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# Teacher service and pay legislation

## International comparison on the basis of selected countries

**The service and pay legislation for teachers represents a major systemic factor for how school governance systems work. In addition, teachers are the decisive factor for good achievements by schoolchildren. Service and pay regulations not only influence the teachers' labour market and employment situation – they are also major incentives for the teachers' motivation, performance and participation in further education.**

Internationally, very different forms of teacher employment can be observed. These relate to the teachers' labour market per se, their position in terms of service legislation, labour legislation provisions, working-time arrangements, salary and bonus systems, obligations to attend further education, and much more. In short: "There is nothing that doesn't exist". This does not mean that provisions are arbitrary – because, as is also shown by this study, the provisions of service and pay legislation are frequently connected to the school governance model on which they are based and/or can be explained by historically grown national negotiation processes between the representations of interest of teachers and the employers' side – but only that a wide range of differing approaches can be observed at the international level. Therefore, national regulations need not be the ultimate solution, and analysing other approaches can be of interest and beneficial for further developing one's own system.

The starting point of this study are the differences – to be observed from a meta-perspective – between countries in international student performance tests, which also point towards differences in efficiency in the field of school governance. Austria with its extremely bureaucratic school governance model, which is characterised by "classic" administrative procedures, does not achieve particularly good results (regarding student performance, Austria is only middle-ranking – regarding education expenditure, however, Austria is among the front-runners)[1].The connection between the underlying school governance model and the provisions of service and pay legislation is complex. On the one hand, there are close relations between the governance model and the basic structure of the teachers' labour market. This mainly applies to recruitment. On the other hand, many provisions do not reveal any direct connection to the respective school governance model. Examples include provisions concerning working time arrangements, base salary systems, and the number of possible bonuses. Influences of the underlying school governance model can only be observed in the allocation of salary bonuses by the school itself. An indirect connection can be found in terms of further education.

In the school governance reforms implemented internationally in recent years and decades, a clear trend can be seen regarding competences which were formerly located at the central/regional level towards a devolution of these tasks to the local level (local empowerment model) or the school itself (school empowerment model). This was the case particularly in the countries that took part successfully in the PISA survey[2].By way of summary, the following basic constellations/ trends can be outlined in an international comparison:

## The teachers' labour market

### Departure from bureaucratically administered allocation mechanisms – an open labour market for teachers

In the majority of countries – and particularly in PISA top performers – teachers are not (no longer) allocated to schools via a bureaucratically administered allocation mechanism (as is the case in Austria, for example), instead the labour market for teachers is an open one. Here it is essential that there is an application by teachers for a post at a specific school and also that the school itself has the competence to make the right selection.

### Decline of tenured employment relationships

In about half of the countries, teachers are civil servants – in the other half they are non-tenured civil servants (public employees on the basis of an employment contract pursuant to private law) or private-sector employees. In a number of countries (including Austria) both

forms exist. Reforms of service legislation are heading in the direction of transforming civil servant relationships into salaried employment based on private law. In many cases, the problem arises that existing service contracts need to be transferred into the new system, with the consequence that under certain conditions two parallel systems will be in place in the medium term and the new system will only be set up completely after a longer period of transition.

**Usually there is high protection against dismissal and transfer**

Compared to private-sector employees, teachers are often in a clearly better position in terms of their protection against dismissal (and transfer). But there are also countries in which the employment relationship of teachers does not differ from the private sector (e.g. in the Netherlands). In addition, civil service status need not necessarily mean permanent tenure or employment of unspecified duration, as shown by the examples of Finland and Switzerland.

The possibility of obligatory and voluntary transfers is widespread particularly in bureaucracy models with bureaucratically administered allocation of teachers. They represent a system-inherent option to respond to changes in the demand for teachers and correct sub-optimal first placements.

**Insufficient teacher performances and job cuts can definitely be reasons for dismissal**

In many provisions of service legislation – particularly in those of PISA top performers – dismissals can basically be made because of insufficient teacher performances and for structural reasons (job cuts etc.). This can also apply to civil servant teachers (e.g. in Finland). Bureaucracy models do not provide for such regulations in most cases, however.

**Employment relationships of limited duration are widespread**

Employment relationships of limited duration (and part-time contracts) are widespread and, in most cases, are concluded to ensure there is a supply of substitute teachers. In many countries it can also be observed that teachers with service contracts of limited duration act as a systemic "source of labour" regarding changes in the demand for teachers due to the high protection against dismissal and transfer of teachers with employment relationships of unspecified duration. Extensive protection against dismissal of one group therefore leads to increased flexibility requirements and worse labour law conditions for the other group.

