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An analysis of elementary school districts with merit pay programs for their principals

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AN ANALYSIS OF ELEMENTARY SCHOOL DISTRICTS WITH
MERIT PAY PROGRAMS FOR THEIR PRINCIPALS

Using in-depth interviews, this study was conducted to collect data from superintendents or their designees of ten elementary school districts with merit pay programs in the state of Illinois and to use the data collected to derive a merit pay program containing components that can be used as model and decision making tools by those elementary school districts that are considering or planning to implement a merit pay program for their principals.

The interviews were conducted using the "Superintendent's Interview Format," a format designed by the author of the study and consisting of components of merit pay derived from a research of the literature and phone surveys conducted among superintendents of school districts with merit pay programs for their principals.

The superintendents or their designees were asked to screen the components on the interview format by identifying those that should remain and those that should be added. The components identified by a majority of the interviewees were included in the model merit pay program that was offered as a decision making tool for those school districts considering or planning to implement a merit pay program for their principals.

The major findings of the study were: (1) boards of

education support these programs with policy statements and adequate budgets; (2) superintendents are primarily responsible for directing and supervising these programs; (3) although clear guidelines are lacking, there are provisions for input from board members, superintendents and principals in the design, implementation and revision of these programs; (4) the performance behaviors that are the bases of merit decisions are clearly defined and communicated to the principals in writing; (5) there are provisions for training principals to improve and monitor their progress, and (6) the process used by superintendents to convert the summative evaluation of principals into a merit rating is highly subjective and arbitrary.

AN ANALYSIS OF ELEMENTARY SCHOOL DISTRICTS WITH
MERIT PAY PROGRAMS FOR THEIR PRINCIPALS

by

Winston Johnson

A Dissertation Submitted to the Faculty of the Graduate
School of Loyola University in Partial Fulfillment
of the Requirements for the Degree of
Doctor of Philosophy

May

1993

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VITA

The author of this study, Winston Johnson, was born to Robert Johnson and Maydell (Cavanaugh) Johnson on February 28, 1941, in Chicago, Illinois.

He graduated from Forestville Elementary School in 1956 and later from Tilden Technical High School in 1960, both of which are located in Chicago, Illinois.

After graduating from high school, he attended Chicago Teachers' College from which he received the Bachelor of Education degree in December of 1963. In June of 1968, he received the Master of Science degree from Chicago State College, and in June of 1973, he received the degree of Master of Education from Loyola University of Chicago.

He worked as a science teacher in the Chicago Public School System from 1964 until 1975. In August of 1975, he joined West Harvey/Dixmoor School District 147 as a principal where he served as Coordinator of Science and Math Fairs from 1975 to 1978, as Coordinator of the Harvey Cluster for the Prevention of Alcohol and Drug Abuse-Region 5 of the U.S. Office of Education from 1977-1983, as Coordinator for the Academic Olympics for South Suburban Middle and Junior High Schools from 1984-1987, and as Coordinator of a Manhood and Womanhood Training Program for

male and female students enrolled at Rosa L. Parks Middle School from 1991 to date.

The author is currently the principal of Rosa L. Parks Middle School in School District 147.

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CHAPTER I

INTRODUCTION

Background Information

The title of this dissertation is An Analysis of Elementary School Districts with Merit Pay Programs for Their Principals.

Merit pay systems typically are salary increases to individuals based upon a supervisor's appraisal of their performance. The purpose of merit pay is to affect motivation and to retain the best performance by establishing a clear performance - reward relationship.¹

Merit pay, incentive compensation or performance based pay is a compensation system that pays different salaries to workers having the same job descriptions and work responsibilities - where the differences in salaries are due to an assessment of their performance.

Merit pay is not paying for different types of work; it involves paying more for higher levels of performance of the same type of work. Merit pay is performance based pay.²

¹Luis R. Gomez-Mejia, ed., Compensation and Benefits (Washington, D.C.: The Bureau of National Affairs, Inc., 1989), 3-150.

²Susan Moore Johnson, Pros and Cons of Merit Pay (Bloomington: Phi Delta Kappa Educational Foundation, 1984), 9-13.

The topic of "administrative merit pay" was selected because the following factors tend to suggest strongly that school districts throughout the nation are moving in the direction of designing merit pay programs for their teachers and administrators:

- 1) In the 1980s, there was a resurgence of interest in merit pay, and this interest was reflected in the emergence of several national reform reports that recommended merit pay as a method of compensating teachers and principals.
- 2) The publication of the "Nation at Risk" report in 1983 was followed by a spate of state and local reform initiatives in the 1980s that resulted in the implementation or recommendation of merit pay programs for teachers and administrators across the nation.
- 3) Former President Ronald Reagan endorsed the concept of merit pay as a foundation for improving public education.
- 4) Former Secretary of Education, William Bennett, endorsed the concept of merit pay.
- 5) President George Bush endorsed the concept of performance based pay, and his most current budget includes financial incentives for schools that improve student achievement.
- 6) Since the beginning of public opinion polls on

merit pay in 1970, the majority of those polled said that they were in favor of merit pay, and this favorable response reached an all time high of 84 percent in 1988.

- 7) The 1986 Education Reform Act of Illinois includes provisions for the Illinois State Board of Education to study compensation programs based upon merit.
- 8) The September 1, 1990-August 31, 1993 contract negotiated between the Chicago Board of Education and the Chicago Teachers' Union includes provisions for awarding performance bonuses to all employees in a local school.

This national trend toward merit pay can be facilitated by the development of an administrative "merit pay" paradigm for elementary school principals that can be used as a decision making tool by those elementary school districts that are considering or planning to implement a merit pay program for their principals.

Historical Overview

Most of the merit pay programs have been implemented at the level of the classroom teacher. The concept of merit pay among principals is a relatively recent phenomenon.

The concept of merit pay in education was first attempted in 1908 in Newton, Massachusetts, but the plan was

characterized as unworkable and was quickly discarded.³

In 1916, Ellwood P. Cubberly considered to be one of the most influential educators of the period, was highly critical of the "single salary schedule." He considered the "single salary schedule" to be a poor use of school funds, and as an alternative, he recommended a compensation system that would pay the most to those who deserved the most. He reasoned that the existence of a "single salary schedule" presupposes that all teachers of the same rank and experience are of equal worth.

He felt that the implementation of a merit pay plan would do the following:

- 1) provide the basis for a better distribution of rewards.
- 2) provide more opportunities for the most competent teachers to advance.
- 3) would tend to retain the best teachers in the profession.
- 4) would give those who direct the school system a better return on funds invested in the schools than would a "single salary schedule."⁴

In response to Ellwood Cubberly's concerns and the concerns of others, local boards of education implemented

³Karen Klein, ed., Merit Pay and Evaluation (Bloomington: Phi Delta Kappa, 1983), 2.

⁴Johnson, 21-22.

merit pay plans nationwide. It has been estimated that between 18 percent and 48 percent of the nation's school systems implemented merit pay programs for their teachers between 1918 and 1928.

The plans that were implemented were varied in that some linked teachers' annual increments to merit ratings, and others were designed to link maximum attainable salaries to performance ratings.

Many of these plans dwindled between 1935 and 1955, but during the late 1950s interest in merit pay was rekindled, and although many of the new plans were similar to those implemented in the 1920s, several of them had been modernized.⁵

In the late 1950s, the school board in Summit, New Jersey hired a management consulting firm to conduct a task analysis of the work of teachers that would provide the basis for merit evaluations.

The merit pay plans of the 1950s included several basic features, and some of the features involved: annual ratings, multiple observers and weighted criteria.⁶

During the 1960s, approximately 10 percent of the nation's local school districts had merit pay programs, and by 1972 only 5.5 percent of the country's school districts had merit pay plans.

⁵Ibid., 22.

⁶Ibid.

In 1975, the states of Delaware, Florida and New York legislated merit pay programs for their teaching staffs and then later discarded the plans as being unworkable.

In 1978, the Educational Research Service researched 11,502 school systems and produced the following results:

- 1) 4 percent of the school districts had a merit pay plan in operation.
- 2) 4.7 percent of the school systems were considering merit pay plans.
- 3) 6.4 percent had programs, but they were not in operation.
- 4) 31.7 percent of the discontinued plans lasted one or two years.
- 5) 21.6 percent of the discontinued plans lasted three or four years.
- 6) 15.1 percent of the districts had a plan that lasted more than ten years before it was discontinued.

In 1979, The Educational Research Service conducted a survey of school systems with populations larger than 30,000 students; 170 of these school systems had merit pay plans in 1959, but only 33 had such plans in 1979.⁷

Purpose of the Study

This study was conducted for two reasons: 1) to

⁷Klein, 3-4.

collect data from superintendents of ten elementary school districts with merit pay programs for their principals in the state of Illinois, and 2) to use the data collected, to derive and develop a "merit pay" paradigm for elementary school principals that can be used as a decision making tool by those elementary school districts that are considering or planning to implement a merit pay program for their principals.

A phone survey of Illinois school districts was conducted to establish communication with the superintendents of those districts identified in a report issued by Educational Research Service as school districts with merit pay programs for their principals.⁸

The phone survey confirmed the existence of 24 school districts with merit pay programs for their principals, and among the 24, there were 11 elementary school districts. Ten of the 11 elementary school districts were chosen for study because the superintendent of one of the confirmed districts indicated that he did not want to be a part of the study.

The study of the ten elementary school districts that comprise the sample used the "interview technique" to get superintendents or their designees to focus on and identify the following: the major components that are a part of the

⁸Paul J. Porwoll, Merit Pay for School Administrators (Arlington: Educational Research Service, Inc., 1979), 42.

current merit pay programs, those components that are not included in the current programs but should be included in any program, the strengths and weaknesses of the current programs, and the recommendations that these ten superintendents or their designees offer to other elementary school districts that are considering or planning to implement such a plan.

Because of the confidential nature of their contents, documents collected during the interviews were not listed in the Appendix. These documents are appropriately identified in the footnotes as "confidential."

Procedure

Research Questions

This study is being conducted to answer the following questions:

- 1) What can be learned from an analysis of the major components that comprise merit pay programs for principals in ten elementary school districts in the state of Illinois?
- 2) What can be learned from the strengths and weaknesses of these programs?
- 3) As a result of personal interviews with the superintendents of these two school districts or their designees, what merit pay components will emerge that were not a part of the prepared

interview format?

- 4) As the result of an analysis of these ten elementary school districts, what major components can be identified as being the components of a model merit pay program for elementary school principals.
- 5) What recommendations can be offered to those elementary school districts that are considering or planning to implement merit pay programs for their principals.

A case study approach for each of the ten elementary school districts was developed through in-depth interviews of each of the ten superintendents or their designees. These interviews follow the format outlined in the document entitled: "Superintendent's Interview Format."⁹

The data collected were analyzed for the purpose of deriving or developing an administrative merit pay paradigm that can be used as a decision making tool for elementary school districts that are considering or planning to implement a merit pay program for their principals.

Design of Study

To collect the data for this study, a questionnaire was developed that consists of eight major components of merit pay programs for principals. (See "Superintendent's

⁹A copy of the "Superintendent's Interview Format" is located in the Appendix.

Interview Format" located in the Appendix.)

These eight components were derived from the following sources:

- 1) a review of the related literature
- 2) personal experiences with a merit pay program in West Harvey/Dixmoor School District 147
- 3) preliminary phone conversations with superintendents of the 24 Illinois school districts that have merit pay programs for their principals.

These eight components represent the major foci of the interview format - a format that also has provisions for emerging components or components that evolve in the process of the interviews, but are not a part of the prepared list of components.

Analysis

Screening the Prepared List of Components. During the interviews, each of the superintendents or the designee was asked to screen the prepared list of eight major components.

For each of the eight components, the superintendents or their designees were asked to respond to the following questions: 1) If this component is a part of your program, describe how it is included? 2) If this component is not a part of your program, should it be included? If yes, how should it be included: If no, why should it not be included?

When a majority of the superintendents or their designees said that a component or its equivalent on the prepared list of components was a part or should be a part of their program, that component became a part of the components on the "derived model."

Emerging Components. During the interviews, the superintendents or their designees were asked to identify those components that were not listed on the prepared list - but should be included in any merit pay program for elementary school principals. These components are called "emerging components."

When a majority of the superintendents or their designees said that the same or similar components were a part of their programs but were not on the prepared list, those components were added to the "derived model", and when a majority of the superintendents or their designees said that the same or similar components were not a part of their programs and were not on the prepared list - but should be a part of any program, those components were added to the "derived model."

The components included in the "derived model" of merit pay for elementary school principals are the results of two sources: 1) those components that remained on the prepared list of components because a majority of the superintendents or their designees said that they were either already a part or should be a part of their district's program, and 2)

those emerging components while not listed among the components on the prepared list were identified by a majority of the superintendents as being a part of their district's program or should be a part of any program.

Program Strengths. During the interviews the superintendents or their designees were asked to identify the strengths of their existing programs, and when a majority of the superintendents or their designees cited the same or similar program strengths, those program strengths were cited as features that should be included in the programs of those elementary school districts that are considering or planning to implement a merit pay program for their principals.

Program Weaknesses. During the interviews, the superintendents or their designees were asked to identify the weaknesses of their existing programs, and when a majority of the superintendents or their designees identified the same or similar program weaknesses, those weaknesses were cited as areas to be avoided by elementary school districts that are considering or planning to implement a merit pay program for their principals.

Recommendations. During the interviews, the superintendents or their designees were asked to offer some recommendations, and when a majority of the superintendents or their designees offered the same or similar recommendations, those recommendations were listed and

offered to those elementary school districts that are considering or planning to implement a merit pay program for their principals.

Limitations of Study

Although a study of merit pay among teachers and other administrative personnel at all levels of the educational enterprise would provide interesting and significant areas of research, this study was concerned only with identifying the major components of merit pay programs for elementary school principals within the state of Illinois.

The study was limited to the elementary school because the elementary school is considered to be the level of education where the foundation is laid for all future educational endeavors. The study was limited to the principal because research studies on leadership consistently identify the principal as the most significant variable in determining school outcomes, and the study was limited to merit pay among principals because principals are characterized as "middle managers," and corporate research establishing a significant relationship between managerial pay and corporate performance augurs well for the prospects of merit pay among elementary school principals.

CHAPTER II

REVIEW OF RELATED LITERATURE

In order to achieve the purposes of this study, it was important to interview ten Illinois superintendents of elementary school districts with merit pay programs for their principals, and to use the data collected to derive a merit pay paradigm that can be used as a decision making tool by those school districts considering or planning to implement a merit pay program for their principals.

The information presented in this chapter surveys the following: the concept of merit pay, evidence of national, state, and public support of the concept, the theoretical significance of the concept of merit pay, and the related studies and investigations.

The Concept of Merit Pay

The idea of compensating workers totally or "in part" based upon how well they perform is an integral part of the American "free enterprise system."

America's free enterprise system is a "market driven" system that is based on the notion that greater compensation should be given to those workers who provide the best

service and produce the best product.¹

Although corporate America is often touted as the model for "merit pay" or "performance based pay," the relationship between pay and performance among corporate executives is more of a model in concept than it is in precept according to the research of Jonathan S. Leonard.

Jonathan S. Leonard is a Harold Furst Professor of Management Philosophy and Values at the Hass School of Business, University of California at Berkeley and a Research Associate at the National Bureau of Economic Research. He studied 439 large U.S. corporations between 1981 and 1985, and he examined the impact of compensation policy and organizational structure on the performance of these companies.²

He concluded that companies with long-term incentive plans earned a greater return on investments of common stock than did companies without such plans, but he also concluded that corporate success was not significantly related to the level or degree of executive pay. He further concluded that executive pay was strongly hierarchically determined, and that one's position in the corporate hierarchy was the single most significant correlate of executive pay.³

¹Karen Klein, ed., Merit Pay and Evaluation (Bloomington: Phi Delta Kappa, 1983), 2.

²Ronald G. Ehrenberg, ed., Do Compensation Policies Matter? (Ithaca: Cornell University, 1990), 13.

³Ibid., 13, 27.

Professor Leonard also discovered that executive pay tends to be higher among those companies that experience heavy losses than among those that experience smaller ones,⁴ and the relatively recent events at the Chrysler Corporation tend to confirm Professor Leonard's conclusions.

In 1987, Chrysler's share of the car market slipped 1.4 percentage points; profits fell 7%, and the value of the company's common stock fell more than 50% by the end of the year, but despite this period of decline, Lee Iacocca was ranked among the highest paid chief executive officers in corporate America. His salary in 1987 was 17.9 million dollars--a salary that ranked him second among 25 of the highest paid chief executive officers in corporate America, but he was ranked number one among those who gave shareholders the least.⁵

During the period between 1987 and 1989, MacAllister Booth, Chief Executive Officer of Polaroid, received a salary of 1.9 million dollars; during that same period, the company experienced a 28.2% average return on investments in common stock, and MacAllister Booth was ranked number one among the top five executives who delivered the best performance when the performance of the executives was

⁴Ibid., 28.

⁵Frederick Miller, "Delivering the Least Bang for the Bucks," Business Week (May 1988): 54.

compared to their salaries.⁶

According to an earlier report done by the Educational Research Service on merit pay in business and industry:

Traditional merit pay plans frequently do not reward outstanding performance. . . You can explain maybe 95 percent of the variation in pay by using factors such as level of the employee in the organization, the number of employees supervised or the length of service. Not one of these factors is the employee's performance.⁷

According to Rosabeth Moss Kanter,

Status, not contribution has traditionally been the basis for the numbers on employee's paychecks. Pay has reflected where jobs rank in the corporate hierarchy-- not what comes out of them.⁸

The observations cited in the 1979 report done by the Educational Research Service support the conclusions drawn by Professor Leonard concerning the relationship between executive pay and performance, but another study done by Professor John M. Abowd provide evidence of a different relationship between managerial pay and performance.

Using 1981-86 data on more than 16,000 managers at 250 large corporations, Professor Abowd studied the relationship between managerial pay and corporate performance, and he discovered that giving managers an:

incremental 10% bonus for good economic performance was

⁶Monica Roman, "Some Bosses are Worth Their Salt - And Others," Business Week (May 1990): 58.

⁷Paul J. Porwoll, Merit Pay for School Administrators (Arlington: Educational Research Service, Inc., 1979), 30.

⁸Rosabeth Moss Kanter, "The Attack on Pay," Harvard Business Review 65, 2 (March-April 1987): 60.

associated with a 30 to 90 "basis point" increase in the expected after-tax gross economic return in the following fiscal year, and payment of an incremental raise of 10% following a good stock market performance is associated with a 400 to 1200 basis point increase in expected total shareholder return.⁹

In describing the relationship between managerial pay and corporate performance, Professor Abowd used the term "basis point."

A basis point is the smallest measure used in quoting yields on mortgages, bonds and notes. One basis point is 0.01% of yield.¹⁰

Although Abowd's research demonstrated a significant relationship between managerial pay and corporate performance, the research of Professor Leonard did not establish a similar relationship between executive pay and corporate performance.

Perhaps managerial pay is correlated with corporate performance because managers are closer to the "end product" and the "market place" than are executives; therefore, they are in a better position to directly impact services than are executives, and since the focus of this study is the elementary school principal - a middle manager, the results of Professor Abowd's research augur well for the prospects of merit pay among elementary school principals.

⁹Ehrenberg, 52.

¹⁰Jack P. Friedman, Dictionary of Business Terms (New York: Barrons, 1987), 46.

Merit Pay as Investment

Since the concept of "merit pay", by definition, is an attempt to link pay directly to some measure of performance, its use can easily be justified on the basis that it is a cost effective investment in the improved performance of the schools and the students in those schools.

The concept of "merit pay" is considered "cost effective" because it is an attempt to achieve a more direct relationship between pay, an expenditure input, and some measure of performance or an output measure.

Eric A. Hanushek, an economist at the University of Rochester, researched and tabulated 187 studies dealing with the relationship between educational expenditures and such educational outcomes as standardized test scores, student attitudes, school dropout and attendance rates.

The approach used in these studies is commonly referred to as the "productive-function" approach, the "input-output" or "cost-quality" approach, and the primary focus of the research is to determine the relationship between school outcomes and the measurable inputs into the educational process.¹¹

Although all of Hanushek's studies were restricted to the public schools, they represented all regions of the country, different grade levels, several measures of student

¹¹Eric A. Hanushek, "The Impact of Differential Expenditures on School Performance," Educational Researcher (May 1989): 45-50.

outcomes and differential analytical and statistical approaches.

Among the 187 studies, 60 of them were based upon data derived from a single district, and 127 were based upon data derived from multiple districts.

A majority of the studies (104) used individual students as the units of analyses, and 83 used aggregate school, district, or state-level data.

To measure outcomes, 136 of the studies used standardized test scores, and 51 used such nontest measures as dropout rates, college continuation, student attitudes or student performance after school. The nontest items were used primarily among the high schools. Ninety of the studies represented grades 1-6, and 97 represented grades 7-12.¹²

To measure "expenditure inputs," the studies used the following measures: teacher/pupil ratio, teacher education, teacher experience, teacher salary, expenditures per pupil, administrative costs and costs for operating the facilities.

Since all of the studies did not include all of the input measures, the results were tabulated based upon the number of studies for which an input could be tabulated.

The results were tabulated according to the sign and the statistical significance (set at 5%) of the estimated relationship between the "expenditure inputs" and student

¹²Ibid., 46.

outcomes - holding constant family background.

Among the 152 estimates of the effects of class size, only 27 are statistically significant, and only 14 of those illustrate a statistically significant effect that is positive; the other 13 illustrate a statistically significant negative relationship. The vast majority of the cases (125 out of 152) illustrated an insignificant relationship between class size and measures of student outcomes.

All of the measures of "expenditure input" tended to follow the same general pattern in that the majority of the cases supported the view that there was no significant relationship between "expenditure inputs" and student outcomes.¹³

The findings of Eric Hanushek's research tend to defy conventional wisdom which suggests that:

More education and more experience on the part of the teacher both cost more and are presumed to be beneficial; smaller classes (more teachers per student) should also improve individual student learning. More spending in general, higher teacher salaries, better facilities, and better administration should also lead to better student performance. . .but the consistency across these very different studies is nonetheless striking. . .although individual studies may be affected by specific analytical problems, the aggregate data provided by the 187 separate estimates seem most consistent with the conclusion that expenditure parameters are unrelated to student performance (after family background and other educational inputs are considered).¹⁴

¹³Ibid., 46-47.

¹⁴Ibid., 47.

Eric Hanushek concluded his research by stating that the institutional expenditures for those districts studied were not systematically related to performance, and he recommended that policies be developed that link "expenditure inputs" directly to measures of student outcomes.

He said,

Policies are needed that are keyed to student performance directly instead of the levels of different inputs (that may or may not be related to performanceA changed organizational structure with different incentives could produce a new configuration of results.¹⁵

According to John Silber, President of Boston University,

. . . money spent has very little to do with educational achievement. Studies that I have made indicate that the correlation between the national decline in SAT scores and the level of teachers' salaries, for instance, is exactly 0. There is no correlation between teachers' salaries and performance on SAT's. This is not to argue against an increase in teachers' salaries. It is rather to point out that increases in teachers' salaries will not necessarily improve the schools.¹⁶

Although there is a similarity between the conclusions drawn by Eric A. Hanushek and John Silber concerning the lack of a correlation between such measures of educational inputs as teacher salaries and such measures of educational outputs as student achievement, perhaps a more positive

¹⁵Ibid., 49.

¹⁶John Silber, Straight Shooting: What's Wrong with American Education and How to Fix It (New York: Harper & Row, 1989), 33.

relationship would result if teacher and administrative salaries were directly linked to measures of how well students performed on standardized achievement tests; such a linkage would be consistent with the policy recommendation that was made by Eric A. Hanushek.

Again, the concept of "merit pay" is an attempt to establish linkage between an input measure such as pay and an outcome measure such as performance, and in that regard, it appears to be consistent with the policy recommendation offered by Hanushek.

In the "Introduction," it was stated that the phenomenon of "administrative merit pay" was being studied because of the following factors:

- 1) There was a resurgence of interest in merit pay in the 1980s, and this renewed interest was reflected in the emergence of several national reform reports that recommended merit pay as a method of compensating teachers and principals.
- 2) The publication of the report entitled: A Nation at Risk: The Imperative for Educational Reform was followed by a spate of state and local initiatives in the 1980s that resulted in the implementation or recommendation of merit pay programs for teachers and administrators across the nation.
- 3) Key members of the executive branch of government in the White House endorsed the concept of "merit

pay."

- 4) Since the beginning of public opinion polls regarding merit pay, the majority of those polled say that they are in favor of the concept.

For the rest of this chapter, evidence will be provided that will support the contention that there was renewed interest in merit pay during the eighties.

National Reports and Merit Pay

On August 26, 1981, then Secretary of Education, T.H. Bell, created the National Commission on Excellence in Education. He directed the commission to examine the quality of education in the United States and to make a report within eighteen months of its first meeting.

The National Commission on Excellence in Education consisted of 18 members from the fields of education, business and politics, and it was chaired by David P. Gardner: President of the University of Utah.¹⁷

On April 26, 1983, the commission presented its report and concluded that:

Our nation is at risk. . .The educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a nation and a people. What was unimaginable a generation ago has begun to occur--others are matching and surpassing our educational attainments.

