1978

An Analysis of Merit Compensation and the Relationship to Teacher Organizations of Elementary School Teachers in Selected Illinois School Districts and the Implications for Administration and Supervision

Edward Stephen McNally
Loyola University Chicago

Follow this and additional works at: https://ecommons.luc.edu/luc_diss

Part of the Education Commons

Recommended Citation
https://ecommons.luc.edu/luc_diss/1776

This Dissertation is brought to you for free and open access by the Theses and Dissertations at Loyola eCommons. It has been accepted for inclusion in Dissertations by an authorized administrator of Loyola eCommons. For more information, please contact ecommons@luc.edu.

This work is licensed under a Creative Commons Attribution-Noncommercial-No Derivative Works 3.0 License.
Copyright © 1978 Edward Stephen McNally
AN ANALYSIS OF MERIT COMPENSATION AND THE RELATIONSHIP TO
TEACHER ORGANIZATIONS OF ELEMENTARY SCHOOL TEACHERS IN
SELECTED ILLINOIS SCHOOL DISTRICTS AND THE
IMPLICATIONS FOR ADMINISTRATION AND
SUPERVISION

by

Edward Stephen McNally

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

January

1978
ACKNOWLEDGMENTS

The author wishes to express his gratitude to the many people who helped make this study a reality. He is indebted to Dr. Tom Rich, superintendent of District 84½, and the board of education of that district for providing the flexible work schedule to complete the study. The assistance of the five cooperating superintendents, their respective boards of education, and personnel was invaluable. He is further indebted to the members of his committee, Dr. Melvin P. Heller, Dr. Jasper J. Valenti, and Dr. Robert L. Monks for their critical review of the study. The help of his wife, Mary, who reviewed the text for preparation and Mary Jane Gruber who typed the final copy was greatly appreciated.

A special note of thanks goes to the author's chairman and advisor, Dr. Melvin P. Heller. Without his support and assistance, this study would never have been completed.

The author is very appreciative of the interest and support shown by his wife, Mary. The writing and typing of this dissertation was a special challenge due to their infant son, Dan.
VITA

Edward S. McNally was born in Chicago on March 9, 1947, the son of Edward and Lillian H. McNally.

He attended the elementary schools of District 92½ in Westchester, Illinois, was graduated from St. Joseph High School in May of 1965. The Bachelor of Arts was conferred by Lewis University of Lockport, Illinois in May of 1969 and the Master of Education degree from Loyola University of Chicago in February of 1973.

The author was employed by the Chicago Archdiocese School Board from 1969 to 1974 and assigned to St. Benedict High School, where he served as a science teacher and department chairman. During the 1974-1975 school year he participated in the Loyola University Intern Program in Educational Administration. In this capacity he served as the assistant principal of the Dujardin Elementary School in School District 13, Bloomingdale, Illinois. In May of 1975 he was appointed to the principalship of the Rhodes Elementary School (District 84½, River Grove, Illinois), where he is currently serving.

He was married in June of 1974 to Mary Szymanski and they have one child, Daniel. They currently reside in Northbrook, Illinois.

Edward McNally is the author of the following publications: "Preparing for the Challenge of the Principalship"
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGMENTS</td>
<td>ii</td>
</tr>
<tr>
<td>VITA</td>
<td>iii, iv</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>vi</td>
</tr>
<tr>
<td>Chapter</td>
<td></td>
</tr>
<tr>
<td>I. INTRODUCTION TO THE PROBLEM</td>
<td>1</td>
</tr>
<tr>
<td>II. REVIEW OF THE RELATED LITERATURE</td>
<td>23</td>
</tr>
<tr>
<td>III. CASE STUDIES OF THE DISTRICTS SELECTED</td>
<td>60</td>
</tr>
<tr>
<td>IV. ANALYSIS OF THE DISTRICTS STUDIED</td>
<td>161</td>
</tr>
<tr>
<td>V. RECOMMENDATIONS</td>
<td>254</td>
</tr>
<tr>
<td>APPENDIX</td>
<td>280</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>290</td>
</tr>
<tr>
<td>Table</td>
<td>Pages</td>
</tr>
<tr>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>1. Summary of the data collected (District A)</td>
<td>77-80</td>
</tr>
<tr>
<td>2. Summary of the data collected (District B)</td>
<td>98-100</td>
</tr>
<tr>
<td>3. Summary of the data collected (District C)</td>
<td>116-118</td>
</tr>
<tr>
<td>4. Summary of the data collected (District D)</td>
<td>129-131</td>
</tr>
<tr>
<td>5. Summary of the data collected (District E)</td>
<td>158-160</td>
</tr>
</tbody>
</table>
CHAPTER I

INTRODUCTION TO THE PROBLEM

The history of education in America began in the colonies. The early colonists struggled to establish the rudiments of society namely cabins, churches, and schools in that order. The first colonial teachers often served in the combined capacity of teacher, minister, and sexton and often were preparing for the clergy. The early school masters frequently led the choir, played the organ, conducted weddings and funerals and even dug graves to help earn their keep as members of the community. This position was very important since the efforts expended in the teaching of children were intangible and of dubious worth to some members of the community.

In the move toward the professional training of teachers, Reverend Samuel R. Hall\(^1\) established in Vermont in 1823, a private academy whose major purpose was to train teachers. It was through the efforts of Horace Mann that the first Normal School was established in Lexington, Massachusetts.

In 1857, the first move toward teacher organizing for professional growth was marked by the formation of the National Education Association (NEA)\(^2\). With the establishment of departments of education to specifically train teachers and the

---


\(^2\) Ibid., p. 291.
advent of teacher organizations, the era of professionalism began.

The amount of money and fringe benefits afforded teachers remained very small during the nineteenth century and the first half of the twentieth century. There was a problem trying to attract and retain qualified teachers in the profession.

Prior to the late 1920's, most teacher salaries were determined by individual negotiations with an immediate supervisor. In this bargaining process, the teacher's salary was left at the discretion of his boss and he, the teacher, had little opportunity to voice opposition to an inadequate salary increase. In the late 1920's, there was a move in the direction of establishing salary schedules in the larger urban areas in America. These salary schedules were adopted by boards of education with little or no dialogue taking place with the teachers. The schedules usually reflected two elements of the teacher's professional development. The years of experience were rewarded by an annual increment and teachers also were paid a stipend for additional training that they acquired above minimal certification.

The general use of salary schedules has increased since the late 1920's and so has the number of tax dollars that are spent on the educational enterprise.

In the early 1970's, the United States experienced a very tight economic situation. In response to this economic crisis were two elements that had a direct effect on the econo-
mic base of the public schools. Boards of education found taxpayers very reluctant to approve increases in tax levies and bond referendums for the improvement and construction of school buildings. This backlash caused many districts to enter deficit financing for the first time and tax anticipation warrants were sold almost on a yearly basis. A second element which had an effect on the educational and financial base was the increasing militancy of teachers. The name of the game is collective bargaining and local teachers' organizations were linked directly to labor unions. In many states there was talk of mandatory collective bargaining legislation which would require joint negotiations between all boards and teachers' organizations in a given state.

The late 1960's and early 1970's marked the initiation of teacher labor action. Teachers started to use many of the tactics that were originally pioneered by Samuel Gompers in the late nineteenth century. Amid the angry cries of parents and taxpayers, teachers walked the picket lines and bargained collectively with boards of education, all in the name of improving the plight of American education.

A response to this movement and a general decline in achievement test scores and student performance has been to push for more accountability on the part of the educational team. The demand is for results that would equate the number of dollars spent each year with the level of student progress that is achieved or measure the disparity between each and the
rationale for this difference.

In response to this demand, several districts have embarked upon innovative curriculum plans, supervision by objectives, Programmed Public Budgeting Systems (PPBS), and similar management plans. School districts are being required to stipulate behavioral objectives for a three to five year period to foster long term planning.

An additional vehicle that has been used to help meet this need for accountability is merit compensation. This program calls for teachers to be paid for experience and training and in addition receive a bonus for proficiency in the teaching process. This proficiency is determined either through an objective evaluation process, achievement test scores, or an evaluation done by a supervisor using an evaluation instrument designed to be as objective as possible.

There was a prolific amount of literature published from 1965 to 1972 regarding merit compensation which was, at one time, considered a panacea for motivating teachers. With the advent of collective bargaining and the increased militancy of teachers' organizations, merit pay became a less viable alternative to the single salary schedule which rewards longevity and additional course work. This change of interest in performance-based compensation is indicative of the small amount of literature available on the topic from 1972-1977. With the current clamor for improved student achievement, teacher militancy, and the so-called "back to the basics"
movement, we may see a revival of a modified performance-based compensation program in the late 1970's.

The purpose of this study is to analyze merit compensation for elementary teachers in selected elementary districts in Illinois and the relationships that have developed between the board and their respective teachers' organizations since the implementation of the program. The concept of merit pay has evolved in the past five years to help meet demands for accountability and to be used as a means to increase teacher productivity. In 1972, the Illinois Superintendent of Public Instruction sent out a salary questionnaire and 38 out of 1,100 Illinois school districts reported that they had a system of merit compensation. In the 1973-1974 school year the Illinois School Board Association (IASB) contacted these 38 districts to obtain board policies which related to salary and merit pay. It was determined from the responses that only 18 of the districts actually possessed programs of merit compensation. In an update of this study it has been determined that two of the original 18 have dropped merit pay programs. The reasons for the elimination of merit were because one district consolidated and the other had merit negotiated out of the master contract.3

This confusion as noted in the IASB study points to the importance of having a specific definition for merit com-

pensation. Merit compensation, as noted in this study, shall include a program implemented by the Board of Education and administered by the district and building administrators to reward teachers for their proficiency in the teaching process. The manner in which the level of proficiency is determined will vary from district to district and shall be an element of analysis in this study.

In attempting to clarify this definition only districts which meet these two criteria will be considered:

A. Districts which provide a bonus above and beyond that noted in the adopted salary schedule as determined by administrative supervision will be considered as having a program of merit compensation.

B. The second approach to merit compensation is a program which has a salary schedule, but movement on this schedule is not related to years of experience or accumulation of graduate hours. The movement on this type of salary schedule might be related to an evaluation process, administrative observation, test results, or some other form of criteria.

Thus, in utilizing a definition of this type, it becomes evident that movement on the salary schedule must be related to overt performance in the teaching process rather than longevity or post-graduate study.
The major thrust of the study will be to ascertain the managerial framework that has developed and to analyze the implications for administration and supervision that exist for both the district and building administrators. Because of the nature of the study, specific hypotheses will not be considered. However, a series of criteria will be developed through a field study and the data acquired used as a basis for the analysis section of the case study.

In attempting to make sure that this study will focus on the most salient aspects of merit compensation, the following elements of the program will be analyzed in depth. These elements of the compensation program were selected because of their importance to the administrative and supervisory process that must be analyzed to provide insight into the implementation of a merit program.

1) Does the local teachers' organization remain as a viable group which serves as a bargaining agent for the professional staff? Does this organization concern itself with the operational, financial, and fringe benefit aspects of merit compensation? Special emphasis will be placed on how merit pay is implemented in districts which have a master contract.

2) Through the process of merit compensation, to what extent is accountability considered in the philosophical and procedural phases of the program? To what extent is accountability validated?
3) Is the formalized evaluation program utilized by the district suitable to aid the implementation of a merit pay program? The managerial function of the district office as well as building administrators will be assessed in light of the procedure developed. The role of the teachers in the evaluation will also be determined.

4) The specific managerial role that the board of education, administrators (district office and building) have in the implementation and decisions regarding teacher increases will be determined.

5) The level of financial commitment that is made to the program by the board of education will be determined. This will include an analysis of the percentage increases for teachers in the district both before and after implementation.

The following two elements will also be given attention. They will not be given primary attention in the analysis because they are an attempt to gain subjective information about the merit program and thus may not be a reliable basis to evaluate the district's program and formulate recommendations.

1) The specific rationale and philosophy that led the board of education to embark on a merit program will be studied. An attempt will be made to tie the philosophical aspects to the practical managerial policies and procedures that have been developed to implement the program.

2) The degree of satisfaction that board members, adminis-
tration, and teachers see in the merit compensation program will be determined. The specific recommendations for improvements as well as strengths and weaknesses will be noted.

These primary and secondary elements will help give structure to the data collected and its subsequent analysis. It shall be used to determine the effect each has on the local teachers' organization in each district and the relationship that exists between the board of education and the district and building administrators.

The procedure that will be used in this project is that of case study. The study will be divided into two components. First, the field study will help to identify criteria which will serve as a structure for the analysis of each case study. The second will be the actual project itself. This will be an in-depth study of five school districts which presently implement merit pay.

The names of sixteen school districts which presently implement programs of merit compensation were obtained from the 1974 July-August edition of the Illinois School Board Journal. Through a search of the literature and interviews with selected administrators who are currently implementing merit pay programs, twelve criteria were identified. Letters were sent to eleven superintendents whose districts have merit pay programs and are not being considered in the case study in an attempt to secure their help in establishing a priority to the criteria. The criteria will be listed in
the order by which superintendents gave them priority in
the design of their own merit programs.

The criteria were listed in random order and the su­
perintendents or their designates were requested to indicate
their selection of the most important criteria to the least
important. Thus, a number one would indicate that a particu­
lar criterion was considered to be the most significant, while
a number twelve was viewed as least important in that parti­
cular district. These criteria shall be tallied according to
rank order which will serve as a basis for the analysis of
the individual case studies.

When the results of the field study are tabulated, inte­
views shall be scheduled with several of the district
superintendents in Illinois who have programs of merit com­
pensation. These interviews provided the study with suffi­
cient background for a discussion of the managerial and fi­
nancial considerations as well as the role that the local
teachers' organization plays in negotiating for salaries and
fringe benefits.

In preparing to undertake a comprehensive study, in­
formation was obtained which points out basic similarities
and differences among the districts especially as it relates
to teachers organizations and their relationship with the
administration and board.
1. The atmosphere in the school district and among the staff must be one of self-confidence. That is, the great majority of teachers feel that they are able to perform within the system. (Vroom)

2. A significant amount of money exists between superior, average, and poor teachers. (Lawler and Camnan)

3. Pay incentive plans must be based on a system of measures or standards which are reasonable and objective. (Lawler and Camnan)

4. Employees must be very much aware of the mechanics of the pay-off systems and how salary increases or bonuses are determined. (Lawler and Camnan)

5. The working atmosphere of the organization must be good. Thus there are not high norms against productivity. (Nation's Schools)

6. There should be a clear relationship established between effort and the amount of money paid. (Pritchard)

7. A system of merit compensation should be simple in design and easy for members of the staff to understand. (Lawler and Camnan)

8. The psychological climate of the organization
must be good since it is directly related to
the production of employees. (Lawler and Camnan)

9. The evaluation techniques should very clearly
establish the beginning expectation of the ad-
ministration for the teacher and what is nec-
essary to achieve same. (Vroom)

10. Teachers should be awarded merit often on either
a monthly or quarterly basis. This will provide
reinforcement immediately and avoid deferred
gratification. (Vogel)

11. Administrators within a school district should
receive adequate in-service to assure that a
level of uniformity and continuity exists in
the program. (H. Tompkins, Superintendent)

12. There must be a definite commitment on the
part of the board of education and the staff
(as best as possible) to the merit compensation
program. (H. Tompkins, Superintendent)
Sources of Criteria Considered in the Field Study


3 Ibid., p. 164

4 Ibid., p. 165


7 Camnan and Lawler, p. 164

8 Ibid., p. 164


11-12 These criteria were obtained in an interview with Mr. Harold Tompkins, Superintendent of Schools in Bloomingdale, Illinois (District 13). Mr. Tompkin's school district has utilized merit compensation program for the past three years.
CASE STUDY PROCEDURE

In selecting school districts for this study, there was an attempt made to consider only Illinois districts. The sample includes three small suburban districts and two relatively small rural school districts. It is important to note that generalizations should not be made to larger school districts with varying populations, labor situations, and revenue.

SAMPLE:
The names of the participating districts are:

1) Bloomingdale, District 13
2) Prospect Heights, District 23
3) Palisades, District 180
4) Wyoming Schools, District 27
5) Little York, District 225

The rationale for using these districts was to get a very diverse view of merit compensation. Each of these districts have merit compensation programs which conform to the definition outlined in the purpose section of the proposal and yet possess many attributes which makes each different than the others.

1) Bloomingdale, District 13

The Bloomingdale Public Schools have utilized merit compensation for the past three years. This district was chosen for the following two reasons:

A. The teachers' organization appears to have changed
radically since the inception of merit pay. The reason for this change and the present role of the organization will be analyzed from the data collected. There is no organization participation in negotiations at this time and no master contract.

B. The district has a rather pure system of merit in that there is no specific salary schedule. The salary increases received by the staff are determined exclusively by the evaluation process.