**In many countries there is a recruitment pool**

To cover a short-term demand for stand-ins ("supply cover"), either internal staff reserves are used and/or additional personnel are employed under fixed-term contracts. Irrespective of the basic structure of the teachers' labour market, many countries also make use of an institutionalised form of recruitment pool.

## Working time arrangements

Different working time schemes for teachers can be observed internationally:

- specification of working hours on the basis of the teaching duties
- extended working time scheme, specifying either the combination of teaching time and periods they need to be present at school, or an annual total working time
- "special forms" in which either only the time of presence at school or the annual total working time is fixed

The type of working time scheme applied is not linked to the underlying school governance system.

**Specification of the teachers' working hours only on the basis of teaching time is outdated**

Traditionally, the teachers' working time was only fixed on the basis of their teaching duties. Now, however, this system is only applied in a minority of countries (e.g. in Austria for federal teachers).

In most countries, the teachers' working time is defined by applying a combination of teaching duties and periods of presence at school or the specification of annual total working hours. The majority of PISA top performers apply a working time scheme that combines teaching duties and periods of presence at school.

**Major differences between countries regarding the teachers' actual length of presence at school**

There are also pronounced differences between countries regarding how many hours a day (or days a week) teachers are actually at school. This is a consequence of the respective working time model which is applied. In some countries (such as Sweden, Portugal, UK) teachers are obliged to work up to 35 hours at school.

**Wide range of unpaid additional tasks**

Pronounced differences exist between countries regarding the tasks – e.g. supervision of schoolchildren, replacements, etc. – teachers need to fulfil in addition to their teaching duties (as well as preparation and follow-up tasks) within the framework of their "normal" work, i.e. without entitling them to bonuses or reducing their compulsory number of lessons. Therefore it seems that the typical portfolio of tasks to be fulfilled by a teacher within the framework of working time regulations depends considerably on national, historically grown negotiation processes between the teachers' representation of interest and the employers' side.

**Very different provisions related to further education**

In countries of the quality control/bureaucracy type, the further education of teachers is most often based on

voluntary participation. In the local empowerment type, however, it is usually compulsory; and in the school empowerment type of countries, there is a balanced ratio between those that provide for compulsory participation in further education and those where participation is voluntary. The teacher's professional status (civil servant vs. private law employee) however has no effect on compulsory or voluntary participation in further education. Nor do PISA top performers reveal a uniform picture: in two thirds of these countries, further education is compulsory for teachers – but in one third it is voluntary. Nevertheless a trend towards obligatory further education (often in the context of school-based further education) can be observed. In quite a few countries, teachers are also entitled to further education.

In many countries with compulsory attendance of further education, this obligation is furthermore only phrased in very general terms (e.g. in Austria for federal teachers, Germany, France, Ireland, Switzerland, Spain). In some countries, by contrast, a minimum time is specified – with very large differences in amount.

The time when further education measures are usually conducted (during free time vs. working hours) varies widely between countries. But in most countries obligatory further education measures are held during teaching time (with the exception of Finland and Sweden, for example).

**Holiday entitlement is most often covered by holiday periods**

In all countries, the teachers' holiday entitlement is primarily determined by how the school year is structured (number of holidays) – however, this does not imply at all that teachers are "on holiday" throughout the entire holiday period. This is because in quite a few countries administrative tasks and/or further education are also conducted during the holiday periods.

## The teachers' salaries

In most countries, the teachers' salaries are composed of a basic grading, automatic salary advancements due to their length in service (seniorities) and various salary bonuses and overtime supplements. The respective school governance system has no relevance for explaining the different forms of base salary structures. Nor do PISA top performers reveal uniform trends.

**Wide range of initial salaries**

The range of initial salaries compared to the respective national average income is relatively wide. In most cases it is below average.

**Automatic salary advancements due to length in service are widespread**

In almost all countries, a salary grading system lays down in principle the increases in teachers' salaries during their working life. In most cases, these so-called advancements are automatic, i.e. they only depend on service duration (and not on the specific performance or participation in further education by the teacher). Sweden is the only country where automatic salary advancements are not implemented.

**Differing time span until teachers reach the highest base salary**

There are pronounced differences between countries regarding the teachers' length in service until they reach the highest base salary level. This range is between 5-8 years (in UK, Denmark, New Zealand) and 35-40 years (e.g. in Austria, Hungary, South Korea, France, Spain).