If an unfriendly foreign power had attempted to

¹⁷David P. Gardner, A Nation at Risk: The Imperative for Educational Reform (Washington, D.C.: Government Printing Office, 1983), IV-1.

impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war.¹⁸

Among the many recommendations that were made by the commission, the concept of merit or performance based pay was offered as one of the recommendations. The commission stated that:

Salaries for the teaching profession should be increased and should be professionally competitive, market-sensitive and **performance based**.¹⁹

In 1983, the Carnegie Foundation for the Advancement of Teaching under the direction of Ernest L. Boyer, published an extensive report on the American High School.

The research efforts of Ernest Boyer were supplemented by a national advisory board that consisted of superintendents, principals, teachers, school board members and parents.

In the report, it was concluded that the success of secondary education and our nation's future were inextricably connected, and without a firm commitment to public education, the future of our nation was at risk.²⁰

In summary, the report offered 12 recommendations for action. The sixth recommendation involved a concern for renewing the teaching profession by improving the working

¹⁸Ibid., 5.

¹⁹Ibid., 30.

²⁰Ernest L. Boyer, High School: A Report on Secondary Education in America (New York: Harper & Row, 1983), xv-xvii.

conditions of teachers. The report also proposed increasing teacher salaries to reflect both performance (merit pay) and cost of living.

In the eleventh recommendation, the report cited the importance of school-business partnerships, and in that regard, it recommended that businesses offer cash awards to outstanding teachers and corporate grants to provide sabbaticals to outstanding principals.²¹

This interest in merit pay for both teachers and principals was evident in the House of Representatives as reflected in the following action:

On June 17, 1983, Representative Carl Perkins, chairman of the Education and Labor Committee of the House of Representatives, appointed a Task Force on Merit Pay to review the issue of merit pay for educators and issue a report.²²

Senator Paul Simon, who was a United States Representative at that time, was appointed chairman of the Task Force on Merit Pay. The task force consisted of representatives from education, politics and the private sector. Among the 21 members, 17 of them were from the private sector.

The task force produced a report that contained 12 recommendations. The third recommendation was as follows:

Despite mixed and inconclusive results with performance based pay in the private sector and in education, we support and encourage experiments with performance

²¹Ibid., 317.

²²Klein, 36.

based pay.²³

In June 1983, The National Task Force on Education for Economic Growth, published a report entitled: "Action for Excellence." The task force was a partnership involving government, business, labor and education leaders.

James B. Hunt, Jr., governor of North Carolina and chairman of the task force said,

We have heard now from many directions about the problems of our schools. We have had an abundance of research, a plentiful supply of analysis, and an impressive piling up of reports. Public concern is rising. What is needed now is action; action for excellence.²⁴

In the report, the Task Force on Education identified the skills needed by students to meet the demands of a rapidly changing workplace, summarized the problems that we had to face to change our school systems, and made eight recommendations for action. The seventh recommendation was as follows:

We recommend that pay for school principals, like that for teachers, be related to their responsibilities and their effectiveness, and we believe that extraordinary rewards should be established for extraordinary performance by principals.²⁵

In May, 1986, a task force of the Carnegie Forum on Education and the Economy produced a report entitled: "A

²³Ibid.

²⁴Governor James B. Hunt, Jr., Chairman, Action for Excellence: A Comprehensive Plan to Improve Our Nation's Schools (Denver: A.B. Hirschfield Press, 1983).

²⁵Ibid., 40.

Nation Prepared: Teachers for the 21st Century."

The task force consisted of 14 members representing the fields of business, education, government, labor and politics, and it was chaired by Lewis M. Branscomb, Vice President and Chief Scientist of International Business Machines Corporation.²⁶

In the report, members of the task force reasoned that any significant reforms in education must be preceded by the creation of a teaching profession that was well educated and highly skilled, and to build such a profession, some sweeping reforms and changes must be initiated.²⁷

One of the initiatives that was recommended by the task force was merit pay. The task force recommended that school systems "relate incentives for teachers to schoolwide student performance."²⁸

The members of the task force stated that:

We believe improvements are not likely to be made until the structure of incentives for teachers and other school employees is redesigned to reward them for student accomplishment.²⁹

In 1989, The National Governors' Association produced a report entitled: "Time for Results: The Governors' 1991

²⁶Lewis M. Branscomb, Chairman, A Nation Prepared: Teachers for the 21st Century, The Report of the Task Force on Teaching as a Profession (New York: Library of Congress, 1986), ii-v.

²⁷Ibid., 2.

²⁸Ibid., 55.

²⁹Ibid., 89.

Report on Education." In that report, the governors from all 50 states established a framework for the reform of American public education; many of the reforms were not scheduled to take place until 1991.

Although several recommendations were made by seven different task forces, one theme appeared to emerge from all of them, and that theme was as follows: increasing student achievement must be the ultimate goal of all state initiatives to improve education.

In the report, the governors took the position that states must establish accountability systems that link rewards to how well students perform at the building level - which means all rewards to principals, teachers and school systems must be linked to results.³⁰

The governors indicated that it will become increasingly more difficult for states to request more funding without connecting those requests for additional funds to improved educational achievement.

The report identified a new trend emerging among the states--a trend that links financial matters to those issues related to student achievement.³¹

³⁰Rudy Perpich, Chairman, The Governors' 1991 Report on Education: Results in Education 1989 (Washington, D.C.: National Governors' Association Publication, 1989), iv-1.

³¹Ibid., 51.

The Nation Responds

These national reports, most notably the "Nation at Risk" report, were followed by a spate of major national reform efforts throughout the eighties.

The "Nation at Risk" report, probably more than any other reform report in the eighties, brought the need for educational reform to the forefront of political discussion with an urgency that has not been felt since the launching of Sputnik in 1957, and the entire nation responded with several reform initiatives. One of those reform initiatives was a national movement throughout the eighties toward merit or performance based pay.³²

In 1983, shortly after publication of the "Nation at Risk" report, the entire state of Pennsylvania embarked on a state-wide program of educational reform. The state legislature and the state board of education proposed that teachers be given a performance based bonus of up to five percent of their salary. The five percent bonus would be given for exceptional performance, and the criteria for exceptional performance would be established by the local school district - subject to the final approval of the state department of education.³³

In 1983, the governor of Kansas held 26 town meetings

³²Milton Goldberg, Chairman, The Nation Responds: Recent Efforts to Improve Education (Washington, D.C.: Government Printing Office, 1984), 11, 12.

³³Ibid., 112.

for the purpose of discussing educational issues affecting the children of the state, and as a result of these meetings, a proposal was made to the January 1984 legislative session--a proposal that authorized local boards of education to design compensation systems that were based upon performance.³⁴

In May 1983, the Georgia State Board of Education made some recommendations for educational reform within the state of Georgia, and one of those recommendations was to establish a merit pay compensation system within the state. A task force to study the recommendation was appointed by the Georgia School Boards Association.³⁵

In July 1983, the governor of Florida signed a comprehensive educational reform bill which created the Florida Quality of Instruction Incentives Council. This council was created to develop and monitor the implementation of a merit pay plan, and during the year 1984-85, 80 million dollars was appropriated for merit increases.³⁶

During its July 1983 convention, The American Federation of Teachers adopted a comprehensive resolution on educational reform which included several positions - one of which was an expression of a willingness to consider new

³⁴Ibid., 61-63.

³⁵Ibid., 195.

³⁶Ibid., 53.

forms of incentive pay for teachers. This resolution was punctuated with a cautionary concern about the potential effectiveness of such plans.³⁷

At its 75th annual meeting, held in August 1983, the National Governors' Association made eight educational reform recommendations in a report entitled: "Action for Excellence." The association also organized a "Task Force on Merit Pay" for the purpose of developing a "do's and don't's" pocket guide on merit pay.³⁸

During the fall of 1983, the Iowa State Board of Education, the governor, and seven educational organizations, sponsored a 16 area conference on the "Nation at Risk" report, and as a result of those conferences, school districts were given cash grants for the number of students who were enrolled in advanced classes. School districts were given an additional 25 dollars for each student enrolled in advanced mathematics and science classes. This was a case where bonus funds were made available to schools and linked directly to measures of student performance.³⁹

In the fall of 1983, the local school board in Jackson, Mississippi implemented an administrative compensation system based upon an assessment of administrative

³⁷Ibid., 186.

³⁸Ibid., 59-60.

³⁹Ibid., 59-60.

performance in a variety of areas.⁴⁰

In 1983, the North Salem (New York) Central School District computed the average salary increases for administrators in school systems of comparable size in its geographical area, and it developed an evaluation system with five levels that included a merit percentage increase in salary for each of the five levels of performance.⁴¹

The governor of Idaho established a 30 member Task Force on Education, and the task force released its preliminary report in November 1983 during the Governor's State-Wide Conference on Education. One of the recommendations of the task force was to have school districts to adopt performance based compensation plans using state-wide criteria.⁴²

In December 1983, The Colorado State Board of Education voted to replace teacher tenure with an evaluation system that based compensation on performance.⁴³

In 1984, the California State Legislature made monies available for funding a pilot program that made cash awards available to high schools that improve student

⁴⁰Ibid., 165.

⁴¹Roy H. Forbes, ed., Administrator Evaluation (Bloomington: Phi Delta Kappa, 1984-85), 185-186.

⁴²Goldberg, 50-53.

⁴³Ibid., 33-36.



achievement.⁴⁴

In New Mexico, the governor created two commissions - one on public education and one on higher education. In January 1984, these commissions produced a 36 page report entitled: "Accent on Accountability." During this same period of time, the State Department of Education in New Mexico released a pamphlet entitled: "Merit Pay or a Performance Based Reward System: Will it Work in New Mexico?"⁴⁵

This initial interest was continued in 1985 when the State Legislature of New Mexico requested more study of the concept of merit pay, and the governor expressed an interest in having the idea piloted in certain districts.⁴⁶

In 1984, the state of Maryland passed legislation that enabled school districts to receive funds to improve teacher performance, and the Governor's Commission on School Performance issued a report that recommended that all incentives and sanctions to schools and school districts be based upon how well they perform.⁴⁷

In 1984, the state of South Carolina enacted

⁴⁴Ibid., 26-27.

⁴⁵Ibid., 95-96.

⁴⁶Lynn Cornett, Paying for Performance--Important Questions and Answers the 1989 SREB Career Ladder Clearinghouse Report (Atlanta: Southern Regional Educational Board, 1990), 23.

⁴⁷Ibid., 20.

legislation that created three incentive programs. The School Incentive Reward Program provides rewards to those schools that demonstrate significant gains in student achievement, student attendance and teacher attendance. Schools that meet all of the criteria will receive \$29.24 per pupil for instructional expenses.

In a survey that was conducted during school year 1987-88 in South Carolina, 90 percent of the principals and teachers said that they supported the idea of rewarding schools for achievement gains, and 85 percent of those surveyed said that they felt that goal setting and hard work won the awards.

The South Carolina Principal Incentive Program provides incentive awards to principals that range from a minimum of \$2,500 to a maximum of \$5,000. The program is strictly voluntary, and before receiving an award, each principal must receive a superior performance evaluation on South Carolina's State-Wide Performance Evaluation Instrument.

During school year 1987-88, 21 percent of all of the principals in the 63 participating districts agreed to have the Principals Incentive Program test piloted in their districts, and the schools headed by principals who received incentive awards demonstrated greater achievement gains than did those schools headed by principals who did not receive awards.

Student achievement gains were measured by South

Carolina's School Gain Index, and the student achievement gains were significantly greater in those schools headed by principals who received incentive awards than they were in schools headed by principals who did not receive incentive awards.

The Teacher Incentive Program became a state-wide 21.5 million dollar program, and it rewards teachers for collective and individual efforts, superior performance evaluations, student achievement and self improvement.⁴⁸

In North Carolina, the governor declared 1983 as "The Year of the Public Schools," and the North Carolina General Assembly met in June 1984 to consider educational recommendations for the state and funding for those recommendations. The Department of Public Instruction for the state of North Carolina recommended the implementation of performance based pay for staff members in the state's 142 school districts.⁴⁹

During the summer of 1984, the Educational Research Service conducted a national survey of those school districts that require their school administrators to be evaluated, and of the 1,016 school districts that responded, 85.9 percent of them reported having formal evaluation procedures for their administrators, and 23.4 percent of the responding districts with formal evaluation procedures for

⁴⁸Cornett, Paying for Performance..., 27-28.

⁴⁹Goldberg, 101.

their administrators indicated that they used these evaluation procedures to determine merit pay or bonus awards for their administrators.

A similar survey conducted by the Educational Research Service in 1978 indicated that only 15.3 percent of the responding school districts used formal evaluation procedures to determine merit pay for their administrators. When compared to the 1978 results, the 1984 survey results represent an eight percent increase in school districts using formal evaluation procedures to determine merit pay for their administrators.⁵⁰

During school year 1984-85, the following school districts implemented formal evaluation procedures for their administrators that included a merit pay component:

The Newington Public Schools in Connecticut developed a performance appraisal system for their administrators that included four levels of performance and a percentage of salary increase for each level of performance above unsatisfactory.

In the Gwinn Area Community Schools in Michigan, a mid-point salary is computed for each administrative position and a salary range for each position is then established from this mid-point. All raises above or below this mid-point will be determined by the results of the formal

⁵⁰Margaret L. Carnes, Evaluating Administrative Performance (Arlington: Educational Research Service, 1985), vi-vii, 17.

evaluation of administrative performance (merit pay).

In the West Area School District in Pennsylvania, a minimum salary figure for each administrative position is determined by the board and is adjusted when necessary to reflect changes in the cost of living, competitive salaries in the marketplace and changes in administrative responsibilities.⁵¹

The performance evaluation for each administrator has five levels, and a percentage of salary increase above the minimum is given for each of the levels of performance above unsatisfactory, these salary increases above the minimum range from 25 percent above the minimum for a fair rating to a maximum of 50 percent above the minimum for a rating of Superior.

The Rock Hill School District Number Three in South Carolina has developed an administrative appraisal system that provides merit salary increases for administrators that is based upon how well they perform on the evaluation instrument.

Those administrators who exceed performance expectations will receive a two percent salary increase over last year's base salary, and those administrators who receive a rating referred to as "Superlative Job Performance" will receive an additional four percent salary

⁵¹Ibid., 63-84.

increase over last year's base salary.⁵²

The idea of school wide incentives or bonuses based upon the academic performance of students was implemented in the state of California during school year 1985-86:

California high school seniors improved their test scores in all areas of the state's basic-skills test, owing in part, state and local testing officials say, to the availability of 14.4 million in incentive bonuses for schools. Students' average scores. . . rose in reading, written expression, spelling, and mathematics. . . While the scores are still below national norms, they represent the highest level reached in 10 years for all categories but reading.

California was one of the first two states to adopt, as part of its school reform program, a financial-incentive strategy to reward schools for improvements in the academic performance of its students.

Under California's Education Improvement Incentive Program, . . . high schools can earn bonuses of up to \$400 per student if at least 93 percent of a school's seniors take the California Assessment Program (CAP) test and if average scores are better than those attained by seniors at the school the previous year.⁵³

The governor of Virginia proposed a 1984-86 "Pay for Performance" pilot program; grants were made available to those school districts willing to test various approaches to merit pay.⁵⁴

In 1987, the Indiana State Legislature authorized the creation of a school incentive program that provides cash awards to those schools that demonstrate student improvement

⁵²Ibid., 78-105.

⁵³"Students' Scores on State Tests Up in California," Education Week 10 (April 1985), 1.

⁵⁴Goldberg, 130-132.

in at least two of the following areas: performance on the state progress exam, language arts test scores, mathematics scores and rates of attendance. The state provided 20 million dollars for the program during school year 1989-90.⁵⁵

In 1987, the Iowa State Legislature established the Educational Excellence Program which had three phases. Phase three of the plan established provisions for a committee consisting of administrators, teachers, parents and other interested persons. The purpose of this committee was to develop a proposal related to performance based pay, supplemental pay or a combination of the two.

During school year 1989-90, 271 districts or 63 percent, implemented a supplemental pay plan involving extra pay for additional instructional work or special training; 150 districts or 35 percent established plans that combined features of performance based pay and supplemental pay plans.

Since school year 1987-88, school districts in Iowa with performance based pay plans have grown from 56 to 158 districts--an increase of over 180 percent.⁵⁶

In June 1987, the Ohio State Department of Education and Miami University completed a study that recommended that local school districts design local incentive programs. The

⁵⁵Cornett, Paying for Performance..., 17.

⁵⁶Ibid., 18, 19.

state agreed to assist these local efforts with guidelines and cash.

In June 1989, the Ohio State Legislature authorized the state board of education to continue studying merit pay and career ladder programs.⁵⁷

During the 1988 session of the Colorado State Legislature, a law was passed that allowed local school districts to design and implement pilot alternative compensation policies using criteria that could include performance, and during the same session, a project called the "Excellent Schools Program" was established. The purpose of this program was to provide financial awards to personnel, schools and school districts that demonstrated outstanding performance in achieving established goals.⁵⁸

In 1988, the state legislature of Louisiana developed an educational reform package that included two components. One component was called the "School Profile and Incentive Program" and the other component was called the "Model Career Options Program.

In the "School Profile and Incentive Program," annual profiles are prepared on every school and school system. These profiles were scheduled to begin during school year 1989-90, and they contained such information as: test results, dropout rates, graduation rates, and the number of

⁵⁷Ibid., 25.

⁵⁸Ibid., 14.

students enrolled in advanced placement classes. The "School Incentive Program" is designed to provide cash awards to those schools and school districts that are making significant progress.

The "Model Career Options Program" was scheduled to be implemented during the school year 1991-92, and it would provide salary bonuses to those teachers who achieved superior performance.⁵⁹

On December 12, 1988, The Illinois General Assembly approved Illinois Senate Bill 1840. This bill was commonly referred to as the Illinois Education Reform Act, and it was to take effect on July 1989.

One of the provisions of this bill was the establishment of a local school council for each attendance center within the school district. Each council is to consist of the principal of the attendance center being served by the council and the following ten elected members: six parents who have children currently enrolled in the attendance center being served by council, two community residents who reside within the attendance center being served by the council, and two teachers who are elected by the entire staff and who are employees of the attendance center being served by the council. Neither the parents or the community residents can be employed by the board.

The elected members of the council shall be elected for

⁵⁹Ibid., 19-21.

two year terms, and in each secondary attendance center, a non-voting full-time student shall be elected annually by the students of the attendance center being served by the council.

Only parents of children enrolled in the attendance center being served by the council are eligible to vote for parents being elected to that council, and only community residents residing within the attendance area being served the council can vote for community residents being elected to that council, and only staff members employed within the attendance center being served by the local council are eligible to vote for teachers being elected to represent that attendance center.

These local school councils have the authority to evaluate, hire and fire principals, and Illinois Senate Bill 1840 authorized the board of education to design a four year uniform performance contract for all principals and make the same available to each local school council in January 1990.

The bill also makes provisions for these performance contracts to be periodically modified by the board, and additional criteria and conditions can be established by the local school council.⁶⁰

Considering the generally favorable disposition of the public toward the concept of "merit pay" - based upon polls

⁶⁰Illinois, Illinois Senate Bill 1840 (Public Act 85-1418), Sections 34-2.1, 34-2.3, and paragraph 3 of Section 34-2.3 (Effective July 1, 1989).

to be presented later in this chapter, giving local school councils the power to modify performance contracts by changing the criteria and/or conditions, makes it highly possible for these councils to link pay directly to the performance criteria outlined in the principal's performance contract.

In 1989, the Kentucky State Supreme Court ruled that Kentucky's school financing plan and its entire public school system were unconstitutional, and as a result, the state of Kentucky instituted a major reform package - a component of which involves providing rewards and sanctions to schools based upon how well they perform.⁶¹

During the first week in February 1989, Governor William P. Clements of Texas unveiled a 39 million dollar "pay for performance" plan called: "The Educational Excellence Program for Texas." The program was designed to make financial rewards available to those school districts that improve student performance, combat drug and alcohol abuse and reduce the dropout rates.

The plan also changed state accreditation laws by freeing high performing districts from some state regulations. State aid would be reduced for those districts with persistent dropout problems.⁶²

⁶¹"From the Backwater to the Cutting Edge," Teacher Magazine (June/July 1990): 12.

⁶²"Texas 39 Million Sought for Reform Efforts," Education Week 8 (February 1989): 10, 12.

In August 1989, the Georgia State Board of Education approved the formation of the "Group Productivity Program"-- a program designed to pay supplements to entire faculties whenever student achievement in the school or school system exceeded expectations; the socioeconomic characteristics of the students were considered in the analysis of the results. In this particular program, cash bonuses were linked to group performance measures.⁶³

During the year 1989-90, the "Florida Quality of Instruction Incentives Program" was funded by the state at the level of 10 million dollars, and the Florida Commissioner of Education created a component of the program called the Principal's Achievement Award. This component provided cash awards to principals who demonstrated the ability to: increase student achievement, create a positive school climate and promote innovative teaching. With this program, funds were made available to principals for efforts that improved student, teacher and school performance.⁶⁴

The push for performance based school-wide incentive programs that was a part of the reform efforts cited in the states of South Carolina and Maryland reached the state of New York during the week of May 21, 1990:

The commissioner of education for New York State...outlined a proposal to create an unusual "results oriented" system that would evaluate students

⁶³Cornett, Paying for Performance..., 16.

⁶⁴Ibid.

and schools...on the basis of performance... Teachers and administrators would be evaluated, in part, on the basis of student performance...

In addition, Mr. Sobol proposed that high-performing schools earn rewards, such as public recognition, relaxed regulations, and added financial support.⁶⁵

In 1989, in response to the governor's request, the state of Mississippi published a report entitled: "Better Education for Success Tomorrow," and this report was the product of several state meetings - meetings which included community groups, educators, state lawmakers and people from the corporate sector. The report concluded that the people wanted a clearer focus on student learning and a greater link between pay and performance.⁶⁶

The 1990 Kentucky General Assembly passed some comprehensive legislation that requires the public schools in Kentucky to design measurable goals that identify what is expected of their students. This law provides rewards for those schools that show improvement over a two year period of time.

Baseline assessments will be established in 1992. Rewards will go to each individual school when gains are made. It is expected that the first awards will be made in 1994. School staff will decide how the reward funds will be spent, but bonuses will not be added to

⁶⁵"New York Chief Outlines Plan for 'Results' System," Education Week 30 (May 1990): 1-2.

⁶⁶Cornett, Paying for Performance..., 22.

base salary.⁶⁷

The current push for performance based pay is reflected in the language of the September 1, 1990-August 31, 1993 contract negotiated between the Chicago Board of Education and the Chicago Teachers' Union. Article 45, section 19 states that:

A joint Board-Union committee shall be established during the 1990-91 school year, in accordance with the provisions of Article 45-1 of this agreement, to develop procedures and evaluation criteria for the awarding of a performance bonus to all employees in a local school which achieves the goals of new approved educational programs introduced at that school.⁶⁸

The Chicago Teachers Union is Local No. 1 of the American Federation of Teachers. The president of the American Federation of Teachers is Albert Shanker, and in a recent meeting of teachers and administrators in the auditorium of Thornton Fractional South High, Mr. Shanker said,

One of the problems we have in the U.S. that doesn't exist in other countries is that more and more schools are not staffed with the kind of teachers competent in what we want our students to be competent in.

To compensate for that, Shanker suggested that teaching staffs be administered on a merit system under which highly-paid educators oversee a staff of teaching interns and para-professionals to instruct students.

⁶⁷Lynn Cornett, Linking Performance to Rewards for Teachers, Principals, and Schools: The 1990 SREB Career Ladder Clearinghouse Report (Atlanta: SREB, 1991), 26.

⁶⁸Chicago, Illinois, Agreement Between the Board of Education of the City of Chicago and the Chicago Teachers Union Local No. 1 American Federation of Teachers, AFL-CIO, Article 45, sec. 19, September 1, 1990-August 31, 1993.

Instructors could also be rewarded or penalized financially based on their charges, which might be measured by achievement tests taken by students at the beginning and end of each school year.⁶⁹

The most recent push for performance accountability was clearly evident in the action taken by the Illinois State Board of Education.

In the first major overhaul of public school regulation in half a century, the board endorsed recommendations that would emphasize student performance over a checklist of statutory requirements in determining whether to give a local school the state's seal of approval.

Currently, that process focuses on some 100 requirements covering areas such as the length of the school day, teacher training and fire escape locations. Whether students actually learn anything is not on the laundry list, education officials said.

Under the new accountability-based system, scheduled to be phased in starting in autumn 1992, schools also would be evaluated on current performance and year-to-year improvement in such areas as student test scores, attendance and dropout rates, and the ability of graduates to go on to college or get jobs....

Under the plan, schools doing a good job of educating their students would be subjected to less state scrutiny and would be given greater flexibility....

Schools whose students are faltering, however, would face more intensive monitoring and could be placed on an academic watch list.

Also under the plan, if a school remained on the watch list for four years and showed no signs of improvement, the state board could take over its

⁶⁹"Education Changes a Must, Union Chief Tells Area Teachers," The Star Harvey-Markham Area 7 (March 1991), 2(A).

operation or place its students elsewhere.⁷⁰

Although the state board's new accountability system is performance based, it does not provide any additional cash incentives to school districts for improved performance. Presently school districts receive additional state financial aid for improvements shown in average student attendance, and student attendance is a measure of student performance.

