

An International Perspective: Finance and Accountability Issues in Taiwan

Presented at the 2006 Conference of the
American Education Finance Association

Richard A. King, Professor, University of Northern Colorado
970-207-0107, richard.king@unco.edu

Abstract

The global movement to improve education by decentralizing governance and financial management and by holding school personnel accountable for outcomes aligned with standards extends even to traditionally centralized systems in Asia. The author explores research questions related to how resources are acquired, who decides how best to use resources within schools, and accountability for school performance in Taiwan. During 2004-2005, the author interviewed principals of nine elementary, junior high, and senior high schools in three regions (large and small cities; rural communities). On-site interviews and reviews of such documents as school budgets and brochures describing goals and programs reveal similarities and differences in the following: sources of funds; budget development; the determination of priorities for curriculum, special programs, and hiring personnel; school-level control of resources; use of student outcomes in curricular and budget decisions; and external accountability systems. Following a qualitative case study method, the author discusses conclusions within three themes that emerged from the data: dependence; relationships; and accountability.

Overview

Like many nations, Taiwan is experiencing educational reform.¹ The current movement to improve schooling urges flexibility in program and budget decisions at the site level as school personnel follow national curriculum guidelines. This study is set in the schools of Taiwan in order to explore principals' perspectives on the acquisition of resources, decisions about how best to use resources within schools, and external accountability.

The governance structure throughout the world over the past century can be characterized as centralized. This model lodged control over education largely at the national (or state) and regional (local education authority in other nations or school districts in the U.S.) levels. Critics of public education (see, for example, Boyer, 1983; Chubb & Moe, 1990) believed that this degree of centralization had been a primary cause of the system's inefficiencies. They urged the devolution of control to the school level, providing principals, teachers, and parents a larger voice about many aspects of education.

Policy changes and the adoption of school-based management and budgeting in many locations did not, however, fully decentralize control over schooling. The devolution of authority from national, state or regional levels to individual schools occurred concurrently with reforms to standardize curricular expectations and assessments of outcomes within national or state accountability systems. These two movements simultaneously *centralize* such functions as setting curricular and performance standards and allocating public funds and *decentralize* such functions as school organization, operations and budgeting (King, Swanson, & Sweetland, 2003). Policy makers believe that this "dual reform" (Wohlstetter & Anderson, 1994) strategy brings necessary

efficiencies in resource use to ensure that schools and their students can improve achievement and other desired outcomes. The redistribution of power from centralized authorities to school personnel, typically along with parents and community representatives who participate on school level governing boards, enables key stakeholders to make schools more responsive to unique local conditions (Drury, 1999). The restructuring of governance and finance in this decentralized model centers the authority for developing instructional programs, hiring personnel, and overseeing budgets at the school, rather than the regional, level.

The decentralization of decision-making to the school building is an expanding, global movement (e.g., Beare & Boyd, 1993; Plank & Sykes, 2003). With roots in England's 1988 Education Reform Act, the movement quickly spread to Canada, Australia and New Zealand. In England, responsibilities devolved to the site level initially to grant maintained schools and more recently to community and foundation schools (O'Sullivan, Thody, & Wood, 2000). Although the United States has a long tradition of local control at the school district level, the interest in decentralizing governance at the school level spawned legislation to create semi-autonomous charter schools within the public school system (King & O'Sullivan, 2002). Even traditional centralized systems, including Taiwan, have embraced school-site management and budgeting to improve school effectiveness (Cheung, 2000; Schaffer, et al., 2002; Tsang, 2003; Wu, 1997).

Reforms in Taiwan

A Commission on Educational Reform that analyzed the problems of the education system in the mid 1990's suggested changes to improve education in Taiwan (Ministry of Education, 2004). Desiring a stronger economy through high-tech industry and a knowledge-based society, the national government subsequently adopted goals to guide reform between 1999 and 2003: strengthen compulsory (grades 1 through 9) education; enlarge the coverage of preschool education; improve teacher preparation and in-service education; enhance vocational education; advance standards for higher education; promote lifelong learning; support education for students with disabilities; invigorate education for aboriginal students; open alternative channels to the examination system to advance to higher levels of education; integrate education, students' personal affairs and guidance within one system; allocate more resources to encourage educational research; and initiate family education.

A key educational reform was the First through Ninth Grades Curriculum Alignment for Elementary and Junior High Education. This integrated approach emphasizes five basic areas: developing a humanitarian attitude (self-understanding and respect for others and different cultures); harmonizing different human qualities (sense and sensibility, theory and practice, and human sciences and technology); establishing a democratic attitude (self-expression, independent thinking, social communication, tolerance of different opinions, team work, social service, and a respect for the rule of law); encouraging nationalist and patriotic worldviews (both cultural and environmental); and fostering a habit of life-long learning. There is also curricular reform that encompasses seven learning domains: languages, mathematics, health and physical education, social studies, natural science and life technology, arts and humanities, and integrated activities. Language (including English and dialect language) comprises 20 to 30 percent of the total curriculum. The other six areas are distributed nearly evenly, with some discretion for school personnel. English became compulsory beginning in the fifth grade – two years earlier than previously. Implementation of this curricular reform began in school year 2001. In addition, since 1998, class sizes have been reduced in an effort to improve overall teaching quality.

There has traditionally been a dual-track system of secondary schools in Taiwan. A rigorous 9th grade examination determines placement in an academic or a vocational high school. However,

over the past decade, the government has encouraged students to take the more academic track leading to higher education. Senior vocational schools are being transformed into bilateral high schools in order to absorb more students, while providing an alternative route to higher education.