2) Prospect Heights, District 23

This district has possessed merit compensation for the past four years. It was selected because it is a vivid contrast to Bloomingdale in the following ways:

A. The teachers' organization in Prospect Heights is very active in collective bargaining with the Board of Education and possess a master contract which is presently being negotiated. The big issue in this year's negotiations is the idea of merit itself.

B. The Prospect Heights Public Schools have a salary schedule and the merit increases are in addition to a graduated salary increase that all members of the staff receive. Thus the form of merit administered in this district is much different than District 13 utilizes.

3) Palisades, District 180

This school district has possessed a merit compensation program for the past four years. It utilizes a bonus
system similar to that found in Prospect Heights, but
the role of the teachers in helping to set up the pro-
gram appears to be unique to the districts previously
studied.

4) The Wyoming Public Schools have attendance centers with
a student population of a little less than four hundred
students. The administrative structure is unique be-
cause it consists of a superintendent who serves in a
dual role as the K-8 building principal and is respon-
sible for both the administration and evaluation/super-
vision phase of the merit program.

5) The Little York Public Schools are located in a rural
community and have four attendance centers. The dis-
trict has three (K-5) elementary buildings and a junior-
senior high school. The district has three administra-
tors - a superintendent, junior-senior high school prin-
cipal, and an elementary principal who serves the educa-
tional needs of three buildings. The total district
population is less than 900 students.

The following background information for each dis-
trict was accumulated to give depth and perspective to the
case study:

1) The average age of the faculty
2) The average number of years of experience that staff
   members possess
3) The socio-economic status of the community which the
district serves
4) The tenure of the superintendent since the inception of merit pay will be ascertained. An attempt will be made to note ways that his role as chief executive has undergone a change.

5) The size of both the professional staff and the student body.

**PERSONNEL INTERVIEWED:**

1) At least two members of the board of education and three wherever feasible

2) The district superintendent

3) A minimum of three principals within the district (when at least three buildings exist)

4) The following elementary teachers per building:
   a. Two primary teachers (K-3)
   b. Two intermediate teachers (4-6)

5) The following Junior High teachers per building:
   a. Two Seventh Grade teachers
   b. Two Eighth Grade teachers

In conducting the interviews with board members, administrators, and teachers, an attempt was made to accumulate the following data:

1) What is the rationale or philosophical basis upon which the district embarked on a merit pay program? What was the special reason or incident that caused such a program to be considered?

2) What is the role of the local teachers' organization?
Is it workable and if so, does a master contract or formal agreement exist between itself and the board? Does the local organization have a close working relationship with a state (IEA) or national (AFT - NEA) teachers' organization?

3) What is the role of the superintendent in the allocation of merit increases to staff members? Is it the role of an overseer or is he, the individual, the one who makes the final decision regarding the allocation of increases?

4) Does the district office provide any extraordinary support to the building administrators in the way of guidance, in-service, additional assistants, etc. to make the merit program more feasible to administrators?

5) How does the amount of money expended in the merit program compare with surrounding districts which possess approximately the same financial resources (assessed valuation)? Do the average salaries of the teachers on merit compensation compare favorably with other teachers in the same area who are paid from salary schedules?

6) To what degree does the staff understand the purpose and rationale of the merit system as espoused by the board of education.

7) The study will attempt to assess the level of in-service that was provided to the members of the administration and teacher staff prior to the initiation of the program.
8) The future plan for the merit pay program will be determined by talking to board members, administrators, and teachers.

9) The degree to which the district uses the merit compensation program to show accountability to taxpayers of the district will be assessed. What specific tools or techniques are used to illustrate that teachers are being held accountable for the progress of their students?

10) To what degree has the district related the merit pay program to the Illinois Office of Education (A-160) program plan?

11) What is the actual process followed by the board in setting the amount of money expended for teacher salaries each year?

12) What grievance procedure is included within the system of merit compensation to allow teachers to voice a complaint about an unjust evaluation?

13) The procedure used in the evaluation of teachers will be studied in detail. The frequency and level of teacher participation will be assessed. The degree of objectivity or subjectivity that is part of the program will be noted.

14) Documents that relate to the procedure of merit pay will be obtained and studied. These documents will include, but not be limited to, teacher rating instruments, specific board policies that relate to merit pay, etc. These
will be studied to establish the procedural framework that exists.

**INTERVIEW QUESTION SHEETS**

Four interview question sheets have been developed which appear in the appendix. These questions helped to give structure to the interviews which were conducted and assured that appropriate data were collected. These questionnaires were asked of each individual interviewed.

In an attempt to make the information gathered more meaningful, a chart was developed to compare and contrast the responses arrived at in the interviews that were conducted. The questions provided a structure upon which recommendations were made and served as a basis for the analysis section of this dissertation.

The analysis attempted to integrate and synthesize the data collected into a meaningful series of recommendations. The criteria helped give insight into both the strong and weak points of merit pay programs as they are presently being used in selected Illinois school districts.

The information collected and any additional pertinent data were analyzed in the light of six to eight criteria established in the field study. Each case study was analyzed in a separate fashion and the criteria applied to each. These criteria provided a structure for the discussion and allowed an analysis of the similar and dissimilar aspects of each program in light of a pre-determined structure.
The analysis is in the form of a critique with a focus on the question of why certain procedures are successful and others are not. The emphasis of this discussion is on the role of district and building administrators and the administrative procedures and supervisory techniques that are employed.

In the synthesis of the data, some specific recommendations were made for use in a merit pay program. These recommendations are related to both the data collected and the criteria established. These recommendations are of a managerial nature and relate to both administrative and supervisory functions which administrators might desire to explore when embarking on a program of this nature.

The second product of this study is the formulation of a specific administrative procedure for the establishment of a merit pay program and working relationship with the local teachers' organization. The procedure formulated included specific recommendations for the implementation of such a program on both the managerial level as well as specific procedures which will make supervisory techniques more reasonable and objective as well as the role of the teachers' organization in planning, initiating, and administering a merit program.

The criteria which have been established to serve as a basis for the analysis and recommendation section of this study provided continuity through the project and
assured that a centralized theme was followed.

This study is designed to probe only the managerial process that administrators employ in rewarding teachers for exemplary teaching performances and the relationship that exists with the local teachers' organization. The specific implications for administration and supervision will be considered as will recommendations to form a more viable merit program and improve relations with local teachers' organizations.
CHAPTER II

REVIEW OF THE RELATED LITERATURE

In reviewing the literature, there was a careful analysis and study made of all pertinent research extending from 1965 through the present. In attempting to locate material on merit compensation and teachers' organizations, the following research tools were used:

1) The Research Guide to Educational Literature
2) The Datrix Section of the Xerox University Microfilm and ERIC

The articles surveyed and discussed were then divided into two specific sections of this chapter. The first deals with practical considerations for the implementation of merit pay within school districts. The second section looks at merit compensation from a philosophical basis to give insight into the underlying rationale for the program and ways that it can serve as a viable motivator for employees.

The prolific literature between 1965 and 1972 indicates that this was a period of time when there was a great interest in this type of compensation. With the advent of collective bargaining and the increased militancy of teachers' organizations, merit pay became a less viable alternative to the single salary schedule. This change of interest in performance-based compensation is indicative of the small
amount of literature available on the topic from 1972 - 1977.

The advent of salary schedules and specific salary programs is a relatively new idea in education. In the early twentieth century and the years before, it was rare to find two teachers with equivalent experience and qualifications earning the same salary. Evender\(^1\) notes that in 1919, less than two-thirds of 392 cities studied, had salary schedules for elementary teachers. Approximately one-half of the high school teachers in the same cities were paid from a salary schedule.

In 1923 the National Education Association,\(^2\) in a pioneer study of compensation, noted that principles of salary scheduling should include three basic components: 1) making teaching a profession; 2) securing and retaining competent and desirable people as teachers; and 3) assuring maximum professional growth from all teachers.

The first single salary schedule was adopted in 1921 by the Denver and DesMoines Public Schools. By 1946 more than forty percent of school districts were using single salary schedules. By 1950 about ninety-seven percent of all school districts had adopted the single salary schedule with differentials based on levels of experience and preparation.


rather than the grades to which they were assigned. 3

The state legislatures of thirty-one states had enacted salary laws in 1961 which would guarantee a minimum salary for teachers. 4 In all states where minimum salary legislation had been enacted, it remained the perogative of the local board of education to pay higher salaries than those required by law.

Merit pay, as an alternate method of determining teachers' salaries, dates back to the early 1920's prior to the Great Depression. In a study conducted in 1944 of merit salary programs, over fifty-nine cities indicated that methods used to measure teacher proficiency were largely unreliable. 5

In reviewing the different forms of merit compensation found in the literature, the following types show up on a recurring basis: 6

1) Plans exist which provide for added compensation for superior teachers. The requirements vary for teacher participation and may require the teacher to serve a

---

3 A New Look At Salary Scheduling: Parts I and II, Utah Education Association (Salt Lake City, 1966), p. 21.


pre-determined number of years in the district before becoming eligible for a merit bonus. Many plans call for teachers to be eligible only after they have reached the maximum salary on the regular salary schedule.

2) A second form of merit pay is the authority possessed by the board of education to exceed the salary schedule for outstanding teachers. The board usually tries to avoid specific policies and procedures in implementing a program of this type, preferring to capitalize on the vagueness of the plan.

3) The form of merit compensation which is utilized less frequently than the others noted is the board's power to grant double increments to teachers who have proved to be outstanding instructors. This form of merit pay has increases directly linked to the adopted salary schedule.

The principles upon which merit pay should be based have been stated by numerous authors. The following are some which are considered most important in implementing a merit program:

1) Vroom notes that the atmosphere in the school district and among the staff must be one of self-confidence. That is, the great majority of teachers feel that they are able to perform within the system.\(^7\)

2) It is noted in research by Lawler and Camnan that a significant amount of money must exist between the superior, average, and poor teachers. 8

3) Pay incentive plans must be based upon a system of measures or standards which are reasonable and objective. 9

4) The employees must be very aware of the pay-off system and the mechanics of it. 10

5) The climate of the organization must be such that there are not high norms against productivity. 11

6) There should be a clear relationship established between effort and the amount of money that is paid. 12

7) There should be ample opportunity for evaluation. From twelve to sixteen observations are needed for those teachers under the merit pay plan as compared to the two to four observations for teachers who are not involved with the merit pay program. 13

---


9 Ibid., p. 164.

10 Ibid., p. 165.


8) Provisions should be made for providing in-service for new and potential members of the teaching staff regarding the philosophy of the program and the method in which it is implemented. 14

9) A merit program should be adapted to local conditions. There is no universal pattern that can be transferred from one district to another. 15

10) The evaluation techniques that are employed should clearly establish the expectations of the administration and what process or technique is necessary to achieve same. 16

11) Systems of merit pay should be simple in design so as to be easy for members of the teaching staff to understand. 17

In a study done by the NEA Research Division, there were four procedures found which are still viable in evaluating teachers who are on merit pay: 18

1) Formal evaluation utilizes a weighted pay schedule and was developed by the West Hartford Connecticut Schools. It weighs sixty-five percent on teaching skills and

---

14 Ibid.
15 Ibid.
17 Camnan and Lawler, p. 164.
pupil relationships, fifteen percent on staff relationships, ten percent on public relationships, and the final ten percent on the teacher as a person. A committee studies evidence gathered on each of these parts and makes recommendations for the allocation of monetary rewards.

2) Formal evaluation (unweighted) was originally pioneered in Alton, Illinois, and indicates twenty-six separate merit factors grouped under nine separate headings: dependability, service, professional consciousness, subject matter, classroom atmosphere, adaptability, personal appearance, emotional stability, and relationships with other classroom teachers. The rating is developed following the visitation and conference with the building principal.

3) Formal evaluation (without a point scale) calls for a series of evaluations, conferences, and visitations. The principal makes recommendations to the superintendent regarding the placement of teachers on the upper levels of the salary schedule.

4) Non-formal evaluation involves a recommendation by the superintendent without a formal evaluation procedure by the principal. A recommendation is based upon a variety of direct and indirect components of a teacher's behavior.

Bobbie M. Anthony has devised an approach to rating

\[^{19}\text{Bobbie M. Anthony, "A New Approach to Merit Rating of Teachers," Administrators Notebook, XXII (Sept., 1968), 4.}\]
teachers for the allocation of merit increases which calls for the rating of the classroom environment. The classroom environment includes not only the teacher's classroom behavior, but also the classroom displays and materials that are used and the resourcefulness of the individual instructor. Thus, if we note achievement as being related to the affective environment and the total influence that the teacher has on the child, then this program is worthy of note.

Merit compensation, as understood in this study, is a method initiated by the board of education and carried out by the administration to reward teachers for outstanding proficiency in the teaching process. In a search of the literature, it becomes obvious that school districts utilize a variety of programs in attempting to implement merit. The following is a brief summary of several of such programs.

1) **Differentiated Teaching Staff Approach**:^{20}

This type of a program changes the job description of the professional teacher. The added compensation comes not from outstanding performance in the teaching process, but instead for the added responsibility that the teacher has. The rationale for a differentiated staff approach is that a teacher's performance can be maximized if he is matched to a position which needs his strongest abilities as reflected by the greatest needs of the students he teaches.

---

One of the first forms of differentiated staffing was introduced by Dwight Allen of the University of Massachusetts School of Education in Temple City, California. This program was hierarchical in nature and called for master teachers, senior teachers, staff teachers, associate teachers, and three different types of para-professional aides (teacher aides, resource center assistants, lab assistants). The responsibilities and salaries of these positions are varied and the staff and associate teachers are the only members of the team who receive tenure.

Though differentiated staffing pays the teachers different salaries, it cannot be considered to be a true example of merit pay because of the varying degree of responsibility. However, there may be an element of merit in the criteria that were used to select them for the role that each would play in implementing the differentiated staffing model.

It was noted in a research study that appeared in Education U.S.A. that the cost of implementing a program of differentiated staffing cost approximately $18,000 more per year for the average size elementary school than a school of similar size which possessed a traditional staffing po-

---

21 C. W. Needham and Davis Snyder, "Differential Staffing," Kappa Delta Pi, Record XI, Number 1 (October, 1969), p. 27.

sition. It is evident that such a cost factor may make it difficult to convince a board of education to embark on such a program.

2) **Teacher Incentive Plan**

This second form of providing teachers with merit compensation consists of an agreement between the school system and individual teachers providing them with an opportunity to earn bonus pay contingent upon an objective measure of achievement of their students as noted by a standardized achievement test. This plan helps to promote accountability by giving the teachers direct credit for the academic success and failures of their students.

This type of program is similar to the performance contracts that were initiated between school districts and corporations in the private sector. During the late 1960's, the performance incentive technique attempted to personalize the learning experience by dealing directly with the students' regular teacher than with a representative of a company.

3) **Approved Study Plan**

This plan provides teachers with an opportunity to design a proposal for instructional improvement and seek official approval from the administration and board of education. The school district of Beverly Hills\(^{24}\) has imple-

---


mented an approved study plan that calls for continuing professional growth of teachers that goes beyond that required by board policy. When a program is approved, it normally lasts for a period of three years and results in a bonus of $500.00 above that normally received on the salary schedule. Teachers are allowed to participate in four such programs over a twelve year period of time and result in a $2,000 bonus per year.

4) School Improvement Plan

Teachers are provided with the opportunity to design and implement programs which can be used in the local school situation. The approval for the projects is dependent upon a committee of administrators who screen all proposals in conjunction with the supervising principal. The Irvington New York School District introduced a school improvement plan which is designed to recognize superior teachers and encourage them to plan ways to best meet the needs of the students they teach.

5) Teacher Executive Plan

This type of merit reward program was pioneered in San Mateo, California as a means of providing outstanding teachers with recognition and financial rewards. This program called for the selected teachers to be relieved of their

\[25\text{Ibid.}, \text{pp. 26-27.}\]
\[26\text{Ibid.}, \text{p. 28.}\]
teaching duties for a year and provide inservice and consulting services to other teachers. This form of merit provides the teacher with recognition but removes him from the classroom where he is needed most.

6) District Consultant Program

This program provides a chair to be established in a secondary school and filled with an outstanding teacher who has shown evidence of professional ability and techniques which can be shared with a variety of other teachers in a specific subject matter. The teacher travels from school to school and makes other teachers aware of techniques and materials, and demonstrates same so that they may benefit from his high level of expertise. The district consultant receives approximately $1,500.00 above other teachers in his subject matter.27

7) Position Classification Personal Rank Plan

This particular plan has never been implemented by any school district, but was postulated by Paul M. Hirsch28 as being one possible way to improve the manner in which merit pay is determined. Each member of the teaching staff would enter the school district at an assigned rank (level 1). Through a periodic evaluation process, the teacher's


rank would be changed based upon the proficiency and success in the teaching process. Hirsch notes that teachers who would be eligible for the higher level positions would be given their ranks via a combined employee-administrative evaluation process and placed on lists for possible promotion at a later date.