This "performance based" new accountability system proposed by the state board has been cited because it represents a foundation to which a cash incentive could be added to convert it to a "pay for performance" accountability system.

The White House Responds

In 1983, President Ronald Reagan traveled across the country:

...stumping for his brand of education and his views on educational policy. Seldom has a chief executive injected himself so deeply in school issues in one year. He made education news, took the headlines, stimulated discussion, and... put education on the national agenda. He delivered commencement addresses, spoke at conventions of the American Federation of Teachers... and of the National P.T.A., visited elementary and secondary schools, lectured to students, and accepted honorary degrees.

At these speaking and photo opportunities, Mr. Reagan urged parents and school districts to regain control of education, charged that federal dollars have

⁷⁰"State to Raise Learning Goals School Revamp to Focus on Student Performance," Chicago Sun-Times 15 (March 1991): 1, 10.

resulted in a decline of educational quality, and extolled merit pay as an important solution to what ails teaching.⁷¹

On April 26, 1988, on the fifty anniversary of the release of the "Nation at Risk" report, then Secretary of Education, William Bennett, delivered a report to President Ronald Reagan; the report was entitled: "American Education: Making It Work."

In his report, Secretary Bennett acknowledged evidence of some slight improvements in education, but he also argued that such improvements were insufficient and that we were still a "nation at risk."

He said that if we were going to attract and retain the best professionals, then we must discontinue practices that pay people for seniority and paper credentials. He proposed a salary system that rewarded professionals for performance. He cited merit pay as a reasonable alternative to current pay practices.⁷²

On June 14, 1988 during a Presidential Scholars' luncheon in Washington, D.C., Vice President George Bush, proposed a new \$500-million federal program that would reward schools serving disadvantaged pupils that "significantly improve" their academic achievement. Each state would determine its own criteria for the designation "National Merit School", and every school

⁷¹Stanley Elam, ed., The Gallup, Phi Delta Kappa Polls of Attitudes Toward Public Schools: A 20-Year Compilation of Educational History (Bloomington: Phi Delta Kappa, 1989), 144-145.

⁷²Excerpts from Bennett's Status Report on School Reform," Education Week 4 (May 1988): 16-17.

that met the criteria would be recognized as such.... But successful schools serving disadvantaged students could earn not only the accolade... but also awards up to \$100,000.⁷³

At the luncheon, Vice President Bush said,

To achieve quality results, we must set and enforce standards, provide incentives and permit the freedom and flexibility at the local level to experiment with new ideas.⁷⁴

When George Bush became President, he included his proposal for "Presidential Merit Schools" as part of his package of educational initiatives; he presented his package in the winter of 1988, and in July, 1989, the Senate Labor and Human Resources Committee approved the proposal.⁷⁵

During the last week of 1989, President Bush and the nation's governors participated in a two day educational summit in Charlottesville, Virginia, and one of the initiatives that resulted from that conference was the need to establish some national goals and performance standards for public schools. The participants in the conference also agreed to give school districts greater latitude in the use of federal educational funds in exchange for commitments to meet prescribed performance standards. The final report recommended programs that would systematically reward

⁷³"Bush Proposes \$500 Million in Rewards for 'Merit Schools'," Education Week 22 (June 1988), 5.

⁷⁴Ibid.

⁷⁵"Financial Awards for High-Performing Schools Are Gaining Favor," Education Week 27 (September 1989): 13.

excellence and performance.⁷⁶

The most recent White House push for "performance based" pay can be found in President Bush's education budget for 1992. In the President's 29.6 billion dollar education budget, funds are available:

... to reward schools that raise student achievement levels, ... incentives to increase student performance in mathematics and science and recognize and reward excellent teachers.⁷⁷

The Public Responds

When asked in the 1970 Second Annual Gallup/Phi Delta Kappa Poll of Attitudes, whether teachers should be paid based upon the quality of their work or on the basis of a standard scale, 58 percent of those polled said that teachers should be paid based upon the quality of their work, and 36 percent said that they should be paid on the basis of a standard scale.

In the same 1970 poll, 67 percent of the public said that they were in favor of a school system that held both teachers and principals more accountable for the progress of the students.⁷⁸

In the 1983 Gallup/Phi Delta Kappa Poll, 61 percent of the American public said they were in favor of merit pay and

⁷⁶"Bush and Governors Pledge National Goals and Accountability," Education Week 4 (October 1989): 1, 10.

⁷⁷"Bush Education Budget Slanted Toward Choice," AFSA News 7 (March 1991): 1-2.

⁷⁸Elam, 22.

31 percent said that they were in favor of teachers being paid on the basis of a standard scale.

Among those who were familiar with the findings of the "Nation at Risk" report, 71 percent said that they were in favor of merit pay.⁷⁹

In 1983, 39 percent of the public said that they would vote to have their taxes raised if the public schools needed more money, and 52 percent said that they would oppose such a tax increase, but when asked if they would be willing to have their taxes increased if it would raise the standard of education, 58 percent of the public said that they would be willing and 33 percent said that they would not.⁸⁰

In 1984, 65 percent of the public said that they were in favor of merit pay. Among those who had heard or read about merit pay programs, 76 percent were in favor of such programs.

When given a choice of seven criteria which should be used as the bases for determining merit pay, 68 percent of the public favored the use of academic achievement or improvement of students (as measured by standardized tests).⁸¹

In 1985, 60 percent of the American public said that they were in favor of merit pay, and those without children

⁷⁹Ibid., 154.

⁸⁰Ibid.

⁸¹Ibid., 167-168.

in the public schools favored merit pay nearly as much as public school parents; 59 percent of those without children in the public schools were in favor of merit pay.⁸²

In 1988, 84 percent of the American public said that they were in favor of an increased pay scale for teachers who had proven to be particularly capable. This represents the highest public approval rating for the concept of "merit" or "performance based pay" since the Gallup Poll has been sampling the public's opinion about the subject.⁸³

The Theoretical Significance of Pay

The amount of money that organizations spend on pay represents the largest expenditure in the budget of those organizations; the amount of money spent on salaries represents over 50 percent of the total budget.

Management has done a poor job of assessing the return that it gets from the money it spends on wages and fringe benefits....

The money spent on salaries should be thought of not as a cost which buys a certain number of people, but as an investment in human beings who bring about valued and measurable results.

Observational evidence abounds that pay is important to people. As Opshal and Dunnette (1966) note, people everywhere seem to behave as if money were a prime goal.... What is less clear is why and how an intrinsically neutral object like money becomes

⁸²Ibid., 179.

⁸³Ibid.

valuable to people.⁸⁴

Money As An Acquired Drive

In his "Drive Theory," C.L. Hull argued that whenever a need arises within an organism, a drive would be produced which would activate and energize the organism toward the fulfillment of that need.⁸⁵

A number of theorists have argued that people can develop learned or acquired drives for various objects. According to this view, people can develop a drive for money that is independent of any other drive, so that even if all their other drives are satisfied they will still seek money.⁸⁶

Dashiell (1928), Anderson (1941), and others have argued that external stimuli can acquire drive properties when the stimuli occur often enough in contiguity with primary drives. Anderson has called his idea "externalization of drive."

In order to test his thinking, Anderson (1941) trained rats under conditions of hunger and food reward. He conducted a substantial number of trials in one maze and then transferred the rats to another maze. Although the animals were hunger satiated at the time of transfer, they still learned the new maze. Anderson explained the rats' learning by arguing that the rats developed an acquired drive for learning the maze and entering the goal box that was independent of their hunger drive.⁸⁷

The desire for money is an acquired drive because it is

⁸⁴Edward Lawler, III, Pay and Organizational Effectiveness: A Psychological View (New York: McGraw-Hill Book Company, 1971), 11-15. [This source is cited extensively because it is the most comprehensive source of information on the theoretical bases for merit pay or pay for performance.]

⁸⁵Ibid., 83.

⁸⁶Ibid., 16.

⁸⁷Ibid.

frequently associated with the reduction of such basic drives as hunger and thirst; therefore, over an extended period of time, money begins to develop drive properties of its own--which means that people will seek money even when they are not hungry or thirsty.

Money can also become an acquired drive because it is associated with the reduction of such "avoidance drives" as fear and worry.

When a person receives money, it tends to reduce the fears and worries that are associated with problems caused by a lack of money; therefore, since the possession of money is associated with the reduction of such avoidance drives as "fear" and "worry", it has the power to drive and direct behavior even when these avoidance drives are not present.⁸⁸

Money as a Secondary Reinforcer

Money has generally been considered to be an object that has the potential to become a secondary reinforcer because of its association and frequent pairings with such primary reinforcers as food, water, security, improved social relationships and recognition.

The concept of secondary reinforcement has an important role in the Hullian theory of motivation (Hull, 1943, 1951, 1952) and in the theories of Spence (1956) and other stimulus-drive theorists. A typical example of secondary reinforcement in the experiential psychology literature is in the persistence of a turning behavior

⁸⁸Ibid., 16-17.

in a simple T maze when the empty goal box on the side to which the animal is supposed to turn is a box he has frequently been fed. The analogy to money is rather direct, and since the presence of money is often associated with receiving primary rewards, it could become a secondary reinforcer or have reward value, just as the goal box has in the T maze.⁸⁹

Because of its association with primary reinforcers, money has become a "conditioned incentive" that has the power to stimulate behavior normally associated with such primary reinforcers as food, water, security and recognition.

According to V.H. Vroom's cognitive model of motivation (1964), money has value because it is considered to be an instrument for obtaining other desired outcomes such as food, water, shelter, improved social relations and recognition.⁹⁰

Money, an intrinsically neutral object, has value to people because it is an incentive to which people have been conditioned to respond because of its association with the reduction of primary drives and because it is perceived to be an instrument for obtaining desirable outcomes. As a conditioned incentive, money eventually gains drive power and reward value independent of the primary drives and primary rewards upon which it is based.

⁸⁹Ibid., 17.

⁹⁰Ibid., 18-19.

Merit Pay and the Theories of Maslow and Herzberg

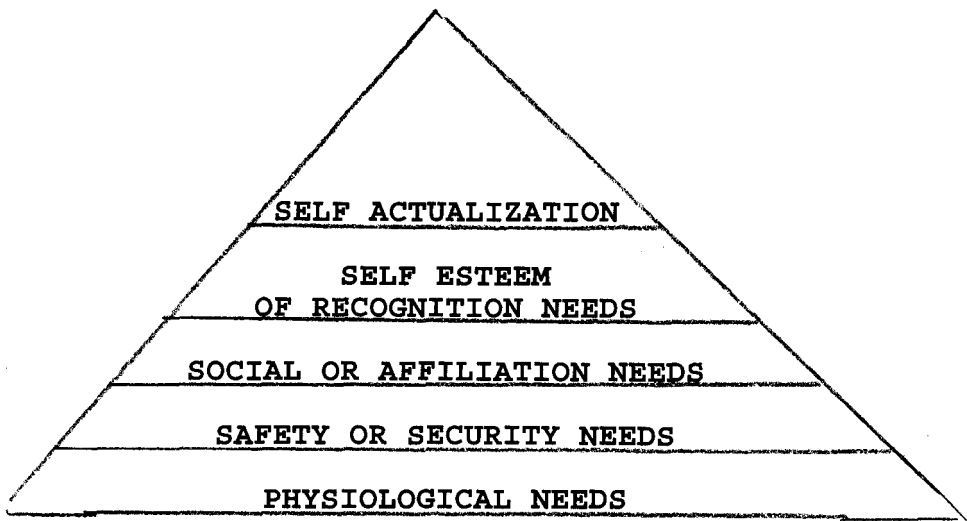
Pay first became a major research topic during the scientific management period (1900-1930). F.W. Taylor said that employees must be given an economic incentive if they are expected to work to their full potential.

During the 1930s and 1940s, the human relations movement became prominent, and the emphasis was on the importance of non-economic factors and their influence on how workers performed. The research done during this period was designated to prove that pay was not important to workers.⁹¹

At beginning of the human relations period, there was no single theory to explain the relative insignificance of pay to employees, but in 1943, a theory did appear in the form of Abraham Maslow's theory of motivation.

According to Maslow's theory, human needs are arranged in a hierarchy, and the higher level needs will drive behavior only after the lower level needs have been appropriately satisfied. The model is on the following page:

⁹¹Ibid., 7-8.



According to Maslow's theory, needs are "unsatisfied states," and the higher order needs will direct, energize or motivate the behavior of the organism only after the lower order needs are appropriately satisfied.

The bottom level of the hierarchy includes a number of physiological needs (e.g. hunger, thirst, sex, oxygen); therefore, until these needs are appropriately satisfied, the behavior of the organism will not be motivated or directed by the needs that lie above.⁹²

In other words, the need for food and water is more basic than the need to be safe or involved in meaningful social relationships.

According to the theory, when the lower level needs are appropriately met, the behavior of the organism will then be motivated and guided by the next higher set of needs, and this process will continue until eventually the behavior of

⁹²Ibid., 26.

the organism is being motivated by the highest level of needs - which is self actualization, and it is at this highest level that the behavior of the organism is motivated by such needs as the need to learn new skills, the need for self development, the need to develop new competencies, and the need to achieve.⁹³

During the human relations period, pay was viewed as:

... satisfying only the lower order needs,... it is important only when these needs are not... satisfied.... since most lower needs are satisfied in our society, it is hardly surprising that pay is not important to employees.⁹⁴

As discussed earlier, money is an instrument or a tool that can be used to obtain other desirable outcomes, and it is in that sense that:

Money, typically, can be used to obtain outcomes relevant to the satisfaction of most of the needs listed by Maslow. Money can buy food, security, social relations, and to some extent, it can satisfy self actualization needs.⁹⁵

Again, because of its association with such primary needs as the need for food, water, safety, social relations and recognition, the desire for money can become an acquired drive, and the possession of money can become a secondary reinforcer of behaviors normally associated with such primary rewards as food, water, shelter, recognition and improved status. In both contexts, money can become a

⁹³Ibid.

⁹⁴Ibid., 8.

⁹⁵Ibid., 26.

conditioned incentive that operates independently of the needs upon which it is based.

Another view of money and its role in motivating workers was articulated by Dr. Frederick Herzberg:

Dr. Frederick Herzberg of the University of Utah developed a theory that helps clarify what makes an employee satisfied or dissatisfied in a job....

Herzberg defined two sets of conditions which affect an employee at work. He calls one "motivators" and the other "hygiene factors." The first group has the power to satisfy an employee. The second group can dissatisfy or demotivate when present in unsatisfactory form. The five most important motivators are achievement, recognition, the work itself, responsibility, and advancement. The five major hygiene factors are company policy and administration, supervision, salary, interpersonal relations and working conditions.

As Herzberg says, the motivators "describe man's relationship to what he does..." The hygiene factors describe the employee's "relationship to the context or environment in which he does his job." They "serve primarily to prevent job dissatisfaction while having little effect on positive job attitudes."⁹⁶

In summary, Herzberg argues that although excellent pay and good working conditions may prevent workers from becoming dissatisfied, they will not cause workers to become satisfied or motivated to improve their performance.

According to Edward Lawler, III,

In Herzberg's original study (Herzberg, Mausner, & Syndermann, 1959) the data demonstrated that pay was mentioned in two quite different contexts: (1) as a source of dissatisfaction when it was unfairly low and (2) as a source of satisfaction when it was seen as a form of recognition or a reward. Employees interviewed in this study made comments to the effect that raises

⁹⁶Auren Uris, 101 of the Greatest Ideas in Management (New York: John Wiley & Sons, 1986), 26.

can mean progress in work or a reward for good performance and that pay is often a form of recognition for a job well done. The implication of these comments and of the results of this study is that pay is often seen to be instrumental in the satisfaction of the need for recognition and esteem. Herzberg's theory has been subjected to heavy criticism during the last few years (Dunnette, Campbell, & Hakel, 1967; House & Wigdon, 1967). None of this criticism, however, has been directed at the finding that pay can often be seen as a form of recognition or reward and this can contribute to job satisfaction. In fact, it has been said that Herzberg did not emphasize this point strongly enough.... The tendency for pay to be mentioned as a contributor to satisfaction as often as it is mentioned as being unfairly low or dissatisfying has appeared in most of the studies that have attempted to replicate or test Herzberg's theory. Thus the data from the research on Herzberg's two factor theory clearly suggest that pay can be instrumental for the satisfaction of esteem and recognition needs.⁹⁷

The findings and reasoning of Edward Lawler, III, tend to suggest that pay is a satisfier and therefore can motivate workers to higher levels of performance.

Investigative Studies

A search of dissertations produced five that were related to this study. The following five dissertations were selected because they are related to the study of administrative merit pay programs.

Bruce Kienapfel completed a study very similar to this study in July, 1981. The work is entitled: "A Process to Develop Merit Compensation of School Administrators."

In his research, Bruce Kienapfel analyzed the descriptions of 36 merit pay programs for school

⁹⁷Lawler, 32-33.

administrators, and 35 of these descriptions came from a survey that was completed by the Educational Research Service, Inc. in June, 1978,⁹⁸ and other description was provided by a school district that was familiar to Bruce Kienapfel.

In his analysis of these 36 school districts, Bruce Kienapfel identified some common factors that appeared regardless of district size. He then used these factors to design several questions that school districts must answer in the process of designing merit pay plans for school administrators.

Among the 20 recommendations that he offered at the completion of his study, the following have direct significance for this study:

- 1) Any decisions concerning a merit pay plan should be made with the broadest representation of the administrators in that district. (This recommendation has particular significance for this study because the first component on the "Superintendent's Interview Format" is entitled: "Leadership/Input," and it requires that the ten superintendents who are interviewed for this study describe how they receive input from board members and affected administrators and yet assume primary leadership for the program's direction and

⁹⁸Porwoll, 55-123.

supervision.)

- 2) There should be a system that translates the outcome of the evaluation process into compensation dollars. (This recommendation is significant for this study because the sixth component on the "Superintendent's Interview Format" is entitled: "Evaluation/Conversion Component," and this component requires the superintendents being interviewed for this study to describe the procedures used for converting the summative evaluation into a dollar amount or percentage increase or decrease in merit pay.)⁹⁹

Bruce Kienapfel's research differs from this study in the following ways:

- 1) The purpose of this study is to derive and develop a merit pay paradigm for elementary school principals that can be used as a decision making tool by those elementary school districts that are considering or planning to implement a merit pay program for their principals.
- 2) The focus of the study involves only elementary school principals. The focus of Bruce Kienapfel's study involved all administrators or persons with supervisory functions regardless of the size of

⁹⁹A copy of the "Superintendent's Interview Format" is located in the Appendix.

the district or grade level.

- 3) In this study, the interview method was used to collect data; in his study, he did an analysis of the results of the survey method that was used by Educational Research Service, Inc..¹⁰⁰

William J. Hoff completed a study in 1985, and it is entitled: "An Analysis of Perceptual Differences Between Parents, Teachers, Principals, Superintendents, and School Board Members Relating to Issues Important to Merit Pay Implementation."

One of the outcomes of this study was to urge those school districts considering a merit pay program to give consideration to the development of standards specifying what the school district's outcomes are to be.¹⁰¹

William Hoff's research has significance for this study because the third component on the "Superintendent's Interview Format" is entitled "Merit Performance Expectations," and this component requires the superintendents being interviewed for this study to describe the procedures that they used to establish the outcomes or performance expectations that are the standards upon which

¹⁰⁰Bruce Kienapfel, "A Process to Develop Merit Compensation of School Administrators," (Ed.D. Dissertation, University of Wyoming, 1981).

¹⁰¹William H. Hoff, "An Analysis of Perceptual Differences Between Parents, Teachers, Principals, Superintendents, and School Board Members Relating to Issues Important to Merit Pay Implementation," (Ed.D. Dissertation, University of the Pacific, 1985).

merit evaluations are based. His research simply confirms the importance of establishing such outcomes or performance expectations which are the bases for merit evaluations.

Robert Kirk London completed a study in 1985, and the study was entitled: "Texas Public School Superintendents' Opinions Toward Merit Pay for Teachers and Administrators."

The purpose of his study was to examine superintendents of school districts having more than 1,000 A.D.M. and their opinions toward merit pay for teachers and administrators.

The superintendents chosen to be a part of the study were randomly selected from the 1983-84 Texas School Directory. A 12-item questionnaire was designed, tested for validity and reliability, and mailed to 280 selected subjects in June of 1984. Data collection was terminated when 205 responses had been received. The responses to the questionnaire were compiled and examined. The statistical treatment consisted of the computation of the frequency and percentage of responses.

Research question number 2 asked: "Should administrators who are more effective in job performance, as determined by a formal evaluation procedure, receive larger salary increases than those who are less effective?"¹⁰²

An analysis of the data revealed that a total of 203

¹⁰²Robert Kirk London, "Texas Public School Superintendents' Opinions Toward Merit Pay for Teachers and Administrators," (Ed.D. Dissertation, East Texas State University, 1985).

superintendents responded in the following manner to the second research question: 64 superintendents (31.5 percent) said that they strongly agreed; 115 superintendents (55.2 percent) said that they agreed; 22 (10.8 percent) said that they disagreed, and five superintendents (2.5 percent) said that they strongly disagreed; therefore 86.7 percent of the 203 responding superintendents support the concept of merit pay for administrators, and these responses did not differ significantly with regards to the superintendents' levels of education or years of experience.

The superintendents in this study felt that merit pay systems are likely to increase in public school systems in the state of Texas.¹⁰³

A study was done by Arlen Leo Baker in 1986 at Saint Louis University; the title of the study is "Attitudes of Illinois Public School Superintendents Towards Merit Pay for Teachers and Administrators."

The study was conducted for two reasons: 1) to measure the attitudes of Illinois public school superintendents towards merit pay for teachers and administrators, and 2) to determine whether there were any significant differences between attitudes held by superintendents towards merit pay for teachers and school administrators.

To determine the attitudes of the superintendents, the researcher developed and administered a questionnaire that

¹⁰³Ibid.

consisted of 42 items. The questionnaire was distributed to 252 Illinois public school superintendents, and they were completed and returned by 210 superintendents or 83.3 percent. An analysis of the data was completed using various statistical methods including t tests, cross tabulations, and Chi-Square analyses.

An analysis of the data collected indicated that Illinois superintendents who participated in this study felt that:

- 1) Merit pay programs for teachers or administrators should be voluntary.
- 2) Adoption of a merit pay plan for school administrators was more likely to promote excellence in education than would the adoption of such a plan for teachers.
- 3) Merit pay was more likely to eliminate incompetent administrators than teachers from the profession.¹⁰⁴

Allan Paul Deckard did a study in 1986; the study is entitled: "Potential Motivational Effects of Altered Compensation Rates in Comparison to Other Type Incentives on Building Principal Performance."

In this study, merit pay was initially characterized as

¹⁰⁴Arlen Leo Baker, "Attitudes of Illinois Public School Superintendents Towards Merit Pay for Teachers and Administrators," (Ed.D. Dissertation, Saint Louis University, 1986).

a hygiene factor which may decrease "job dissatisfaction" but may not necessarily increase "job satisfaction" or job motivation.

Merit pay, a hygiene factor, was compared with incentives that were considered to be related to "work meaningfulness" and therefore related to increased job motivation.

Principals were asked to choose between merit pay and those incentives considered to be related to increased "job meaningfulness," and of the 312 principals surveyed, 244 responded providing a 78 percent return rate with the following results: 28 percent preferred merit pay at the five percent level, 47 percent at the 10 percent level, 63 percent at the 15 percent level, and 68 percent preferred merit pay at the 20 percent level. The Frequencies that were tallied and the percents derived indicated a consistent preference for merit pay at the 15 and 20 percent levels irrespective of demographics.

These results would seem to indicate that "work meaningfulness" incentives are desirable to principals, but when paired against ever increasing levels of potential monetary compensation, they lose their attractiveness.¹⁰⁵

In summary, the national push for merit pay was evident

¹⁰⁵Alan Paul Deckard, "Potential Motivational Effects of Altered Compensation Rates in Comparison to Other Type Incentives on Building Principal Performance," (Ed.D. Dissertation, University of Oregon, 1986).

after the April, 1983 publication of the report entitled: A Nation at Risk: The Imperative for Educational Reform. This push has been documented throughout the eighties and early part of the nineties by the emergence of national reports, and state initiatives, public positions taken by executives at the White House, favorable public opinion polls, and the 1986 research of Arlen Leo Baker which indicated that all of superintendents in Illinois who returned the questionnaire (83.3 percent) felt that a merit pay plan for administrators would promote excellence in the schools and would tend to eliminate incompetent administrators from the profession.

These national trends and the attitudinal climate of superintendents in the state of Illinois augur well for the prospects of merit pay in the state of Illinois.

CHAPTER III

PRESENTATION OF DATA

This study was conducted for two reasons: 1) to collect data from the superintendents or their designees of ten Illinois school districts that have merit pay programs for their principals, and 2) to use these data to derive and develop a merit pay paradigm for elementary school principals that can be used as a decision making tool by those elementary school districts that are considering or planning to implement a merit pay program for their principals.

A case study approach for each of the ten elementary school districts was developed through in-depth personal interviews of each of the ten superintendents or their designees, and the interviews were conducted using a questionnaire that followed the format outlined in the "Superintendent's Interview Format."¹

These interviews were conducted to answer the following questions:

- 1) What merit pay components will remain on the

¹A copy of the "Superintendent's Interview Format" is located in the Appendix.

prepared interview format after these components have been screened by the superintendents or their designees.