Still other reforms grant schools greater control over teacher quality. A goal of the 1994 Teacher Education Act was to ensure the cultivation of qualified teachers. One year later, the implementation of regulations governing teacher appointment committees permitted elementary and junior high schools to select teachers – authority that has traditionally been granted to their counterparts in senior high schools. Prior to this reform, the county or city government made elementary and junior high level personnel decisions. Modified regulations subsequently encouraged in-service programs to improve instructional practices. In addition, the former centralized textbook publishing was de-regulated.

Along with reforms came calls for accountability. National assessments have traditionally determined student admission initially to academic or vocational high schools and later to universities. A pilot program of subject area examinations at several grade levels began in 2005 with a random sample of 6th graders. Expanded assessments would include mathematics, Chinese, and English in 4th, 8th and 11th grades. Natural Science and Social Studies would be added in the future. The purposes are to assess student academic performance and provide diagnosis for teaching remedies rather than to compare the quality of schools.

Design of the Qualitative Study

With the intent of learning about reforms and financial resources within schools located in a different cultural setting, the researcher from the United States relied on a network of colleagues to ease the research process. The nature of the topic and the opportunity to conduct on-site interviews with principals steered the development of a qualitative research method.

A case study method investigates a contemporary phenomenon within its real-life context (Stake, 1995, 2000; Yin, 1994). The phenomenon explored in this case study is school-level governance and finance in Taiwan. While residing in Taipei during the 2004-2005 school year, the author traveled to other regions of the island for site visits and interviews with principals of six elementary, one junior high, and two senior high schools. Although determined largely through networks of colleagues in schools and universities, the convenience sample strived to represent schools that differed by socio-economic status and locations in large and small cities as well as in rural communities including an aboriginal village.

Research questions and an interview guide related to the following:

- How are resources acquired, and what restrictions are placed on their use?
- Who participates in school governance, deciding how to use resources to accomplish school goals?
- Are there advantages and frustrations expressed as a result of granting greater financial control to school personnel?
- Are achievement or other outcome data considered in budget or program decisions?
- What is the nature of external accountability for school performance?

Either before or after an extensive tour of each school, the principal and several other school personnel joined the researcher for relaxed conversation over tea and fruit. A discussion of the above questions, typically with an interpreter, gave these educators a forum to showcase school achievements and to probe issues related to governance and resources. Such documents as

brochures describing school visions, goals and programs and city/county and school budgets often required translation into English. The setting enabled a rich exploration of educational issues across national boundaries.

Although there was an open-ended interview guide with structured questions to explore governance and finance issues, the conversations wandered to particular topics raised by principals. Subsequent coding of data from the interviews revealed key concepts related to the research questions. Finally, from this analysis of data emerged several themes that are presented later in the article along with implications for the future.

Despite the diversity of schools visited, and the willingness of participants to share experiences openly, the brief interviews on a single occasion in selected schools cannot possibly capture the scope of governance and finance issues in Taiwan. Furthermore, an interpreter who was in most cases an English teacher and in two cases a professor, facilitated the interviews. Thus, the interpretations may not reflect the principals' words exactly, nor did translators always explain verbatim everything that principals may have stated in Mandarin, Taiwanese, or a local dialect. Even considering these limitations, the snapshots obtained during school visits can be informative to others as they extend this line of research with more extensive quantitative and qualitative studies.

Findings

The findings from on-site interviews and reviews of documents reveal similarities and differences in principals' reports. These findings follow the above listed research questions.

Acquiring School Resources

The funding of Taiwan's public schools has traditionally been highly centralized, with the national government determining the level of operating money. In addition to providing larger subsidies for poorer counties, the government specified the shares to flow from provincial (large cities) and county levels. Beginning in the 1990s, counties have assumed a larger role in determining how much to spend on elementary and junior high schools. Property taxation (land and land value taxes) generate about 2/3 of the total revenue for these schools, with national funds through the Ministry of Education providing a form of equalization such that schools in poorer counties are supported primarily from national sources. In addition to operating funds, the central government grants some project funds through city/county governments for computer equipment enrichment and other special purposes.

City or county governments decide the division of money among elementary and junior high schools, police, and other public services. In addition to a base amount directed to all schools for operations, utilities and maintenance, there is a distribution of money to schools for personnel and office support according to the number of classes in each school. Schools develop a budget plan and submit additional requests for particular needs. The Bureau of Education then reviews each school's budgetary draft and forwards recommendations to the county assembly for approval. A professor of education serving as interpreter explained that some county budget proposals are not specified in great detail. In this way, the head of the Bureau has more discretion once the assembly has granted approval. The leadership styles of the head of the Bureau of Education influences the extent of detail in their budgetary proposals.

One principal in a small city described the process as follows: "The principal develops a budget plan for the following year and gives this plan to the educational bureau of the city government. If

it is not reasonable, then the Bureau will cut the amount. Salaries are fixed, and the number of students determines the budget including activity money.” The city gives a fixed budget; with about 90% designated for salaries and benefits and the remaining devoted to utilities, postage, office supplies, and transportation to meetings or workshops. The public school has little discretion. Any money left at end of year reverts to the county.

Schooling beyond the junior high (9th grade) is not compulsory. Whereas elementary and junior high schools are financed jointly by local and national governments, the latter funds the entire budget of the National Senior High Schools. These academic high schools are responsible directly to the Ministry of Education. The rapid expansion of secondary schools a decade ago eased with the growth of private schools in some areas and declining enrollments due to birth rates. The national government determines the number of students and teachers and the operating budgets for senior high schools. As noted above for elementary and junior high schools, the principal may request additional funds for special projects, such as a planned auditorium in one of the schools visited.

Principals play an important role in securing special project funds that flow as competitive grants from national, city or county governments. Principals must write a plan to gain these additional funds, which are more available when there is a strong economy and increased national income. In 1998, there was a large allocation from the Ministry of Education to replace computers and equipment for multimedia presentations. One principal spoke proudly of the school’s five special projects (a total of about \$600,000) that are currently funded by the Ministry. One project provides research money to understand student abilities; others emphasize improvements in math and science. This principal described working with several university professors to develop research projects, then submitting plans to secure special project funds. Another principal described parent education activities financed by a government grant.