There has been a great deal of controversy in the past decade regarding merit pay. This controversy is illustrated by the large number of school districts which both adopt and abandon merit pay. Weissman\textsuperscript{29} (1969) observes that many merit pay programs are not successful. A survey of the reasons as to why merit pay is abandoned noted these following reasons:

1) The plans are poorly inaugurated, without teacher input, and tend to create low morale among staff members.

2) There may be a sense of injustice, misunderstandings, dissention, suspicions of discrimination among teachers, opposition by teachers' organizations, etc.

3) The teachers and administrators are often unhappy with the record keeping and dissatisfied with the instrument that is used in the evaluation process - primarily subjective evaluation without sufficient data.

Mahdesian\textsuperscript{30} (1970) presents an argument for the

\textsuperscript{29}Rozanne Weissman, "Merit Pay - What Merit?" Education Digest, XXXIV (May, 1969), pp. 16--19.

standard teachers salary schedule. He notes that merit pay complicates both the evaluation and negotiation process. It has also been noted by Mahdesian and others that merit can add to the art of instruction and improve teacher motivation.

Rasmussen and Halobinks (1971) note the increased feeling of accountability that is being felt by all members of the educational team. This increased visibility of the teaching staff has been brought about by collective bargaining and the public concern with the decline in test scores that has occurred in the last several years. It is noted by the authors that under the traditional salary schedule, there is little reason for teachers to strive for superior performance. The professional input that the classroom teacher has is further diminished by the fact that many curriculum decisions are made by administrators and boards of education.

The organized labor faction (AFT-NEA) in education strongly support the single salary schedule concept. However, even these organizations have felt the pressures of accountability which are pushing to expand the number of factors which are elements of the single salary schedule. This push by the public is highlighted by the following problem with this type of salary schedule:


1) The traditional salary schedule often rewards teachers more for longevity than for proficiency in the teaching process. The single salary schedule provides no rewards for initiative, creativity, enthusiasm, efficiency, or above average ability as a teacher.

2) The beginning step on the salary schedule provides adequate remuneration for a teacher who is new to the profession. The growth on the schedule does not provide sufficient monetary reward for the career teacher.

3) The salary schedule does not provide a factor for individualizing members of the teaching staff. This means that the worst and the best teacher in the district would receive the same salary if they had equivalent experience and academic preparation. Thus there is no vehicle to separate the two extremes of the teaching proficiency scale. All teachers are paid a mean salary and this helps to instill mediocrity in the profession.

4) The single salary schedule is not responsive to the economic reality of supply and demand. In some years it may be very difficult to obtain certain teaching specialists - home economics, industrial arts, science, etc. The schedule does not provide the flexibility to allow teachers to be paid a bonus as an incentive to join the staff in a district.

5) It is very difficult to assign different role expectations to teachers who share the same job description and
yet may receive a $7,000 disparity of pay during a single school year. Thus two teachers of science in a junior high school with similar class loads may earn varying amounts of pay if one is a first year teacher and the other a veteran of twenty years. However, the role expectation of their immediate supervisor will be similar.

In an article published in *Clearing House*, Engel\(^{33}\) notes that merit pay might be more palatable to classroom teachers if the evaluation process was conducted by other teachers. This technique might help resolve many of the staff assignment, monetary considerations, and morale problems which often result as a side effect of merit pay or differentiated staffing.

Patterson (1969)\(^{34}\) has noted that salary schedules inadequately meet the needs of any group that is striving to achieve professionalism. Financial awards which are based primarily upon experience and academic preparation negate the end result that is worked toward in the teaching process.

In an attempt to find alternatives to merit pay programs, he suggests that teachers can be ranked for recognition and given certain privileges such as paid attendance.

---


Patterson insists that added professional rewards should not only be monetary but should recognize teachers for the special skills and talents that they possess.

In an address given by Stirling McDonell who served as General Secretary of the Saskatchewan Teachers Federation, he was able to cite the pros and cons of merit pay in a very clear and concise manner as follows:

**PROS**

1) Teachers differ in their ability and efficiency. Their salaries should be related to these differences.

2) Merit increments provide an incentive and a reward for superior service.

3) If we can rate for promotion and tenure, we can rate for salaries.

4) Industry uses merit rating - education should be able to use the same thing.

5) The public is willing to pay high salaries only to those public employees who deserve them.

6) Only through merit rating can teachers attain professional status.

7) Merit rating will improve instruction.

8) Merit rating will reward those who deserve recognition.

---

35 Stirling McDonell, "Accountability of Teacher Performance Through Merit Salaries and Other Devices," Speech given at Western Canada Educational Administrators Conference, Saskatchewan, Canada, October 9, 1971.
9) Merit ratings will stimulate administrators to be more concerned with the efficiency of their teachers.

10) Merit rating will be well worth the additional cost for it will ensure that money is being wisely spent.

**CONS**

1) Differences in teaching efficiency cannot at present be measured with sufficient accuracy for determining salaries.

2) Merit rating destroys cooperative staff teamwork.

3) Our rating methods are too crude to distinguish among differences between teachers and the proficiency they show in the teaching process.

4) Industry and education are not analogous - teaching is an art, not a science.

5) The public will reject a plan in which only a fraction of its children are taught by superior teachers.

6) We should seek to improve all teachers, not merely those who appear to excel.

7) Merit rating may improve the efficiency of some teachers but will have a deleterious effect on many others.

8) Merit rating will cause bitterness and resentment among members of the teaching staff.

9) Merit rating may hinder the principal's role in providing effective supervision to members of his staff.

10) The additional cost of merit rating can be more profitably used in improving the teaching techniques of the entire teaching staff.
Harvey Ribbens\textsuperscript{36} has pointed out ways that merit compensation can be used to help obtain skilled craftsmen to teach in secondary schools. This helps to take the emphasis away from seniority and the acquisition of advanced degrees.

The following criteria have been established to facilitate salary advancement for craftsmen/teachers who participate in the program:

1) The base salary is not to be less than seventy-five percent of the money paid to union members who actively work in the trade.

2) Additional salary increases are paid based upon the proficiency that their students show in the trades as assessed by journeymen who are brought in from the community to evaluate the work done by students in the classroom.

3) Evaluation of the students' progress is done at least twice a year.

This program, which evaluates vocational teachers on a quasi-merit system, also provides for good communication between the schools and industry. It also provides the trades with an opportunity to examine students who might make good candidates for apprentice programs. The overall opinion of the program is that it is a very good system to encourage teachers to join and remain on faculties and to help stimulate

\textsuperscript{36}Harvey Ribbens, "Incentive Pay Plan for Vocational Teachers," \textit{American Vocational Journal}, XLVII (April, 1972), pp. 72-74.
communication between industry and the public schools.

In an article that appeared in Nations Schools, the topic of incentives was discussed in many facets including merit. The Portland, Oregon Public Schools were one of the pioneers in performance contracting with private firms. In evaluating the progress, standardized norm reference tests were administered under the condition of no progress, no pay. In a later version of performance contracting, the district contracted with teachers assuring them of their base salary, but were willing to pay them a bonus if a predetermined score was achieved on objective tests. The results of this experiment were also positive with most of the teachers receiving a bonus.

The problem that was encountered was that few teachers wanted to participate in the voluntary program. This general level of apathy in the program may have been related to the fact that many members of the staff are married women who find it difficult enough to teach school all day and keep house rather than get involved in an incentive program.

The feelings of teachers are summed up in the same article by the Dallas Classroom Teachers' Organization. They note the following reasons for their objections to the program:


38Ibid., pp. 51-59.
1) The financial and achievement elements of merit and performance contracting are threatening to dehumanize the learning process.

2) A program of this type will breed distrust among members of the teaching staff.

3) There was a general fear that a performance contracting system would divide the teachers and weaken their bargaining position with the board of education.

4) The teachers' organization was also concerned by the manner in which teaching proficiency was determined. It was their desire to do away with any form of norm referenced test.

It is fair to note that the elements of hostility mentioned by the Dallas Classroom Teachers' Organization are not unique to that district and would be similar to complaints in other smaller districts which were planning to implement an incentive pay program.

A spin-off of this program in Dallas was designed by psychologist Kenneth Clark when he called for a system of differentiated staffing. Teachers would be hired as resident teachers and through the variables of experience, training and performance would be raised to the level of master teachers. It was from this level of master teacher that future administrators would be selected. Thus teachers would have a variety of incentives to work toward such as financial remuneration, professional recognition, and advancement.
Collins notes that the dollar is the best motivator that has been found. The program that was implemented at Cornell started with the premise that evaluation, by nature, is a subjective process. It was further noted that programs must be totally understood by all members of the school staff. The net result of the program was a large success in increased efficiency and proficiency in the teacher which resulted in salary bonuses of $6,400 to six members of the staff.

A program similar to that implemented at Cornell was tried at Jackson Community College in Jackson, Michigan. It attempted to increase performance and hold department chairmen more accountable. A pool was established containing approximately $10,000 in order to provide department chairmen with merit increases of $150 to $850. It was noted by Harold V. Sheffer, President, that the employees attacked their work with new vigor. The stipulation to receive merit was that the department chairman be achieving at least eighty percent of his job description. There was an attempt to get the subjectivity out of the evaluation process by utilizing a team of administrators to make the assessment of performance.

Sheffer stated that the long term outcome of the program was expected to be a decline in the number and amount of merit increases because of the continued proficiency of

---


the department chairmen. It then comes to light that a new motivator would have to be developed to keep department chairmen operating at this level.

Robert DuFresne\textsuperscript{41} has developed a plan which provides an incentive for teachers who are new to the profession. This program calls for a modified system of differential staffing for teachers, with a state certificate being granted as a teacher passes to each new level. When the teacher reaches the ultimate level (master teacher), the state would reimburse the district for a portion of the individual's salary. This reimbursement would be similar to the system which is presently being used in the state of Illinois with special education teachers.

In an article which appeared in \textit{Educational Technology}, W. Frank Johnson\textsuperscript{42} of the University of Delaware notes several of the advantages and disadvantages of performance contracting to increase efficiency.

\textbf{ADVANTAGES}

1) The only salary consideration is the base salary and then the board does not get involved with cost of living increases.

2) There is no provision for released time for inservice.


activities. If such time is required by a staff member, they must reimburse the district for same.

3) The teachers participating in the performance contracting program are rewarded immediately for their efforts at improved teaching.

4) It provides for para-professionals to get involved with the performance contracting system and they are able to earn money also.

5) The administrative evaluation is not considered as threatening to members of the professional staff. The outcome of the performance contracting system is determined by tests administered to show the level of student performance.

DISADVANTAGES

1) It is difficult to assess the individual student's potential as a learner.

2) It is also difficult to assess student performance and the impact that teachers have on the student's affective and cognitive development.

3) It is difficult to determine teaching proficiency when dealing with students of a wider ability level.

4) It is very difficult for the district superintendent to prepare an annual budget which will reflect the financial needs of the program.

5) The payroll department of the district must develop sophisticated procedures to keep track of the program.
The rationale for involving existing staff in a program of this type is to attract experienced teachers to work with students who have a record of non-achievement. In addition, a relationship is established between teaching effort and proficiency and the academic progress made by students.

The following reflects a more theoretical approach to merit pay. The majority of the studies are of an empirical nature and attempt to provide guidelines for the implementation and administration of merit compensation programs.

Jorgenson notes that it was Tolman (1932) that first developed the Expectancy X Valence Theory. It is known that both animals and humans have cognitive expectancies and anticipation about the outcome of each thing that they undertake. The concept of expectancy is very difficult to study in an empirical investigation because it is difficult to control. In a study the valency (amount of money the individual is paid) must remain the same thus testing only the variable of expectation. This is an area of merit compensation in which further study is needed.

It was Vroom who clarified the relationship between satisfaction and performance. A study by Kesselman and

---


Wood\textsuperscript{45} viewed telephone employees whose positions were similar but not identical. Each possessed similar age, length of service, and salary. The employees' satisfaction with such variables of employment, pay, work itself, promotion, co-workers, and supervision was measured by the Job Descriptive Index. (Smith, Kendall, and Hendlin, 1969)

The results obtained indicate that performance does not depend directly upon financial rewards. The data yielded evidence that the satisfaction derived from doing a good job provides a source of incentive for employees to continue to do an efficient job.

The relationship between effort and job performance was studied by William and Seiler.\textsuperscript{46} They note that from a conceptual standpoint how hard a person works is different from the proficiency that he shows on the job. Comparing the results of self-evaluation by employees with that of superiors and peers showed a very poor correlation. Thus, the effort expended by the employee as reflected in his evaluation does not correlate with the output as assessed by his supervisor and peers.

It is apparent that the correlation between effort


and performance is very inconclusive and it indicates an area in which further study is needed.

Greene, in an article entitled "Causal Connection Among Managers' Merit Pay, Job Satisfaction, and Performance," notes that job satisfaction may correlate very strongly with employee satisfaction. This study sampled sixty-two first line managers of the marketing and financial division of a large manufacturing company. Each manager was responsible for at least four subordinates and data was gathered on performance and job satisfaction via questionnaires.

The results of Greene's study indicate that merit pay contributes to job satisfaction but does not cause job performance. There was some evidence obtained from the data which indicate the opposite to be true. That is, performance has a positive relationship with satisfaction. This conclusion is substantiated by Herzberg (1966) who indicates that merit pay is a more frequent source of satisfaction than dissatisfaction.

Camnan and Lawler have examined the effects of pay incentive plans and attempted to study the following elements


of Vroom's 1964 expectancy theory:

1) Expectancy-Performance
   The expectancy that successful performance is possible if effort is expended.

2) Performance-Outcome
   The expectancy that successful performance will lead to an outcome.

3) Valence
   That the outcome depends upon valence or the amount of money that is available.

   These elements can only be viable in an organization where there is a healthy climate and not strong norms against productivity.

   In gathering data regarding the merit, satisfaction, and expectation of employees, the following conclusions were reached:

1) It was ascertained that pay was important to the employees.

2) There were no negative social outcomes tied to above average performance.

3) The employees perceived a positive relation between the effort that they put into their job, the outcome of that effort, and the amount of money that they were paid.

   In conclusion, Camnan and Lawler[^50] note that in organizations where employees have input into the formulation

[^50]: Ibid., p. 171.
of a merit program, they were able to more realistically see the relationships between the effort they put into their jobs and the amount of money that they were paid.

Schwab\textsuperscript{51} agrees with Lawler and Camnan when he notes that two important variables in a merit compensation program are the job climate and the hiring practices that are utilized by management. If the compensation program is to be successful, there must not be high norms against productivity which will foster peer disapproval.

Vogel\textsuperscript{52} has isolated specific criteria and procedures which can be considered in implementing a merit compensation program within an educational setting. The following criteria should be a part of a merit program:

1) The merit payoff should be immediate for each member who is able to get a high level of achievement from their students.

2) The initial phases of the program should reward teachers with bonuses for small increments of student success.

3) Rewards should be made on a frequent basis after student achievement has been demonstrated.

4) The board of education must provide staff members with


as much information as possible about the students' present achievement level, learning habits, barriers to learning, etc.

5) The staff must develop course plans which will provide the most efficient learning plans for students.

These criteria have been developed into the following techniques:

1) A learning profile needs to be developed for each student. An analysis of this type will include an assessment of the student's present educational level and any skill voids that exist.

2) The program that is developed must reflect the institutional goals of the organization.

3) The data that are obtained is used to develop an instructional strategy for the students that each teacher has in her class.

4) The student is pre-tested and post-tested in skill areas as he passes through the phases of the instructional program.

5) The student is given a post instructional evaluation and based upon the results of this test that the teacher receives a merit bonus for the achievement of her students and success in the instructional process.

6) The teacher receives payment on a frequent basis for student progress, which could be on either a monthly or quarterly basis.
In an article on industrial motivation, Opsahl and Dunnette\textsuperscript{53} summarize the work of three industrial psychologists on incentive pay programs:

1) Brown notes that money is related to an individual's performance on the job. He feels that one possible reason for this is that money acts as an anxiety reducer.

2) Herzberg has related that money acts as a potential satisfier for employees. It becomes a dissatisfier when it is either withheld or not available.

3) It has been determined by Vroom that money acquires valence as a result of its perceived instrumentality for obtaining other desired outcomes.

Thus, it is easy to note that money has a much more comprehensive effect on employees than merely providing tangible rewards for increased performance. The merit compensation program can provide teachers with a sense of meaning and job security or the exact opposite effect if the program is not managed properly.

In a study conducted by Edward Lawler\textsuperscript{54} on members of middle management and how their salary is determined, he was able to arrive at a cause and effect relationship. Law-


ler notes that performance which is reinforced will be re-
peated. (Law of Effect)

A connection must then be drawn between the perform-
ance of the employee and the total amount of money that he
receives based upon his performance. If the employee agrees
with the dollar amount that he receives for his performance,
then a state of congruence exists and the employee is satis-
fied with his position. If the employee does not agree with
the level of compensation, then incongruence exists and the
dissatisfaction the employee possesses will have an effect
on performance.