- 2) As a result of these interviews, what merit pay components will emerge that were not a part of the prepared interview format?
- 3) What components will comprise the merit pay paradigm that is derived as a result of these interviews?
- 4) What can be learned from the strengths and weaknesses of these programs?
- 5) What recommendations can be offered to those elementary school districts that are considering or planning to implement merit pay programs for their principals.

Chapter III presents the data collected during the ten interviews of the superintendents. Chapter IV deals with the analysis of the data collected, and Chapter V presents the merit pay paradigm, summary, conclusions and recommendations.

Interview Number One

Description of School District A

School District A serves a heterogeneous socioeconomic, multicultural population of 4,600. There are two public elementary schools in the district. One of the schools encompasses grades K-4. The other elementary school

includes grades 5-8. The district's estimated equalized assessed value is \$73,170,489. The average expenditures per child is \$3,900. The average expenditure per child for a district of similar size is \$3,666. The average expenditure per child for the state is \$4,008.

There are 703 students enrolled in the district in grades K-8: 78.8 percent White, 10.2 percent Black, 2.0 percent Hispanic, 8.9 percent Asian, and 3.6 percent low income. There are 33 teachers in the district: 96.9 percent White and 3.1 percent Black.

The pupil/administrative ratio is 18.27:1. The average for the state is 245.6:1. The average for a district of similar size is 210.7:1.

The average administrative salary is \$52,667. The average for the state is \$47,674. The average for a district of similar size is \$47,317.

All of the interviews followed the outline of the "Superintendent's Interview Format." The data collected represent the responses given by the superintendents or their designees to the questions formulated in each of the components that comprise the interview format.

Interview of Superintendent A

1. **Leadership/Input Component:** According to Superintendent A, the merit pay program for principals has been in operation for five years, and provisions for input is a part of the design and on-going development of the

program.

Board members and principals were involved when the program was designed, and their recommendations for revisions of the program are frequently sought and carefully considered.

The superintendent cited a situation wherein the principals wanted a consideration of extracurricular activities to be included in their performance expectations. Their input was considered and included in the revision of the document.

Although Superintendent A views input as a valuable tool for giving those involved in the program a sense of ownership for its maintenance and success, he cautions against its use without some clear guidelines and directions.

The superintendent said that all procedures and guidelines concerning the evaluation and compensation of principals should be predetermined and mutually sanctioned by the board and its superintendent, and all decisions that are made in these areas must not deviate from these predetermined guidelines and procedures.

The superintendent stated that input is a necessary component of a workable merit pay program for elementary school principals, but further stated that the superintendent must be primarily responsible for directing and supervising the program. Superintendent A provides that

leadership in the following ways: monitoring the program, observing principals in their assigned schools, conferencing with principals concerning observations made during those observational visits, providing principals with annual summative evaluations, making recommendations concerning evaluation and the related salary adjustments to the board, and providing mechanisms for broad input and revisions of the program.

2. Commitment Component: According to Superintendent A, the board has committed itself to the merit pay program in the form of goal statements as reflected in the following statements of goals:

The purpose of yearly administrative performance appraisal is as follows:

1. To provide a record of the principal's performance productivity.
2. To improve the principal's job performance through the establishment of specific performance targets.²

According to Superintendent A, it is this written record of the principal's performance and productivity that is the basis of the principal's merit pay.

The superintendent also stated that the board's commitment to merit pay is and should be reflected in goal statements which support the concept of merit pay, and that commitment is and should be reflected in an adequate budget to support the program.

²The complete statement of Policy of the Board of Education of District A, Code: #2210.1 is a confidential document.

According to Superintendent A, the budget should be based upon the salaries of principals in the county wide market place. He recommended to the board a \$10,000 base for salary increases for each of his principals. His recommendation was denied without significant impact upon the operation of the program.

Superintendent A stated that his board has elevated the merit pay program to the level of policy, and that commitment is reflected in the following policy statement.

Salary recommendations will be made by the superintendent of schools to the Board of Education at the May Board meeting for Board consideration and approval. Salary recommendations will be determined by utilizing the current salary of the principal and evaluation of performance.³

The superintendent stated that when the board demonstrated its commitment to a merit pay program by elevating the program to the level of policy, such a move gave the program a measure of stability that would prevent it from being easily subjected to major alterations by new board members or superintendents.

3. Merit Performance Expectations: According to Superintendent A, the performance expectations that are the bases of merit decisions are clearly identified, research based, related to teacher performance, are communicated to the principals in writing but are not tied directly to

³The complete statement of Policy of the Board of Education of School District A, Code: #2210.2 is a confidential document.

measures of student outcomes.

The "Administrative Performance Appraisal for principals"⁴ clearly identifies the performance expectations for all principals. These performance expectations are research based because they require principals to manage their schools by objectives and to organize their schools around the correlates of effective schools' research which emphasize the principal as instructional leader, schoolwide emphasis on basic skills, an orderly school climate, and close monitoring of the instructional program.

The performance expectations are related to teacher performance because the superintendent expects principals to observe the quality of instruction and to provide corrective feedback at least five times per year. The superintendent evaluates principals on how well they evaluate the performance of teachers.

Superintendent A said that measures of student outcomes are not a part of the performance expectations of this merit pay plan because the student attendance turnover rate is 42 percent. He said that such an expectation should not be a part of any plan unless the plan is being implemented in a district with a stable student population.

According to the superintendent, the correlates of the

⁴"Administrative Performance Appraisal for Principals" in School District A is a confidential document.

effective schools' research provide the research base for the "Administrative Performance Appraisal for Principals."

4. Preparation Component: According to the superintendent, at the end of each annual evaluation cycle, the administrative strengths and weaknesses of the principals are assessed, and a training module is planned for the following school year.

To eliminate weaknesses, principals are sent to workshops conducted by The Association for Supervision and Curriculum Development and the Administrators' Academy.

Principals are also encouraged to network with other principals who evidence strengths in their areas of weaknesses.

5. Monitoring Component: According to Superintendent A, the performance expectations of the principals are frequently monitored throughout the school year. At the beginning of the school year, the principals are expected to develop, share with staff and submit to the superintendent yearly goals and objectives. The superintendent regularly meets with the principals to monitor and check progress toward the attainment of these goals and objectives.

Superintendent A also monitors the progress that the principals are making toward the evaluation of instruction. Each principal submits reports of teacher observations to the superintendent; these observations are then reviewed by the superintendent and returned with corrective feedback.

Superintendent A attends building staff and inservice training meetings to assess how the principals are utilizing these forums to address the needs of the buildings, and he said that monitoring is a very vital component of any merit pay program.

6. Evaluation/Conversion Component: Each principal is evaluated using the document entitled: "Administrative Performance Appraisal for Principals." This document is divided into three general categories:--GENERAL ADMINISTRATION, CURRICULUM DEVELOPMENT AND SUPERVISION, and COMMUNICATION SKILLS. Each of these general categories is subdivided numerically into sections which describe the tasks associated with each general section. Each of these tasks is rated numerically in the following manner: 1=Exceptional Performance, 2=Outstanding Performance, 3=Adequate Performance, and 4=No Performance.

The ratings for all sections are summarized and then converted into a board approved merit salary increase based upon a pre-determined scale.⁵

Although the performance evaluation plan for School District A has no provisions for a decrease in pay based upon the unsatisfactory performance of its principals, Superintendent A said that such a provision should be included in a merit pay plan for principals.

⁵The "Administration: Principal's Compensation" plan CODE: #2210.1 for principals in School District A is a confidential document.

7. Appeal Component: According to Superintendent A, the right of principals to appeal merit pay decisions is a part of the program. If a principal wants to appeal a merit pay decision, that principal would put the request with reasons in writing and submit the same to the superintendent. The superintendent would then place the request on the agenda for a board meeting.

The superintendent said that appeals for board review have previously been made, and in each case, the board has upheld the decision of the superintendent.

8. Annual Review: Superintendent A said that the merit pay program is reviewed every three years. He said that annual reviews subject the program to too many things-- most notably the political and individual whims of board members.

9. Emerging Components I: Superintendent A said that the only component that is included in his program and is not on this prepared sheet, but should be a part of any program, is the component entitled: "Job Description."⁶ According to the superintendent, such a component would describe the Qualifications, General Responsibilities and Specific Duties of the principals, information that is vital to any merit pay program.

10. Emerging Components II: Superintendent A did not

⁶The "Job Description 1.50" for principals in School District A is a confidential document.

identify any components that should be included in any program that were not either already on the prepared sheet or a part of the district's program.

11. Identify and Describe the Strengths and Weaknesses of Your Program: Superintendent A cited the following features as strengths of the district's program: the job descriptions, the evaluation instrument and related salary ranges, the mechanisms for input, the level of board commitment as reflected in the budget and policy statement, the schedule for review, and the provisions for appeal.

He said that a major weaknesses of the district's program is a lack of time for the superintendent to gather sufficient data on the performance of each principal to make an objective decision concerning merit pay.

He also cited board capriciousness or failure to adhere consistently to policy when responding to recommendations from the superintendent concerning merit pay for principals.

12. What Recommendations Would You Offer to Elementary School Districts that are Considering or Planning to Implement a Merit Pay Program for Their Principals?:

Superintendent A made the following recommendations:

1. The district should prepare clearly defined job descriptions and design an evaluation instrument based upon these job descriptions.

2. The superintendent must thoroughly discuss the components that determine merit with the board to ensure

that each member accepts and understands the components.

3. Involve the board and administrative staff in the development of the program to get their support.

4. "Fieldtest" the plan for two years prior to complete implementation to determine where the problems are.

5. Persuade the board to make a dollar commitment prior to implementing the program.

6. Make scheduled revisions, but not annually.

Interview Number Two

Description of School District B

School District B serves a student population of 1,145 students in grades K-8. There is one middle school (grades 6-8), and three elementary schools. One elementary school has grades K-2. The second elementary building includes grades K-5. The third elementary building includes grades 3-5. The district's estimated equalized assessed value is \$156,719,046. The average expenditure per pupil is \$3,634. The average for a district of similar size is \$3,666. The average of the state is \$4,008.

Among the 1,145 students enrolled in the district, 90.4 percent of them are White; 1.3 percent are Black; 5.2 percent are Hispanic; 3.1 percent are Asian, and 6.3 percent are considered low income. There are 61 teachers in the district, and 100 percent of them are White.

The pupil/administrative ratio is 235.0:1. The average for the state is 244.4:1. The average for a district of

similar size is 209.9:1.

The average administrative salary is \$51,920. The average for the state is \$47,674. The average for a district of similar size is \$47,317.

Interview of Superintendent B

1. Leadership/Input Component: According to Superintendent B, the district's merit pay program has been in operation for 15 years, and provisions for input is a part of the program and should be a part of any program.

The merit pay program for principals in School District B allows board members, parents and principals to provide input into the program's basic structure and design, but the superintendent is primarily responsible for the program's daily operation and the evaluation of principals which constitute the basis of merit decisions.

The superintendent is responsible for explaining the program to board members, parents and members of the administrative staff so that they thoroughly understand the intent and design of the program. The superintendent also is responsible for providing regular updates regarding the program's progress so that those who are involved in the program will have the information needed to make informed input. Only the board in collaboration with the superintendent can amend or alter the program.

2. Commitment Component: Superintendent B said that although his board has not elevated the merit pay program

for principals to a policy level or developed any goal statements related to the program, he said that all such programs should be clarified by goal statements but should not be elevated to the level of policy. Superintendent B feels that giving the program policy status would make it harder to eliminate the program at a later date and would therefore limit the flexibility that any future superintendent would need to design his or her own program for the evaluation of principals. The superintendent did state that the program was supported by an adequate budget.

3. Merit Performance Expectations: According to Superintendent B, the performance expectations of each principal are clearly identified and categorized under the following major categories: Climate, Program Leadership and Administration, and each of these board categories is divided into several subcategories.⁷

Superintendent B stated that the performance expectations for building principals contain features that are based upon certain aspects of Rensis Likert's continuum of management styles and certain aspects of the research on effective schools. Consistent with Likert's management systems, principals are given additional points for developing System 3 communication systems within their schools which facilitate the flow of decisions up and down

⁷The principal's evaluation from for School District B is a confidential document.

the hierarchy. They are also evaluated on how well their schools reflect the principal's role as instructional leader, a schoolwide emphasis on basic skill development and the extent to which the school reflects a disciplined and orderly climate in which instruction can take place, all of which are correlates of the research on effective schools.

The principal's effectiveness in evaluating teacher performance is included under the general category of Program Leadership. Student achievement is included among the principal's performance expectations, but only in terms of how the principal uses the results of standardized testing to plan the instructional program for the following year.

4. Preparation Component: According to Superintendent B, each principal's performance evaluation is reviewed and the strengths and weaknesses are identified. The following school year, the principal is referred to appropriate workshops and conferences that are designed to remediate performance weaknesses and enhance performance strengths. Superintendent B indicated that all training opportunities for principals were conducted outside of School District B.

5. Monitoring Component: Superintendent B stated that he meets with all of his principals at least once a month to monitor the progress that they are making toward the attainment of their performance expectations.

6. Evaluation Conversion Component: According to

Superintendent B, each principal will receive a basic salary adjustment each year which reflects a percentage of the cost of living as of May 1st of the evaluation year. The percentage of the cost of living that will be given to the principals will be determined by the board in March of the evaluation year.

In addition to a salary increase based upon a percentage of the cost of living, a merit salary increase is also available to the principals. The size of the merit increase depends upon how well they performed on the subcategories of the performance evaluation.

Each subcategory of the evaluation is awarded a point value that ranges from one to 10, and in addition, each subcategory is given a weighting. To determine the total net points given to each subcategory, the awarded points are multiplied by the weighted value of each subcategory, and after the total net points are assigned for the entire evaluation instrument, this amount is divided by 20 (total value of weightings) to determine the average point amount.

The Board of Education of School District B develops a chart that illustrates the relationship between a percentage increase in salary and a range of average points on the evaluation instrument, and the principal is given the merit salary increase that corresponds to the amount of the average points achieved.⁸ Superintendent B does not

⁸Ibid.

support the idea of a percent decrease in merit pay based upon an unsatisfactory performance evaluation.

7. Appeal Component: Although Superintendent B indicated that a merit pay plan for principals should have an appeal process in those instances when principals disagree with the merit pay decision of the superintendent, he stated that the merit pay plan for principals in School District B did not have a formal appeal procedure. He said that a summative evaluation conference is conducted with each principal and the superintendent, and that this conference is followed by a summative evaluation conference that includes the principal, the superintendent and the board. Although an opportunity for appeal exists during this second conference, such an opportunity is not considered to be a formal part of the process.

Superintendent B said that on at least one previous occasion, the board has exceeded his recommendation for merit pay for a principal because the board decided that the principal deserved more points in one area. But he said that the board has never given fewer points than he has recommended.

8. Annual Review: Superintendent B said that the program should not be reviewed annually. He stated that his program is reviewed every three years with input from the principals, the board and the superintendent. He said that he gets new board members every two years, and annual

reviews would subject the program to the whims of new board members who are not familiar with the program. He stated that the program should be experienced by a new board member for at least a year before any recommended changes are sought. Therefore, annual reviews could subject the program to capriciousness and uninformed input. Superintendent B, as did Superintendent A, indicated that the program should be reviewed every three years.

9. Emerging Components I: Superintendent B did not identify any components that were a part of the district's program that were not already considered in some manner on the prepared sheet.

10. Emerging Components II: Although not present in his district's program or on the prepared list of components, Superintendent B said that any merit pay program should include a component that describes the importance of a well defined job description or a document that clearly establishes what principals are expected to do. From this job description would come the performance expectations that form the foundation from which all merit pay decisions are made. Superintendent B suggested that a component describing the importance of a clearly defined job description be added to the prepared list of components.

Superintendent B also identified another component that should be included in a merit pay program for principals, but was not on the prepared list of components nor was it

included in his district's merit program for principals. This component would describe the general philosophy of evaluation--its purposes and the ends it was designed to attain. The component would also include the goal statements alluded to in the Commitment Component.

11. Identify and Describe the Strengths and Weaknesses of Your Program: Superintendent B cited the following features as strengths of his district's program: the program is comprehensive in that it covers several broad areas; the performance evaluation is relatively objective in that it is based on a point system that includes weightings of performance categories; and it is a narrative system, not a checklist.

The following weaknesses were also cited: The extensive systems for gathering information need improving. The parent surveys need revision. They provide a general overview of the parents' views of the schools, but principals need help in developing the skills needed to organize ongoing parent groups that can provide the kind of specific survey information that will guide and direct decision making.

12. Recommendations: Superintendent B said that any elementary school district that is considering a merit pay program for its principals would be strongly advised to begin slowly and keep the program as simple as possible.

He recommended that such districts form a planning

committee with the purpose of answering the following questions: 1. What do we want to achieve with administrative evaluation? 2. How do we want to go about it, and 3. How are we going to convert the performance evaluation summary into the dollars available for merit pay?

Interview Number Two

Description of School District C

School District C serves a student population of 6,191 students in grades pre kindergarten through eighth. There are 15 elementary schools in the district, two middle schools (grades 6-8), one middle school (grades 5-8), six elementary schools (grade K-5), three elementary schools (grades K-4), one elementary school (grades K-8), and two special education elementary schools. The district's estimated equalized assessed value is \$960,000,000. The average expenditure per child is \$5,989. The average per child for a district of similar size is \$3,948. The average for the state is \$4,215.

Among the 6,191 students enrolled in the district, 48.3 percent of them are White; 44.8 percent of them are Black; 3.7 percent of them are Hispanic; 3.0 percent of them are Asian, 0.1 percent of them are Native American, and 21.0 percent are low income. There are 475 teachers in the district; 75.2 percent of them are White; 22.7 percent are Black; 0.4 percent are Hispanic, and 1.7 percent are Asian.

The pupil/administrative ratio is 174.4:1. The average

for the state is 244.4:1. The average for a district of similar size is 230.3:1.

The average administrative salary is \$59,799. The average for the state is \$49,983. The average for a district of similar size is \$52,045.

Interview of Superintendent C

1. Leadership/Input Component: According to Superintendent C, the merit pay program for principals has been in operation for ten years. Broadly based input is a major component of the design and implementation of the district's merit pay program for principals. The superintendent stated that provisions for input should be a major component of any program.

The superintendent gets input from the board by interacting with them to develop district wide objectives for the merit pay program. Each school has a school improvement team that consists of principals, assistant principals, teachers, parents, community persons; and in some middle schools, students are involved. These school improvement teams develop objectives for their schools and activities that are designed to achieve these objectives.

These school improvement teams are designed to give those persons most directly involved with the local schools the power needed to impact directly what happens in their schools. Although principals and assistant principals are members of these teams, they are not authorized to function

in leadership capacities. These teams may assist the principals in their efforts to accomplish their job targets.

The superintendent or the superintendent's designee gets input from the principals by meeting with them annually to develop job targets together that are related to district wide objectives. These mutually developed job targets would initially be the standards for determining principal's performance expectations, and the principals' performance on these job targets would ultimately provide the evidence for determining merit pay awards.

Although Superintendent C cited provisions for input, he indicated that he is and the superintendent should be primarily responsible for the supervision and coordination of the program.

2. Commitment Component: Superintendent C stated that the Board of Education of School District C has committed itself to the merit pay program for principals by entering into an Administrative Agreement with the Administrators' Association. This agreement establishes a policy of providing merit bonuses for principals who meet district performance standards.⁹ Such merit bonuses are awarded for exceptional performance in any one year. Such bonuses are paid out of a fund which represents two percent of the total annual salaries for all administrators and will be awarded

⁹The "Administrative Agreement 1989-90" for administrators in School District C is a confidential document.

for one year only.

Superintendent C stated that the merit bonus fund was inadequate. He further indicted that the board should provide a merit bonus fund that represents five percent of the total annual salaries for administrators because such an amount represents a more appropriate index of the board's budgetary commitment to the program and a more effective incentive for principals to achieve.

The superintendent said that the program was not characterized by any goal statements, but according to the document entitled: "Staff Development and Evaluation Program," the primary goal of the merit pay program is to "raise the quality of instruction through a system that will result in staff development, improved staff performance and accountability."¹⁰

3. Merit Performance Expectations: According to Superintendent C, the performance expectations for principals that are the bases for merit awards in this district are the mutually developed job targets and the behaviors cited on the evaluation instrument for principals. At the end of the year, each principal receives a written narrative documenting how well that principal performed in relation to those performance expectations. The superintendent indicated that the performance expectations

¹⁰"The Staff Development and Evaluation Program" for School District C is a confidential document.

were related to teacher performance and student outcomes because principals are evaluated on how well they evaluate instruction and develop preventive strategies for improving student behavior.

The superintendent stated that the performance expectations were not based upon any research.

4. Preparation Component: According to Superintendent C, the Board of Education of School District C provides training for principals if such training is needed for the principals to accomplish those job targets that are related to the district wide objectives. The superintendent indicated that principals should be trained to perform those tasks that are expected of them.

5. Monitoring Component: According to Superintendent C, he makes very informal visits to each principal two or three times a year to check each principal's progress toward the attainment of the job targets. The superintendent emphasized that these visits are very informal and nothing is reduced to writing. During these visits he envisions himself as a coach or one who provides support and encouragement to members of his administrative team.

These informal visits are supplemented with a minimum of three formal observational visits by the superintendent or the superintendent's designee. These formal observational visits provide the principals with formative observational feedback concerning the progress that they are

making toward the job targets and the four general areas of performance outlined in the evaluation program.

According to Superintendent C, all merit pay programs for elementary school principals should have provisions for monitoring the performance of principals throughout the year.

6. Evaluation/Conversion Component: It was here that the superintendent was most critical of his district's merit pay program. He indicated that at the end of the evaluation cycle, each principal receives a summative evaluation which is a written narrative that summarizes the results of all of the formative evaluations conducted during the monitoring phase of the process. Without reference to any predetermined guidelines, the superintendent then decides to evaluate the principal's performance in accordance with the following scale: unsatisfactory, satisfactory, excellent and superior. The superintendent then uses the written narrative to decide how much of the board approved pool of merit dollars he is going to award arbitrarily to the principals evaluated as superior or excellent. Merit awards are not available for satisfactory or unsatisfactory evaluations.

The superintendent stated that the evaluation process is too subjective and dependent upon the discretion of the superintendent. The superintendent favors a more objective system that involves the assignment of points to

predetermined areas of performance, a system that can be reduced to a numerical summary and interpreted according to a range of performances, which would include unsatisfactory, satisfactory, excellent and superior. The superintendent is not in favor of a conversion formula that would convert these levels of performance into merit dollars. He wants more objectivity in the actual evaluation process, but wants to continue to have a wide range of discretion in how he assigns merit dollars to different levels of performance. He stated that all superintendents should have such discretion.

The superintendent stated that he does not believe in giving a principal a percentage decrease in merit pay as a response to poor performance. He said that poorly performing principals should be documented and fired.

8. Appeal Component: Superintendent C said that the merit pay program for School District C has no provisions for and there should be no provisions for formally appealing the merit pay decision of the superintendent.

Although there are not provisions for formal appeal, each principal completes a self evaluation of his or her performance on the four areas of the evaluation plan and the job targets. This self evaluation is reviewed and considered during the final evaluation conference with the superintendent. If there is no modification of the superintendent's assessment that reflects major departures

from the self evaluation, the principal has the right to cite his objections in writing and have the same attached and filed with the superintendent's evaluative narrative.

8. Annual Review Component: Superintendent C indicated that annual reviews are not necessary. He said that reviews of this program are conducted every two years. The review process involves a meeting of board members, the superintendent and the principals for the purpose of discussing and making necessary changes in the program. According to Superintendent C, all districts with merit pay programs for principals should conduct these reviews every two to three years.

9. Emerging Components I: According to the superintendent, the merit pay program in School District C does not involve any components that have not already been identified on the prepared list of components.

10. Emerging Components II: The superintendent did cite a component that was not on the prepared list of components nor was it a part of his merit pay program. The component that he cited was one that included a job description. He indicated that all merit pay programs for elementary principals should include a comprehensive job description, one that clearly identifies those behaviors that are the bases of all merit decisions. He stated that these job descriptions should clearly identify who is eligible for merit pay and exactly how they are eligible.

11. Identify and Describe the Strengths and Weaknesses of Your Program: According to Superintendent C, the district's program has two major strengths: 1) a forum for the development of district wide objectives and the development of principals' job targets that are related to these objectives. This linking of local job targets with district wide objectives unifies the efforts being expended locally with efforts being made at the district level. Both efforts are moving in the same direction, and 2) a regular schedule of informal monitoring visits by the superintendent to help the principals in their efforts to achieve their job targets.

Additionally, the superintendent cited the following weaknesses of his district's program: 1) The program does not reward principals sufficiently because only those principals with superior ratings are entitled to merit awards. The superintendent said that the program should be revised to include merit awards for each level of performance above satisfactory, and 2) the subjectivity of the present performance evaluation plan should be reduced by introducing a point system that allows points to be assigned to predetermined levels of performance.

12. Recommendations: Superintendent C strongly suggested that any elementary school district that is considering a merit pay program for its principals should begin slowly and organize a planning committee for the

purpose of visiting and observing school districts with merit pay plans and then select the plan that best meets the needs of the district.