An elementary school principal explained the importance of good relationships to ensure an adequate flow of funds for special projects: “The principal establishes good relations with the local assemblyman and politics dictate allocations. Money will come to schools since principals are influential in the community.” Another noted, “If a principal wins the trust of the teachers and community, then he has greater discretion with resources and hiring. It just depends on the principal’s leadership style.” When describing special project funds, including those for 3 new computer labs in past 3 years, a secondary school principal described his working with county officials: “Connections mean a lot here in Taiwan.” There is often mention of the Chinese concept, *quanxi*, meaning interpersonal ties, political relationship, or any other form of informal relationships that are essential in daily lives and in politics.

Principals observed that there is little discretionary money, amounting to about \$150 (all dollar amounts in U.S. dollars) per month. Within this “office money”, the principal spends up to 20% for “public relations” (e.g., receptions, gift to a sick employee, a large orchid plant to honor a school supporter). Some schools organize foundations to receive donations from parents, and “The principal has much discretion to spend this money for students.” Another spoke of the parent-teacher association that provides additional support, “The school gives a plan to the association, then they consider bringing what is needed. One example is when the association purchased library books. Another principal noted that the baseball and track teams were supported by a corporation foundation. A junior high school principal noted that “The school relies on scholarships from some charities for help when parents are low-income.”

An elementary principal talked about the involvement of area businesses in school improvement: “Four years ago, a business-sponsored foundation found the school to be low enrolled, and helped

develop a 'school environment plan' that outlined steps to improve. If a teacher participated in the plan, then the teacher got a projector unit for the classroom. Now every classroom has a projector." As a result, this School won an award from the Bureau of Education for technology use. "We are now helping another elementary school to use technologies in instruction."

Many schools rely on donated services in place of paid employees. A professor explained, "As part of the educational reform, schools are encouraged to involve parents and the community. In some schools, parental involvement is understood as offering labor. For other schools it extends to children's learning, especially in the municipal areas. A tour of a large urban elementary school, for example, included the library in which parent volunteers carry all responsibilities. There is a rotation of parents every 4 hours to have coverage throughout the day. Parents also supervise the arrival and departure of students before and after school. A junior high school principal described a partnership in which students of the university's teachers college often tutor students after school. Another principal described how schools benefit from the mandated military service: "It is possible for boys to have substitute service to satisfy the requirement. Taiwan does not need so many soldiers, and they can assign a young boy to the school. Some work as a gatekeeper [at the school entrance], others teach English. Often they are college graduates, but they have very bad English skills. It is better to hire foreigners to teach English."

In all schools visited, students were observed cleaning the building. Classes are assigned to clean specific common areas within and outside of the school during morning or afternoon "recess". An elementary school principal commented that the only custodial service by a paid employee was for a gardener who handles dangerous equipment. A principal of a secondary school that had no cleaning expense noted, "All students spend 20 minutes each day cleaning the school building." Other schools have a janitor or teachers performing cleaning jobs that are not appropriate for students. It is believed that asking students to do the classroom or campus cleaning work promotes students' commitment to public service, establishes good work habits, and teaches cooperation skills.

One principal talked about parents paying a nominal tuition (about \$40 per semester in grades 1-6) and charges for books (\$23 per semester) and lunch (\$26 per semester). There are no charges for low income families, and parents deposit money directly into school accounts through any bank. Students in the Senior High Schools also pay for books, with payments made for low-income students from the supplementary budget.

The school visits included one of the two charter schools of Taiwan. This elementary school receives support from both the County Bureau of Education and the Buddhist Foundation. There is a 6-year contract with the county government, which monitors the school through an annual report. Although the Buddhist philosophy is evident (e.g., paintings of the Master in the entrance and principal's office), religion is not infused in the curriculum and parents do not seek a Buddhist philosophy for their children's education. As noted by the Principal, "the Foundation supports many services for people to make a meaningful life." The school receives the same funding as public schools in the county, and the Buddhist Foundation provides another \$55,000 annually (about 10% of the total budget). The principal has full discretion over this money "to do good for children." The principal expressed that there is a child development philosophy, recognizing multiple intelligences, in an environment that emphasizes exploration.

Developing Budgets

Principals initially described the development of the school budget as decentralized. They then talk about strict parameters from the Ministry and local government. In fact, the Bureau of

Accounting within the city or county government employs accountants who are assigned to schools. They do not work for the county Bureau of Education, and they are not supervised directly by the school principal. One principal depicted the situation as a “government budgetary control system,” whereas another commented, “The accountant has 2 bosses – the principal and municipal government accounting office.” The accountant’s duty is to ensure that the school budget is spent according to accounting law and the parameters from the Ministry and local government. If school principals have good social skills and expertise in accounting, then accountants can assist the principal make good use of resources by adjusting the line items. In contrast, another principal noted that the county is the locus of control: “The principal has little control over the allocated budget.” The school accountant oversees expenditures, paying bills including the payroll through direct deposit to teachers’ accounts. All schools follow the same bookkeeping system, and the county checks the books very strictly at least twice per year.

A principal reported that there is more flexibility today than in the past. For example, he cited that principals can control funds from renting facilities, without seeking approval from the city to spend money. However, he then stated that the accountant in the school must agree to spend the money, “If teachers want money for supplies or activities, they complete a form to submit for accounting review. One person has an even higher position than the principal.” Still another elementary school principal described a more participatory process. “If there are too many requests for money, then a decision is made by the principal after discussing requests with an administrative group.” This group that meets weekly consists of the accountant, director of personnel, and four directors (all are teachers who are reassigned for administrative duties related to teaching and curriculum (academic affairs, student discipline, general affairs, and counseling). The number of directors (i.e., assistant principals) is determined by school size. At elementary level, schools with less than 13 classes have 2 directors – one for teaching affairs and discipline, the other for general business. Schools with classes numbering from 13 to 24 have 3 directors – one for teaching, the other for discipline, and another for general business. Schools with 25 or more classes have 4 directors overseeing teaching, discipline, general business, and counseling.