In an interesting sidelight to the study of merit
compensation, it was noted by Kenneth C. Schustler and Ed-
ward E. Lawler\(^55\) that an additional outcome of merit com-
pensation may be increased dependability and attendance by
the employee.

In a study of two groups of manual laborers, it was
determined that participation in the planning and implemen-
tation of a merit compensation program helped to make the
employees feel more involved in the program. The system
helped bring about a high level of attendance as well as
increased proficiency on the job.

In a study designed by Schustler, Clark and Roger,\(^56\)

\(^{55}\) J. R. Schustler and Edward E. Lawler, "Testing Por-
tion of the Porter and Lawler Model Regarding the Motiva-
tional Role of Pay," Journal of Applied Psychology, LX (June,

\(^{56}\) Ibid., pp. 187-195.
the Porter and Lawler Model was put to a further test. The company used in the study was selected because it had been attempting to reward employees for outstanding work. It was noted that employees have a difficult time in deciding whether they are receiving bonus pay for improved behavior or increased productivity.

If this confusion is genuine, then there will be obvious incongruence present when we attempt to relate employee behavior and performance to expectancy theories.

The results of this study indicate that the employee is satisfied when the level of the reward he receives is the same that he expects he should have from his behavior and the amount of energy expended. This behavior will then be likely to reoccur (Law of Effect) due to the level of satisfaction received. In a supportive study of individuals who received bonus pay, ninety percent felt that they expended more energy than their fellow employees who did not qualify for a bonus.

In an opposite vein, Andrews has studied congruence in employees who feel that they had been paid bonus money even though they had not expended any additional effort. He noted an interesting phenomenon taking place with the workers he studied. Their productivity went down, but the quality of the merchandise went up markedly. Employees eventually ration-

---

alized their bonus pay because they were very good at their job.

Lawler and Hackman\(^{58}\) have studied the role of employees in formulating a merit pay plan. These results with blue collar workers indicate that not only did their productivity increase, but also their attendance on the job. This level of productivity was not short term, but lasted the full sixteen months that the study was conducted. The authors note that while participatory planning is valuable, employees must have technical assistance in order to make a system of this type workable.

Sang M. Lee,\(^{59}\) in an article entitled "Salary Equity - Its Determination, Analysis, and Correlates," notes that the level of equitable pay is associated by the way that the employee views his work environment. The employee's performance, when overpaid or underpaid, does not vary greatly. This evidence is diametrically opposed to that obtained by Andrews. Lee notes that other elements have a lot to do with how an employee approaches his work situation. These include the number of years the employee has worked at the position, his professional ability, and the commitment that he has to do an


outstanding or mediocre job. The job perception plays a large role in this commitment and is a function of both personal and job-related variables.

Lee found the greatest amount of dissonance among employees who were young, possessed less professional ability, and were not considered marketable.

There is one area of concern that affects all individuals who either receive their salary under merit compensation or administer same. This is the problem of work evaluation. The first work in this area was done by Spearman and Binet during the First World War and marked the first general usage of objective tests as instruments to determine job suitability and to predict success. The general trend toward testing seems to be declining in popularity during the seventies. The reason seems to be that the test does not simulate the condition or requirements that are actually needed on the job. The dissatisfaction with test instruments may open the door to future forms of research other than testing which may predict suitability for a position in the world of work.

Adams and Jacobsen have noted that the relationship between dissonance and congruence will have a large effect on


both the input and output of employees on the job. Employees who experience dissonance will try to reduce it by increasing production or changing the quality of production. When management introduces a pay incentive plan, it often improves both the quality and speed at which the employees work. When employees find that they are not receiving adequate pay for the amount of energy expended and the amount of work being produced, it will result in employees who fail to produce quality work and an inadequate quantity of same.

Adams and Rosenbaum\textsuperscript{62} have pointed out, in an article published in \textit{Industrial Relations}, that the dissatisfier of pay is a major problem of work productivity. They note that if an individual earns the same amount of money as other employees, yet is less qualified and produces less per capita, this will eventually serve as a source of cognitive dissonance. This situation will often cause the production of fellow employees to fall.

The author notes that if dissonance exists in the organization, employees will attempt to reduce it and try to achieve consonance by either increasing or reducing the overall productivity.

The literature reviewed indicates several parameters of merit compensation which must be given consideration. There must be careful thought given to the planning, organi-

zation, and the role of both the management and employees in the formulation of the program. The material discussed in this chapter will be utilized in both the analysis and recommendation section of this study.
CHAPTER III

CASE STUDIES OF SELECTED DISTRICTS

In providing a thorough analysis of the districts studied in this project, the following aspects are discussed regarding the role of the board member, superintendent, building principal, etc. In this study special emphasis was given to the role of the teachers' organization in the formulation, administration, and evaluation of merit programs.

The following were given consideration because of their importance to the administrative and supervisory process:

1) The role of the local teachers' organization will be studied. Does it remain viable as a bargaining agent for the professional staff? Does this organization concern itself with the operational, financial, and fringe benefits of merit compensation? Special emphasis will be placed on how merit pay is implemented in districts which have master contracts and engage in a formal collective bargaining procedure.

2) To what extent is accountability considered in both the philosophical and procedural phases of the program? To what extent is accountability validated?

3) Is the formalized evaluation program utilized by the district suitable to aid the implementation of a merit pay
program? The managerial function of the district office as well as that of building administrators will be assessed in light of the procedures developed. The role that the teachers have in the implementation of the evaluation program will be determined.

4) The specific managerial role that the board of education, administrators (district office and building) have in the implementation and decisions regarding teacher increases will be determined.

5) The level of financial commitment that is made to the program by the board of education will be studied. This will include an analysis of the percentage increases for teachers in the district both before and after implementation.

The following two elements also receive attention. They are not given primary consideration because they represent an attempt to gain information of a subjective nature about the merit pay program and thus may not be a reliable basis to formulate an analysis of the district's program.

1) The specific rationale and philosophy that led the board of education to embark on a merit program will be studied. An attempt will be made to relate the philosophical aspects of the program to the managerial policies and procedures which have been developed.

2) The degree of satisfaction that members of the district staff see in merit compensation program will be considered.
The specific recommendations for improvement as well as strengths and weaknesses will be noted.

The data collected by individual personal interviews are discussed in each of the five districts studied. The analysis of these data are related to teachers' organizations, formal negotiations, and the push for unionization by members of the professional staff.

DISTRICT A

District A is a suburban school district located approximately twenty-five miles from the city of Chicago. The schools provide education for approximately eleven hundred students and have a professional staff of eighty-two. The board of education implemented a merit compensation program during the 1974-1975 school year and the procedure employed has been changed several times to meet the demands of the board, teachers, and the changing financial situation of the school district.

The school district remains solvent, but with changes in the multiplier, quadrennial reassessment, and the lack of full funding may force the district into deficit spending sooner than had been anticipated.

The following information was collected during a three day period of time. It was gathered from board members, the superintendent, building principals in the three attendance centers, and a random sampling of teachers.
Role of the Teachers' Organization

Board Members

Both of the members interviewed felt that the implementation of merit compensation in the school district was directly related to a breakdown in negotiations between the local teachers' organization and the board. It was noted by one board member that the role of the board became that of an adversary relationship when negotiations broke down. It became evident to the teachers that the board planned to include a merit plan no matter what other elements were negotiated into the contract. When the intention to initiate merit became evident, the negotiations broke down, merit was included, and the death of the organization became imminent.

Superintendent

The district office noted that the teachers' organization was no longer viable for the last two years. The ineffectiveness of the group resulted in a gradual breakdown in the organization rather than a break caused by a single confrontation. The reason for this change in the role and power of this organization is directly linked to the inability of the 1972-1973 negotiating team to get the school district to eliminate merit from its compensation program. The superintendent noted that the general feeling was one of apathy as long as the teachers in the school district receive six to seven percent increases on an annual basis. The teachers failed to realize that they could unite to place pressure on
the superintendent to set a specific percentage for salary increases to be put into the "merit pot." Thus money would then be allocated to specific buildings in direct relation to the number of staff members assigned there.

There does not appear to be any real interest among the teachers in attempting to revitalize their organization for any purpose either professional, social, or as a negotiating unit. The superintendent noted that as the board experiences a tighter financial situation related to the legislature not funding state aid completely and the failure of referendums, there may be a renewed interest in organizing for higher salaries and modifications in the merit program.

**Teachers**

The response by teachers in regard to the role of the teachers' organization appeared to be one of general apathy. The Education Association of District A had attempted to muster all of its support to eliminate merit compensation and lost. Throughout the negotiations the teachers had remained solid against any form of merit compensation and the board was insistent that such a program would be implemented in the district. The final breakdown in negotiations which did not end in a teachers' strike was the death rattling of the organization.

In conducting interviews with members of the last negotiating team, it was generally felt that the teachers were hurt badly by the fact that there was no solid backing
by their rank and file. The last president of the Education Association noted that a final effort was made to stop the merit program. This program consisted of all the teachers in the school district paying their total merit increase to the Education Association who then apportioned it to each of the teachers in an equal amount. Thus, the administration might have granted increases from $1 to $800, but the organization would reapportion the money based upon an average. This attempt was not successful because the teachers were not unified in their efforts. When the talking was over, less than thirty percent of the teachers signed their merit over to the organization. It was evident to all that merit compensation was an element which was to be reckoned with in the future.

The teachers noted that for the past three years the amount of money allocated for salary increases came directly from recommendations made by the superintendent to the board of education based upon the fiscal condition of the district. In general, most were satisfied with the percentage of the increases, but not with either the concept of merit or the merit program as it was presently being implemented.

**Accountability**

**Board Members**

The board members interviewed noted that they felt that accountability was one of the major reasons that the merit compensation program was initiated. Thus accountability
was not strictly to taxpayers for dollars spent, but was the teachers being held accountable to the students and their fellow colleagues for the professional job that they did in working with children. It seemed evident to board members that tenure which guarantees teachers of continued employment in a school district may often not serve as a motivator for teachers to improve their performance. Merit pay was initiated in this district as one means to provide teachers with a reward for outstanding work in the teaching process.

Superintendent

In talking to the superintendent, he reiterated that the board started the merit program to reward teachers for a good job. In addition, another reason was the evident frustration between the board and the teachers in trying to arrive at an agreement via negotiations. When it became evident that the teachers and board were far apart and there was very little movement on either side, the board decided to initiate merit compensation. This process would help put future negotiations into a different perspective, as well as make the teachers feel that the board was exercising its lawful right to administer the district in the way that they saw best.

Building Principals

The principals interviewed had some different ideas than those shared by the board members and superintendent. One principal noted that the program was started to save money, get even with teachers, etc. Another reason was to establish
the board's power over the teachers. Merit pay was used as a vehicle to reward some and punish others. The principals noted that the reason given for the implementation of merit pay was the improvement of instruction, but none felt that this was the real reason. The principals also said that the merit pay program has interfered with their working relationships with the members of the staff. Examples of these relationships include teacher favoritism implied by staff members and attempts by teachers to hoard good teaching techniques until evaluation day rather than utilize them during the school year.

Teachers

About one-half of the teachers interviewed felt that the reason for the merit pay program was the improvement of instruction. All of these teachers indicated that they did not believe that this was the actual outcome of the program. Several thought the program was started to save money and that they were being paid wages below that of other districts. The former president of the teachers' organization felt that this was a means of applying leverage over the teachers to work with administrators and possibly to get back at selected teachers who had been branded as "troublemakers" by both the teachers and board. The implementation of merit had been talked about in passing for many years, but the actual program was a product of an impasse at the negotiating table. It is possible that the implementation of merit was another
way to retaliate for things which may have happened years ago.

The general feeling by the staff members was one of manipulation by the board of education. However, when the matter of reviving the teachers' organization was discussed, there was a general lack of interest which could have been for two reasons. First, the teachers have received sizable increases over the past three years (in excess of five percent each year) and are satisfied with their fringe benefits. The second reason is a general lack of leadership among the teachers to organize for effective change. Since the teachers are relatively satisfied with their salaries, the only issue that invokes enough sentiment to polarize the staff to organize is merit pay and this activity is not taking place.

**Teacher Evaluation Process**

**Board Members**

Both board members interviewed refused to comment on the teacher evaluation program. They felt that the board employed a superintendent to take care of such matters and his job was to report back to the board of education with recommendations.

**Superintendent**

The superintendent noted that the evaluation process employed by the district prior to the implementation of merit pay was rather loose. The evaluations were in narrative form, written by the principal, and each sounded better than the
next. There were four tangible guidelines at this time and with the inception of merit, the program had to be changed drastically. The evaluation instrument was constructed by the administration under the direction of the superintendent. The evaluation process called for a joint evaluation by the teacher and principal and then a conference not later than three school days after the visitation. The instrument used had approximately forty different elements that were decided by the administrators to be important in teaching. This same evaluation instrument was used for all of the district employees no matter what their specific assignment. The principal ranked the teacher on each element along a hierarchical continuum with one being the most desirable and five being the least desirable.

A change in the evaluation procedure was requested by the teachers during the second year of the merit pay program. This change called for the elimination of the numerical ranking of teaching strengths and movement in the direction of narrative comments on each element. This process is the one presently being utilized with narrative comments being made by both teacher and principal.

Building Principals

The building principals noted that there is a general lack of criteria in the evaluation process. They have an instrument, but the elements included are not suitable to over half of the teachers that they must supervise. One instrument
is not desirable for both a junior high band teacher and a kindergarten teacher. All of the principals interviewed also stated that it was very difficult to get enough time to effectively evaluate the members of their teaching staff. The formal evaluation policy in force in the school district called for two evaluations per year, each not less than thirty minutes in duration. It was cited by all of the building administrators that thirty minutes was not enough time to determine merit increases and that there was not additional time available.

The principals also noted that many members of their staff were very threatened by the process of self-evaluation and looked to the principal for his expertise in this area. The junior high principal provided an additional insight when he noted that the negotiation process has been removed from the superintendent and board and placed in the hands of the principal who must openly negotiate his evaluation of the teacher's performance and salary with each staff member. In reality, they are bargaining salary since the amount of money that is paid is directly related to the evaluation procedure.

Teachers

The statements of the teachers regarding evaluation were very much against the process as it is presently being implemented. Approximately half of the teachers said that it was not their role to be involved in a self-evaluation program and were ill-prepared to do so. Several teachers noted that
they did not have a formal evaluation at all last year and still received a merit rating by their principal. The special teachers interviewed noted that the instrument utilized did not allow enough flexibility to meet their special needs. It was determined via the interview procedure that the teachers were not given an opportunity to get involved in the formulation of the evaluation process and design of the instrument.

Several teachers stated that the evaluation and merit was planned long before the first teacher in the building was evaluated. Thus certain teachers who had a good relationship with their principals could depend upon a large increase from year to year. It was evident from one building to another that there was a large difference in each principal's ability to make the merit program work.

Analysis of Managerial Roles

Board Members

The board members who were interviewed indicated that the initial merit process begins with the first draft of the school district budget each year. In this process a careful analysis is made of the revenue that the district will obtain from federal, state, and local sources and match that with the anticipated expenditures that the district will have during the year. From these figures the board arrives at a dollar amount that can be expended for salary increases and fringe benefits. It is then up to the superintendent and his administrative team to apportion this money to members of the staff.
The time for setting the actual dollar amount for increases and the apportionment of funds is approximately sixty days. The superintendent reports to the board with a statistical breakdown of the merit increases without reference to individual teachers. To date, the board has accepted the recommendation of the superintendent almost without question.

The superintendent noted that he and the board consider two elements when establishing the level of merit increases. The first is the financial resources of the district. These fiscal data have been very hard to calculate lately because the Illinois General Assembly has failed to provide full funding to the state aid formula. The second is that if merit compensation is to work, the dollar amounts put into the program must be sizable enough to make the money worth the energy expended.

When the board sets the amount of money for the increases, the superintendent divides the dollar amount by the total number of certified staff members employed by the school district. This figure is then multiplied by the number of teachers who are assigned to each building. This dollar figure becomes the merit pot and it is the principal's responsibility to divide it up among the staff. The superintendent gives each principal a deadline to achieve this operation and to meet with him privately to discuss the merit given to the staff. The superintendent retains the right to veto the re-
commendations made by the principal, but in actuality this option is seldom utilized.

The final operation in the process is the presentation of the data by dollar amounts and the number of staff members included in each category. The board usually approved the merit allocation per the recommendation of the superintendent.

**Building Principals**

The superintendent works very closely throughout a great portion of the year with the principals in the administration of the merit compensation program. There is a standing meeting each Monday morning of approximately one hour duration when the superintendent visits the building to discuss the progress that each principal is making in the evaluation process. This meeting helps to assure that each principal is actively in the classroom visiting teachers and substantiating the evaluations and the merit increases which will be recommended to staff members.