**Marked differences regarding the salary increase dynamic due to automatic advancements**

There are marked differences between countries regarding the salary increase dynamic during the teachers' working life. This is connected with the differing terms in service until they reach the highest base salary bracket and with the ratio between their maximum and initial salaries. In Austria it takes them a comparatively very long time until they reach the highest base salary level – their final salaries, by contrast, are among the top figures in the world. Due to the relatively low entry salaries in Austria this means that this country is among the frontrunners in terms of income growth dynamic (when calculated over the entire professional life). This system can be characterised as a career-oriented salary model.

**"Performance bonuses" not widespread**

"Performance bonuses" – i.e. variable salary components that depend on the individual teacher's performance – are to date applied only in a few countries, and as a rule only constitute a small portion of the teacher salary.

**But salary bonuses are common**

In almost all OECD countries teachers can obtain salary bonuses though. However, these are not individual salary components due to teacher performance but compensation forms paid to teachers who take on various additional tasks. One thing that is noticeable is that countries apply a wide range of different bonus categories and forms. These include bonuses due to taking on administrative/management tasks, bonuses due to special pedagogical activities, and bonuses linked to the teachers' personal situation (family status, age, etc.). The significance of bonuses for the entire teacher salary is difficult to assess because there is no information about their ratio to the teachers' total salaries.

**Major differences between countries regarding number and type of bonuses**

No differences could be observed between school governance types regarding the number of bonuses and any focuses of bonus types/categories. Within school governance types the bonuses that are applied are highly heterogeneous.

It is noticeable, however, that local and school empowerment models typically "reward" the teachers' successful completion of professional development measures as well as excellent teaching performance more frequently by paying bonuses (particularly in the PISA top performing countries) than in so-called bureaucracy models.

**Assignment competence for salary bonuses can also be within the school's sphere of responsibility**

Institutional responsibilities for the regulation and granting of individual salary components vary greatly between countries. In practically all countries, the entry-level salary and the salary brackets are laid down by the central authority as well as overtime regulations. But all other salary components reveal a wide variety of competence constellations.

In the PISA top performer countries, schools have a clearly higher level of decision-making competence for bonuses than in PISA participant countries which, at best, achieved average results regarding student performance.

**Remuneration for overtime varies widely**

In principle, the majority of countries remunerate their teachers' overtime. The main difference between countries is whether teachers are obliged to do a certain amount of overtime (e.g. as a result of supply cover) free of charge within the framework of working time arrangements.

**Slight influence of further education activities on teachers' salaries**

In most of the countries, further education bears no direct relation to remuneration. Some countries link further education with salary advancements and/or salary bonuses: Spain, Portugal, Luxembourg, Scotland, the Netherlands and the USA.

## What characterises PISA top performers?

Roughly outlined, the following characteristics of service and pay legislation provisions for teachers can be observed in the PISA top performer countries[3]:open labour market for teachers and high degree of school autonomy in their selection of teachers

- the possibility to make dismissals due to insufficient teacher performance and for structural reasons (job cuts etc.). This can also apply to civil servant teachers (e.g. in Finland).
- a working time arrangement that combines teaching duties and periods of presence at school often compulsory participation in further education plus minimum time specifications for participation
- slightly higher initial salaries than in Austria, the maximum salary is reached earlier in working life, maximum salaries are mostly lower than in Austria
- frequently the teachers' successful completion of professional development measures as well as their excellent teaching performance are "rewarded" by paying bonuses
- schools have a clearly higher level of decision-making competence for awarding bonuses

This study outlines, among other factors, possible implications of these findings for the further development of the teachers' service and pay legislation in Austria with the aim of enhancing the system transparency and efficiency of school governance[4]:The entire research study can be obtained from ibw in a printed form (ibw-Forschungsbericht Nr. 150, ISBN 978-3-902742-08-7) or online.

[1] Cf. e.g. Schmid, K. / Hafner, H. / Pirolt, R.: "Reform von Schulgovernance-Systemen. Vergleichende Analyse der Reformprozesse in Österreich und bei einigen PISA-Teilnehmerländern.", ibw research report no. 135, 2007 as well as Lassnigg, L. / Felderer, B. / Paterson, I. / Kuschej, H. / Graf, N. (2007): Ökonomische Bewertung der Struktur und Effizienz des österreichischen Bildungswesens und seiner Verwaltung. IHS study commissioned by BMUKK.

[2] Cf. also Schmid et al. (2007).

[3] It must be noted, however, that not all of the PISA top performing countries show the entire range of these characteristics.

[4] A comprehensive and radical proposal for a new school governance model in Austria has been developed in Schmid, K. / Ascher, C. / Mayr, T.: "Reformpunkte zum österreichischen Schulgovernance-System". ibw brief expert report, Vienna 2009.

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