A secondary school principal described interactions with the accountant: “Teachers make requests to the department coordinator, who makes a request to the accountant, but the principal ultimately approves the spending. The accountant prepares lists for my approval. We meet rarely.” In this school, the principal makes the final decision. A parent committee meets four times a year. He comments, “They are most interested in teaching. They review the budget and give suggestions to the principal.” Another secondary principal reported that the accountant follows directions from the principal and works “within the rules”.

Having a part- or full-time accountant at the school level enables a division of responsibilities. The principal is a head teacher who focuses on instruction, works with teachers and parents, and observes classes frequently. One elementary school principal noted that the director (who also teaches classes) represents the principal outside the schools, providing public relations with county officials. Depending on the principal’s leadership focus, in other schools the principal assumes interest in public relations.

Developing Curriculum

The national reform of the compulsory school curriculum converted the traditional subjects into the learning domains noted previously. This reform gave discretion for schools to alter what and how curriculum is delivered within a range of time expected to be devoted to each domain. For example, the language area must account for between 20 and 30 percent of the time. A principal

explained, "The Ministry of Education has guidelines for the whole country, then we develop the school-based curriculum. It is designed to be flexible."

One elementary school principal prided himself on being a curriculum expert: "The young teachers in the school trust the principal, and I assign the curriculum. Actually the central government dictates what is taught, then we adjust the curriculum to the local context, but not much is changed in this process." Others described a participatory process: "The principal sets up a curriculum development committee. The four members include teachers and a parent representative. But most of the time, the principal has the power to decide what is taught." A large curriculum development committee in another school consisted of 13 members, including the principal, director of academic affairs, 6 lead teachers (one for each grade), and representatives of the Teacher and Parent Associations. A secondary school principal replied that the curriculum is the responsibility of the director of academics who had no teaching duties given size of school.

Several principals emphasized the empowerment of teachers as curriculum becomes a school responsibility. "Decisions are shared. I meet once a week with all the teachers, and the teachers meet once a week to share strategies with one another." Another talked about the alignment of curriculum: "It is important to make connections among grades. Professional development helps teachers to change their thoughts." She spoke about working closely with the teachers, but recognized that "Teachers are professional." Describing the teachers' development of the curriculum without textbooks, she commented that "this encourages innovation." A Senior High School principal also responded that "Teachers are in control of instruction." However, there was mention that "The national government approves textbooks. They can choose textbooks from the standard list, which is available on the internet."

Despite the involvement of teachers and others, the important role of principals was evident: "The principal's philosophy can decide the curriculum content. You can feel the focus when visiting schools. In our school, the traditional curriculum is clear by weaving in the aboriginal culture. And we also emphasize computer technology." A junior high principal noted her desire for an international focus, and the emphasis on developing bilingualism with English was very evident throughout the school as in all the visited schools.

Although most principals spoke highly of the national reforms, one commented that there was an unintended effect in lowering students' achievement: "The reform began 10 years ago when university professors, business leaders, and parents wanted to reduce the load on students. There had been much pressure to learn in schools, and parents wanted the school to ease up. As a result, elementary school performance dropped and secondary school performance later dropped. Now we are raising expectations."

Hiring Teachers and Principals

Before the personnel reforms, the county Bureau of Education was responsible for selecting new teachers and overseeing experienced teachers' transfers among junior high and elementary schools. After the reforms, each school organized a Teacher Selection and Appraisal Committee. Schools could select among candidates who typically must pass a written essay examination, have an oral interview with the committee, and teach in a classroom for 15 to 30 minutes. Due to the oversupply of prospective teachers, the competition is sharp and candidates must travel to many schools for the application process. Some county governments have suggested that schools can transfer the teacher selection task to them. In this case, the county holds a joint teachers' selection test. Schools can accept the government selection decision or have candidates who pass the

county test sit for another school examination. In order to ease the burden on school personnel, most schools have transferred the teacher selection task to the county government.

The school-level Selection and Appraisal Committee that is responsible for hiring and discipline varies from 5 to 19 members depending on school size. This personnel committee includes the principal, director who oversees academic affairs, teacher representative, union representative, and parents. One principal noted that “The union can be strong and influence the members. The principal has the power to decide what teachers the school needs.” This approach seemed to be a common one: “The principal insists to interview most candidates for teachers. The committee with professors and teachers also interviews candidates. The finalists must teach in a classroom for 10 minutes.” A senior high school principal noted that candidates must first pass the county examination. “If they are interested in this school, they can take another test developed by the school. The principal and teachers then interview some candidates who also teach a 20 minute lesson to a class.”

In contrast, an elementary principal in a small city described a process that leaves out school personnel. After a candidate passes written and oral examinations, the County Bureau assigns teachers to schools. The Bureau takes the time to interview and observe all candidates’ teaching performance to decide eligibility. The principal noted, “The school desires to avoid process since it is a small town. I’d rather the county makes the difficult decisions.” Another principal confided that as the school year nears, candidates apply directly to the school. The school actively recruits teachers and has its own examination. The school personnel committee then interviews and selects teachers. The principal commented, “It is not a problem that we do not go through the city. It relieves the burden on the Bureau.”