The principals meet with the superintendent to discuss the increases and are often asked to substantiate why certain staff members receive more or less than others. All of the principals interviewed noted that there are usually very few changes made during this conferences with the superintendent. Thus each indicated that they were the individuals who were responsible for the staff members in their buildings.

The teachers are informed by their principals as to
the amount of money they will receive after the meeting with the superintendent and the final approval by the board of education. There is a procedure for staff members to file grievances, but it has been used only once since the inception of the program.

**Teachers**

In every interview conducted with teachers, they stated that the person who was responsible for the merit increases was their building principal. They were aware that the board and the superintendent decide the dollar amounts, but the actual allocation is by their immediate supervisor.

**Financial Commitment**

**Board Members**

The board of education members said that to make merit compensation work there must be a sizable amount of money placed into the program. The board was forced to take a hard look at this situation last year. They had to cut $75,000 out of the educational fund. The two ways of doing this were to freeze the teaching salaries at the 1975-1976 level and not provide any merit increases for the 1976-1977 year. The second alternative was to reduce staff by five teachers and provide the remaining teachers with increases. The board chose the latter method because it was a way that they could provide credibility for merit with the teachers and illustrate the board's commitment to the program.
Superintendent

It is important to note that the reason there has not been a great degree of turmoil over the merit program is because the increases provided by the board have been sizable. If the program is to continue to be supported by the teachers (covertly), then these levels must be maintained. The teachers' organization may gain support among the staff and start to be a force that the board would have to reckon with when the program is not administered correctly or not provided with adequate financial support.

Building Principals

The building principals agreed that the dollar amounts have been adequate. However, they noted that the teachers have not received a fringe benefit since the inception of the program. The principals noted that the superintendent and the board should take a close look at the total program the district utilized to reimburse staff members for services rendered.

Teachers

A great majority of the teachers interviewed stated that the district should strive to provide more money for the merit compensation program. This comment does not appear unusual when considering how militant most teachers are today when it comes to salary and fringe benefits.

In further summarizing the increases which have been granted, the following table provides a record of the salary
increases in the district over the past four years:

<table>
<thead>
<tr>
<th>YEARS</th>
<th>PERCENTAGE INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-1973</td>
<td>5.0%</td>
</tr>
<tr>
<td>1973-1974</td>
<td>10.5%</td>
</tr>
<tr>
<td>1974-1975</td>
<td>10.5%</td>
</tr>
<tr>
<td>1975-1976</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

When compared to surrounding districts, the average salaries of these districts were as follows:

- **District A:** $10,803.00
- **Surrounding Districts:**
  - District 1: $10,979.14
  - District 2: $13,060.78
  - District 3: $12,738.00
  - District 4: $11,455.00

It appears evident that there is a disparity in the amount of money being paid to teachers in this district and those in surrounding districts. These figures are particularly interesting because each district has a similar financial base.
<table>
<thead>
<tr>
<th></th>
<th>Brd, Members</th>
<th>Supt.</th>
<th>Bldg, Prin.</th>
<th>Teachers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Rationale for embarking on a program of merit compensation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Response to negotiations</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>B. Improvement of instruction</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>C. Attempt to save money</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>D. Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td><strong>II. Role of the local teachers' organization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Viable in bargaining with the Board of Education for salary</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>B. Possesses a master contract with the Board of Education</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>C. Helped establish the merit compensation program</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>D. Helps to evaluate the merit compensation program on an annual basis</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>E. Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>III. Role of the Supt. in allocating merit increases</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Supt. sets raises for staff</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>B. Supt. coordinates the raises with the evaluation of the building principal</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Data Obtained</td>
<td>Total # Interviewed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>---------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Allocation is a combination of Board &amp; Supt. recommendations</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>D. Principal makes recommendations to Supt. - these are then taken to the Board</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>E. Other</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

IV. Administrative support to building principals
A. Do building principals receive extra assistance via added personnel to administer the merit program?

B. Have building administrators received any special inservice to implement the program?

V. Financial commitment of the district to the merit compensation program
A. Do the salaries in the school compare favorably with those of surrounding school districts?

B. Does the annual amount of money allocated per teacher compare favorably with surrounding districts?
### DISTRICT A SUMMARY (cont'd)

<table>
<thead>
<tr>
<th>VI. Understanding of the merit compensation program</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Do the members of the staff have a thorough understanding of the merit program?</td>
</tr>
<tr>
<td>Brd, Memb, Supt.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VII. Inservice</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Did the school district provide inservice before the initiation of the merit program?</td>
</tr>
<tr>
<td>Brd, Memb, Supt.</td>
</tr>
<tr>
<td>B. Do teachers receive inservice on the program on an annual basis?</td>
</tr>
<tr>
<td>Brd, Memb, Supt.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VIII. Future of the merit program (Not applicable - see narrative responses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IX. Accountability</td>
</tr>
<tr>
<td>A. Does the school district make an attempt to inform taxpayers that teachers are paid via merit compensation?</td>
</tr>
<tr>
<td>Brd, Memb, Supt.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>X. A-160 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Has the school district tied merit compensation into its A-160 Plan?</td>
</tr>
<tr>
<td>Brd, Memb, Supt.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>XI. Actual process followed in merit allocations - not applicable to this chart. Note narrative responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>XII. Grievance Procedure</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>A. Is there a specific grievance procedure outlined to handle complaints related to the allocation of merit increases?</td>
</tr>
</tbody>
</table>

**DISTRICT A SUMMARY (cont'd)**

<table>
<thead>
<tr>
<th>Data Obtained</th>
<th>Brd, Memb.</th>
<th>Supt.</th>
<th>Bldg,Prin.</th>
<th>Teachers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total # Interviewed</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>11</td>
</tr>
</tbody>
</table>
DISTRICT B

District B is a quasi-rural suburban district located approximately twenty miles from the Chicago Loop. It has an enrollment of slightly less than six hundred students. This number tends to fluctuate throughout the year because of an apartment complex in the district. The professional staff numbers thirty-six and is divided among the two attendance centers. The district has experienced some rather severe financial problems over the last five years. The assessed valuation has been stable at approximately $17,000,000 while the enrollment and operational expenses of the district have increased dramatically. The schools have tried two tax referendums in the past two years, each failing by a large margin. The district plans to try again this spring, but is not overly enthusiastic with the prospects for success. A deficit spending program in excess of $230,000 is in effect in the schools which forces the board of education to have to borrow money on tax anticipation warrants on an annual basis.

The merit program has been in effect since 1974-1975 and is presently being revised by the new district superintendent who was hired in July, 1976. The superintendent hopes to eliminate much of the program as it is presently being implemented in favor of a pure system of merit which would be the source of almost all of the teacher salary increases. The present system is a non-cumulative bonus of $300 for teachers
who are nominated by their building principal.

Teachers' Organization

Board Members

The two board members interviewed listed their relationship with the teachers' organization as being good. They noted that teachers were always able to come to the board of education to voice any complaint or discuss any educational issue. The local teachers' organization came to the board last summer to voice a grievance regarding the manner in which two merit increases were handed out by a specific building principal. The manner in which this case was handled was to award increases on recommendation of the new superintendent.

The relationship between the board and the teachers may become more strained in the near future because of three considerations. The first is the impetus for I.E.A. affiliation and to utilize this organization for supportive services when dealing with the board. The second is the board and superintendent's decision not to engage in collective bargaining in the absence of a state collective bargaining law. The third consideration which will strain this relationship is the financial condition of the school district. It appears evident that if a rate referendum is not passed in the near future, the amount of money that will be set aside for teacher increases will be minimal at best.

Superintendent

The superintendent noted that the teachers' organiza-
tion has been weak in the past year because of a poor working relationship with the past superintendent and several board members. The organization is an affiliate of the I.E.A. which is going to push as hard as possible for both board recognition of their group as sole bargaining agent and for a master contract. It is the stand of both the superintendent and the board that there will not be a formal negotiating process in the district.

The superintendent, noting the poor communication that has existed in the past between the organization and the board, has formed a communication committee which is made up of the superintendent, three board members, and three representatives of the teachers' organization. It is through this forum that the teachers are to make known any grievances that they have, list the things that they desire for the next year regarding compensation and fringe benefits, etc. It is clearly understood that the decision-making perogative belongs exclusively to the board of education.

In probing this question more with the superintendent, he stated that the organization lacked the strength and unity that would be necessary to work in a militant manner with the board. It was generally agreed upon that the teachers in the school district would not strike and if they did it would be a simple task to keep the schools open with substitute teachers since it has such a small professional staff.
Building Administrators

The two principals both approached their answers to questions regarding the teachers' organization in a very similar manner. Both principals noted that there were no formal negotiations between the teachers and the board. In lieu of negotiations, they would present the board with a list of requests for both financial and fringe benefits. Both principals reported that the teachers' organization is rather satisfied with the amount of salary increases which have been granted by the board of education in past years and thus have no interest in organizing a more powerful union-like group. The financial level of the school district also has probably hampered the organization from getting more involved with collective bargaining. It is evident that there is not very much money available in a school district which is already almost a quarter of a million dollars in debt with no prospects of receiving any additional revenue in the near future.

One principal noted that with a new superintendent and several new board members, that there might be a concerted effort by the organization to get rid of merit compensation. This change in administrative personnel would provide them with an issue to polarize the staff and give them an opportunity to assess their strength.

Teachers

Almost all of the teachers interviewed stated that their organization as it presently existed was little more
than a social club. Four teachers noted that the scope of the organization may be changing in the near future in response to three things. First, there has been a move to affiliate activity with the Illinois Education Association (I.E.A.) for supportive services and organizational help. The second change is related to a recent victory by the teachers' organization in having merit for two staff members reinstated by the board of education. This reinstatement of merit was one of the first victories that the organization has had with the board and it is hoped that it is a sign of things to come in the future. The last thing which may have an effect on the organization is the new superintendent and a radical changeover in the make-up of the board of education. The superintendent has stated that he would not negotiate with the teachers, but this issue may be pushed in the months to come.

It appears evident from the teachers that were interviewed that there is a renewed interest in the organization and what it can do for district employees.

Accountability

The board members interviewed cited the reason for initiating merit compensation as providing the administration with a vehicle to work more effectively with teachers. The previous superintendent told the board that there was much room for improvement on the part of the professional staff and that the best way to effect this change was by "hitting
them in their pocket books." It appears that the overall reason for initiating the program was the improvement of instruction and also to get back at certain teachers. These teachers were not as effective in the classroom as possible and a strained relationship between administration and staff made working together difficult without some form of leverage. Merit pay became this form of leverage.

Superintendent

The district superintendent stated that it was very obvious that the reason for initiating a program of this type was to improve instruction. It also provided several teachers with an ultimatum. They could either work in the direction of self-improvement or leave the school district. It also was used as a vehicle to make the teachers "feel" more accountable since most teachers and the board members were very much aware of who received the increases and who did not. This tactic helped to place some covert pressure on members of the staff to improve and be more accountable for their performance and the progress that their students were making in class.

The superintendent noted that there has not been any effort to date to make members of the community aware that the board uses this technique as a device to hold the teachers accountable for the tax dollars spent. He did note, however, that this is something that may be given consideration in the upcoming referendum campaign.
Building Principals

The building principals said that accountability was one of the major reasons that merit was put into effect. The difference comes in the line between holding teachers professionally responsible for their effort and the progress of their students and the ethic of using merit as a tool to get even with teachers and keep them in place. Both could be called accountability, but one is much more acceptable than the other. One principal noted also that this system of evaluating teachers and rewarding them with a merit bonus often hurt their working relationships with staff members. Teachers were much more open to suggestions for improvement before a dollar amount or stigma was attached to it. One principal said that this problem with the merit program far outweighed the advantages of having this system.

Teachers

The teachers interviewed noted that merit was being used as a tool to keep them in line. They said that the minimal, non-cumulative increases that they received did not serve as a viable incentive for teachers to improve. They noted that a program of this type served to foster distrust among staff members and often resulted in people being uncooperative with one another. Two teachers assigned to the fourth through eighth grade building insisted that their building principal was inept and was not able to properly evaluate a teacher. Thus there was no credence given to the merit in-
It was very apparent in my interview with teachers that there was a dichotomy in the merit program between the two buildings in the school district. The polarization of the teachers' organization and a general dissatisfaction with the merit program and many other educational issues appear to be directly related to the leadership role of the building principal. This situation is not unusual since often the success of merit appears to be directly related to the ability of the principal in the attendance center and his interpersonal relationships with staff members.

**Evaluation Process**

**Board Members**

Both of the board members were aware that there was a formal evaluation process, but were not aware of its actual operation.

**Superintendent**

The superintendent discussed the old and new evaluation process with me. He noted that the instrument used previous to his coming to the district contained about twenty isolated items that had to do with the teaching process and the principals checked them off and held a conference with the teachers when they would both sign the instrument. There was no opportunity for joint goal-setting by the principal and teacher on specific criteria as to what was to be considered excellent performance and thus worthy of a merit increase.
The superintendent prepared a rough draft of an instrument which attempted to incorporate the best elements of three different questionnaires. He then submitted this draft to the district's communication committee consisting of board members and elected members of the professional staff. There were no comments or suggestions for improvement from this organization. The superintendent also discussed the instrument with members of the administrative council and they also did not have any suggestions for changes. Thus the rough draft became the final draft and shall be used as the instrument for all teacher increases during the course of the year. This general lack of interest on the part of both the teachers and administrators on a device which is very important to their professional relationships is an indication of mass apathy. This apathy may be a deeply rooted problem which will be discussed in more depth in the chapter on analysis.

Building Principals

One principal was very secure in the former evaluation procedure and had the opportunity to get to visit all of his staff members frequently on both a formal and informal basis. The evaluation procedure called for four visits per year - one each quarter to last no less than forty minutes. This visit was to be followed by a formal conference with the teacher. The other principal interviewed was responsible for a staff of twenty-one teachers and felt that it was impossible for him to devote the needed time to the evaluation process.
This was also the principal who was experiencing a great deal of trouble with interpersonal relationships with the staff. It was his opinion that if the board of education desired to make a commitment to merit compensation, then they would have to provide administrators with the necessary supportive services.

Both principals stated that there has never been a sense of continuity in the program. In its first two years, the teachers were evaluated jointly by both the superintendent and principal and then finally by the principal alone. The teachers and principal have never been provided with any direction either written or oral from the district office to make them aware of their expectations and exactly what criteria the merit increases should be based upon.

**Teachers**

There is a very distressing problem evident in this school district related to evaluation. In visiting both principals in their respective buildings and talking to the teachers that they evaluated, it appears very evident that one principal is able to work with staff in an effective manner while the other is operating at a minimal level. There is a great deal of distrust among staff members and they are afraid to ask the principal for either help or advice. Some of the teachers are much more vocal on this issue than others to the extent that one teacher refuses to allow the principal in her classroom. This provides evidence of problems far in
excess of those which might be related to merit compensation, but it is also an indication that merit is not able to work in a situation which has such tensions.

The teachers in this school also indicated that there have been years when the merit increases were allocated without any formal evaluation. Two teachers were denied merit pay without ever having been formally visited and had their pay reinstated by order of the superintendent and board of education. There were comments from approximately eighty percent of the teachers interviewed that indicated that the lack of specific criteria was a real problem with the merit program. They were not aware of what the specific expectations of the board and administration were and what steps were necessary to achieve a merit rating. Two teachers noted that they would like to have a meeting with the new superintendent to discuss the issue of merit - its future and the manner of implementation.

The teachers claimed that the evaluation instrument that had been used previously in the district was very subjective and administered according to the whim of the principal. In evaluating this instrument, this opinion was validated. It did not include such important components as a gauge of teacher effectiveness in working in the affective domain, the quality of rapport with staff members, etc. It was very interesting to note that there appeared to be only a minimal amount of "communication" from the communications
committee. Almost all of the teachers that were interviewed were not aware that a new evaluation tool was in the making.

Managerial Role in the Allocation of Merit

Board Members

One board member noted that the allocation of merit increases and the adoption of a salary schedule for the new year are two different things. The board strives to provide teachers with increases which reflect the cost of living whenever possible. This is often hard to do because of the financial plight of the schools and the shaky economic basis of the revenue they receive. The merit increases are a $300 bonus that the teachers receive in addition to their salary which is paid from the schedule. The board allocates enough money so that a maximum of eighty percent of the teachers in the district would be able to earn merit increases. In the past this merit allowance has been spent each year with a selected twenty percent of the staff not receiving the merit.

