of foreign educators (short to medium term); thorough analysis of attrition to establish trends over time, incentives as a premium or compensation (differentiated pay system) as opposed to recruitment and retention in which case the policy will have to be rebranded.

DISCUSSION DOCUMENT