Principals are generally selected by the city or county Bureau of Education. Candidates must have been a teacher for ten or more years and qualify by an exam and degrees. If successful in the exam and interview process, they then enter 8 weeks of training and courses. When there is a vacancy, a selection committee reviews nominees for the position. A senior high principal described the broad-based committee: “The Bureau creates a selection committee of 11. This includes representatives of teachers, principals, parents, 3 to 5 professors, and 3 from the Bureau of Education.” The candidates are interviewed and submit an operating plan.

Having School-Level Control

There were many advantages, along with some frustrations, cited by principals as they gained school-level control of resource decisions and curriculum. A rural principal responded that there are economies of scale when some functions are centralized, “There is a cheaper price if there is bidding for supplies through the county.” There appeared to be consensus that decentralization brought better decisions. One principal observed that he “thinks he knows how to use the money and how to change what is outdated, and knows how to make school better.” Another commented that “the school knows better than the city what the school needs.”

An elementary school principal spoke about the power gained by principals: “The principal has more power. A new head of the county Bureau, who is very open, told principals, ‘Don’t ask powerful people to force him to give money to school. Every school can decide priorities and send him a plan to decide how to spend funds.’” A high school principal reported, “Even though government provides the operating budget, the principal controls the spending. The principal can make decisions to ensure good teaching and security. These are priorities.”

A principal gave an example of using his skills to obtain discretionary funds for the school. He liked to earn more money for his school by helping the Bureau by providing counseling service to another school. When the Bureau asks him if his school will hold teacher development activities for teachers throughout the county, he accepts the assignment. The Bureau offers the sponsoring school a budget for the teacher development, which can be used to buy needed equipment or other materials for the activity. When the activity is over, the school can keep the equipment and materials. In this way, the principal expands the school's materials without spending the operating budget.

Others talked about school-level control over curriculum and instruction. One elementary principal commented, "As long as people who develop the plan are not selfish, they should have control. People – especially teachers – need time to change to adjust to new policies." She noted that teachers have different backgrounds, credentials, experience, and ability for classroom management. Another stated that the school has almost total control over curriculum development: "We can always change the speed of how teachers teach and the method of instruction, to help teachers become more effective."

When asked about frustrations with the decentralization of authority in recent years, each principal cited examples. One even commented that "there are more disadvantages than advantages" when principals have flexibility. The professor interpreter explored the confusion as roles shifted: "The government considered principals as the implementer of programs. Now they are encouraging principals to be a planner or developer. But there is a problem when they are given an ambiguous role. It confuses the schools, not just the principal but all operations, when there is a shift from implementer to designer." A high school principal observed a potential loss of accountability: "The principal can ignore some school evaluation items when the process is too subjective."

One elementary principal noted, "If a principal's decision is bad, then it is a bigger disaster for the school and students." He urged a participatory model at the school level: "Leadership is very critical. There are morale problems if teachers disagree with principal's decision. Therefore, it is best to decide with teachers, and involve them to decide which way is better." Although most communicated a desire for greater authority and responsibility, a high school principal desired to have less control himself. Instead, he attempts to delegate to the teachers to assist administrative duties. Another spoke candidly about conflicts that too often result from honest appraisals of teacher performance: "Schools don't decide who are the best teachers. All are number 1. Why should the principal cause a problem to himself by rating teachers low? Avoid trouble." Referring to the difficulty of proving that an experienced teacher is not performing satisfactorily, he continued: "Perhaps in the end it is not the teacher to be punished, but the principal who decides to go through the process."

Several principals spoke of the concern that schools do not receive sufficient funds to meet students' needs: "This low SES school wants additional money to improve equipment but the government does not respond. However, the municipal government gives money support to low-income family directly not to the school." Others expressed concern that the budget is not flexible and desired greater discretion even when recognizing, "There is only a limited amount of money."

Monitoring Pupil Outcomes

The accountability movement urges school personnel to consider student outcomes in curricular and budget decisions. Although principals at all levels acknowledged the importance of

examining outcome data, there does not seem to be a large focus on student performance in setting program or financial priorities. Prior to the initiation of a pilot assessment program in 2005, elementary school students have not been subject to national assessments. At the end of compulsory education (9th grade), examinations identify those who will proceed to either vocational or academic senior high schools. Finally, secondary school students face rigorous college entrance examinations.

Principals have mixed views regarding how closely they monitor outcomes. One elementary principal replied, "Not the principal, not the director of teaching affairs, but the teacher has to monitor and is responsible for student outcomes." In contrast, another commented that the administrative team "reviews results of exams made up by the administration to see how students and teachers are doing." Several reported that parents are the best ones to monitor outcomes: "They judge schools by what they can observe, not by achievement data. The result of education is not so easy to judge if it is good or not. This is decided by parents. If a parent is satisfied with student performance, then they are pleased with the school. The principal's role is to make the school more transparent to the parents." The junior high school principal observed that "According to the students' performance on the senior high school entrance exam, we will improve teaching math or another subject." She also stated that parent "pressure forces us to improve an area of the curriculum." Parents often evaluate a junior high school's performance by observing the percentage of students who are admitted to top senior high schools.

A rural school serving an Aboriginal community focused on other outcomes than achievement data. The principal proudly shared a recently earned internet prize. She admitted that the teachers did the bulk of the work and that the 13 students did not learn much. However, the school gets the recognition: "Many schools and principals want to make schools look good." A principal in a large city elementary school desired teacher appraisal of "student performance in manners, character education, achievement, and activity performance." She created a group prize for classes when students collect 60 cards for good manners. Describing its effectiveness, she shared that classmates applaud when a student earns a card from the principal. She is also considering a survey of parents each semester to learn of their children's growth in these areas.