Thus the percentage increase placed into the salary increases varies greatly with each fiscal year. The amount of money put into the merit pot has remained rather stable according to the following formula:

\[ 80\% = X \times \text{Number of Teachers Employed by the District} \times 300 = \text{Merit Pot} \]

Superintendent

The superintendent noted that it was the role of the principal to evaluate members of their staff and make recom-
mendations to him regarding the size of the salary increases. The superintendent has the final say in this matter and may ask a principal to justify why an increase was given or not given. The superintendent then presents the board of education with a list of all of the teachers who are to receive merit and they approve same at the April board meeting.

**Building Principals**

Both principals noted that the allocation of merit increases has been operated in two ways during the three years that the program has been in effect. During the first two years the evaluations were conducted by both superintendent and building principals. Then they would sit down and the principal would defend his evaluation against that of the superintendent. This procedure made for a very tense atmosphere among members of the administrative team. The last year that the previous superintendent was in the district, the evaluation was conducted completely by the principals and there were only minimal changes requested by the superintendent.

The teachers were not informed individually by the superintendent or principal regarding their merit and usually received this information when their contract was mailed to them.

**Teachers**

All of the teachers reiterated the comments made by the principals regarding the old and new way of allocating merit. The teachers favored the principal's sole evaluation
since they felt that he was much closer to the work and could more realistically evaluate them. They noted the role of the teachers' organization in arbitrating a recent dispute over merit and felt that their group would be playing a more important role in the allocation of merit in the future.

Financial Commitment to Merit

Board Members

The board members interviewed noted the importance of providing teachers with a living wage. They stated that the current financial state of the board of education would severely limit the amount of percentage increases that they could make available.

One board member indicated that the amount of increases for merit was presently being studied by the superintendent and that he would be coming to the board with a recommendation after the first of the year. This recommendation would regard the procedure for administering the merit program as well as the amount of money that should be guaranteed to teachers on an annual basis.

Superintendent

The superintendent reiterated the budgetary limitations that his district is experiencing. He also noted that if merit is to be continued in the district, a large financial commitment must be made. The standard $300 will not serve as a motivation for teachers, but must be increased from $600 - $800 with the money being taken for the annual percentage in-
creases allocated for the salary schedule. Thus, eventually all teachers in the district might receive a two percent increase and any additional money they would receive would come from merit increases.

The second question which must be faced by the board of education is whether a district in this financial situation would make merit pay cumulative. It is the general feeling among members of the board that merit pay is a good thing as long as it does not cost them any more money than would be required on a traditional salary schedule. This area is one that the superintendent and board plan to research in the near future.

Building Principals

Both building principals noted that the board was definitely not putting enough money into the merit program to make it viable. They said that the increases would have to be a minimum of $600 per staff member and also that eighty percent of the staff members receiving merit increases on an annual basis was not a realistic figure. It was also noted by one principal that merit increases should be cumulative so that the teachers could benefit from their rewards year after year. This same principal also stated that the district might not be able to accept a financial burden of this type.

Teachers

The teachers reiterated the comments of the princi-
pals unanimously in that there was not nearly enough money placed into the merit pay program to make it worth working for. It was the general opinion of the teachers interviewed that the program be dropped and the money that would be expended for this purpose be placed back into a pot for teacher increases. Two teachers said that programs of merit were a luxury which could only be enjoyed by a wealthy school system.

In studying the financial commitment that has been made to the teachers in salary increases over the past several years, the following chart becomes helpful:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PERCENTAGE OF INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-1973</td>
<td>2.0%</td>
</tr>
<tr>
<td>1973-1974</td>
<td>2.0%</td>
</tr>
<tr>
<td>1974-1975</td>
<td>2.5%</td>
</tr>
<tr>
<td>1975-1976</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

In comparing the median salary paid to the teachers in this school district, the following data was obtained:

District B = $10,545.00 (Average Salary)

Surrounding Districts

District 1 = $14,688.00 (Average Salary)
District 2 = $13,168.00 (Average Salary)
District 3 = $12,177.00 (Average Salary)
District 4 = $12,200.00 (Average Salary)

It is obvious to see that the salaries paid in this district are far below those paid in other school districts. These smaller salaries are probably related, to a degree, to
the merit compensation program, but also to the district's financial situation.
### DISTRICT B
#### SUMMARY OF DATA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total # Interviewed</strong></td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td><strong>I. Rationale for embarking on a program of merit compensation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Response to negotiations</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Improvement of instruction</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>C. Attempt to save money</td>
<td>0</td>
<td>1</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>D. Other</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>II. Role of the local teachers' organization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Viable in bargaining with the Board of Education for salary</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>B. Possesses a master contract with the Board of Education</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>C. Helped establish the merit compensation program</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>D. Helps to evaluate the merit compensation program on an annual basis</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>E. Other</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td><strong>III. Role of the Supt. in allocating merit increases</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Supt. sets raises for staff</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>B. Supt. coordinates the raises with the evaluation of the building principal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### DISTRICT B SUMMARY (cont'd)

<table>
<thead>
<tr>
<th>Data Obtained</th>
<th>Total # Interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>C. Allocation is a combination of Board &amp; Supt. recommendations</td>
<td></td>
</tr>
<tr>
<td>D. Principal makes recommendations to the Supt. - these are then taken to the Board</td>
<td></td>
</tr>
<tr>
<td>E. Other</td>
<td></td>
</tr>
<tr>
<td>IV. Administrative support to building principals.</td>
<td></td>
</tr>
<tr>
<td>A. Do building principals receive extra assistance via added personnel to administer the merit program?</td>
<td>0 0 0 N/A</td>
</tr>
<tr>
<td>B. Have building administrators received any special inservice to implement the program?</td>
<td>2 0 0 N/A</td>
</tr>
<tr>
<td>V. Financial commitment of the district to the merit compensation program</td>
<td></td>
</tr>
<tr>
<td>A. Do the salaries in the school compare favorably with those of surrounding school districts?</td>
<td>No No No No</td>
</tr>
<tr>
<td>B. Does the annual amount of money allocated per teacher compare favorably with surrounding districts?</td>
<td>No No No No</td>
</tr>
</tbody>
</table>
### DISTRICT B SUMMARY (cont'd)

<table>
<thead>
<tr>
<th>Data Obtained</th>
<th>Total # Interviewed</th>
<th>Brd, Memb.</th>
<th>Supt.</th>
<th>Bldg,Prin.</th>
<th>Teachers</th>
</tr>
</thead>
<tbody>
<tr>
<td>VI. Understanding of the merit compensation program</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>A. Do the members of the staff have a thorough understanding of the merit program?</td>
<td></td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>VII. Inservice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Did the school district provide inservice before the initiation of the merit program?</td>
<td>1</td>
<td>No</td>
<td>no</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>B. Do teachers receive inservice on the program on an annual basis?</td>
<td>2</td>
<td>No</td>
<td>No</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>VIII. Future of the merit program (N/A see narrative responses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IX. Accountability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Does the school district make an attempt to inform taxpayers that teachers are paid via merit compensation?</td>
<td></td>
<td>2</td>
<td>no</td>
<td>4</td>
<td>yes</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>1</td>
<td>1 yes</td>
<td>4 yes</td>
<td>not sure</td>
</tr>
<tr>
<td>X. A-160 Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Has the school district tied merit compensation into its A-160 plan?</td>
<td></td>
<td>2 yes</td>
<td>1 yes</td>
<td>1 yes</td>
<td>N/A</td>
</tr>
<tr>
<td>XI. Actual process followed in merit allocations - N/A to this chart Note narrative responses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XII. Grievance Procedure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Is there a specific grievance procedure outlined to handle complaints related to the allocation of merit increases?</td>
<td></td>
<td>2 yes</td>
<td>1 yes</td>
<td>2 yes</td>
<td>2 not sure</td>
</tr>
</tbody>
</table>
DISTRICT C

District C is a rural Illinois school district located in Warren County about two hundred eighty miles from Chicago. It is a unit district created by the fusion of the three smaller districts over the past eight years. The district has four attendance centers, two of which are K-4 buildings and one middle school for grades 5 and 6 all under the leadership of an itinerant principal who travels from building to building on a daily basis. The students in grades 7-12 are housed in a new modern junior-senior high school under the direction of a full-time principal.

The professional staff numbers approximately forty-six, many of whom are from the community or were born and raised in a rural setting similar to this area. The schools serve eight hundred students most of whom are bussed to the attendance centers.

The district has an assessed evaluation of approximately $27,000,000 which should provide a large enough tax base to support a school system of this size with a viable tax rate, but this is not the case. The new superintendent noted that the schools have been forced to sell about $120,000 worth of tax anticipation warrants for the past three years. There has been some talk by the board and superintendent that a rate increase may be needed next year in order to restore financial stability to the school district.
The District C schools have had a merit compensation program for four years, though the current superintendent, who is new this year, plans to bring the program to an end. The program consists of a cumulative bonus of $200 to be paid to outstanding teachers upon the recommendation of the superintendent. In reality, less than twelve percent of the district or approximately five or six teachers actually receive the increases each year.

Teachers' Organization

Board Members

The board members noted that the teachers in the district were I.E.A. affiliated, but that discussions regarding salaries and fringe benefits remain on a very informal basis. The teachers form a committee and bring requests to a special board of education meeting scheduled for that purpose. Then based upon the superintendent's recommendation, each request is decided on an individual basis taking into consideration financial resources and district procedures and policies.

One board member noted that the organization has been in existence for a long period of time in the district, but became rather militant regarding their previous superintendent. This militancy was related to a non-monetary issue - working conditions. This issue tended to polarize the teachers and the board and eventually resulted in the superintendent's resignation. During this turmoil, there was talk that the staff members in the junior-senior high school were considering a strike.
The superintendent noted that the teachers' organization was in its infant stages of becoming a viable pressure group to lobby for salaries and fringe benefits. It was generally noted that since the district had a new superintendent, that there would be a big push for negotiations in the coming year. Previously the teachers had made their requests known via a committee which would meet the board and superintendent. The board would then report back to the group what annual percentage increases would be for the teachers and the rationale for same.

The teachers did not agree to the percentages until late August which shows that they are becoming more militant. The question as to whether they would strike is interesting. The organization does not appear to be unified enough to participate in a strike and it would probably have to be related to an issue other than just salary. The superintendent noted that it would not be difficult to replace teachers if necessary, but it would be hard to obtain day-to-day substitutes over a sustained period of time in order to keep the schools open.

The organization has never taken a formal stand on the question of merit. It does appear evident that the majority of teachers do not like it and would like to see it abolished. It also seems that they will probably get their way. The superintendent notes that the program, as it is presently being implemented, is not viable or worthy of the
rebuilding that would be necessary to make it a source of motivation for teachers.

The superintendent stated that while he sees a growing interest in the organization, it will probably be several years before it becomes a force of power which the board must reckon with in a formal negotiation process. This delayed growth is assuming that the I.E.A. does not select District C as one of the target districts for organizing teachers.

**Building Principals**

This district has only two principals and one is new to the school system this year. Thus, the comments noted are from the junior-senior principal who has been employed by the school district for the last five years. He stated that the teachers' organization has been growing in strength for the past few years. It served as a vehicle to apply pressure to the board of education which eventually resulted in the resignation of the last superintendent. The principal noted that the two or three times that the organization polarized to put pressure on individuals or the board, it was related to non-monetary issues.

The great majority of leadership and active participation in the organization is found in the junior-senior high school. This participation is probably related to the high percentage of males on the staff and the large number of young teachers who are at the lowest levels of the salary schedule.
Teachers

The teachers stated that they were in the process of researching several issues regarding the salary and fringe benefits that were provided teachers in surrounding school districts. It was their hope to come to the board this year prepared to answer any questions that they had put to them and attempt to be treated as the professionals that they are.

In discussing the idea of a master contract, they noted that several teachers would be interested in obtaining an agreement of this type, but that it would be putting "the cart before the horse." This year they hope to be formally recognized by the board and engage in some dialogue related to salary and fringe benefits.

It is evident that this neophyte organization, though of rural extraction, is preparing to "flex its muscles" in the sophisticated game of collective bargaining. The initiation of a stronger teachers' organization was probably begun after their successful push to have the past school superintendent released from his contract.

Accountability

Board Members

The idea of merit compensation was born from a belief that teachers should be recognized for their excellence in teaching. In retrospect, the reward probably would not have had to be monetary. The idea was to offer an award that members of the teaching staff could work toward each year.
The other board member stated that if you trace the program back to its inception, it was the idea of the past superintendent. It was his belief that such a program would influence teachers to work harder with their students to improve test scores. In reality, he doubted that improvement was the result and that it actually served as a catalyst for bickering and arguing among teachers.

Superintendent

The new superintendent was hesitant to answer this question, but stated that it was his belief that the program was initiated to improve instruction. It was to be considered another evaluation tool which could be put at the disposal of the principal as needed. The monetary reward also served to bring selected teachers to the superintendent and board members' attention on an annual basis when it came time to grant the increases.

Building Principals

The principal stated that the idea of merit was completely that of the former superintendent. It was to be used as a device to keep some staff members in line and reward others who he considered to be outstanding teachers or whom he personally liked. The general purpose given for the program was the improvement of instruction, but in the principal's opinion it did more to hurt the working relationship that the principals had with their staff. It was also his opinion that it should be discontinued as soon as possible.
Teachers

The teachers in the district said that the amount of merit increases that was provided to teachers did not make it worth working for. Teachers are given a $200 increase which was cumulative based upon the recommendation of their building principal. Two teachers said that this money is almost nothing after you take taxes and teacher retirement out of it. The program served to foster a great deal of distrust among many of the staff members.

The elementary teachers (K-4) were especially irritated by the fact that they had to share a principal with three other school buildings. This did not provide enough time for him to actively work on curriculum, provide support with parents, etc., not to say anything about having the necessary time to do the extensive evaluations required in a merit pay program. A great majority of these teachers thought that if the program was to be continued, the district would have to provide more administrative support in the area of early elementary education.

Evaluation Process

Board Members

The board members that were interviewed declined to discuss evaluation. They left that entire process up to the superintendent and principals.

Superintendent

The superintendent stated that the evaluation proce-

dure currently being used calls for all non-tenured teachers to be evaluated twice per year. The teachers who have tenure are evaluated once a year usually during the second semester. It was noted that the reason that this procedure was not more extensive was because of the minimal administrative staff employed by the district.

The principals utilize a checklist which is the same for grades K-6, but differs for teachers in the junior-senior high school. It calls for a rating among four levels on approximately twenty-four items. All of the items included on the checklist are directly related to the teaching process. The form does not ask how the teacher dresses or works outside of the classroom. This structure was a very positive aspect of the instrument because teachers should be evaluated on the basis of the observation made by the principal, rather than on a variety of side observations which take place during the year.

There is no evidence of goal-setting with individual staff members or any narrative comments within the questionnaire to offer teachers suggestions as to how they might improve their performance.

Building Principal
The principal noted during the interview that one of the most outstanding things that merit pay did for the school district was to force it to formulate a policy on teacher evaluation and to create an instrument which could be used in
the classroom observation of teachers. In addition, the principals had their evaluation reviewed by the superintendent so there was overt pressure for them to get out into the classroom and make evaluations.

In reality, however, who got merit was not directly related to the classroom observation that was held. The decision was an amalgamation of comments from both the principal and superintendent regarding both in and out-of-class activities. If a teacher was not supported or favored by the previous superintendent, it was very difficult to get a merit increase no matter how laudatory the evaluation done by the principal.

This relationship in the allotment of merit increases served to create a great deal of distrust on both the part of the principal and teachers. In this respect, merit compensation may have had an indirect effect upon the superintendent's decision to leave the school district.

Teachers

The great majority of teachers who were interviewed from the junior-senior high school said that the evaluation process employed in the district for merit increases was sufficient. It was evident that the principal actively got into the classroom for observation and attempted to substantiate the rating that teachers received.

Two teachers noted that they would like to see evaluation on a more frequent basis. However, they understood that
the principal who did not have an assistant was able to only get around once a year and they thought this was fair considering the time limits.

The teachers in the three elementary buildings felt that the evaluation program was totally inadequate. In reality, they only saw their principal every third day and thus if they were evaluated on a Monday would not have a conference until the next Thursday at the earliest. This poor level of administrative support was one of the reasons stated why so few elementary teachers received merit increases.

Most of the teachers said that the elementary instrument utilized was acceptable, but that evaluation should be more frequent and for a more sustained time period if merit bonuses were to be attached to them.

Allocation of Merit Increases

Board Members

The board members interviewed noted that it was up to the administrative staff to decide who would receive merit increases. They would budget the money on an annual basis and usually pass the superintendent's recommendation to award same.

Superintendent

The new superintendent has never gone through the process of awarding the merit increases in the past and he notes that it is probable that merit may be dropped during the course of this school year. He considers that his role would be to
accept the recommendation of the building principals except in areas where there is a large disagreement in regards to a teacher receiving the money.

**Building Principal**

The junior-senior high school principal noted that in almost all cases in the past, the principal's recommendation was accepted regarding the merit bonus. In the initial phase of the program (first year) there was pressure to provide bonuses to specific teachers but that disappeared very quickly.