Interview Number Four

Description of School District D

School District D serves a student population of 2,474 students in grades kindergarten through eighth. There are four elementary schools in the district (K-5) and one middle school (6-8). The district's estimated equalized assessed value is \$491,759,782. The average expenditure per pupil is \$6,017. The average for a district of similar size is \$3,948. The average for the state is \$4,215.

Among the 2,474 students enrolled in the district, 90.7 percent are White, 7.9 percent are Asian; 1.1 percent are Hispanic; 0.3 percent are Black, and 0.8 percent are low income. There are 168 teachers in the district, and 98.8 percent are White; 0.6 percent are Black, and 0.6 percent are Asian.

The pupil/administrative ratio is 274.9:1. The average for the state is 244.4:1. The average for a district of similar size is 230.3:1.

The average administrative salary is \$64,241. The average for the state is \$49,983. The average for a district of similar size is \$52,045.

Interview of Superintendent D

1. Leadership/Input Component: According to Superintendent D, the merit pay program for principals in this district has been in existence for five years. The program's design and implementation should and does reflect broad input from board members and administrators affected by the program, but the superintendent is primarily responsible for the program's daily operation.

All of the evaluative criteria which serve as the bases for merit decisions are mutually developed by the superintendent and administrators, and are related to job descriptions that are mutually designed by the superintendent and board members. Input is a primary focus of the design and implementation of the program.

2. Commitment Component: According to Superintendent D, the board has committed itself to this program by providing an adequate budget. The board reviews the cost of living index for the Chicago area when deciding the amount of administrative salary increases. The board then computes 2-3 percent of the total administrative package and then places this amount in a performance pool that will be used to fund merit increases. All merit increases become a part of the basic salary of the principals.

The board's commitment to the program is not expressed in any statement of policy or by any delineated statement of program goals, but the superintendent did indicate that

among the goals that the board established for itself was a statement tying administrative performance to compensation.

Superintendent D was against the idea of elevating merit pay for administrators to the level of policy for the following reasons: 1. The attorneys for the district were against such a move, and 2. A new superintendent with another evaluative point of view would have a difficult time trying to change or eliminate a merit pay program that has been elevated to the level of policy.

Concerning the formulation of district wide goal statements supporting the concept of administrative merit pay, the superintendent indicated that such statements were not a part of this district's program and should not be required in all programs.

3. Merit Performance Expectations: Superintendent D presented a copy of the district's evaluation plan for principals. The plan is entitled: "Criteria for Administrative Evaluation." It consists of three major categories: I. The Principal as an Instructional Leader (40 percent), II. The Principal as a Building Manager (20 percent), and III. Individual Goals Assessment (40 percent). Each major category is subdivided into several related subcategories, and it is these major categories and subcategories that constitute the performance expectations

for the principals.¹¹

According to the superintendent, the performance expectations for the principals are somewhat research based in that they are components that resemble some of the correlates of effective schools' research.

The evaluation plan for principals requires principals to promote a school environment that includes the following: high academic expectations for students, mechanisms for monitoring student progress and schoolwide emphasis on achievement, all of which are major correlates of effective schools' research.

The document is also related to teacher performance in that it requires principals to make frequent observations of classroom instruction and provide corrective feedback.

The plan is linked to student outcomes to the extent that it expects principals to monitor student progress by developing systematic procedures for reviewing, analyzing and utilizing student test data to better manage the school.

The superintendent's summative evaluation of the principal is communicated in writing.

4. Preparation Component: According to the superintendent, the district's annual budget contains a line item that includes monies for the principals to attend workshops and seminars to improve their professional skills.

¹¹The complete copy of "Criteria for Administrative Evaluation" used in School District D is a confidential document.

The primary focus of the training is to remediate and improve any weaknesses discovered as a result of the administration of the principal's performance evaluation plan.

The superintendent indicated that such training programs should contain options such as providing family counseling for principals whose professional problems are related to such familial problems as alcoholism. School District D also has its own training program for principals.

5. Monitoring Component: According to Superintendent D, frequent monitoring is a major part of the district's merit pay program. During the fall, the superintendent and the principal set goals and review the criteria for evaluation.

The superintendent schedules himself to be in a school one half of a day each week; therefore, it takes five weeks to monitor all five buildings.

The superintendent conducts a midyear checkpoint to assess the progress that the principals are making toward the attainment of their goals. At this point, the superintendent monitors to determine whether the principals have revised or changed their goals.

During the spring of the year, the superintendent and the principals meet to check the progress that the principals are making on the goals and evaluation criteria.

During the remaining weeks of the school year, the

superintendent and the principals continue to meet to review progress being made by the principals toward the completion of the criteria and the attainment of the goals.

6. Evaluation/Conversion Component: Using the evaluation plan for principals, the superintendent assigns a numerical value to each of the various areas of the evaluation according to the following scale: 3 - Excellent, 2 - Satisfactory, 1 - Unsatisfactory. Then the superintendent computes a total for the entire document. The range of scores for each of the three areas of performance is arbitrarily determined by the superintendent. The range of scores for each area can change annually depending upon how the total scores for the principals are clustered.

School District D's Board of Education budgets a basic salary increase for all of the principals based upon the cost of living index. The board also budgets a certain amount of money for salary increases based upon the performance of the principals.

After all of the points are tallied on the evaluation instrument, the superintendent arbitrarily assigns the available merit dollars. According to the superintendent, the idea of a percentage decrease in merit pay is not a part of the district's program and it should not be a part of any program. The superintendent does endorse the concept of a zero increase in merit pay for unsatisfactory performance.

The superintendent rates the principals, and the principals rate themselves. These ratings are compared and all discrepancies are shared and reviewed, and although mutual agreement is the goal, if that goal is not attained, the final decision rests with the superintendent.

7. Appeal Component: According to Superintendent D, the merit pay plan for principals in School District D does not have an appeal component. The superintendent said that an appeal component would be needed in a larger school system - particularly where the principals are evaluated by more than one evaluator or in situations where the evaluation of principals is delegated to directors.

In those instances where an appeal would be necessary, the superintendent said that the following persons should be involved: a neutral district office administrator to review the data and a panel consisting of district office personnel who are not directly involved in the process. These persons would then make a recommendation to the superintendent who would make the final decision.

8. Annual Review Component: According to Superintendent D, the program is and should be reviewed annually. The program in School District D is reviewed annually and recommendations for changes are sought and received from board members and administrators.

9. Emerging Components I: According to Superintendent D, the job description is a component included in the

district's program that should be a part of any program but is not among the components on the prepared list. These job descriptions are mutually developed by the superintendent and the administrators involved. The superintendent also indicated that a statement of the district's philosophy or mission statement should precede the goal statements.

10. Emerging Components II: The superintendent did not identify any components that should be included in a program that were not either already included in the district's program or already listed among the components on the interview format.

11. Identify and Describe the Strengths and Weaknesses of Your Program: Superintendent D said that the following factors were strengths of the merit pay program for principals in School District D: 1) mutually developed criteria for administrative evaluation, 2) a job description that identifies behaviors that will become the bases for merit decisions, 3) mutual goal setting and goal attainment, and 4) an annual review of the program that involves input from board members and administrators involved in the program.

The superintendent indicated that one of the weaknesses of the district's program involves the final assessment conference and his inability to evaluate adequately the performance criteria and communicate to the principals the performance goals for the following year. The

superintendent said that once negative feedback is given to the principals those principals would not hear anything else - positive or negative. The superintendent identified his challenge as one that involves being able to communicate performance weaknesses to the principals while maintaining their receptivity to his efforts to get them to think about planning for the following year.

12. Recommendations: According to Superintendent D, any elementary school district considering or planning to implement a merit pay program for their principals should do the following things: 1) Don't rush! Each district should take at least two years to plan the program and collect related data. 2) Develop a program that involves extensive input from board members and administrators directly involved in the program. 3) Monitor the progress of the program regularly. 4) Be sure that job descriptions are related to the performance expectations that are the bases of all merit decisions, and revise them if they are not, and 5) be sure that a statement of the district's philosophy or mission statement precedes the goal statements.

Interview Number Five

Description of School District E

School District E serves a student population of 1,218 students in grades kindergarten through eighth. There are two elementary schools in the district (K-5) and one junior high school (6-8). The district's estimated equalized

assessed value is \$207,074,197. The average expenditure per pupil is \$3,904. The average for a district of similar size is \$3,859. The average for the state is \$4,215.

Among the 1,218 students enrolled in the district, 90.2 percent are White, 7.3 percent are Asian; 1.2 percent are Black; 1.1 percent are Hispanic; 0.1 percent are Native American, and 0.6 percent are low income. There are 71 teachers in the district, and 97.2 percent of them are White, and 2.8 percent are Black.

The pupil/administrative ratio is 174.0:1. The average for the state is 244.4:1. The average for a district of similar size is 209.9:1.

The average administrative salary is \$53,183. The average for the state is \$49,983. The average for a district of similar size is \$49,629.

Interview of Superintendent E

1. Leadership/Input Component: According to Superintendent E, the current merit pay program has been in operation in the district for seven years, but the concept of merit pay has been used in the district for 15 years. Although the superintendent is primarily responsible for the daily supervision and coordination of the program, ample opportunities are available for input from board members and principals.

The board provides input into the program by reviewing how well the superintendent evaluates the merit performance

of the principals. The principals are allowed to make formal input into the program two times a year - at the beginning and end of each school year. However, the superintendent indicated that the best time for input from principals is at the end of the school year so that the recommended changes can be carefully reviewed, and if approved, then incorporated into the program's format for the following school year.

The superintendent indicated that he meets with the principals each month; therefore, informal opportunities for input from principals are ongoing.

2. Commitment Component: According to Superintendent E, the board of education for this school district has shown its commitment to the merit pay program for principals by elevating the program to the level of policy and developing goal statements that include a commitment to merit pay.¹²

The superintendent further indicated that the board has demonstrated its commitment to the program by providing an adequate budget.

3. Merit Performance Expectations: According to Superintendent E, the primary and most important source of information concerning merit based performance expectations for principals is a clearly defined job description for

¹²The policy and goal statements are confidential documents.

those principals.¹³

The performance expectations that are clearly identified on the evaluation instrument for principals in School District E are derived from their job description, and are related to the research on effective schools and management by objectives.

The Assistant Superintendent reviews each school's performance after annual administration of the California Achievement Test; the strengths and weaknesses of the results are reviewed with the principals. Each principal is expected to develop goals for the following year based upon an analysis of test results; therefore, the evaluation instrument is linked to student outcomes.

According to the superintendent, teachers are observed and evaluated each year by each principal. The superintendent then evaluates the principal on how well the principal evaluates the performance of the teachers; therefore, the performance expectations of the principals are related to teacher performance.

The results of this entire process is submitted to each principal in writing during the month of May.¹⁴

4. Preparation Component: According to Superintendent E, those weaknesses cited on the evaluation instrument for

¹³The job description for principals in School District E is a confidential document.

¹⁴The "Components of Principals' Evaluation" form for School District E is a confidential document.

principals can be remediated through training programs made available through agencies found outside of the district. One of those agencies is Educational Service Center 4. As a part of their evaluation, principals are expected to frame at least one personal goal dealing with professional growth. To assist them in their efforts, the board encourages them to get into graduate programs by providing \$500 a year for tuition reimbursement. All membership fees for principals who desire to be members of the Illinois Principals' Association are paid for by the board. Principals are encouraged to attend conferences and training workshops as a group so as to add a sense of professional collegiality to these training opportunities. Consequently, the idea of training is not used only as a response to identifiable weaknesses, but is also available to enhance and refine those strengths that have been identified in the performance of principals.

5. Monitoring Component: According to the superintendent, the performance progress of each principal is monitored very carefully. At the beginning of the school year, the superintendent meets with each principal for at least one and one-half hours to review the following: documents related to the previous years' evaluation, district goals, building goals and the personal goals of the principal. Subsequent to this initial meeting, the superintendent visits each school at least once every two

weeks for at least one hour to monitor the performance progress of each principal.

6. Evaluation/Conversion Component: Superintendent E indicated that the evaluation instrument that is used for principals in School District E is based upon a qualitative rather than a quantitative approach to evaluation in that the superintendent evaluates principals using the following documents: the "Performance Responsibilities Checklist" and the "Critical Instructional Activities" checklist. Using the following scale, the principals are evaluated on how well they exhibit the behaviors identified on these instruments: Superior = 4 points, Excellent = 3 points, Satisfactory = 2 points, and Unsatisfactory = 1 point. The superintendent then evaluates each principal's performance on the targeted goals and objectives. The superintendent then uses all of these data to write a narrative that summarizes the superintendent's general evaluation of each principal.

The board authorizes the superintendent to provide merit increases that generally are 2-3 percentage points above the rate of inflation. The superintendent uses his discretion to assign these merit dollars by giving the highest percentage of merit salary increases to the superior performers while unsatisfactory principals receive no salary increase. The superintendent indicated that he did not believe in assigning a percentage decrease in pay because in

order to reduce a principal's salary, the board would have to inform the principal 60 days prior to the end of the school year, and the principal would be entitled to the same due process rights as teachers.

The superintendent admits that the entire process of evaluating principals in School District E and assigning merit dollars is highly subjective, but he admits that he prefers to keep the process the way that it is.

7. Appeal Component: There is no formal mechanism for appealing the decision of the superintendent concerning evaluation and the assignment of merit dollars. The superintendent did indicate that principals should be informed of their right to challenge the superintendent's decision regarding their evaluation and merit pay. The superintendent did indicate that any principal initiating such appeals would do so at his own risk, but the consequences for taking such risks were not clarified.

8. Annual Review Component: At the end of each school year, the superintendent meets with the principals for the purpose of reviewing the merit pay plan and encouraging their input for its improvement and revision. The board is not and does not want to be a part of this process.

9. Emerging Components I: The superintendent identified the job description as a component that is included in the district's merit pay program that should be a part of any program but was not among the components

listed on the prepared list of components.

10. Emerging Components II: The superintendent did not identify any components that should be included in a merit pay program that were not either a part of the district's program or already included on the prepared list.

11. Identify and Describe the Strengths and Weaknesses of Your Program: Among the strengths of the program, the superintendent cited the program's collaborative nature, the high levels of trust between the superintendent and the principals, and the adequate board approved budget to fund the merit increases. The superintendent indicated that merit pay plans cost more money than more traditional pay systems.

Although the superintendent indicated that he prefers the high degree of discretion that he has in evaluating principals and assigning the related merit dollars, he cited the high level of subjectivity of the program as one of its major weaknesses, a weakness that the superintendent said could be justified on the basis of the small size of the district. The superintendent also cited a lack of community input into the program as one of its weaknesses, but he added that the board does not want such input.

12. Recommendations: Superintendent E offered the following recommendations to those elementary school districts that are considering or planning to implement a merit pay program for their principals:

1. The board and its superintendent should mutually decide upon the criteria to be used for determining merit pay.

2. To lessen the impact of the conversion, school systems should, wherever possible, make every attempt to add a merit pay dimension to their present system for evaluating principals.

3. The board must set aside an adequate budget to fund the program. At least 2 or 3 percentage points above the rate of inflation should be made available as that portion of administrative salaries that is set aside for merit increases. The superintendent again affirmed that merit pay plans cost more money than more traditional pay systems.

4. Work through the system conceptually at least one year before implementing the program, and begin the plan slowly with the understanding that one is developing an evolving process and not a finished product because the plan should never attain a status of being finished. There will always be room for growth and improvement.

Interview Number Six

Description of School District F

School District F serves a student population of 14,951 students in grades kindergarten through eighth. There are 26 elementary schools in the district, four junior high schools (7-8), 21 elementary schools (K-6), and one elementary special education school. The district's

estimated equalized assessed value is \$2,346,000,000. The average operating expenditure per pupil is \$4,141. The average for a district of similar size is \$3,948. The average for the state is \$4,215.

Among the 14,951 students enrolled in the district, 85.0 percent are White, 3.4 percent are Black; 2.9 percent are Hispanic; 8.7 percent are Asian, 0.1 percent are Native American, and 1.8 percent are low income.

There are 888 teachers in the district; 98.3 percent of them are White; 0.6 percent of them are Black, and 0.6 percent are Hispanic, and 0.6 percent are Asian.

The pupil/administrative ratio is 239.4:1. The average for the state is 244.4:1. The average for a district of similar size is 218.2:1.

The average administrative salary is \$54,336. The average for the state is \$49,983. The average for a district of similar size is \$52,045.

Interview of Superintendent F's Designee

The person selected by the superintendent to be his designee for this interview is the Director of Principal Development for School District F.

1. Leadership/Input Component: School District F has had a merit pay program for its principals for five years, and according to the designee, the superintendent is primarily responsible for directing the merit pay program with major input from the designee.

A committee consisting of two board members, four principals, the superintendent and the Director of Principal Development meets regularly to provide a forum for input into the program's design and revision.

2. Commitment Component: The superintendent's designee indicated that the board has committed itself to the merit pay program by elevating the program to the level of policy¹⁵ and by annually providing an adequate budget that ranges from 6-10 percent of administrative salaries. Although goal statements are not a part of this program, the designee indicated that such statements should be included in any program.

3. Merit Performance Expectations: The performance expectations for principals are clearly identified on the "Administrative Evaluation Instrument."¹⁶ This instrument is based primarily upon the correlates of effective schools' research and is related to teacher performance in that it evaluates principals on how well they evaluate the performance of teachers using the components of clinical supervision.

The instrument is related to student performance in that it evaluates how well principals develop plans that include high expectations for student achievement. A

¹⁵The merit pay policy for School District F is a confidential document.

¹⁶The "Administrative Evaluation Instrument" for School District F is a confidential document.

written copy of how well each principal performed on the instrument is given to the principals at the end of the year.

4. Preparation Component: To assist the principals in their efforts to achieve their performance expectations, the superintendent's designee trains the principals and provides updates on the components of the Madeline Hunter Model and the procedures associated with clinical supervision. The designee provides principals with monthly packets and ongoing staff development on the Hunter Model, clinical supervision or whatever topics the schools need to address. Along with these monthly packets and staff development opportunities, principals receive complete bibliographies that are related to the topics identified in the monthly bulletins or discussed during staff development activities.

Principals also receive training for their performance expectations at the Northwest Suburban Educational Center, which is a training center for principals. Each principal receives \$1000 from the board for the purpose of professional growth and development.

5. Monitoring Component: The superintendent's designee and the superintendent meet with the principals in June to give them their annual summative evaluations and to begin the process of planning goals for the following school year.

The superintendent's designee visits the principals

are given.

To arrive at a final score, each of the seven major categories of the evaluation instrument is weighted and an average score is computed for each of the categories. The average score for each category is multiplied by the weighting for that category and that product is divided by the highest rating possible, which yields the number of assessment points for that category. When this process is completed for each of the seven categories, all of the assessment points for all seven categories are added, and a total assessment score is computed. The board provides a base increase for each principal scoring above 39 points.

Annually, the board sets aside a certain percentage of principals' salaries for merit increases. That amount is divided by the total number of points that all of the principals received above 49. The result of that computation determines the merit value of each point above 49 that each principal receives.

With the use of a conversion formula, a merit salary increase is computed for each principal. This increase is then added to the base amount received by those principals who scored above 39 points.

The superintendent's designee does not support the idea of a decrease in pay due to unsatisfactory performance.

According to the designee, unsatisfactory performance should be dealt with using inservice training and

motivational techniques to improve performance. If these strategies do not result in improved performance, then steps should be taken to terminate the unsatisfactory principal.

7. Appeal Component: According to the superintendent's designee, there is a formal due process procedure for those principals who are not satisfied with their evaluation.

If a principal is dissatisfied with the summative evaluation, within seven school days after receiving the evaluation, that principal may submit a letter to the superintendent outlining the reasons for the dissatisfaction. The principal may also request a hearing with the superintendent. The superintendent is given 14 days to respond in writing to the principal's request for an appeal.

If the principal is not satisfied with the superintendent's response, the principal may appeal to the board, and the board's decision is final.

8. Annual Review Component: The superintendent's designee indicated that with the exception of the first year, the program is and should be reviewed annually. The designee stated that most of the revision ideas come from the principals.

9. Emerging Components I: The superintendent's designee stated that the job description is the only component that is a part of this district's program that is

not included on the prepared list of components.¹⁷

10. Emerging Components II: The superintendent's designee did not identify any components that were not either already included on the prepared list of components or already a part of the district's program.

11. Identify and Describe the Strengths and Weaknesses of Your Program: Among the strengths of the district's merit pay program, the superintendent's designee indicated that the program was comprehensive, achievement oriented, and performance based. The designee also indicated that the program motivates principals to work cooperatively, share ideas, provide support for each other, and to achieve their goals and performance expectations.

Among the cited weaknesses of the program, the designee indicated that there was very little difference between the merit pay of the highest and lowest performing principals because the evaluation instrument did not yield a wide range of summative performance totals. The performance totals of the principals tended to be clustered closely together. The designee also indicated that dollars for merit compensation were not made available until May of the current school year. This practice was cited as a weakness because principals would have to work for most of the school year before they received any information about the relationship

¹⁷The Principal's Job Description for School District F is a confidential document.

between performance and compensation. Finally, the amount of work and increased cost of the program's operation were also cited as weaknesses.

12. Recommendations: The superintendent's designee offered the following recommendations to any elementary school districts that are considering or planning to implement a merit pay program for their principals:

1. Be prepared for a lot of work, but do it.
2. Keep the program simple; go slowly at first and expand as you go along.
3. In very large school districts, assign someone to assist the superintendent in the administration of the program.
4. Schedule a reasonable period of time for preparation before implementing the program; set aside at least a year for such preparation.
5. Design the program with broadly based input that includes board members, administrators, particularly those directly involved, and members of the central office staff.
6. Design a program that is limited in focus to the target audience. All the descriptors of behavior on the evaluation instrument should be related to the principal's job description, and both instruments should be related to what the latest research identifies as the behavior of successful principals.

Interview Number Seven

Description of School District G

School District G serves a student population of 10,715 students in grades kindergarten through eighth. There are 20 schools in the district, 16 elementary schools grades K-6 and four junior high schools grades 7-8. The district's estimated equalized assessed value is \$1,720,506,882. The average operating expenditure per pupil is \$4,111. The average for a district of similar size is \$3,948. The average for the state is \$4,215.

Among the 10,715 students enrolled in the district, 82.1 percent are White, 2.6 percent are Black; 8.8 percent are Hispanic; 6.3 percent are Asian; 0.1 percent are Native American, and 7.8 percent are low income.

There are 571 teachers in the district; 97.2 percent are White; 0.9 percent are Black; 1.8 percent are Hispanic, and 0.2 percent are Asian.

The pupil/administrative ratio is 262.8:1. The average for the state is 244.4:1. The average for a district of similar size is 230.3:1.

The average administrative salary is \$58,327. The average for the state is \$49,983. The average for a district of similar size is \$52,045.

Interview of Superintendent G

1. Leadership/Input Component: School District G has had a merit pay plan for its principals for 20 years, and

the superintendent is primarily responsible for the program's design and implementation.

Input into the program's design, revision and implementation is broadly based in that it involves board members, principals, and members of the Executive Cabinet which includes Superintendent G, the Associate Superintendent, the Assistant Superintendent for Instruction and Special Services, and the Assistant Superintendent for Business Affairs and Supportive Services.

At least once a year, the superintendent meets with members of each of these groups to provide a forum for their input into the design, revision and implementation of the merit pay program for principals in the district.

2. Commitment Component: According to Superintendent G, the Board of Education of School District G has demonstrated its commitment to the merit pay plan for principals in the following ways: by developing related goal statements, by providing adequate funding, and by giving the program policy status.¹⁸

3. Merit Performance Expectations: Superintendent G indicated that the performance expectations for principals in School District G are clearly identified and related to research on effective schools, research on the relationship between staff expectations and student achievement and

¹⁸School District G's "Guidelines for Salary Plan for District Level Positions 1988-89" is a confidential document.

research on management by objectives.

The superintendent stated that teacher performance is a part of the plan to the extent that the principals are evaluated on how well they evaluate teachers. Although the performance expectations are not tied directly to any measures of student outcomes, these expectations are directly related to how well principals achieve such outcome measures as building goals, which could conceivably be measures of such student outcomes as student achievement, student attendance or improved student behavior.

4. Preparation Component: According to Superintendent G, funds are budgeted for principals to receive training to improve their administrative skills. Principals may attend state or national conferences. Also the superintendent chairs a monthly roundtable with principals and other members of the Executive Cabinet for the purpose of addressing administrative concerns and offering assistance to principals who may need help with the attainment of their performance expectations.

5. Monitoring Component: Superintendent G stated that monitoring is a part of the merit pay plan for principals in the district and should be a part of any plan.

At the beginning of the school year, each principal meets with his/her supervisor to identify annual goals and objectives. A mid-year review conference is held to discuss the progress that is being made toward the achievement of

each goal. During the spring, a pre-formal evaluation conference is conducted between the principal and his/her supervisor to discuss goal attainment during the year. A final formal conference is held to discuss the final written evaluation.

6. Evaluation/Conversion Component: According to the superintendent, positions in the district are classified on the basis of the relative importance of the position to the accomplishment of the district's goals. To determine the relative importance of each position, five factors are used to identify the degree to which the position involves each of the following factors:

1. Responsibility and decision making
2. Human relationship
3. Thinking and problem solving
4. Supervisory responsibility
5. Certification, education and experience

A minimum and maximum salary range is established for each classification based upon how other districts assign salaries for similar positions, and a midpoint for each range is determined.