Visiting the academic high schools revealed the primacy of college entrance examinations. There were special preparation classes, and principals talked about the pressure on faculty and students to improve performance. One noted, "Principal, teachers, parents all care about results of college entrance examinations. When junior high graduates come to the senior high, the level is already decided as they select schools [academic vs. vocational]. The best hope is for students to do their best within their level or better." He noted that "Teachers and a parent committee look at results and the principal is responsible for decisions about school improvement." Another shared that this outcome measure is not the primary consideration in curriculum: "The assessment for college entry does drive curriculum theoretically. The standards are prepared by the government, but the teacher can exceed these expectations."

When asked about considerations for pupil outcomes in developing school budgets, principals replied negatively. One stated, "There is no relationship between outcomes and budget. The funds are defined by the number of students." Another explained, "It is largely a fixed budget." An elementary principal in a small city noted, "No relationship. The amount with discretion is limited. If I want teacher development activity, there is no money. If I apply for it, then it is not approved. Instead, teachers attend programs sponsored by the county."

Others spoke of the usefulness of outcome data in personnel decisions. Although one principal desired discretion in hiring teachers along with knowing outcomes, he admitted: "If outcome is

not so good, then a principal could find another teacher to solve the problem. But there is no power to fire the teacher. The principal has to go through a long due process procedure. It is not easy." Another commented that "The director of teaching affairs meets with teachers when there is low performance."

Encountering External Accountability

In addition to school personnel examining student outcomes, accountability systems involve others in determining how well the school is performing and the forms of assistance and interventions for poor performance. Principals described several forms of this external accountability in Taiwan.

The city or county Bureau of Education has been the primary agency judging school performance. One elementary principal stated that the "Superior wants information from principal and school; after he gets the data then he may make the data public later." A principal in another county talked about the sensitivity of testing at that level: "The new county superintendent conducted grade 1 to 8 diagnostic examinations based on achievement. He kept the exam results secret to collect more data to advise on excellent and poor schools. The purpose was not to sanction or punish, just to know how many bad schools. If he released the result, it might cause anger from schools or community or assembly members." Still another reported that the Bureau has contests for outstanding teacher achievement: "A teacher or principal can apply for the contest. A team prepares documents to show teachers have a well-prepared instructional plan." Earning this teaching excellence award brought the school about \$6,000.

Several principals talked about accountability being related to principal performance. Principals can only serve two terms in a given school, after which there might be an opportunity to serve a larger or better school. A senior high school principal explained the process: "Performance is related to the management of the school. The principal has a formal review each four years, with appointment to the school for eight years at most. If a principal wants to remain in the school for a second four-year term, then the national government forms a committee that includes one teacher and one parent. They review the principal's and school's performance and make a recommendation about renewal. After eight years, three to five candidates are identified by the government and the committee interviews and decides who shall be appointed."

An elementary principal talked about changing the principal to improve the school: "Fire after the 4 year term. Then give the job to a hard working principal who must then take on the added burden of school improvement." A senior high school principal echoed this view: "The low performance of students all relates to the principal's management. If it is not satisfactory, then there is a change in principals." The choice of the charter school principal also reflects school performance: "The Buddhist Foundation representatives will visit school and examine test scores, interview parents and faculty after 6 years. If the result is not good, the Foundation will choose a new principal." An elementary principal commented on the fairness of the process: "The evaluation is not a fair one, given the committee makeup. It is not a good representative committee, and the evaluation occurs in only a one day visit." He then observed that "The role of the principal is not to serve student learning but to serve politics. If the principal implements the desires of the county, then he is successful."

Principal performance also relates to financial accountability. One principal described the process: "The Bureau evaluates programs, especially as requests are received for special project money, to see how money is spent and what difference it makes. The principal must use 90% of

the budget or be punished through a demerit system. The principal may not get promoted to a better school in the future if he does not spend money wisely.”

Many principals welcomed the expansion of the pilot national assessment in 6th grade mathematics to be an annual evaluation in multiple grades. The stated purpose of the assessments of several subjects in elementary schools is to gauge student performance rather than to compare school quality. One principal reported that the assessment is “designed as a placement test for junior high schools, not to determine performance of schools.” Despite this explanation, another principal speculated, “If we had a national graduation test, we can know which school and student performs. The national government desires testing to judge school performance.” In contrast, a colleague principal expressed, “Parents and schools have many concerns about testing; the MOE says ‘don’t worry’”.

Another principal reported that parents placed pressure on the national government to develop national test. She is happy with government beginning the assessment program, believing it will be a “positive influence on teachers and the school to know outcomes.” She favored having a national assessment in all grades “from top to bottom.” This would be valuable in “testing student abilities, and giving necessary information for school improvement.” The junior high school principal welcomed the pending national assessment of sixth graders: “According to the performance, we can design a better curriculum for the students.” The charter school principal noted that the school had no experience using outcomes in decisions. However, this school was selected to participate in the sixth grade pilot test as a “special system”. He then commented that “There is a conflict with the school’s philosophy, but we will participate.”

Accountability systems can trigger technical assistance or funds in order to assist low performing schools. A principal talked about the assistance available at the county level: “Of the 6 sections in the Bureau, the Curriculum Development and Student Affairs sections would work with the principal if the student performance is poor.” An elementary school principal first stated that the “county government can’t do anything because there is not a clear evaluation result. Parents might protest against a school’s performance, but there is not clear evidence.” He then described the assistance: “If school is considered low performing, like there is an accident or trouble or parents express concerns, then the county superintendent will involve himself. He goes to the school to test students and becomes involved in the school operation.” Another disagreed with this response: “The government does nothing. It must be a school effort to improve.” She commented that “Four years ago, this was an under-enrolled school. Then came improvement from just 18 classes to 25, due to increased population in the community served and since students are behaving better with a school focus on manners. Their academic achievement improved, and the junior high reports the student performance as outstanding.”

