

# How Do Principals Use Teacher Value-Added and Classroom Observation Data to Make Human Capital Decisions?

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Across the country, states and districts are adopting new policies to evaluate teachers based (in part) on objective measures of student performance and on teacher classroom observations. [LAUSD](#)'s recent overhaul of its teacher evaluation system, including the implementation of an observational framework for teaching (i.e., the Teaching and Learning Framework) and the use of student growth trajectories (i.e., Academic Growth over time), exemplifies these changes to teacher evaluation. The California Superior Court for the County of Los Angeles's decision in [Vergara v. California](#) to strike down permanent employment, dismissal, and "Last-in, First-out" layoff statutes also highlights the connection between new teacher evaluation models and human capital decision making.

Although value-added measures are a required component of many teacher evaluation systems, our interviews and surveys of principals and central office leaders in six urban school districts in five states find that as teacher observation systems develop, value-added measures may play a less exclusive role in principals' human capital decision making (e.g., teacher hiring, contract renewal, assignment to classrooms, professional development). More specifically, we find that value-added measures create a number of challenges related to their use for human capital decision making. Specifically, principals and central office leaders note that:

- *Value-added measures are not timely.* Value-added measures are only once a year and are often released *after* important human capital decisions need to be made. For example, teacher dismissal decisions often need to be made at the end of the school year (e.g., May), but value-added estimates are often not available until the end of the summer.
- *Value-added measures are complex and not transparent.* Principals noted that value-added measures are not transparent; it is very hard to understand how the scores are calculated. Principals also noted that the measures seem complex and only apply to a limited number of teachers as many teachers are in untested grades or subjects.
- *Value-added measures are not specific.* Principals felt that value-added measures do not provide specific, actionable information to utilize for teacher support and professional development decisions.

In contrast, rigorous teacher observation systems that include highly structured procedures; training, certification, and calibration of multiple observers; multiple observations across a year; and the scoring of evidence tied to a detailed instructional rubric are viewed by principals as being more valid for decision making. Specifically, principals note that:

- *Teacher observations are transparent.* The clarity and specificity of the instructional rubric, along with the scoring of multiple

observations across a school year, provide clear evidence of teaching practice that applies to all teachers, not just those in tested grades and subjects.

- *Teacher observations are timely*: Since observations occur throughout a school year, principals have multiple observations to use when important human capital decisions need to be made.
- *Teacher observations are specific*: The observation rubric provides principals with specific, actionable feedback to pinpoint areas of support and development and to document strengths.

We recognize that value-added and observation measures are different, serving different purposes and providing distinct information about teachers and teaching. Furthermore, collecting classroom observation is quite time-consuming, affecting the quality of the informal interactions and discussions principals have with students, teachers, and parents. The recent ruling by the [California's Public Employment Review Board](#) tentatively repealing parts of LAUSD's teacher evaluation system because the observation component was implemented without consent from its teachers union also highlights the political nature of these issues as well.

Nonetheless, we believe the advent of new observation systems stands to strengthen principals' overall use of data for human capital decision making because the transparency, timeliness, and specificity of observation data allow it to fill in for some of the perceived shortcomings of value-added measures.

For more information, please visit [principaldatause.org](http://principaldatause.org)

*The [full study](#) (gated) is in: Ellen Goldring, Jason A. Grissom, Mollie Rubin, Christine M. Neumerski, Marisa Cannata, Timothy Drake, and Patrick Schuermann (March, 2015). "Make Room Value Added: Principals' Human Capital Decisions and the Emergence of Teacher Observation Data," *Educational Researcher*, 44: 96-104.*

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