Junior high principals are classified as IIA which is the highest classification and affords them a 7.0 percent range increase. Elementary school principals are classified IIB which is the second highest classification and affords them a range increase of 95 percent of classification IIA.

The performance of each principal is evaluated with an evaluation instrument called the "Narrative Evaluation Report for Building Administrators."¹⁹

This instrument has six major categories that are selected from the principal's job description. Each principal is given a narrative evaluation in each area and then assigned an overall numerical performance rating using a performance rating scale with one having the highest ranking and weighting and five having the lowest ranking and weighting.

Using a conversion formula, each principal's salary is computed by multiplying the percent of increase for the range by the weighted value of the principal's overall numerical summative performance. Such computations must not result in a salary increase that exceeds the maximum salary established for that classification except in those instances when a principal's overall numerical evaluation is one.

Although the evaluation system provides a zero weighting for those principals receiving the lowest performance rating, the superintendent does not endorse the concept of decreasing pay as the result of a low performance rating.

7. Appeal Component: The superintendent indicated

¹⁹The "Narrative Evaluation Report for Building Administrators" in School District G is a confidential document.

that an appeal component should be a part of any merit pay compensation plan for elementary school principals. principals in this district may appeal decisions concerning their evaluation and subsequent merit pay, but all requests for appeal must be submitted in writing to the superintendent. If the superintendent does not agree with the request, the appeal does not go any farther

8. Annual Review Component: The superintendent indicated that all merit pay plans should be annually reviewed. A forum for such review is available in this district. Board members, principals, and members of the Executive Cabinet are brought together annually by the superintendent for the purpose of reviewing and revising the merit pay plan for principals.

9. Emerging Components I: According to Superintendent G, the job description is a component that is a part of this district's program but is not a part of the list of components on the prepared sheet.²⁰

Superintendent G further indicated that the job description should be the source of the performance expectations that comprise the principal's evaluation instrument.

10. Emerging Components II: The superintendent did not identify any components that were not either already a

²⁰The job description for principals in School District G is a confidential document.

part of the district's program or already listed among the components on the prepared list.

11. Identify and Describe the Strengths and Weaknesses of Your Program: Among the cited strengths of the program, the superintendent identified the following: 1. the program rewards excellence, 2. there are provisions for no merit pay, and 3. nationally normed test data do not necessarily establish the bottom line for determining merit pay for principals.

The superintendent identified as a major weakness the rather limited performance expectations that comprise the evaluation instrument. The superintendent expressed a concern for increasing and clarifying those behaviors that principals are expected to exhibit as a bases for determining their merit pay.

12. Recommendations: The superintendent offered the following recommendations to those elementary school districts that are considering or planning to implement a merit pay program for their principals:

1. Begin the plan carefully and slowly with a few principals initially on a voluntary basis, allowing at least one year of research and preparation before implementing the plan.

2. Every five years, convene a committee of board members and administrators directly involved in the program for the purpose of establishing new criteria and

expectations for determining administrative merit pay. This meeting goes beyond just giving those persons involved in and affected by the program an annual opportunity to review and/or revise the plan, but rather it suggests the need for a major overhaul of the program's design and implementation every five years.

Interview Number Eight

Description of School District H

School District H serves a student population of 2,951 students in grades kindergarten through eighth. There are seven schools in the district. Three of the buildings are K-3 schools. Three involve grades 4-6. There is one junior high school that has grades 7-8. The district's equalized assessed value is \$459,102,772. The average expenditure per pupil is \$4,799. The average for a district of similar size is \$3,948. The average for the state is \$4,215.

Among the 2,951 students enrolled in the district, 85.5 percent are White, 1.4 percent are Black; 9.1 percent are Asian; 0.1 percent are Native American, and 4.5 percent are low income.

There are 185 teachers in the district, and 100 percent are White.

The pupil/administrative ratio is 245.9:1. The average for the state is 244.4:1. The average for a district of similar size is 230.3:1.

The average administrative salary is \$67,364. The

average for the state is \$49,983. The average for a district of similar size is \$52,045.

Interview of Superintendent H

1. Leadership/Input Component: The superintendent indicated that although some modifications have been made over the years, this district has had a merit pay plan for its principals since 1974.

In 1974, the board of education directed the superintendent to develop a salary plan that would compensate principals in accordance with their performance.

From the very beginning of the program, a forum was established by the superintendent to allow board members, principals and three assistant superintendents to give their input into the program's design and annual revision.

According to the superintendent, the board should have input into the design but not the implementation of the merit pay program. The superintendent is primarily responsible for directing and coordinating the daily implementation of the plan.

2. Commitment Component: The superintendent stated that the board has demonstrated its commitment to the merit pay program by developing related goal statements, providing an adequate budget, and by elevating the program to the

level of policy.²¹

3. Merit Performance Expectation: According to Superintendent H, the performance expectations are clearly identified on the Principal's Evaluation Form.²² These performance expectations are related to research on effective schools and studies on effective leadership.

These expectations are communicated to the principals in writing. They are related to teacher performance to the extent that the principals are evaluated on how well they evaluate teacher performance. Because most of the students perform well on achievement tests, performance expectations for principals do not reflect any concerns in the area of standardized testing results, but if the test scores drop, the need to improve such scores would be reflected in the performance expectations of principals in schools so characterized.

4. Preparation Component: According to the superintendent, each principal is expected to develop a personal inservice plan that is related to the principal's performance expectations and related needs, and the board budgets \$1500 for each principal to receive training to improve strengths and eliminate weaknesses.

²¹The "Goals and Objectives of Administrative Evaluation" and the "Administrative Salary Structure" for School District H are confidential documents.

²²The "Principal's Evaluation Form" for School District H is a confidential document.

The superintendent chairs an administrative council that consists of principals and assistant principals. It is the purpose of this council to assess the problems that administrators are having with their performance expectations and goals. The superintendent then coordinates and initiates activities that result in the formation of workshops designed to assess and eliminate those problems.

5. Monitoring Component: The superintendent indicated that the principals' progress toward the completion of their performance expectations and goals is monitored throughout the year. The principals receive their final evaluation in the spring, and their performance strengths and weaknesses are cited at that time.

In the fall of the following school year, a program is mutually developed by the superintendent and the principals to remediate the weaknesses identified during the spring of the previous school year and establish performance objectives for the school year.

During January of the current school year, each principal's progress toward the completion of performance expectations and mutually developed objectives is monitored when the superintendent meets with each principal. Those objectives that have been attained, modified, discarded or replaced for some appropriate reasons are identified.

6. Evaluation/Conversion Component: The superintendent indicated that the entire process used in

this district for converting each principal's summative evaluation into merit dollars is highly subjective.

With input from the Business Manager, the Manager of Personnel and the Curriculum Manager, Superintendent H evaluates each principal using the Principal Evaluation Form. Each of the 26 items that are listed on the form are rated according to the following scale: Superior, Above Average, Meets Standards and Needs Improvement. Each principal's progress toward the attainment of the performance objectives and personal inservice goals is rated by the superintendent's written comments describing the degree to which those objectives and personal inservice goals have been accomplished.

Annually, each principal is evaluated by the superintendent and assigned a salary category that is based upon the principal's performance on the evaluation instrument, contributions to School District H, and activities within the profession. Standards are delineated in each of the five categories for the principal's performance on the evaluation instrument, contributions to School District H and contributions within the profession. These categories are as follows: Category A - Distinguished Performance, Category B - Commendable Performance, Category C - Good Performance, Category D - Marginal Performance, and Category E - Unsatisfactory Performance.

After annual evaluations are completed, the

superintendent meets with the board and makes recommendations regarding where each principal is to be placed in one of the five categories. Once approval for placement is received, the Board of Education of School District H, upon recommendation of the superintendent, shall award salary increments as follows:

Category A: Up to and including 18 percent increment not to exceed 120 percent of the established median

Category B: Up to and including 15 percent increment not to exceed 112 percent of the established median

Category C: Up to and including 10 percent increment not to exceed 105 percent of the established median

Category D: Up to and including 5 percent increment not to exceed 96 percent of the established median

Category E: No increase

Note: All references to percentages of increments refer to percentages of the current salary. All references to the established median are references to the computed median for the salaries of elementary school principals in North Cook County.

The superintendent indicated that Category E with its emphasis on providing no salary increase for unsatisfactory performance eliminates the necessity for decreasing a principal's pay because of the unsatisfactory performance.

This year the board authorized 7-8 percent of the entire administrative budget for merit salary increases.

The superintendent admitted that the process of placing a principal in one of the five categories which determine merit pay is a very subjective process.

7. Appeal Component: According to the superintendent, due process is and should be a part of the merit pay plan whenever principals are not satisfied with their evaluation and related salary increased.

The appeal process in this district follows the chain of command in that whenever a principal is not satisfied with an evaluation that principal may appeal to the superintendent in writing. If the principal is not satisfied with the response of the superintendent, that principal may appeal to the board. The board's decision on the matter is final.

8. Annual Review Component: The superintendent stated that there is and should be an annual opportunity for board members, principals or those who are principally involved in the merit pay program to make revisions in the plan, but the superintendent admitted that such annual opportunities to revise the plan in this district have rarely resulted in any changes being made.

9. Emerging Components I: The superintendent identified the Job Description as a component that is included in this district's program but is not listed among the components on the prepared list of components. This job description should be the general source of those

performance expectations that are used to evaluate principals and determine their merit pay.²³

10. Emerging Components II: The superintendent did not identify any components that were not already a part of the district's program or already listed on the prepared list of components.

11. Identify and Describe the Strengths and Weaknesses of Your Program: Among the cited strengths of the program, the superintendent offered the following: 1) At the end of the year, most of the principals are placed in Categories A and B, the top two categories. None of the principals is placed in Categories D and E. 2) The plan attracts competent principals to the district. 3) Principals know where they stand in terms of performance; and 4) the program motivates principals to higher levels of performance.

Among the cited weaknesses of the program, the superintendent identified the following: 1) The plan is driven by competition among principals. Such competition tends to reduce the willingness of principals to share ideas with other principals; and 2) because the plan has been in effect for so long, board members tend to take the program for granted. Therefore, there should be mandatory revisions made in the program every five years, especially since annual opportunities to revise the plan have not resulted in

²³The "Principal Job Description" for principals in School District H is a confidential document.

any significant changes.

12. Recommendations: The superintendent offered the following recommendations to those elementary school districts considering or planning to implement a merit pay program for their principals.

1. Get 100 percent support from the board before beginning the program.

2. Begin slowly at first. Get input from everyone who is involved concerning the design of the program.

3. Develop a model of the program that includes all of the components, especially Goals, Performance Expectations, a Job Description, and a statement of a philosophy of evaluation that supports merit pay. Such a statement should be integrated into the Commitment Component as evidence of the board's commitment to the plan.

4. Plan strategies to deal with opposition from incompetent and insecure principals who may view such a program as a threat to their status and income.

5. Make provisions for training and staff development for principals to achieve performance expectations.

6. Do it. Be prepared to make mistakes and learn from them.

Interview Number Nine

Description of School District I

School District I serves a student population of 2,281 students in grades kindergarten through eighth. There are

seven elementary schools in the district (K-6) and one junior high school (7-8). The district's estimated equalized assessed value is \$425,000,000. The average operating expenditure per pupil is \$5,737. The average for a district of similar size is \$3,948. The average for the state is \$4,215.

Among the 2,281 students enrolled in the district, 94.6 percent of them are White, 0.4 percent are Black; 1.0 percent are Hispanic; 3.9 percent are Asian; 0.1 percent are Native American, and 0.2 percent are low income.

There are 153 teachers in the district; 99.3 percent are White, and 0.7 percent are Black.

The pupil/administrative ratio is 178.9:1. The average for the state is 244.4:1. The average for a district of similar size is 230.3:1.

The average administrative salary is \$59,038. The average for the state is \$49,983. The average for a district of similar size is \$52,045.

Interview of Superintendent I

1. Leadership/Input Component: The Superintendent of this school district started the merit pay program for principals 20 years ago. Input has been a consistent component of the program from the very beginning.

When the plan was originally designed, it was basically a management by objectives program. Input from the board was minimal, but as the plan progressed and areas of concern

emerged, opportunities increased for board members to provide input.

Opportunities for input from the principals were evident from the very beginning of the program, particularly in the areas of goal setting and selecting the individual school characteristics that should be taken into consideration before a summative evaluation of the principal is made. Before a summative evaluation was made, principals wanted some of the following building specific characteristics to be taken into consideration: number of students enrolled, special skills needed to administer certain schools, cited problems within the physical plant, known problems within certain neighborhoods and among members of certain parent groups.

Annually, board members, the assistant superintendent, and the business manager are given opportunities to make recommendations concerning revisions in the design and ongoing implementation of the program. The superintendent is primarily responsible for coordinating and directing the plan.

2. Commitment Component: According to Superintendent I, the board of education has demonstrated its commitment to merit pay in the form of a written policy, goal statements and an adequate budget, but a copy of the goal statements

was not provided.²⁴

The superintendent indicated that although this district does not have a statement of philosophy that supports merit pay, such a statement of philosophy should be included in any program to reflect that district's philosophical commitment to the concept of merit pay.

3. Merit Performance Expectations: The superintendent indicated that the performance expectations for each principal are not standardized but rather are developed individually with each principal within such broad areas as community involvement, personal development, willingness to take risks, curriculum development, involvement with students, improvements in the physical plant and formation and attainment of schoolwide goals. The current goals selected would be determined by those areas cited as needing improvement the previous year.

These general areas may be a consideration with some principals and not with others. The areas considered for major focus would be determined by the individual needs and strengths present at each attendance center.

The superintendent indicated that the performance expectations identified are researched based because the process involved is based upon research related to management by objectives.

²⁴The board's policy statement about merit pay is a confidential document.

The superintendent stated that the performance expectations are related to teacher performance to the extent that the principals are evaluated according to how well they evaluate teacher performance and then design staff development activities that are related to the needs identified as the result of those evaluations.

Student outcomes are considered in the selection of those performance expectations that identify what principals are doing for students who tested at the bottom 25th percentile on the standardized test.

At the end of the process, the superintendent gives each principal a written narrative that describes the principal's performance in the selected areas of concentration with consideration being given to goals and areas of concentration that should be the focus of the principal's efforts the following year.²⁵

4. Preparation Component: According to the superintendent, an administrative inservice fund or an administrative staff development fund is set aside for the purpose of funding training needed by principals to improve or strengthen skills needed to attain their performance expectations.

With these funds, principals can attend at least one out of state training workshop and as many in state

²⁵The principal's evaluation narrative in School District I is a confidential document.

workshops as needed.

Principals also receive professional training during the regular administrative staff meetings and during the two administrative retreats attended each year.

This district has a relationship with neighboring districts that allows the principals to meet with and shadow those principals that have strengths that they need.

5. Monitoring Component: In the fall of the school year, the superintendent meets with the principals. They mutually approve the goals to be attained for the year. In January and February of the same school year, the superintendent meets with the principals again to monitor their progress and coach them toward the attainment of their goals. During these sessions, the superintendent and the principals work together to identify and remove any obstacles that appear to be impeding the progress that the principals are making toward the attainment of their goals.

The final monitoring sessions are conducted in April and May. It is during these final sessions that the superintendent again assesses the progress that the principals are making toward the attainment of their goals. The superintendent records these observations in a written report that becomes a part of the principal's summative evaluation.

Although provisions for monitoring the performance of the principals are available at designated times of the

year, the superintendent indicated that such monitoring is available whenever the superintendent or the principals feel that it is necessary.

6. Evaluation/Conversion Component: At the end of the school year, the superintendent writes a narrative describing each principal's progress toward the attainment of building goals and performance expectations in the selected areas of concentration.

The process of converting the narrative into a summative evaluation is very subjective in that the superintendent uses it to place principals into one of the following categories: I The Best, II Next Best, and III Third Best.

Using the percentage of salary increase given to teachers as a guide, the board authorizes the superintendent to use discretion in applying a range of percentage increases to the three categories. The categories are consistent, but the percentages of salary increases applied to those categories vary annually. For example Category I could be nine percent; Category II could be six percent, and Category III could be four percent.

Although board policy sanctions the reduction of a principal's pay whenever that principal's performance is evaluated to be unsatisfactory by the superintendent, that provision in the policy has rarely been used. The superintendent stated emphatically that it should never be

used.

The superintendent stated that unsatisfactory principals do not receive any salary increase and should be terminated.

7. Appeal Component: If a principal is not satisfied with an evaluation and the related merit pay decision, that principal may submit a written request for appeal to the superintendent. If the superintendent's response does not meet the principal's approval, the principal may submit a request for appeal to the board, but the board's decision on the matter is final.

The superintendent stated that all merit pay programs for principals should include an appeal component.

8. Annual Review: According to the superintendent, there is no designated time established for review and revision of the merit pay plan. The opportunity for the review and revision of the program is extended to board members and principals whenever they are of the opinion that revision is needed. However, the superintendent did state that the format of the program is reviewed annually. The superintendent recommended that such programs be reviewed every second or third year, preferably every third year.

9. Emerging Components: The superintendent identified the Job Description as a component that is a part of the district's program but is not included among the components on the prepared list. The superintendent indicated that the

job description should be the general source of the performance expectations selected for principals.²⁶

10. Emerging Components II: The superintendent did not identify any components that were not either already a part of the district's program or already included among the components on the prepared list.

11. Identify and Describe the Strengths and Weaknesses of Your Program: The superintendent listed the following as program strengths: 1. The goals for each principal are individually determined and individually paced. 2. The summative narrative evaluation is both descriptive and prescriptive; and 3. The board has little impact on the daily implementation of the program.

The following were listed as program weaknesses: 1. The evaluation process is hard to quantify. 2. There is too much subjectivity in the assignment of merit pay. The superintendent is a benevolent dictator in the assignment of merit pay.

12. Recommendations: The superintendent made the following recommendations for school districts that are considering or planning to implement a merit pay program for their elementary school principals:

1. Begin the program slowly by allowing one to two years for planning and collecting data on the program.

²⁶The principal's job description for School District I is a confidential document.

2. Form a steering committee consisting of administrators and board members to work with the superintendents to design the program and put the program's design into writing.

3. Continue to refine the program's design until you have a second, third and fourth draft that can be presented to the entire board for its approval.

4. The superintendent must educate the entire board as to the program's purpose, design and additional cost.

5. Present the completed program document to an open meeting of the entire board for policy approval.

6. Trust the program, and anticipate problems, but work together to resolve those problems when they emerge.

Interview Number Ten

Description of School District J

School District J serves a student population of 1,811 students in grades kindergarten through eighth. There are six schools in this school district: four (K-3), one (4-5) and one (6-8).

The school district's total equalized assessed value is \$846,937,188. The operating expenditure per pupil is \$6,125. The average operating expenditure for a district of similar size is \$4,438. The average operating expenditure for the state is \$4,808.

Among the 1,811 students enrolled in the district, 93.3 percent are White, 0.8 percent are Black; 2.1 percent are

Hispanic; 3.8 percent are Asian/Pacific Islander, and 1.3 percent are low income.

There are 138 teachers in the district; 98.5 percent are White; 0.7 percent are Black, and 0.7 percent are Asian/Pacific Islander.

The pupil/administrative ratio is 139.3:1. The average for the state is 248.5:1. The average for a district of similar size is 236.7:1.

The average administrative salary is \$67,730. The average for the state is \$55,535. The average for a district of similar size is \$58,136.

Interview of Superintendent J

1. Leadership/Input Component: According to Superintendent J, School District J has had a merit pay program for its principals since 1862 or for 130 years. Provisions for input from board members, principals and district office staff have been an integral part of the design and implementation of the program. The superintendent is primarily responsible for directing and coordinating the plan.

The superintendent, district office staff and the principals provide input into the program when they interact in the formulation of district goals which provide direction for the formulation of building goals which are developed by the principals.

Each principal has input into the program through the

formulation of building goals. It is the attainment or lack of attainment of these building goals which becomes one of the major foci of the merit pay evaluation process.

The superintendent presents the district goals and the building level goals to the board in the form of a rough draft. The board then reviews the draft before it is finally implemented.

The board, superintendent and members of the administrative staff are presently working with the consulting firm of Wyatt Data Services for the purpose of providing input into the formulation of new evaluation procedures related to merit pay.

2. Commitment Component: According to the superintendent, the board has made a commitment to the merit pay program for principals in the form of goal statements,²⁷ an adequate budget and has demonstrated this commitment by elevating the program to the level of policy. Although the superintendent indicated that the policy status is implied rather than expressly stated.²⁸

The superintendent indicated that the support of the board for all merit pay programs should be reflected in the policy statement, the statement of program goals and a

²⁷The merit pay goal statements of School District J written in the form of "key attributes" is a confidential document.

²⁸The implied merit pay policy statement for School District J is a confidential document.

financial commitment to the program.

3. Merit Performance Expectations: According to Superintendent J, merit performance expectations for principals are clarified and communicated to the principals in writing in the form of the "Manager Evaluation Instrument."²⁹

These performance expectations are related to research to the extent that they hold the principal accountable for exhibiting those behaviors that research findings indicate are positively correlated to the functioning of effective schools, behaviors that promote the following: principal as instructional leader, schoolwide emphasis on basic skills, an orderly school climate, and site based management or site based empowerment or ownership of building outcomes.

One of the performance expectations rates principals on what they do to remain current in the field of educational research and how these research findings are used to improve the quality of instruction in their schools.

These performance expectations are related to teacher performance because they rate principals on how well they evaluate the instructional performance of teachers. They are related to student outcomes because they rate the principals on how well they implement procedures for developing and maintaining high levels of student

²⁹The "Manager Evaluation Instrument" for School District J is a confidential document.

achievement and student behavior.

Each of the areas cited among the performance expectations for principals is rated by the superintendent using a scale that ranges from one to five with one being the lowest and five being the highest. "NA" means not applicable.

4. Preparation Component: The superintendent said that training programs and workshops are made available to any principal who needs such training or workshops to improve upon certain performance expectations or eliminate any felt or cited weaknesses. These workshops are available within or outside of the district. The superintendent also shared some extraordinary information regarding the district's commitment to the professional development of its principals. The superintendent said that the district will pay the entire cost of doctoral training for its principals at whatever university the principal chooses to attend.

The superintendent indicated that the training component of any merit pay program is crucial to its success.

5. Monitoring Component: The superintendent visits each principal at least three times a year to monitor the progress that each principal is making on the performance expectations cited on the "Manager Evaluation Instrument." During these visits the superintendent is also concerned about the progress that the principals are making toward the

attainment of the site specific goals.

The superintendent indicated that monitoring should be included among the major components in any merit pay program.

6. Evaluation/Conversion Component: Using the document entitled "Management Evaluation,"³⁰ the superintendent converts the performance of the principals into a total number of points. The superintendent uses the following sources of data and the related rankings and weightings to compute a total performance score:

Source of Data	Rank in Importance	Weighting
1. Attainment of objectives as rated by the superintendent and principals	Level 1	50
2. Management Evaluation form as rated by the superintendent	Level 1	30
3. "Administrator Image" ³¹ form as rated by the superintendent	Level 1	10

³⁰The complete "Management Evaluation" form for School District J is a confidential document.

³¹The complete "Administrator Image" form for School District J is a confidential document.

Source of Data	Rank in Importance	Weighting
4. Superintendent's judgement using student test data, peer and teacher rating of principals using the Administrator Image rating form, and parent rating of principals using the "Parent Opinion Questionnaire." ³²	Level 2	10

Total 100

Using the various sources of data, the superintendent arbitrarily decides how many of the designated points to give the principals in each of the areas.

All salary increases are based upon merit, and the board authorizes the superintendent to use a designated percentage of administrative salaries for merit increases. These percentages are based on the average percentage of salary increases for elementary principals in North Cook.

Using the board approved percentage of salary increases for principals and following the general rule of giving the largest percentage increase to the principals with the highest total score and no increase to the principals whose scores fall below a certain point, the superintendent again arbitrarily decides how the available funds are going to be distributed among the principals.

Although the superintendent admitted support for a

³²The complete "Parent Opinion Questionnaire" for School District J is a confidential document.

practice that would reduce the salaries of principals for unsatisfactory performance, such a practice is not used in this district because such a practice, according to the superintendent, would violate Illinois statutes.

7. Appeal Component: The superintendent stated that although it has never been used by a principal, an appeal process is available for those principals who are not satisfied with their evaluation and the related merit pay that they receive. Those principals can request a meeting with the superintendent. If they are not satisfied with the results of that meeting, they may write a letter to the president of the board that describes the concern and offers a solution. The board will consider the concern and may ask such principals to meet with the entire membership in executive session. The board will communicate its decision in writing. The board's decision is final.

8. Annual Review Component: The superintendent meets separately with board members and principals once each year to get their input concerning any needed revisions. It was during last year's meeting with the board that board members recommended that Wyatt Data Services be hired to review the existing merit pay program with the idea of designing an entirely new merit pay system for principals.

The superintendent stated that all merit pay programs for principals should be reviewed annually.

9. Emerging Components I: The superintendent did not

identify any components that were a part of the district's program or should be a part of any program that were not already listed among the components on the prepared list. The superintendent stated that the components on the prepared list were very thorough and comprehensive.