Several principals pointed at themselves as the key mechanism for school improvement. A junior high principal noted that improvement occurs internally: “If a teacher is seen as being poor, then the principal asks the teacher to come to the office to learn of any problems. The principal will observe the class.” A senior high school principal related student performance with poor evaluations of teacher performance: “The problem of teachers is related to the management of the principal. He supervises all teachers. The principal walks around the building 3 to 4 times daily to observe classes, but we do not evaluate performance seriously.” Another high school principal confided that “The evaluation system for principals is ‘you lose face’. This shame is a serious problem for the principal, and nonrenewal does not happen often.”

A principal commented on accountability bringing to funds to strengthen the next level of schooling. The national government gives money to a junior high if the senior high school is low performing. The government allocated funds to add teaching/learning time (extended day) with after school tutoring in math, English, and Chinese language. However, she noted that “the results are not as good as desired.”

Yet another aspect of external accountability is providing funds for merit pay for individual teachers or financial rewards for the performance of teams within schools. Although most of the principals stated that this is not currently happening in Taiwan where the national personnel system fixes salaries, several talked about the process for determining annual increases in salaries. One talked about the message sent when a teacher fails to receive the bonus: “The National government after evaluation gives 1 ½ months salary bonus for an excellent rating. The policy is not effective if about 90% of teachers can earn this amount. If you teach every day, and are doing things normally, you are evaluated as “good” and get the bonus. The other 10% ‘face the facts.’” He then stated that he did not desire the bonus to be more performance-based, “If it is more competitive, then it is tough to make decisions.”

One principal speculated that the political party in power “desires a merit pay policy and to adopt a ranking system for school teachers, one which is like that in universities.” A senior high principal favored this approach: “I want to be able to award money to give teachers an incentive to do better, but there are no funds for this purpose.” He talked about a prize for performance, “the winners of a science or music competition earn a prize for their achievement.” Another principal talked about performance pay for teachers who assume extra responsibilities for part of the day: “If they earn a grade of A or B, they can earn more money. Twelve teachers have administrative duties, including the Director of Curriculum and Instruction. Only the accountant and personnel director do not teach.”

Several principals spoke of limitations of performance pay. One elementary principal observed that “Principals pay more attention to morale, creating a team within the school. Thus it is difficult to give money rewards.” A junior high principal reported, “Teachers work together and we do our best without thinking of individual interests. Teachers are willing and proud to help students. No reward is necessary. Teachers would like additional money, but this would not encourage better work. They work for the students.” A senior high principal reported that he agrees this is a good approach, but he cautioned that parents would ask for teachers who give a good performance: “Teachers would not like it since there would be ‘you are better than me’ comparisons, and this policy does not promote collegial relations.”

Themes

This case study culminated in the identification of themes that emerged from the data: dependence; relationships; and accountability.

Dependence

Like their counterparts in other nations adopting reforms (Cheung, 2000), Taiwan principals are struggling with new responsibilities. There is evidence in this study that they have had varied opportunities to gain control of decisions made previously by central governments. However, they do not have a large degree of autonomy nor discretion in resource decisions, with the national and city/county governments retaining a large measure of control. The best characterization is one of dependence.

Accountants are assigned to manage funds at the school level, and these county employees do not report to the principal. Although there may be better fiscal accountability, this bifurcated structure illustrates the continuing control by the city or county government. Furthermore, even though reforms granted schools the authority for hiring, most schools turned to county governments for screening applicants through examinations and interviews. In many cases the Bureau continues to assign teachers to schools.

There is little discretionary money. Requests can be made for special project funds, and schools can decide priorities as budget plans are sent to the Bureau of Education. In many ways, the situation resembles that of the typical public school of the United States and many other nations. An intermediate authority at the city, county or school district level administers the budget and makes many operational decisions. Personnel decisions are made at this broader governance level, and the city/district business office oversees fiscal management. Principals in Taiwan do not assume the same burdens that are placed on head teachers of locally managed schools of the U.K. and charter schools of the U.S., in which school personnel are responsible for fiscal affairs (King & O'Sullivan, 2002). In particular they have not been given broad authority to guide decision-making processes and financial management tasks at the school level.

When asked about an ideal policy regarding governance, an elementary school principal replied: "Fewer interruptions from the government. The government keeps a close eye on the school, and new mandates get in the way of progress. School site management is not happening given their oversight." Another replied that he wants to totally control "everything!" He discussed personnel matters including the authority to hire good faculty and giving "less money to lower performing teachers." A senior high school principal desired what he called "leadership power". For example, if a teacher's performance is not good, the principal does not currently have the power to fire.

Despite discussions about decentralization, and examples of new authority at the school level, one conclusion of this study is that Taiwan schools are largely dependent on another level of government for funds and operations.

Relationships

The importance of collaboration and relationships with external entities, as well as internally with the accountant and those teachers who assume administrative duties, is evident throughout the findings. Accessing supplemental funds for special projects and securing donations from parent groups depends greatly on those relationships. Collaboration with parents, teacher representatives, business and other community members, and university professors who serve on curriculum development and personnel committees is essential in site-level decision making.

The principals spoke eagerly about the politics of gaining resources for schools. It seemed that those who nurtured good relations with the city/county officials and with parents and other donors were more successful in having additional funds and labor sources. A principal provided an example of the benefits of relationships: "In one school, the principal had a problem and lost the parent's trust. In another with good relations, parents helped to solve problems like students coming to school late."

Examinations of daily schedules revealed that more time was devoted to teacher collaboration in the development of curriculum and in sharing instructional practices than typically occurs in the U.S. A director of academic affairs assists the principal with instructional leadership, as other part-time directors manage discipline and office affairs to ease the burden on principals. The

involvement of parents, community leaders and university professors on school personnel committees also broadened the input to decisions.