In some respects, it was thought that the program was initiated so that the superintendent could have a greater control over members of the professional staff, but that control was never exercised.

**Teachers**

All of the teachers interviewed stated that the individual who was responsible for the increase was the principal. It was noted by almost all that any role that the board or superintendent played in this process was very minimal and did not have a large effect upon their evaluation.

One teacher interviewed noted that the merit program did was force the principals to get out of their offices and into the classrooms where they could get more involved with the educational process. There was an indication that the increased amount of evaluation that the program caused was a positive thing for the school district.
Financial Commitment

Board Members

It was indicated that the board's major function was to appropriate a merit pot which had remained the same since the program was initiated. It was then up to the administrators to decide who would be eligible to receive the increase.

Superintendent

The board, in the past, has established a merit pot of $1,800 which was to be divided up to teachers based upon their evaluation in awards of $200 each. This dollar figure automatically set a maximum of nine teachers in the school district who were able to receive the bonus and in most years merit was never given to that many teachers.

The allocation of money for salary increases is handled in a different manner. The board receives a list of requests from the teachers and takes a careful look at what types of resources would be necessary to provide them with same. In making this determination a careful look is also made at the anticipated revenue expected to be received in the district. Based upon this, a dollar figure is apportioned for salary and fringe benefits and this is worked into the teachers' salary schedule. Any merit bonus that teachers receive is in addition to the dollar figure that they would be paid from the salary schedule.

Building Principal

The junior-senior high school principal noted that
merit bonuses of $200 do not serve as a suitable incentive to increase teacher performance. In retrospect, the salaries paid in this school system have always been below that paid in surrounding school districts. The reason for this disparity may have been the fact that the previous superintendent took a very hard line with members of the teaching staff regarding increases. This position resulted in large scale dissatisfaction among employees and caused a large turnover in staff members each year. It also enabled the district to continue hiring young teachers at a lower salary than experienced ones. This turnover helped to keep the educational fund down which was always in deficit.

The merit program may have been an inducement to provide "selected" teachers with a bonus to make their positions and salaries more attractive when compared with the surrounding districts. However, this was not the case. The major thrust was poor morale, unhappiness, and at the end open hostility in the direction of the superintendent.

**Teachers**

The majority of teachers in the district that were interviewed said that one of the highest priorities for their organization was to get their salary schedule adjusted by the board so that it would be more realistic in reflecting the expectations that the board and administration had placed on them. It was noted that the single most important element causing the large turnover in staff during the past three years
was dissatisfaction with the salary schedule.

The teachers all stated that the minimal bonus received via the merit pay program did not make the program viable. It was noted by several that this money would be more beneficial if added to the amount of money allocated for teacher increases each year.

It was the general consensus among the staff that the merit program had seen its best days, but now was not a priority issue. However, salary, fringe benefits, and collective bargaining are things that their organization is presently working on and that they will become more involved with during the coming months.

The following are the percentage increases that have been granted by the board during the past four years:

<table>
<thead>
<tr>
<th>YEARS</th>
<th>PERCENTAGE OF INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-1974</td>
<td>2.6%</td>
</tr>
<tr>
<td>1974-1975</td>
<td>2.8%</td>
</tr>
<tr>
<td>1975-1976</td>
<td>2.0%</td>
</tr>
<tr>
<td>1976-1977</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

These figures give evidence that the teachers have been making a new push to increase the level of salary expected by the board. It is also interesting to note that 1976-1977 marked the first year of the new superintendent's term.

The average salary paid to teachers in District C is $11,486.00. The salaries of several surrounding districts are noted as:
District 1  $10,946.00
District 2  $11,622.00
District 3  $11,842.00
District 4  $11,500.00

Thus, the salary average of District C is below that paid in three of the four districts sampled. This disparity does not appear to be significant because the range is so close.
## SUMMARY OF DATA

### Data Obtained

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Response to negotiations</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>B. Improvement of instruction</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>C. Attempt to save money</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>D. Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

### Role of the local teachers organization

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Viable in bargaining with the Board of Education for salary</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Possesses a master contract with the Board of Education</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>C. Helped establish the merit compensation program</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>D. Helps to evaluate the merit compensation program on an annual basis</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>E. Other</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

### Role of the Supt. in allocating merit increases

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Supt. sets raises for staff</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>B. Supt. coordinates the raises with the evaluation of the building principal</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>C. Allocation is a combination of Board &amp; Supt. recommendations</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>D. Principal makes recommendations to the Supt. - these are then taken to the Board</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>
### DISTRICT C SUMMARY (cont'd)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Data Obtained</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total # Interviewed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E, Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>IV. Administrative support to building principals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Do building principals receive extra assistance via added personnel to administer the merit program?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Have building administrators received any special inservice to implement the program?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V. Financial commitment of the district to the merit compensation program</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Do the salaries in the school compare favorably with those of surrounding school districts?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Does the annual amount of money allocated per teacher compare favorably with surrounding districts?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VI. Understanding of the merit compensation program</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Do the members of the staff have a thorough understanding of the merit program?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VII. Inservice</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>A. Did the school district provide inservice before the initiation of the merit program?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Don't</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>2</td>
<td>No</td>
<td>DNA</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>2</td>
<td>No</td>
<td>DNA</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>2</td>
<td>9</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>2</td>
<td>7</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>2</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>2</td>
<td>6</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>1</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>1</td>
<td>7</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>2</td>
<td>2</td>
<td>Not Sure</td>
</tr>
<tr>
<td>---------------------------</td>
<td>------------</td>
<td>-------</td>
<td>-------------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>Data Obtained</strong></td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total # Interviewed</strong></td>
<td>1 Yes</td>
<td>1 Don't Know</td>
<td>2 No</td>
<td>9 No</td>
</tr>
<tr>
<td>B. Do teachers receive inservice on the program on an annual basis?</td>
<td>2 No</td>
<td>No</td>
<td>2 No</td>
<td>2 Not Sure</td>
</tr>
<tr>
<td>VIII. Future of the merit program (N/A see narrative responses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IX. Accountability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Does the school district make an attempt to inform taxpayers that teachers are paid via merit compensation?</td>
<td>2 No</td>
<td>No</td>
<td>1 Not Sure</td>
<td>1 Not Sure</td>
</tr>
<tr>
<td>X. A-160 Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Has the school district tied merit compensation into its A-160 Plan?</td>
<td>2 Not Sure</td>
<td>Yes</td>
<td>1 Not Sure</td>
<td></td>
</tr>
<tr>
<td>XI. Actual process followed in merit allocations - not applicable to this chart. Note narrative responses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XII. Grievance Procedure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Is there a specific grievance procedure outlined to handle complaints related to the allocations of merit increases?</td>
<td>2 Yes</td>
<td>Yes</td>
<td>2 Yes</td>
<td>3 No</td>
</tr>
</tbody>
</table>
DISTRICT D

District D is another rural school system located in Stark County. The schools serve approximately three hundred fifty students in grades K-8 in one attendance center. The professional staff numbers nineteen with a superintendent who also serves in the capacity of building principal.

The financial base of this district has always been solid and continues to operate in the black, despite the fact that the school aid formula (resource equalizer) has not been funded completely.

The District D Public School System has had a merit compensation program for the past five years which consisted of yearly increases within a given range. For example, teachers in one year may receive an increase from $0 to $600 depending upon the amount of money that has been allocated by the board for salaries.

Teachers' Organization

Board Members

The board members interviewed both agreed that there has always been a positive working relationship with the teachers' organization. One member pointed out that this was a very small and close-knit community and most of the teachers were residents of the school district. In fact, it is interesting to note that the superintendent's wife is an eighth grade teacher in the school. The majority of the functions of the organization are of a professional and social nature. During
February and the group draws up a list of requests and meets with the board and superintendent to discuss same. It was noted that there is no formal contract negotiations. Since these are local people, they try to listen to their concerns and offer whatever help seems feasible.

**Superintendent**

The superintendent gave almost the same type of comments that were made by board members. The dealings with the local organization are very informal and yet they remain a group which is very solid behind the district. He doubted that many even had the word "strike" in their vocabulary and often looked with disdain on the labor problems that are prevalent in Chicago and the suburbs.

It was noted that one of the reasons for this good feeling between the board and teachers was the smallness of the school, the low turnover rate by the teaching staff, and the fact that both the teachers and the board were very visible in the community.

**Teachers**

The teachers noted that their organization was a structured group with elected offices, a constitution, etc., but said that they would not put negotiations as their prime purpose. They stated that this organization often provides social as well as professional activities for the teachers in the district.

In the area of salary and fringe benefits, all but one of the teachers interviewed said that they were doing as well,
if not better, than many of the surrounding school districts. There was some fear that the state might force them to consolidate with two tiny school districts nearby which had less than a hundred students (K-8). This would reduce the tax base of their district and necessitate a much higher expenditure of money for salaries to bring these districts up to the level of District D.

There had been a push by the I.E.A. approximately three years ago to organize teachers in the high school and the three surrounding elementary districts. The great majority of teachers attended these meetings, but the affiliation never got off the ground. This failure was probably because of a general anti-union feeling among the teachers and some members of the community.

The teachers' organization had made the board aware of their opposition to merit on at least two occasions to no avail and there was no talk of any strike or work action on the part of the teachers.

Accountability
Board Members

The board members stated that merit pay was one very definite way of holding teachers accountable for the work that they did in the classroom. The traditional salary schedule moved the good and poor teachers through the system purely on longevity rather than on their ability as teachers. Merit pay was an attempt on the part of the board to compensate the teachers in what they thought was a more just manner.
Superintendent

The superintendent/principal noted that the idea of rewarding teachers for outstanding performance in the teaching process came from the board of education. Problems occurred, however, because of the level of involvement that they took in the evaluation process. While the board members never went into the classroom to make formal observations, they did meet in executive session with the superintendent to review each evaluation and decide on the dollar amounts that would be awarded to specific staff members. He noted that this process was acceptable on many occasions, but a few board members allowed personalities to interfere. There were times when a teacher's salary may have been related to a discussion at the dinner table, rather than a professional recommendation made by the administration.

Teachers

The teachers were very split on this issue. A possible reason for this may have been that there was almost a direct correlation between their answers and those who received merit pay. Almost half of the teachers (those receiving merit increases) thought that the board had implemented the program to improve instruction. The remaining teachers interviewed stated that the program was started to get even with certain teachers that specific board members disliked. It was evident from the discussion with the teachers that there was a good "feeling" between them and the superintendent. If problems were evident, they appeared to be related to members of the board of education.
Two teachers said that although improvement of instruction and holding teachers accountable for the performance of their students may have been the reason for initiating the merit program, in reality it created more hard feelings and nervousness among staff members than it was worth. This sense of insecurity and tension did have a negative effect on both morale and teacher productivity.

**Evaluation Procedure**

**Board Members**

The board members interviewed stated that it was the role of the superintendent to visit the classroom for the purpose of studying the actual teaching process and techniques employed by the teacher. When this process was completed, the board discussed each evaluation in executive session and allocated a specific dollar amount for each teacher on the staff. These were then approved at a regular meeting of the board in open session and it was the job of the superintendent to report back to each teacher regarding the raise and the specific rationale of the board and superintendent in arriving at the dollar amount.

**Superintendent**

The superintendent/principal noted that the first formalized evaluation process ever utilized in the district came with the inception of merit pay. An instrument was selected and adjusted to meet the specific needs of the school. Teachers were evaluated twice a year and he would attempt to spend a minimum of one-half day in each room on both occasions.
conference was then held and the teacher made aware of the superintendent's observation. The instrument was then initialed by both the teacher and the superintendent.

The evaluation checklist dealt with a variety of items which the superintendent and board considered important to the teaching process, relationship with students, etc.

It was noted by the superintendent that this was only one of the factors that went into deciding if a teacher would receive merit. A great deal was up to the board's meeting held in executive session. It was noted that when there was a doubt or discrepancy the board would invariably go with the superintendent's recommendation.

Teachers

The teachers said that probably the only beneficial aspect of the merit compensation program was the evaluation program that was born from it. Previous to this time any observations made by the superintendent were of an informal nature and there was no written record each year. The younger teachers especially liked having a dialogue with the superintendent regarding their performance and some possible ways of improving same.

The great majority of teachers interviewed stated that the evaluation system as it was presently being implemented was adequate, but that it was very difficult for them to accept that two visits per year by the superintendent could be the sole criteria as to whether they would receive a raise for the next school year.
The board members noted that allocation of merit increases was a joint function of the superintendent and the board of education. Each would come up with a recommended salary increase for a staff member and where they were very close they would agree upon a dollar amount that was midway between the two recommendations. When there was a large disparity between the superintendent and board, it was up to each to provide a rationale for the dollar amounts they desired to allocate. It was then up to the board to make the final decision in such a matter.

The superintendent/principal of District D stated that the biggest problem with the merit program in the district was the board's insistence on getting involved with the administrative function of evaluation. They continue to review each individual evaluation done by the superintendent and then in joint consultation set specific dollar amounts for each. This evaluation is more an administrative function and it puts the superintendent in a bad light when his recommendations are not accepted.

The recommendations for salary increases are then approved by the total board of education at an open meeting and then all of the individual merit increases become a part of public record. It was noted that in certain instances teachers' merit increases were printed in the town newspaper. This
publicity creates a problem because parents do not want their children to be in a room where the teacher received only a minimal increase.

**Teachers**

The teachers were unanimous in stating that the individual who was totally responsible for the merit increases they received was the superintendent. They said that the decision was formed from the classroom observation, the involvement shown by the teacher in out-of-class activities, etc.

It was then assumed that the merit allocations were presented to the board in the form of recommendations which were usually approved at a regular meeting. Only one teacher complained about the fact that individual increases were generally made known to parents and members of the community.

It is interesting to note that these statements were in opposition to those obtained from the board members and superintendent. Thus the superintendent bears the total responsibility for the merit program though he is often not his own master having to acquiesce to the demands placed on him by the board.

**Financial Commitment**

**Board Members**

Both board members interviewed noted that the amount of money that could be spent for salary increases was determined by the board finance committee after assessing the total financial picture of the school district. A dollar amount would be established by the board which could usually be con-
verted easily to a percentage of the money usually spent for teacher salary increases. A range was then developed for this amount of money stating that the minimum that a teacher could receive would be zero and placing a ceiling on the amount that any teacher could receive.

Superintendent

The superintendent/principal reiterated the comments made by the board members. It was a function of the board to decide on how much money would be allocated for merit increases and the range of those increases. It was noted that the board strove to allocate increases that were related to the cost of living index. Thus teachers who received a poor merit rating would have a salary below the index, average teachers would be at the index, with superior teachers receiving an increase in excess of the cost of living.

Teachers

There again was a disparity among the teachers interviewed when discussing the financial commitment that was being made to the merit program. Those teachers who have received a high level of merit on a consistent basis appear to be very satisfied with the program. They are keenly aware of the fact that they would not be earning as much money without the merit program. Those teachers who have received minimal increases are dissatisfied with both the program and the amount of money which is expended.

In asking if the teachers' organization was going to make a concerted effort to get more money the answer was no
because of general apathy among several staff members and political consequences which could be experienced from certain leading citizens in the community.