10. Emerging Components II: The superintendent did not identify any components that should be included in any merit pay program that had been omitted from the district's program or excluded from the components on the prepared list.

11. Identify and Describe the Strengths and Weaknesses of Your Program: Among the list of strengths of the district's program, the superintendent offered the following:

1. Principals' salaries are totally related to their performance.

2. The design and implementation of the merit pay program are based upon broad input from those affected by the program.

3. The program is a motivational force for change in that it results in improvements in the performance of principals and improvements in student learning.

The superintendent did not identify any program weaknesses.

12. Recommendations: The superintendent offered the following recommendations to any school district that is

considering or planning to implement a merit pay program for its elementary school principals:

1. Begin slowly by collecting as much data as possible for beginning the program. Take at least a year to collect the data, particularly from school districts that are already using the program.

2. Get total commitment from the board for the idea. Get the board to commit to formulating a statement of policy that supports the program.

3. Get the board to commit to providing adequate funding for the program.

4. Coach and attempt to sell the program to those directly affected by its implementation.

CHAPTER IV

ANALYSIS OF DATA

Introduction

A review of the literature revealed that a national push for merit pay was clearly evident after the April, 1983 publication of the report entitled: A Nation at Risk: The Imperative for Educational Reform. This trend toward merit pay was noted throughout the eighties and the early part of the nineties with the emergence of national reports, state initiatives, public positions taken by White House Executives in favor of its use, increasingly favorable public opinion polls, and the 1986 study done by Arlen Leo Baker which found that all of the superintendents in the state of Illinois who participated in the study (83.3%), felt that a merit pay plan for administrators would promote excellence in the schools of Illinois.

Considering the national trend toward merit pay and the favorable attitudinal climate that exists among Illinois superintendents toward the concept of merit pay, this study was done for two reasons: 1) to collect data from superintendents of ten elementary school districts in the state of Illinois with merit pay programs for their

principals; and 2) to use the data collected, to derive and develop a "merit pay" paradigm that can be used as a decision making tool by those elementary school districts that are considering or planning to follow the trend by developing merit pay programs for their principals.

The interview technique was used to get the superintendents or their designees to identify the following: the major components that are a part of their merit pay programs, emergent components or components that are not a part but should be a part of the prepared list of components, the strengths and weaknesses of their programs and the recommendations that they would offer those elementary school districts that are considering or planning to implement a merit pay program for their principals.

The interview format was a questionnaire that consisted of eight major components of merit pay programs for principals, and these eight components were derived from the following sources:

- 1) a review of the related literature;
- 2) personal experiences with a merit pay program in West/Harvey Dixmoor School District 147;
- 3) preliminary phone conversations with superintendents of the 24 Illinois school districts that have merit pay programs for their principals.

These eight components constitute the major focus of an

interview format that has provisions for components which may emerge during the course of the interviews but were not anticipated in time to be listed among the components on the prepared sheet.

Procedures for Analysis

Chapter IV is limited to an analysis of the data collected during the interviews using the following procedures:

1. Screening the Prepared List of Components: During the interviews, each of the superintendents or their designees was asked to screen the eight components by identifying those components on the prepared list that were a part of the district's program or should be a part of any merit pay program. The components or their equivalents that were identified by at least six superintendents were selected to become a part of the "derived merit pay model" for elementary school principals.
2. Emerging Components: During the interviews, the superintendents or their designees were asked to identify those components that should be included in a merit pay program for elementary school principals but were not listed on the prepared list; such components are called "emerging components." When at least six superintendents or their designees identified the same or similar

"emerging components," those components became a part of the "derived model."

3. Program Strengths and Weaknesses: During the interviews, the superintendents or their designees were asked to identify their program strengths and weaknesses, and whenever six of the superintendents or their designees identified the same or similar strengths or weaknesses, the strengths were offered as features that should be included in a merit pay program for elementary school principals, and the weaknesses were cited as areas that should be avoided.

Recommendations: During the course of the interviews, the superintendents or their designees were asked to offer some recommendations, and whenever six of the interviewees offered the same or similar recommendations, those recommendations were cited as recommendations that should be considered by those elementary school districts that are considering or planning to implement a merit pay program for their principals.

Some of the information reported in Chapter III will be used as background material for some aspects of the analysis in Chapter IV.

Some General Observations About the School Districts Studied

The number of schools in the school districts studied.

ranged from the smallest with two schools in School District A to the largest with 26 schools in School District F.

Nine of the districts studied had average expenditures per pupil that exceeded the average expenditure per pupil of districts of similar size, and five of those districts had average expenditures per pupil that exceeded the average expenditures per pupil of the state and districts of similar size.

The number of students enrolled ranged from a low of 703 students in School District A to 14,951 in School District F. Nine of the school districts studied had student populations that were over 78 percent White, and among those school districts five of them had student populations that were over 90 percent White. The percentage of students identified as low income ranged from a low of 0.2 percent in School District I to a high of 21 percent in School District C which had the lowest percentage of White students (48.3 percent) and the highest percentage of Black students (44.8 percent).

The number of teachers in the districts studied ranged from a low of 33 teachers in School District A and a high of 888 teachers in School District F. Nine of the districts had a teaching staff that was over 96 percent White, and two of the nine had a teaching staff that was 100 percent White. The lowest percentage of White teachers was 75.2 percent in School District C.

The pupil/administrative ratio in seven of the districts studied was lower than the pupil/administrative ratio for the state, and among those seven districts, five of them had pupil/administrative ratios that were lower than ratios of the state and districts of similar size. The three remaining districts had pupil/administrative ratios that were higher than the state and districts of similar size.

The average administrative salaries among administrators in all of the districts studied were higher than the average administrative salaries for administrators in the state and administrators in districts of similar size.

The number of years that the merit pay programs for principals have been in existence in the districts studied ranged from a low of five years in School Districts A, D, and F to a high of 130 years in School District J, a school district that has had a merit pay program for its principals since its inception.

Excluding the number of years that merit pay has been in effective in School J, a number which would inflate the computed average, the average number of years that the program has been in existence in the nine remaining school districts is 12.5 years. Therefore, this research is essentially based upon the work of elementary school districts that have had an average of approximately 12.5

years of experience with implementing merit pay programs for their principals.

Screening the Prepared List of Components

Leadership/Input Component

Based upon a national survey of 434 school districts with merit pay plans for their administrators and a detailed study of 35 of those plans, The Educational Research Service produced a monograph that identified some of the major components that should be included in a merit pay plan for administrators. The need for broadly based district wide input into the development of the plan was identified as one of the major components that should be included in any merit pay plan for administrators. Bruce Kienapfel, the author of the monograph, argued that provisions for input give all of the program participants a vested interest in the plan that reduces the likelihood of future dissatisfaction among those affected by the program.¹

In all of the school districts studied, there are provisions for receiving input into the design, implementation and review of the merit pay plan for elementary school principals. Provisions for getting input from board members, the superintendent and affected administrators are a part of all of the plans studied. In

¹Bruce Kienapfel, Merit Pay for School Administrators: A Procedural Guide (Arlington: Educational Research Service Inc., 1984), 2-11.

all of the districts studied, the superintendents are primarily responsible for directing and supervising the plans.

Although there are provisions for input in all of the plans studied, the degree and extent of input varies throughout the districts studied. All of the provisions for input minimally involve board members, the superintendent and the principals affected by the plan, but in the case of School District B, parents are given a forum for reviewing the plan and giving input into the plan's revision. In School District C, Local School Improvement Teams consisting of principals, assistant principals, teachers, parents, community persons, and in some schools students, are allowed to develop objectives that are related to district wide objectives. These local objectives then become job targets that comprise some of the performance expectations for the principals of these schools. How well the principals perform on these job targets would provide the bases for determining merit pay for these principals at the end of the school year. Due to the formation of these Local School Improvement Teams in School District C, teachers, parents and community persons and students can input the merit pay decisions that affect principals.

In School District G, members of the Superintendent's Executive Cabinet can give an annual forum to input the revision of the merit pay plan for principals. This cabinet

consists of the Associate Superintendent, the Assistant Superintendent for Instruction and Special Services and the Assistant Superintendent for Business Affairs.

In School Districts H and I, members of the Central Office Staff are given an annual forum to review and revise the merit pay plan for principals.

As a result of input received from principals in School District I, several factors are carefully considered before a final summative evaluation is given to the principal. Such building specific characteristics as the rate of student mobility, the number of students enrolled, cited problems with the physical plant and known problems within the community and among members of the parent group are carefully considered by the superintendent before a summative evaluation is given to the principal.

With the extent and variety of input that is reflected among the ten school districts studied, it is clear that input is a necessary component of any merit pay plan for elementary school principals, but as was cited by the superintendent of School District A, these opportunities for input must be structured with clear guidelines, and once these guidelines are accepted there should be no deviations from them.

There were no clear guidelines for input provided in any of the districts studied. The superintendent of School District A cited the need for such guidelines but did not

offer any evidence of the existence of such guidelines. The superintendent did state that guidelines for the evaluation and compensation of principals were mutually developed and strictly followed by the board and superintendent.

In the absence of clear guidelines, areas of authority and responsibility can get confused. In School District B, parents are allowed to have input into merit pay plans for principals. In School District C, teachers, parents, community persons, and in some schools the students are allowed to have input into the plan.

Without clear guidelines, suggestions could become directives and recommendations could become mandates. Minimally, all guidelines governing input must include careful consideration of the following concerns:

1. Who will have input?
2. Will the input be advisory or binding?
3. What are the legal ramifications governing input?
Issues concerning legality could surface in those instances when parents and/or teachers want to decide or participate in the process of evaluating principals.
4. Who makes the ultimate decision concerning the evaluation process and related merit pay decision?

All of these issues must be resolved and clearly communicated to those who participate in the Leadership/ Input Process. With the exception of representatives from

the board and the superintendent, all other participants in the Leadership/Input Process must understand that all input is advisory and will be carefully considered by the board and superintendent. All final decisions concerning input into the merit pay plan should be made by the board in consultation with the superintendent.

Broadly based input is a necessary and desirable component of any merit pay plan, but without clear guidelines, there is the possibility that the evaluation process and the related merit pay decisions could become subjected to confusion concerning areas of responsibility and lines of authority.

Commitment Component

Since the Illinois School Code requires that all school districts be governed by a board of directors or a board of education,² one could logically conclude that any merit pay plan that is successfully implemented in a school district must have the support of a board that is committed to the plan.

A successful merit pay plan begins with the board's commitment to setting the highest standards of excellence for each school's program, the facilities, the staff and the materials used. The board must demonstrate its commitment

²Illinois, The School Code of Illinois and Related Laws (West Publishing Company, 1990), Article 10 sections 10-1 & 10-10.

by its confidence in the ability of the staff to perform and by its willingness to reward them financially when they do.³

Among the ten elementary school districts that were studied, School Districts B, D and F did not have their merit pay plans delineated in the form of goal statements. Although Superintendent D said that such goal statements are not necessary, Superintendents B and F said that despite the absence of goal statements in their own programs, boards of education should demonstrate their commitment to merit pay in the form of related goal statements.

Although Superintendent I stated that the Board of Education of School District I had committed itself to merit pay in the form of related goal statements, a copy of the goal statements was not provided. The superintendent of School District C said that the board of education had not committed itself to the merit pay plan in the form of related goal statements. But according to the document presented and entitled: "Staff Development and Evaluation Program," the primary goal of the merit pay program is to "raise the quality of instruction through a system that will result in staff development, improved staff performance and accountability." Therefore, it is clear that board commitment in the form of related goal statements is a part

³Larry E. Frase, Ed.D., Teacher Compensation and Motivation (Lancaster: Technomic Publishing Company, Inc., 1992), 543-544.

of this district's plan.⁴

In summary, eight of the superintendents and the one designee stated that the board of education's commitment to merit pay should be demonstrated in the form of related goal statements. Six of the superintendents studied produced copies of such commitment in the form of related goal statements.

Among the ten school districts studied, eight of the school boards had elevated the merit pay plans to the level of policy. In School District J, the policy statement was implied rather than clearly stated.

The implied policy states that:

It shall be the policy of School District J to employ and retain the best qualified professional and auxiliary personnel. Policy and practice shall be designed to accomplish that purpose.⁵

Then superintendent of Brewster (New York) Central School District, James A. Monk, attributed the failure of merit pay in that district to a lack of commitment to the plan by new board members. The superintendent argued that the initial commitment to the plan that was exhibited by the original board was gradually eroded by a turnover of new

⁴The "Staff Development and Evaluation Program" for School District C is a confidential document.

⁵A complete copy of the implied policy is a confidential document.

board members without the same commitment.⁶

The possibility of experiences similar to those of Superintendent Monk, prompted the superintendent of School District A to justify giving merit pay plans policy status as a way of giving stability to the plans by making it difficult to change the plans without informed discussion and a majority vote of the board.

Superintendents B and D offered a contrasting point of view. Both superintendents indicated that their boards of education did not and should not commit themselves to the merit pay plans for principals by giving these plans policy status. Both superintendents reasoned that giving these plans policy status would make it difficult for a future superintendent to change the plans and implement another approach consistent with that superintendent's point of view.

Eight of the superintendents and the one designee stated that their boards had demonstrated commitment to the merit pay programs by providing adequate budgets to fund the plans.

According to a 1983 report completed by the Educational Research Service, the following suggestions concerning budget should be carefully considered by any school district considering the implementation of a merit pay plan:

⁶James A. Monk, "My Sad Conclusion: Board Turnover Precludes Merit Pay for Administrators," The Executive Administrator 5 (June 1983): 36.

Merit increments must be large enough to provide real incentive. Merit pay is not a money-saving device. It will cost more than the regular salary schedule... Enough money must be provided if the plan is to operate as intended.⁷

Only Superintendent C stated that the budget that was provided was inadequate. According to Superintendent C, the board only allocated two percent of its annual administrative salaries for merit increases. The superintendent said that five percent would be a more appropriate incentive for principals to achieve their performance expectations.

The average salary of administrators in School District C is \$59,799, which is \$9,816 higher than the state average and \$7,754 higher than the average salary of administrators in a district of similar size. The pupil/administrative ratio is 174.4:1 which is 70 pupils below the state average and 55.9 pupils below the average for a district of similar size.

Unlike Superintendent C, the superintendent of School District A stated that the budget allocated for merit increases was adequate. The average salary of administrators in School District A is \$52,667 which is \$4,993 higher than the state average, \$5,350 higher than the average for a district of similar size, but \$7,132 lower than the average salaries in School District C. The

⁷Karen Klein, ed., Merit Pay and Evaluation (Bloomington: Phi Delta Kappa, 1983), 7.

administrative/pupil ratio in School District C is 182.7:1 which is 62.9 pupils lower than the state average, 28 pupils lower than the average for a district of similar size, but 8.3 pupils higher than the average for School District C.

The aforementioned comparisons between School Districts A and C weaken the claim made by Superintendent C that the board of education in that district had not committed itself to the merit pay plan with an adequate budget.

Beyond budgeting merit increases that are large enough to provide a real performance incentive for principals, there are no research based guidelines for determining what constitutes an adequate budget for merit increases. Some clues were offered in School Districts A and D.

In School District A, the board and superintendent review the average salaries of principals in the county wide market as a guide for determining merit increases. In School District C, the board and superintendent review the cost of living index for the Chicago area as a guide for determining merit increases.

With the absence of research based guidelines for determining what constitutes an adequate budget for merit increases, the practices in these two school districts suggest that the process might begin with the board and its superintendent mutually deciding upon the total amount of funds that are available for merit increases. Since everyone is affected by the cost of living index, to develop

a budget that begins there, would minimally guarantee that all merit increases are sufficient to sustain the impact of any increase in the cost of living. Therefore, to provide principals with an incentive to perform beyond the level minimally needed to sustain the cost of living index, the top of the performance range, however determined, could be equivalent to a salary increase that is four to five percentage points above the cost of living index. Therefore, if the cost of living index is seven percent, then those principals demonstrating the minimal performance for a merit increase would receive a salary increase that is seven percent of their base salary. Those principals performing at the top of the performance scale would receive a salary increase that is 11 percent or 12 percent of their base salary.

Since the board of education is authorized by the state to make policy and approve the expenditure of funds, no program can succeed without the support and commitment of the board.

The success of any merit pay plan is contingent upon the board's support and commitment to the plan. Since the board's primary function is to make policy, its primary commitment to any program must reflect that primary purpose.

When superintendents argue against giving merit pay programs policy status because doing so would drastically reduce the options available to future superintendents to

implement alternative evaluation systems, those arguments negate the board's primary function which is to make policy related to major programmatic initiatives. Merit pay represents a major programmatic thrust. Such arguments also mortgage present needs and efforts to circumstances that have not yet occurred. Finally, arguments against giving merit pay policy status actually condone the expenditure of large sums of money for programs that lack the stability and clear intent that are associated with policy. Therefore, the board's commitment to merit pay should be reflected in a statement of policy with related goal statements and an adequate budget that includes a range of performance based increases that minimally includes a cost of living increase.

Although the budgets for merit pay approved by the school boards in School Districts B and D demonstrated budgetary commitment, the absence of similar commitment in the form of supportive policy statements and clear guidelines are missing in these districts. The purpose of policy is to give direction and to express intent. A budget item can be modified easier than a policy. Thus, although the financial support exists for merit pay, policy statements would strengthen the commitment of the board.

Merit Performance Expectations Component

In a merit pay program, the decisions as to how much a principal is paid is based totally or in part upon how well that principal performs in relation to how well he or she is

expected to perform. "The assessment of that individual should measure how well his or her performance compares with what is expected."⁸

Among the ten elementary school districts that comprised the sample, eight of the school districts had merit pay plans that were characterized by clearly defined performance expectations. These performance expectations were listed in the evaluation instrument for principals. In School District G, the performance expectations were vague and very general. The superintendent stated that the performance expectations listed on the evaluation instrument were selected from the principal's job description. But an examination of that evaluation instrument and the job description revealed very little concrete relationship between the two documents. The general areas on the evaluation instrument were not well defined. This district's approach to establishing performance expectations does not provide an exemplary model for the process.

Clearly defined performance expectations are the bases for making merit pay decisions. These performance expectations provide the groundwork for guiding behavior toward the desired ends. Without clearly defined performance expectations, it is very difficult to assess whether principals actually did what they were expected to do. Paying for performance is the rationale upon which all

⁸Kienapfel, 25.

merit pay systems are based. But it is very difficult to pay for performance that has not been clearly defined.

Eight of the superintendents and the one designee said that the performance expectations for principals were based upon research. Only Superintendent C said that the performance expectations for principals in School District C were not based upon research. But an examination of the evaluation instrument for principals used in that district indicated that principals were evaluated on how well they involve teachers in the decision making process, an outcome of the research on the benefits of democratic leadership styles. The job targets that are mutually developed by the superintendent and principals in that district are the practical applications of the research on management by objectives.

Eight of the ten school districts had performance expectations that were based upon the correlates identified by the research on effective schools. Four of those eight school districts had performance expectations for principals that were based upon a combination of the research on effective schools and management by objectives.

Eight of the ten school districts had an evaluation plan that included performance expectations that were related to teacher performance because principals were evaluated on how well they conducted classroom observations. Five of those eight school districts had evaluation

instruments for principals that included performance expectations that were linked to student outcomes. The principals were evaluated on how well they used the results of standardized testing to plan the instructional program for the following year.

Unlike Superintendent C, superintendents of school districts with merit pay programs for their principals should recognize, promote and monitor the development of performance expectations that are based upon the most current research. If principals are going to be paid based upon how well they perform, then their performance should be clearly defined, research based, initially linked to what teachers do in the classrooms, and ultimately linked to what children learn in those same classrooms.

Preparation Component

A review of the research on effective schools and effective principals provides several implications for policy initiatives at the state and local levels.

In general, the policy implications of the research involve recognizing the importance of principals in implementing any kind of school improvement, developing training programs that prepare principals to be effective, providing ongoing feedback and performance evaluation systems based upon clearly defined criteria, and finally providing principals with rewards and incentives that are

congruent with the level of their performance.⁹

In all of the school districts studied, there are provisions for principals to receive training designed to prepare them to accomplish their performance expectations.

The provisions for training varies throughout the districts studied. In School District E, the board gives each principal \$500 to attend graduate school to improve those skills that would enhance the performance of the principal. Toward that same end, the board of education in School District J pays the entire cost of doctoral training for principals to attend the university of their choice.

Although School Districts E and J represent commendable attempts to provide monies to train principals toward the attainment of their performance expectations, neither of the districts required the principals, prior to training, to provide any written statement as to how the training and related expenditures might help them to achieve their performance expectations. At the end of training, neither of the districts requested the principals to provide any documented evidence of how the training actually did help them to improve their performance. All training programs, particularly those involving large expenditure of funds, should minimally require those receiving the training to indicate, prior to training, how the training could possibly

⁹Roy H. Forbes, ed., Administrator Evaluation (Bloomington: Phi Delta Kappa, 1984-85), 24.

help them to improve their performance. At the end of the training cycle, these same persons should be required to either provide documented evidence of how the training program actually helped them to improve or offer recommendations as to how the training might have been more helpful.

In School Districts A and G, opportunities are provided for principals who have weaknesses in certain areas to collaborate with principals who have strengths in those same areas. In School District A, the superintendent encourages principals to network with other principals who exhibit performance strengths in the areas in which their performance is weak.

At a glance, these opportunities to collaborate and network appear to be very useful and worthwhile. But, without careful planning which includes serious consideration of all of the factors involved, these opportunities could become well intended exercises in futility.

Each principal in the cited districts is competing for the same available merit dollars. A principal's enthusiasm to help another principal improve could be diminished by the realization that such assistance could cause the assisted principal to perform better and secure a larger share of the merit dollars than the principal providing the assistance.

To cite the possibility of limited enthusiasm, is not

an attempt to discredit those well intended efforts to promote initiatives designed to organize principals around issues related to their performance strengths and weaknesses. The observation was made as a way of suggesting that such efforts should be preceded by serious consideration of all of the factors that are involved that may not be overtly expressed, such as jealousy and competition. Therefore, these well meaning initiatives should be supplemented and undergirded with a well designed inservice training program that begins with cooperation as its major focus and ends with the conversion into merit dollars of those efforts made by principals that actually help other principals to improve.

Monitoring Component

According to the work of Fredric Genck and Allen Klingenberg, boards of education and superintendents can improve the possibility that principals will achieve their performance expectations when they implement frequent and qualitative interim procedures for monitoring the attainment of those performance expectations. They stated that the board and superintendent can agree on a process that involves close and ongoing monitoring of the degree to which goals and objectives of principals are being accomplished.

They further stated that board members and the superintendent may expect 100 percent attainment of performance expectations. But, careful interim procedures

for monitoring progress allow them to determine which performance expectations are being accomplished, which are not and reasons for their lack of accomplishment. When problems with performance expectations are identified during the monitoring process, those problems can be resolved and the chances of goal attainment are improved.¹⁰

All of the school districts studied had some provisions for the monitoring interim progress that principals were making toward the attainment of their performance expectations. The number of times that principals were monitored ranged from as few as two times a year to as many as monthly sessions. Four of the districts monitored on a monthly basis the progress that principals were making toward the attainment of their performance expectations.

Although School Districts D and E were the only districts that established a minimum time limit for these monitoring visits, some commitment as to the minimum amount of time that will be devoted to these visits does appear to enhance the value of the process. With some commitment regarding how much time will be minimally given to each visit, principals and superintendents can more effectively structure and prepare for each visit so as to maximize the benefits of the visit. But this concern for establishing minimum time limits for monitoring visits was not present in

¹⁰Fredric H. Genck and Allen J. Klingenberg, Effective Schools Through Effective Management (Springfield: Illinois Association of School Boards, 1978), 33-34.

eight of the districts studied.

None of the superintendents or the one superintendent's designee expressed any concerns for "focusing on" one or a limited number of performance expectations, goals or objectives during these monitoring sessions. Without some attempt to "focus on" or particularize certain performance expectations, these monitoring sessions could become characterized as casual visits that are devoid of the benefits associated with a specific focus and clear forethought.

Without some pre-planned attempt to address one or a limited number of performance expectations during each monitoring visit, these sessions could also be subjected to the debilitating consequences of attempting to address too many issues during one visit with the end result being chaos and confusion.

Evaluation/Conversion Component

This component was identified as one of the major components that should be included in any merit pay plan for administrators. This component is designed to reward

excellent administrative performance by converting assessment scores into salary increases. This of course is the essence of merit pay - making the individual's salary increase (if any) dependent on how well that individual scores on the assessment of his performance.¹¹

Consistent with the aforementioned observation, one

¹¹Kienapfel, 51.

could logically reason that as the relationship between the evaluation summary and the assignment of merit dollars becomes more concise and therefore less subjective, the easier it would be for superintendents to explain and justify their merit ratings to principals. But, among the ten school districts studied, the process of deriving an evaluation summary and then converting that summary into merit dollars could be characterized as highly subjective and arbitrary in six of those school districts.

In School Districts A, D and H, there was no clear relationship between the numerical summative evaluations and the levels of performance. Superintendents were given a wide range of discretion in converting those levels of performance into merit dollars; but this wide range of discretion that is given to superintendents could lead to charges of favoritism because it makes it increasingly more difficult for superintendents to objectively explain and justify their merit ratings to principals.