Principals spoke favorably of internal and external networks with others. They welcomed this empowerment and sharing of duties, emphasizing the importance of relationships for smooth school operations and good decisions. Perhaps a reflection of Chinese culture, or new roles of principals who are becoming more externally oriented with educational reforms, this study concludes that relationships are essential in

Accountability

The dual reform strategy noted in the introduction brings both centralization of such functions as setting standards and decentralization of school budgets and operations (King, Swanson, & Sweetland, 2003; Wohlstetter & Anderson, 1994). Although principals talk about school-based management, Taiwan's national and city/county governments are concerned about the performance of schools and retain control over many aspects of school finance and operations. These accountability mechanisms are rooted in traditional roles of government.

The primary forms of accountability are reports to the city/county office of education and their reviews of the school and principal performance each four years. Although teacher selection may occur at the school-level, the appointment of principals and their performance reviews are very much a responsibility of the Bureau of Education. Financial accountability is the responsibility of school-level accountants, who report to the city/county government. This structure provides a clear division of responsibility, a good system of checks and balances, and an accountability mechanism. However, principals do not talk about the accountants as a member of a leadership team as occurs with bursars in U.K. locally managed schools.

Parents are also vital in monitoring school outcomes and giving feedback as students face rigorous examinations at the end of junior high and senior high school years. Parents and community members become involved in personnel and budget committees at the school level, giving suggestions to the principal. Like accountability committees at the district and/or school levels in the United States, these constituents serve in an advisory capacity. The devolution of some control to schools in Taiwan has not meant a shift in governance to school-level boards who have the capacity to hire and fire personnel as occurs in the U.K. and U.S. charter schools.

Finally, there is not the same high-stakes accountability as in the U.S. The nation is just developing national assessments related to the curriculum guidelines, with planned expansions in subject areas and grade levels in the near future. As yet, there is not a performance-based assessment of schools to identify those for restructuring. The only mechanism talked about in interviews was the reliance on subjective measures of school quality in evaluations and potential replacements of principals each four years. There is an assignment of new principals after eight years, with good performance reviews easing the movement to other schools.

Indicators of school performance and subsequent accountability decisions take on different forms throughout the world. This study of principals' views of governance and finance concludes that Taiwan schools remain accountable to higher levels of government and to parents, and that traditional mechanisms including the roles of accountants and the evaluations of principals continue to be the evident forms of external accountability.

Endnote

- ¹ The author conducted this study during 2004-2005 while he was a Fulbright Senior Scholar at the National Chengchi University, Taipei. He acknowledges the support of the governments of the United States and the Republic of China (Taiwan). More importantly, he greatly appreciates the assistance of colleague professors in Taiwan and the warm welcome by principals to observe classrooms and learn about governance and finance.

References

- Beare, H., & Boyd, W. L. (Eds.). (1993). *Restructuring schools: An international perspective on the movement to transform the control and performance of schools*. Bristol, PA: Falmer.
- Boyer, E. L. (1983). *High school: A report on secondary education in America*. New York: Harper and Row.
- Cheung, M. B. (2000). The changing roles and needs of school principals in Hong Kong. In A. Walker, P. Begley & C. Dimmock (Eds.), *School Leadership in Hong Kong: A Profile for a New Century* (pp. 61-62). Hong Kong: Hong Kong Centre for the Development of Educational Leadership.
- Chubb, J. E., & Moe, T. M. (1990). *Politics, markets and America's schools*. Washington, DC: The Brookings Institution.
- Drury, D. W. (1999). *Reinventing school-based management: A school board guide to school-based management*. Alexandria, VA: National School Boards Association.
- King, R., & O'Sullivan, F. (2002). School level financial management in community/foundation schools of the U.K. and in charter schools of the U.S. *Journal of Leadership and Policy in Schools, 1*, 291-316.
- King, R. A., Swanson, A. D., & Sweetland, S. R. (2003). *School finance: Achieving high standards with equity and efficiency* (3rd edition). Boston, MA: Allyn & Bacon/Longman.
- Ministry of Education. (2004). *Taiwan Yearbook 2004*. Government Information Office. www.gio.gov.tw/taiwan-website/5-gp/yearbook/
- O'Sullivan, F., Thody, A., & Wood, E. (2000). *From bursar to school business manager: Reengineering leadership for resource management*. London: Pearson Education Limited.
- Plank, D. N., & Sykes, G. (Eds.). (2003). *Choosing choice: School choice in international perspective*. New York: Teachers College Press.
- Schaffer, E. C., Hwang, C. J., Lee, Y. Y., Chang, S. Z., & Pan, H. L. (2002). The Pacific rim and Australia – Taiwan. In D. Reynolds, B. Creemers, S. Stringfield, C. Teddlie, and G. Schaffer, (Eds.), *World class schools: International perspectives on school effectiveness* (pp. 100 – 118). London: RoutledgeFalmer.
- Stake, R. E. (1995). *The art of case study research*. Thousand Oaks, CA: Sage.

Stake, R. E. (2000). Case studies (pp. 435-454). In N. K. Denzin and Y. S. Lincoln (Eds.), *Handbook of qualitative research* (2nd edition). Thousand Oaks, CA: Sage.

Tsang, M. C. (2003). School choice in the People's Republic of China. In D. N. Plank and G. Sykes (Eds.), *Choosing choice: School choice in international perspective* (pp. 164-195). New York: Teachers College Press.

Wohlstetter, P., & Anderson, L. (1994, February). What can U.S. charter schools learn from England's grant-maintained schools? *Phi Delta Kappan*, 75, 486-491.

Wu, K. B. (1997). Education policies in Taiwan (China) and Hong Kong. In W. K. Cummings & P. G. Altbach (Eds.), *The challenge of eastern Asian education: Implications for America* (pp. 189-203). Albany, NY: State University of New York Press.

Yin, R. K. (1994). *Case study research* (2nd edition). Thousand Oaks, CA: Sage.