In School Districts C, E, and I, each principal received an end of the year narrative that was designed to summarize the superintendent's general impression of the performance of each principal. But, there was no clear guidelines to govern the relationship between the formative evaluation process, the related levels of performance and the summative narrative. The whole process was arbitrary and therefore highly subjective. In these districts,

superintendents were given a pool of merit dollars that were arbitrarily assigned based upon the highly subjective content of the narratives.

With the exception of Superintendents C and E, all of the superintendents favored the idea of using an evaluation/conversion formula for converting assessment scores into salary increases and reducing the degree of subjectivity in the assignment of merit dollars.

Only Superintendents B, F and G used an evaluation system that had any similarity to the evaluation/conversion model that the majority of the superintendents said that they favored.

While no system of evaluation is completely objective, the process for evaluating principals in School Districts B, F, and G is designed to minimize the degree of subjectivity associated with the process of quantifying the relationship as much as possible between the summative evaluation and the assignment of merit dollars. In each of these districts, the evaluation process yields a summative evaluation that is converted into a numerical score that is then easily converted into merit dollars. Because of this clearly quantitative relationship between the summative evaluation and the related merit pay, the arbitrariness and subjectivity that characterized the evaluation process in various degrees in the other districts were minimized in School Districts B, F and G.

Among the ten school districts studied, only one superintendent supported the idea of a decrease in pay for principals in response to unsatisfactory performance. The majority of the school districts responded to unsatisfactory performance by withholding a salary increase from those principals who received unsatisfactory evaluations.

Since the salaries of principals are negotiated components of their contracts, any attempt to decrease their salaries that is not written into and sanctioned by their contract would be a violation of that contract and therefore illegal.

Appeal Component

Among the researchers, teachers and administrators who have been involved with merit pay plans, there is general agreement that the evaluation process should make available an avenue for appeal to those persons who are dissatisfied with their evaluations.¹²

Among the ten school districts studied, seven of the superintendents and the one designee said that merit pay plans should include provisions that allow principals to appeal when they are dissatisfied with their summative evaluations and the related assignment of merit dollars.

Included among the two superintendents who did not support the appeal component was Superintendent E.

¹²Klein, 6.

Superintendent E said that principals should be informed of their right to appeal summative evaluations with which they are dissatisfied. But the superintendent added that any request for an appeal would be taken at the principal's own risk. The clear threat associated with the recognition of the right of principals to appeal clearly negates the impact of the superintendent's verbal support of the idea.

Among the seven superintendents and the one designee who supported the idea of appeal, two were superintendents of school districts that did not have a formal appeal process. Therefore their support was strictly conceptual and devoid of any programmatic dimensions.

Among the six school districts with a formal appeal process, four of the districts did not have designated time limits for the participants to initiate or respond to requests for appeal. But the final decision was made by the board. One of the six school districts had an appeal process that began and ended with the decision of the superintendent and was also devoid of designated time limits for making decisions.

Any appeal process that begins and ends with the person whose actions are responsible for the request for appeal does not generate very much hope for a fair resolution of the appeal. Also an appeal process that does not establish time limits within which action must be taken tends to subject the entire process to the possibility of unnecessary

delays in decision making.

Annual Review Component

According to a report published by the Educational Research Service and authored by Bruce Kienapfel, one of the major features of any effective merit pay plan for school administrators includes provisions for an annual review process.

According to the report, the effectiveness of any merit pay program for school administrators is dependent upon the presence of a "review process designed to improve the assessment, salary, and merit system on a frequent basis."¹³

According to the report, an effective review process is periodic, comprehensive and includes provisions for broadly based input.

The report suggested annual periodic reviews rather than reviews that are conducted as needed. The process is improved when everyone involved knows when and how the program can be amended.

During these annual reviews, the entire plan is reviewed rather than isolated parts. Therefore, the review is comprehensive.

Trust and confidence in merit pay programs are promoted when everyone affected by the merit pay program is allowed

¹³Kienapfel, 58.

to participate in these annual reviews. Therefore, the effectiveness of merit pay programs is improved when the review process is characterized by broadly based input.¹⁴

According to the nine superintendents and the one designee interviewed, six of the school districts had merit pay programs that were reviewed annually. But in School District E, the board is not and does not want to be a part of the process.

According to Superintendent E, the board of this school district has expressed its commitment to merit pay by elevating the program to the level of policy. Yet, the board's position concerning the review process appears to be supportive, but it has not passed a policy on this matter. Perhaps there is no conflict in this situation, but a policy would strengthen the board's position and still leave matters related to the process strictly to the superintendent.

Included among the six school districts that conduct annual reviews is School District J. The superintendent of this district seeks input from board members and principals separately. Separating the persons involved in the review process in this district appears to diminish the benefits of the process - especially in this small district with only six schools. A collaborative input process appears to benefit smaller districts because it diminishes the

¹⁴Ibid.

possibility of having to hear the same or similar types of input in separate meetings.

Among the four school districts that do not conduct annual reviews of their merit pay programs, three of those school districts conduct such reviews every two to three years. One of those school districts reviews the program as needed.

Any review process that only occurs every two or three years could result in long delays in the consideration of serious problems associated with the program. These unattended problems could result in serious and irreparable consequences for the program. If principals consider the program's evaluation/conversion component to be unfair, then the review process should not have to wait two or three years to deal with that issue.

Finally, a review process that is activated as needed, must clearly define the conditions that must prevail to determine need. If need must be established before the system is implemented, then those affected by the merit pay program must have clear guidelines to determine how need will be defined. Once need is defined, how will they be allowed to amend the process; and how many of them will be needed before the process is implemented?

A broadly based and collaborative annual review process empowers the participants and enhances their trust in the program because it gives those affected by the program a

shared opportunity to impact the decisions related to the program's future direction. Finally, annual review opportunities provide a timely and scheduled format for dealing with any problems related to the program. The four districts which do not conduct an annual review seem to be overlooking these points.

Emerging Components

The interview format that was designed made provisions for the interviewees to identify components that should be a part of any merit pay plan for principals but were not listed among the prepared list of components. These components are called "emerging components."

Among the nine superintendents and the one designee interviewed, nine of them stated that the job description should be listed as a separate component of a merit pay plan for principals. Seven of those interviewees indicated that the job description was already a major component of their programs.

Although not included among the components in their districts' programs, two of the interviewees said that the job description should be included in any merit pay plan for principals.

Among the seven interviewees that indicated that job descriptions were integral components of their merit pay programs for principals, Superintendent D stated that the job descriptions used in School District D were mutually

developed annually by the superintendent and the principals. The superintendent did not produce a copy of the job description.

Among the six interviewees that produced copies of their job descriptions, there was no clear relationship between the job descriptions and the performance expectations for principals in School Districts G and I. In both districts, the performance expectations cited on the evaluation instrument bore little or no resemblance to the job description from which they reportedly were selected.

Superintendent I stated that the job description should be the general source of those performance expectations that determine merit ratings.

According to a report published by the National School Boards Association as long ago as 1973, one of the major characteristics of an effective job description is that "it presents the major performance responsibilities which make up the job."¹⁵ Consequently, the principals' job description serves as a guide that gives a sense of direction to the selection of those performance responsibilities which are the bases for merit decisions. To have job descriptions that are unrelated to performance expectations that are the bases for evaluation and merit

¹⁵Lewy Olson, ed., Job Descriptions in Education (Evanston: National School Boards Association, 1973), 6-7. (Please note that this 1973 reference was used because the definition of "job description" has not changed over the years.)

decisions appears irrational and inconsistent. But, obviously, this view is not held by the superintendents of School Districts G and I.

Strengths/Weaknesses

Although there were provisions for input in all of the merit pay plans studied, only five of the interviewees cited those provisions as strengths of their districts' programs. During the analysis of the Leadership/Input Component, it was stated that none of the districts studied established any clear guidelines for implementing this component. To characterize the input component as a strength without evidence of any clear guidelines for its implementation appears to be a premature assessment.

Although there were no major weaknesses cited by a majority of the interviewees as being characteristic of their merit pay plans, too much subjectivity was cited as a major weakness of the programs of three school districts. In the analysis of the Evaluation/Conversion Component, it was indicated that among the ten school districts studied, the process of converting the summative evaluation into merit dollars could be characterized as highly subjective and arbitrary in six of those districts. Three of those six school districts were headed by the three superintendents who stated that excessive subjectivity was a major weakness of their districts' merit pay plan. The other three superintendents indicated that they favored an evaluation

process that would minimize the subjectivity associated with converting assessment scores into merit salary increases. But neither of these superintendents recognized the subjectivity associated with this process as a weakness in their own programs. Therefore, until the highly subjective nature of the conversion process is recognized and viewed as a weakness of the existing merit pay program, the prospects for strengthening the program by eliminating this apparent weakness appear to be highly unlikely.

Recommendations by Interviewees

Although their recommendations were not deep or startling, seven of the ten interviewees recommended that merit pay programs have the support of the board prior to implementation. Five of the interviewees recommended that board members and those administrators affected by the program should be involved in the design and implementation of the program. But none of the interviewees provided any specific guidelines for the recommended involvement.

Among the ten school districts studied, seven of the interviewees recommended that elementary school districts considering or planning to implement a merit pay program for their principals should begin slowly by collecting as much data about the program as possible in a one to two year period prior to the program's implementation.

Finally, during the course of the interview the idea of a component called "Job Description" emerged as a

recommended preference of more than a majority of the interviewees. Those having this view strongly recommended that a well defined comprehensive job description for principals should be the primary basis for the selection of their performance expectations and the related merit pay decisions.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

This study was conducted for two reasons: 1) to collect data from superintendents of ten elementary school districts with merit pay programs for their principals in the state of Illinois, and 2) to use the data collected to derive a merit pay program for elementary school principals that contains components which can be used as model and decision making tool by those elementary school districts that are considering or planning to implement a merit pay program for their principals.

A phone survey was conducted to establish contact with the superintendents of those Illinois school districts that had been identified in an Educational Research Service report as school districts with merit pay programs for their principals.¹ That phone survey confirmed the existence of 11 elementary school districts with merit pay programs for their principals. Ten of the elementary school districts were chosen for the study because one of the superintendents

¹Paul J. Porwoll, Merit Pay for School Administrators (Arlington: Educational Research Service, Inc., 1979), 42.

stated that he did not want to be a part of the study.

A case study approach using in-depth interviews that followed a questionnaire format was used to study each of the ten school districts. Because of the confidential nature of their contents, none of the documents collected during these interviews was added to the Appendix.

The primary research question was, "As the result of an analysis of these ten elementary school districts, what major components can be identified as being the components of a model merit pay program for elementary school principals?"

During the interviews, the interviewees were asked to screen a list of prepared components and then identify those components that should be included in a program of those school districts that are considering or planning to implement a merit pay program for their principals. The interview format also included provisions for emerging components.

The data collected during the interviews were analyzed by identifying those components on the prepared list and those emerging components that had been identified by a majority of the interviewees. Those components were recommended as components that should be included in a merit pay program that would serve as a model for those elementary school districts that are considering or planning to implement a merit pay program for their principals.

This study was limited to the elementary school because it is there where the foundation for all future educational endeavors lie. The study was limited to the elementary school principal because research studies identify the principal as the most significant human variable in determining school outcomes. The study was limited to merit pay among principals because principals are viewed as "middle managers," and the findings of corporate research establish a significant relationship between managerial pay and corporate performance. Such research suggests very positive possibilities for the prospects of merit pay among elementary school principals.

Conclusions

Based upon a review of the literature, one could draw the conclusion that the national trend toward merit pay was evident after the 1983 publication of the report entitled: A Nation at Risk: The Imperative for Educational Reform. This trend was evident throughout the 1980s and early part of the 1990s by the emergence of national reports and state initiatives, public positions taken by executives in the White House, favorable public opinion polls and the 1986 research of Arlen Leo Baker that strongly indicated that all of the superintendents in Illinois who participated in the study supported merit pay for school administrators. This national trend toward merit pay and the research based positive attitudinal climate of Illinois superintendents

augur well for the prospects of merit pay for principals in the state of Illinois.²

Based upon the research conducted among the ten elementary school districts in this study and the views of the majority of the interviewees, the following major conclusions can be drawn concerning the design and implementation of merit pay programs in these districts:

1. Boards of education support these programs with statements of policy and adequate budgets.
2. Superintendents are primarily responsible for directing and supervising these programs.
3. Although clear guidelines are lacking, there are provisions for giving board members, superintendents, and principals an opportunity to give input into the design, implementation and revision of these plans.
4. Those behaviors that are the bases for evaluation are clearly defined and communicated to the principals in writing.
5. There are provisions for training principals to improve and to regularly monitor their progress.
6. The process used by superintendents to convert the summative evaluation of principals into a merit

²Arlen Leo Baker, "Attitudes of Illinois Public School Superintendents Towards Merit Pay for Teachers and Administrators," (Ed.D. Dissertation, Saint Louis University, 1986).

rating is highly subjective and arbitrary.

7. The components that were identified by the interviewees are consistent with those identified after extensive research of the literature.

Recommendations

Based upon the aforementioned conclusions, the following recommendations are offered in the form of components that should be included in a merit pay program that would serve as a decision making model for those elementary school districts that are considering or planning to implement a merit pay program for their principals.

Components of a Model Merit Pay Program

Leadership/Input Component: In any merit pay program for elementary school principals, the superintendent should be primarily responsible for directing and supervising the program. There should be provisions for broadly based input into the design, implementation and revision of the program. Minimally, these provisions for input should involve board members, the superintendent and those administrators directly affected by the program. These provisions for input could also include representative members of the central office staff, parents, teachers and community representatives.

All provisions for input should be preceded by the formulation of clear guidelines that provide structure for

the input. The more broadly based the input, the more concise and structured should be the guidelines.

All guidelines governing input should include careful consideration of the following concerns:

1. Who will have input?
2. Will the input be advisory or binding?
3. What are the legal ramifications governing input?
Issues concerning legality could surface in those instances when parents and/or teachers want to make decisions or participate in the process of evaluating principals.
4. Who makes the ultimate decision concerning the evaluation process and related merit pay decision?

All of these issues must be clearly resolved and clearly communicated to all persons who participate in the Leadership/Input Process. With the exception of board members and the superintendent, all other participants in the input process must understand that their input is advisory and will be carefully considered by the board and superintendent. All decisions concerning input into the merit pay program should be made by the board in consultation with the superintendent.

Commitment Component: The successful implementation of any merit pay program for elementary school principals should have the commitment of the board in the form of a policy statement and an adequate budget.

The primary function of the board of education is to make policy. Therefore, the board should demonstrate its primary function by giving policy status to merit pay programs for elementary principals. These policy statements should be clearly delineated in the form of related goal statements that establish a clear intent and direction for the program.

Since merit pay programs tend to cost more money than more traditional compensation systems, the board should make a commitment to provide an adequate budget for the program.

Since the board of education is authorized by the state to make policy and approve the expenditure of funds, no merit pay program for elementary school principals can be expected to succeed without the policy support and budgetary commitment of the board.

Job Description Component: The principal's job description identifies the major performance responsibilities which make up the job. Therefore, the job description should be a component of any merit pay program for elementary school principals because it gives a sense of direction to the selection of those performance expectations which are the bases for merit decisions.

All performance expectations that are the bases for evaluating principals and determining merit pay should be related to the principal's job description.

Merit Performance Expectations Component: Merit

performance expectations are the clearly defined behaviors that constitute the bases for evaluation and the related merit pay decisions. These performance expectations should be selected from a well designed job description and communicated to the principals in writing. They should measure how well the principal's performance compares to what is expected. Paying for performance is the premise upon which all merit pay systems are based. But it is very difficult to pay for performance that has not been clearly defined and communicated in writing to the principals.

These performance expectations should identify the behaviors of the principal that current research correlates with effective teaching strategies and improved student learning.

Preparation Component: Research on effective schools identifies the principal as having the most significant role in the implementation of any kind of school improvement. Therefore, any training program that improves the performance of principals tends to positively impact the performance of the entire school.

To assist the principals in their efforts to improve their performance by attaining their performance expectations, school districts should provide opportunities and the related budget for principals to receive training that will enable them to improve their performance.

These training opportunities, particularly those that

involve expenditures of funds, should require principals to indicate, prior to training, how the training could possibly assist them in their efforts to attain their performance expectations.

At the end of the training cycle, the principals should be required to provide documented evidence of how the training actually helped them to improve their performance or how the training might have been more helpful. This pre- and post-training information can be used by school districts initially to improve the training programs for principals and ultimately to improve the performance and related merit pay of principals.

Monitoring Component: Boards of education and superintendents can improve the likelihood that principals will achieve their performance expectations when they implement frequent and qualitative interim procedures for monitoring the progress that principals are making toward the attainment of those performance expectations.

The superintendent or the superintendent's designee should be responsible for visiting each principal regularly for a minimum period of time during each visit to determine which performance expectations are being accomplished, which are not and reasons for their lack of accomplishment. These monitoring sessions should be pre-planned to the extent that they focus on a limited number of performance responsibilities to avoid the consequences of attempting to

address too many concerns during one visit. The superintendent or the superintendent's designee should reduce these monitoring sessions to writing and make copies available to principals so that plans can be made for future monitoring visits.

Evaluation/Conversion Component: One of the key components of any merit pay plan for principals is the relationship between the evaluation summary and the increments of merit pay. The more concise and objective the relationship, the easier it is for superintendents to explain and justify their merit ratings to principals. When the relationship between summative evaluations and merit ratings can only be justified on the basis of the superintendent's discretion, the possibility that charges of favoritism will occur are imminent. Therefore, the evaluation process should result in a range of numerical scores that places the principals into one of at least three levels of performance that can be numerically converted into a percentage increase in merit pay.

To encourage effort, there should be a base merit increase for principals that reflects the cost of living and appropriate merit increases beyond the base as determined by the board.

There should be a zero percentage increase for unsatisfactory performance. There should be no provisions for a percentage decrease in pay for unsatisfactory

performance unless such a provision has been written into the principal's contract.

It is strongly recommended that all salary components of the evaluation/conversion component be communicated by the superintendent to the principals in writing at the beginning of the school year so that the principals will know what they can clearly expect in the form of compensation when they do what is expected of them. With this information principals can control how much they can earn by knowing how well they must perform to earn it.

Appeal Component: Any merit pay plan for elementary school principals should have an appeal process. Any process that ties all or a portion of a principal's compensation to performance as measured by a superintendent or the superintendent's designee could be challenged by a principal who expected a better evaluation and more money than the amount that resulted from the evaluation. An appeal process serves as a safety valve for these possible challenges.

Minimally, the appeal process should include an informal and a formal stage. During the informal stage, the principal would simply request a meeting with the superintendent or the superintendent's designee. During this informal stage, the principal would discuss in detail the reasons for the appeal. If the principal's concerns are resolved, then the process ends here. If the principal's

concerns are not resolved, then the formal stage is initiated.

During the formal stage, the principal must submit the reasons to the superintendent in writing within a certain period of time. The superintendent must respond within a certain period of time. If the principal is satisfied with the written response, the process ends here. If not, then the principal is given a designated period of time to submit the appeal to the board. The board should be given a time limit to review and respond to the request for appeal. In all matters related to appeals concerning merit pay, the board's decision should be final.

In those instances when the superintendent's designee evaluates principals, the informal and formal stages of the appeal process should begin with that person. If the superintendent's designee is not successful with resolving the concern, then the appeal should move to the superintendent before going to the board.

Annual Review Component: The effectiveness of any merit pay program for school administrators is dependent upon the presence of a review process that is designed to enhance all components of the merit pay system on a frequent basis.

These reviews should be annual, comprehensive, broadly based and collaborative. They should be annual so that problems associated with the program can be addressed and

resolved before they become major and irreparable concerns.

They should be comprehensive to the extent that all of the major components are reviewed on an annual basis. These reviews should be broadly based and collaborative so that all of the persons affected by the program can be given a common format to express and resolve concerns associated with the program. In very large districts where there are several principals involved, the principals could draft a copy of their collective concerns and then select a person or persons to represent them during these collaborative review sessions.

Trust and confidence in merit pay programs are promoted when everyone affected by the program is allowed to participate in these annual reviews. These reviews have the possibility of reducing the number of appeals because those issues that normally lead to appeals could be resolved during these annual reviews.

When one considers the apparent national trend toward merit pay and the supportive attitudinal climate that exists for merit pay among 210 Illinois superintendents, it is highly recommended that the aforementioned model of nine components be used as a decision making tool by those school districts that are considering or planning to implement a merit pay program for their principals.

Finally, it is highly recommended that elementary school districts considering or planning to implement a

merit pay program for their principals should begin slowly by collecting as much information about the program as possible in a one to two year period prior to implementation.

The information should be collected from school districts that are presently using the program. The information collected would give interested school districts a one to two year period of time to collect the kind of information needed to make informed decisions prior to program implementation.

Suggestions for Further Study

The focus of this study was primarily based upon the views of superintendents concerning merit pay for elementary school principals. Future studies could focus on the views of Illinois school board members or principals concerning the design and implementation of merit pay programs for elementary school principals.

The primary focus of this study was elementary school principals, perhaps future studies could focus on issues related to the design and implementation of merit pay programs in high schools.

Finally, this study focused on nine major merit pay components that could be used as a model by those elementary school districts that are considering or planning to implement such a plan. Future studies could focus on the Evaluation/Conversion Component. Such studies would

identify exemplary systems and strategies for designing evaluation outcomes that can be converted into merit pay dollars with minimal conflict among principals, superintendents and board members.

It is sincerely hoped that the information presented in this dissertation will serve as a decision making tool for those school districts that are considering or planning to implement merit pay programs for their principals.

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APPENDIX

SUPERINTENDENT'S INTERVIEW FORMAT

1. Leadership/Input Component: Although provisions are available to receive input from board members, principals and other affected administrators, the superintendent is primarily responsible for directing and supervising the program.
 - a. If this component is a part of your program, describe how the superintendent is primarily responsible for directing and supervising the program. Describe those provisions for getting input from board members, principals and other affected administrators.
 - b. If this component is not a part of your program, should it be included? If yes, how should it be included? If no, why should it not be included?
2. Commitment Component: The school board has made a commitment to the program in the form of related goal statements, an adequate budget, and has elevated the program to the level of policy.
 - a. If this component is a part of your program, describe how your school board has made a commitment to the program in the following ways:
 1. in the form of related goal statements
 2. in the form of an adequate budget
 3. in the form of elevating the program to the level of policy

- b. If this component is not a part of your program, should it be included? If yes, how should it be included? If no, why should it not be included?
3. Merit Performance Expectations: The performance expectations are clearly identified, research based, related to teacher performance, linked to measures of student outcomes, and communicated to the principals in writing.
- a. If this component is a part of your program, describe how the performance expectations are:
1. clearly identified
 2. research based
 3. related to teacher performance
 4. linked to measures of student outcomes
 5. communicated to the principals in writing
- b. If this component is not a part of your program, should it be included? If yes, how should it be included? If no, why should it not be included?
4. Preparation Component: This component describes the programs and/or activities that are designed to identify and provide or improve those skills that principals need to achieve their performance expectations.
- a. If this component is a part of your program, describe how principals are prepared and trained to achieve their performance expectations.

- b. If this component is not a part of your program, should it be included? If yes, how should it be included? If no, why should it not be included?
5. Monitoring Component: This component requires that there be a format throughout the school year for receiving feedback from and giving feedback to principals about how much progress they are making toward the attainment of their performance expectations.
- a. If this component is a part of your program, describe how and when you monitor the progress that principals are making toward the attainment of their performance expectations.
- b. If this component is not a part of your program, should it be included? If no, why should it not be included?
6. Evaluation/Conversion Component: This component describes the procedures for giving the principal a written summative evaluation and for converting this evaluation into a dollar amount or percentage increase or decrease in merit pay.
- a. If this component is a part of your program, describe how the summative evaluation is determined and converted into a dollar amount or percentage increase or decrease in merit pay.
- b. If this component is not a part of your program,

should it be included? If yes, how should it be included? If no, why should it not be included?

7. Appeal Component: This component describes what a principal may do to appeal a contested merit pay decision.
 - a. If this component is a part of your program, how does a principal appeal a contested merit pay decision?
 - b. If this component is not a part of your program, should it be included? If yes, how should it be included? If no, why should it not be included?
8. Annual Review Component: This component describes those provisions for allowing board members, superintendents, principals and other affected administrators to review the program annually so that recommendations can be made to improve the program for the following year.
 - a. If this component is a part of your program, describe how board members, the superintendent, principals and other affected administrators are involved in the annual review of the program.
 - b. If this component is not part of your program, should it be included? If yes, how should it be included? If no, why should it not be included?
9. Emerging Components I: Describe those components that are a part of your program, that should be a part of

any program, but are not among the components that are listed on this interview format.

10. Emerging Components II: Describe those components that should be included in any program but are not included in your program nor are they among the components that are listed on this interview format.
11. Identify and describe the strengths and weaknesses of your program.
12. What recommendations would you offer to elementary school districts that are considering or planning to implement a merit pay program for their principals.

APPROVAL SHEET

The dissertation submitted by Winston Johnson has been read and approved by the following committee:

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The final copies have been examined by the director of the dissertation and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the dissertation is now given final approval by the Committee with reference to content and form.

The dissertation is therefore accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

April 14, 1993
Date



Director's Signature