The following chart gives an idea as to the level of salary increases that teachers have had in the past four years:

<table>
<thead>
<tr>
<th>YEARS</th>
<th>PERCENTAGE OF INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-1974</td>
<td>3.0%</td>
</tr>
<tr>
<td>1974-1975</td>
<td>3.2%</td>
</tr>
<tr>
<td>1975-1976</td>
<td>7.0%</td>
</tr>
<tr>
<td>1976-1977</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

The average salary for teachers in this school district is $11,648. In comparing this with surrounding school districts, the following data was obtained:

- District 1 $11,827.00
- District 2 $11,950.00
- District 3 $11,600.00
- District 4 $12,100.00 (Unit District)
## DISTRICT D
### SUMMARY OF DATA

<table>
<thead>
<tr>
<th>Data Obtained</th>
<th>Total # Interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Rationale for embarking on a program of merit compensation</td>
<td></td>
</tr>
<tr>
<td>A. Response to negotiations</td>
<td>0</td>
</tr>
<tr>
<td>B. Improvement of instruction</td>
<td>2</td>
</tr>
<tr>
<td>D. Attempt to save money</td>
<td>0</td>
</tr>
<tr>
<td>D. Other</td>
<td>0</td>
</tr>
<tr>
<td>II. Role of the local teachers' organization</td>
<td></td>
</tr>
<tr>
<td>A. Viable in bargaining with the Board of Education for salary</td>
<td>1</td>
</tr>
<tr>
<td>B. Possesses a master contract with the Board of Education</td>
<td>0</td>
</tr>
<tr>
<td>C. Helped establish the merit compensation program</td>
<td>0</td>
</tr>
<tr>
<td>D. Helps to evaluate the merit compensation program on an annual basis</td>
<td>0</td>
</tr>
<tr>
<td>E. Other</td>
<td>1</td>
</tr>
<tr>
<td>III. Role of the Supt. in allocating merit increases</td>
<td></td>
</tr>
<tr>
<td>A. Supt. sets raises for staff</td>
<td>0</td>
</tr>
<tr>
<td>B. Supt. coordinates the raises with the evaluation of the building principal</td>
<td>2</td>
</tr>
<tr>
<td>C. Allocation is a combination of Board &amp; Supt. Recommendations</td>
<td>0</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>D. Principal makes recommendations to the Supt., these are then taken to the Board</td>
<td>2</td>
</tr>
<tr>
<td>E. Other</td>
<td></td>
</tr>
<tr>
<td>IV. Administrative support to building principals</td>
<td></td>
</tr>
<tr>
<td>A. Do building principals receive extra assistance via added personnel to administer the merit program?</td>
<td></td>
</tr>
<tr>
<td>B. Have building administrators received any special inservice to implement the program?</td>
<td></td>
</tr>
<tr>
<td>V. Financial commitment of the district to the merit compensation program</td>
<td></td>
</tr>
<tr>
<td>A. Do the salaries in the school compare favorably with those of surrounding school districts?</td>
<td></td>
</tr>
<tr>
<td>B. Does the annual amount of money allocated per teacher compare favorably with surrounding districts?</td>
<td></td>
</tr>
<tr>
<td>VI. Understanding of the merit compensation program</td>
<td></td>
</tr>
<tr>
<td>A. Do the members of the staff have a thorough understanding of the merit program?</td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------</td>
</tr>
<tr>
<td><strong>Data Obtained</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total # Interviewed</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>VII. Inservice</strong></td>
<td></td>
</tr>
<tr>
<td>A. Did the school district provide inservice before the initiation of the merit program?</td>
<td>2 No</td>
</tr>
<tr>
<td>B. Do teachers receive inservice on the program on an annual basis?</td>
<td>1 Yes</td>
</tr>
<tr>
<td><strong>VIII. Future of the merit program (N/A see narrative responses)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>IX. Accountability</strong></td>
<td></td>
</tr>
<tr>
<td>A. Does the school district make an attempt to inform taxpayers that teachers are paid via merit compensation?</td>
<td>2 Yes</td>
</tr>
<tr>
<td><strong>X. A-160 Plan</strong></td>
<td></td>
</tr>
<tr>
<td>A. Has the school district tied merit compensation into its A-160 Plan?</td>
<td>2 Not Sure</td>
</tr>
<tr>
<td><strong>XI. Actual process followed in merit allocations - N/A to this chart Note narrative responses</strong></td>
<td></td>
</tr>
<tr>
<td><strong>XII. Grievance Procedure</strong></td>
<td></td>
</tr>
<tr>
<td>A. Is there a specific grievance procedure outlined to handle complaints related to the allocation of merit increases?</td>
<td>2 Yes</td>
</tr>
</tbody>
</table>
The District E Public Schools are located in the northwestern suburbs of Cook County approximately twenty miles from the Chicago Loop. The district has ninety-five certified staff members and possesses a teacher-student ratio of one to twenty-six. The majority of the professional staff has been in the school district for eight years with the mean age of staff members being thirty.

The financial situation of the district has been bleak for the past seven or eight years due to the increasing student population and an assessed valuation which has not kept pace with this rise in enrollment. The failure of the Illinois Legislature to provide full funding of the resource equalizer has created additional problems for the school system. The annual indebtedness is also noted by the fact that tax anticipation warrants are sold from fifty percent to the total of the limit allowed by the school code.

The merit compensation program has been in effect for nine years in the school system with the inception of the program being synonymous with the hiring of the present superintendent. The Board of Education consists of several members who are upwardly mobile in the corporate structure of the companies for which they work. This background led to an interest in compensating teachers based upon a performance evaluation procedure. This system has undergone many changes and seems to be experiencing some of the most hostile expres-
sion of opinion against this program at the present time.

Local Teachers' Organization

Board Members

The teachers' organization and its relationship with the board of education has changed rapidly in the past several years as noted by both board members. The district was one of the first in the area to enter into a professional negotiation agreement (master contract). This agreement has caused many changes and modifications in the merit program under the pressures of collective bargaining. It was noted by one board member that there has been an attempt made to get the teachers involved in the formulation of the program. The board member further noted the role of the teachers' organization in helping to split up the merit pot. One member interviewed felt especially strong about many of the legal perogatives of the board which were being handed over to the teachers.

It was noted by one board member that this particular negotiating year would be crucial to both the teachers' organization and the board. The teachers are taking a strong stand to eliminate merit compensation, while the board is willing to evaluate and refine the program as it is presently being implemented. It was noted that this was a year that a strike might take place and the board is willing to risk this sanction if necessary.

Superintendent

The superintendent noted that the role of the teachers'
organization appears to be getting stronger each year. The leadership of the organization has remained relatively constant which supplies the teachers with a core of individuals who know and understand many of the sophisticated operations involved in collective bargaining.

The Illinois Education Association (I.E.A.) has been a central resource to the teachers' organization in dealing with the board, but I.E.A. personnel have only met with the board of education once. The initial push was for a master contract which was agreed to by the board approximately six years ago. This document has become broader with each ensuing year and continues to erode the legal and financial base of the board.

The thrust of the teachers' organization has continued to work in the direction of improving working conditions and fringe benefits as well as the elimination of merit compensation. There has been an ongoing opportunity for the organization of members to work with both central office and building administrators in refining the evaluation procedure which is utilized.

The most obvious board perogative handed over to the organization in negotiations was the right to divide up the merit pot established by the board. In reality, over a period of time, this perogative is working to minimize the overall effect of the program. The organization creates this effect through the percentage increases they grant to all teachers as a cost of living increase and the dollar amounts that they
allocate for the three levels of performance. This division of money, in essence, sets the stage for the program to be made less effective than possible.

Teachers

The teachers interviewed noted that their organization appears to be at a very crucial stage. The school district had informal bargaining relationships with the teachers up to the 1969-1970 school year. In the 1970-1971 school year, the board and teachers' organization entered into a formal contract which closely resembled a professional negotiation agreement. With each subsequent year, this agreement has become more sophisticated and complex with increased investments of time on the part of the board and the teachers' negotiating team.

The majority of teachers said that their organization had made gains in working with the board. The most noticeable was their agreement to allow the group a high level of autonomy in dividing up the merit pot. It was difficult to decide if there was an overt attempt made at first to allocate the dollar amounts in such a way as to minimize them related to level one through level three teachers. This has been the effect with the dollar disparity between the average and excellent teachers becoming less and less each year. This particular perogative gained by the teachers' organization was considered to be the single most important achievement of the teachers' organization to date.

There was a very militant stance taken by the teachers'
organization last year when the merit levels were allocated. This stance resulted in a meeting with the board and the formation of a joint committee of board, administrators, and teachers to take a crucial look at both merit and the procedure for implementing same. This committee is presently meeting and has not formed any concrete recommendations at this time.

The members of the teachers' organization have decided not to wait until contract time to make their fellow teachers and members of the community aware of what they term the "gross inequities of the system." This concern was illustrated by the teachers passing out handbills at the open houses of several schools in the district as well as some incidents of picketing. The teachers feel strongly that the organization can help them get rid of merit compensation and with the formation of the joint committee on merit, the time has arrived to push as hard as possible to obtain a traditional salary schedule system of compensation.

Accountability

Board Members

In the information obtained from board members, it was noted that the merit program had been talked about for many years prior to its implementation. When a new superintendent was employed approximately nine years ago, he was given the performance responsibility of formulating and implementing a program of merit compensation for the certified employees. The reason that such a program was given this level of pri-
ority was twofold. The first was to improve the instruction in the schools and make it more responsive to the needs of the board, parents, and students of the district. The second was an attempt to reward those instructors who were especially adept at their job and who put forth a great deal of effort.

One board member noted that the merit program helped many of his neighbors better understand the needs of the schools when they were trying to decide how to vote during a referendum recently. This level of checks and balances is something that business people understand and relate to.

There is also a general feeling that one of the most beneficial things that the merit program does is set up a system of balances between the administration and teaching staff. There will be a discussion of this concept in more detail in the analysis section of this study.

Superintendent

The superintendent felt that the teachers, administration, and board of education are experiencing a greater demand for accountability today than ever before due to rising educational costs and declining student test scores. Merit compensation is one method of providing accountability in a manner which serves as an excellent motivator for personnel, namely money. This makes all of the professional staff employed by the school district, from superintendent to first year teacher, dependent upon an evaluation which relates performance to dollars.

It was noted that the philosophy and rationale of the
merit program are well grounded, but that several of the mechanics of it needed to be worked out. In addition there is a power struggle between the board of education and the teachers' organization. The board said that this system of accountability is necessary and have no intentions of eliminating the program, but are willing to discuss ways of modifying it to meet the requests of all of the people involved.

Principals

In conducting interviews with four principals in the school district, it was noted by all that the merit program was viable to some extent as a mechanism for accountability. Three noted that the ability of the teachers' organization to divide up the merit pot has weakened the program each year since this policy was implemented. It was noted that the difference between a level one and level three teachers must be large enough to provide an incentive toward which teachers may work.

Two of the principals noted that the grievance procedures as implemented make it very difficult for them to present an objective evaluation of the teachers and not become challenged when they assign merit ratings. The grievance procedure as established via collective bargaining assures each teacher a new evaluation in which they cannot be given a rating lower than given in the initial evaluation. One elementary principal noted that if a teacher was given a mediocre evaluation, she has nothing to lose in requesting another and such
requests are increasing on a yearly basis.

Objectives for the improvement of instruction are usually formulated at the beginning of the school year by joint agreement with the building principal and teacher. This procedure, in conjunction with suggestions for improvement, help to make teachers aware of the expectations that the administration have regarding their performance and the level that they must achieve to receive a merit increase.

Teachers

The teachers were very split on the issue of merit compensation and the reasons as to why the board got involved with a program of this type. There are many who said that it was an attempt at saving money on the part of the board of education. Several teachers stated that the board desired to use this instrument as a means of leverage against teachers who were not held in favor by the administration. This aspect of the program makes many members of the staff feel especially uneasy and worried about their security and future in the school district. This fear is usually not related purely to the dollar amount they received, but the publicity of being ranked as either an average or below average teacher.

In asking how effective an accountability program of this type was, the opinions were mixed along age levels. The majority of teachers who possessed over fifteen years of experience felt that the program was effective in motivating teachers to both improve their instruction as well as stimu-
late professional growth and participation in creative programming and curriculum. The remainder claimed that it served as a source of dissonance for staff members and caused people to take their efforts away from the educational issues at hand. These teachers thought the program actually hurt motivation and the amount of effort that was put into the educational enterprise.

In trying to assess the ratings achieved by the teachers, there did appear to be a correlation between both age and experience and the level of merit increases that were received. Generally speaking, those teachers who were young and inexperienced received a lower rating than those with more experience. This rating may give some bearing as to the split in the staff when discussing the efficiency of the merit compensation program as a motivator.

**Formalized Evaluation Program**

**Board Members**

In discussing the evaluation procedures with the two board members interviewed, there were very strong sentiments regarding both the duration of the evaluation and the types of things that were considered when assigning the teachers a merit level. Two board members noted that there was an ongoing attempt made to try and rethink and refine the evaluation instrument on an annual basis. This consideration of the instrument is done by a committee of board members, administrators, and members of the teachers' organization. The
document is then ratified by the board at one of its regularly scheduled meetings. A narrative explanation of the evaluation procedure and the criteria for each is distributed to all of the members of the teaching staff.

It was generally assumed by the board members that the evaluation procedure as implemented by the administration was responsive to the needs of the school district and was an aid in working toward the goal of improvement of instruction.

Superintendent

The superintendent noted that the instrument being used was an attempt to set up objective criteria for teacher evaluation. These criteria relate to the levels into which teachers are placed and are covered in the evaluation instrument. There was some problem with the procedure in the beginning period of the program, but such trouble has been worked out on an annual basis.

There is also an attempt made each year to provide in-service on the evaluation procedure to both district and building administrators. The building principals are then responsible for discussing the merit program, explaining modifications of the evaluation procedure, and making the staff aware of deadlines.

In this district the responsibility for implementing the evaluation program is up to the assistant superintendent in charge of curriculum and personnel. This individual meets with the building principals on a regular basis and discusses the progress that they are making in evaluation and the rat-
nings which are being given to members of the staff.

When the evaluations are submitted to the district office, the superintendent neither discusses nor considers changing any of the ratings that are given to teachers. There is a quota system established for the number of teachers who can receive a particular rating. Thus, at least from a philosophical basis, the central office of this school district recognizes that the majority of teachers could receive either a below or above average rating. The building principals are given a high level of autonomy in evaluating their staff and deciding the level of merit that each receives.

The superintendent presents the ratings of the teachers by category and the number of teachers who earned increases in each. This presentation helps to make the board view the matter in an objective manner and divorce any personalities from the decision-making process. It was noted by the superintendent that the board members do have the perogative to see the evaluations within the confines of the superintendent's office, but in reality, this has been done very infrequently.

Principals

The members of the building administrative staff were in favor of the evaluation instrument that was being utilized in the district. All but one of the principals felt that there were adequate criteria spelled out for teachers to be placed into categories.

It was noted by two principals that the committee on
evaluation established to review the procedure is an effective way to make sure that the procedure does not become static but remain responsive to members of the administrative and teaching staff.

The evaluation instrument used is objective enough to center on the specific skills that teachers possess in both the cognitive process of teaching as well as their social-emotional dealings with students.

There was a great deal of concern voiced by three of the principals regarding the grievance procedures that are employed. The plan, as it is presently outlined, does not include an adequate system of checks and balances to provide protection for both the evaluator and the teacher. The procedure stipulates that any teacher can ask in writing through the district office for an additional evaluation which would be done by a member of the administration as assigned by the superintendent. The second evaluation can be no lower than the first and thus the teacher has nothing to lose. This "no repercussion" grievance procedure has resulted in an increasing number of complaints regarding principals. It was the hope of three of the building administrators that this procedure would be given attention by the joint committee on evaluation when it meets this April.

The majority of building administrators stated that the merit compensation program did serve as an effective motivator for teachers when tied to an ongoing system of evaluation. The principals said that the merit program and the
inherent problems were well worth the trouble that was involved in administering the system.

Teachers

The majority of teachers interviewed noted that the most serious problem with teacher evaluation was not the instrument itself, but the manner in which it was utilized. It was especially interesting to note the comments that were made by a special teacher who worked in more than one building in the district. In this type of a situation, the teacher would have one principal who was responsible for the evaluation with some input coming from other principals with whom she worked. However, the principal who wrote the evaluation was not necessarily the administrator of the building in which the teacher spent most of her time. This discrepancy was noted by many as being an additional way of pointing out the differences in evaluation from building to building. Thus it becomes evident that a program such as merit compensation which exists on a district level cannot have a higher level of uniformity when it is administered by a large amount of different people. It must take into account a variety of priorities, philosophies, and teacher situations.

The teachers indicated that the board had made a good attempt to make the procedure for implementing the program as clear cut and objective as possible. It was noted by three teachers that the reason the program is so responsive to change is because of the pressure put on the board by the local teachers' organization. However, it was also noted that the pro-
gram is a threat to job security and that this year is considered to be a key time for the teachers' organization to push for the elimination of the merit compensation program. The elimination of the program will be considered during the annual study of the system which takes place each April. The original groundwork for this push has been laid. The teachers have had several articles printed in the local newspapers which discussed merit. They have also distributed flyers at open houses relating student achievement and the satisfaction that teachers have on their jobs. The number one thing which will appear on the demands presented to the board of education in the spring will be the elimination of merit compensation.

In discussing individual opinions about strikes and similar forms of labor action, it was generally stated that while these measures would be threatened they would probably never become a reality. This premise seems to be related to the fact that the median age of staff members is approximately thirty-two and over fifty percent of them are supplementing their family income.

Managerial Role of the Board and Administrators

Board Members

The two members interviewed said that the board of education needed to play a dynamic role in both the philosophy, rationale, and procedure of the program if it was to be truly successful. It was noted by one member that there is board representation on the committee which negotiates the
teacher master contract, the merit pay review board, as well as the committee which meets to determine changes in both the instrument and the procedure. It was generally stated that because of this familiarity with the system, it had continued to be improved on a yearly basis.

The actual mechanics of the evaluation procedure and classroom visitations are left up to the discretion of the administrators. It was the general assumption that board members did not even have to know which specific teachers fell into which categories. In a similar manner, it was noted that the arbitration of grievances regarding the program were to be taken care of by the administration with only the most serious cases being brought to the board's attention.

In response to the question about why the teachers were given the perogative to divide up the merit pot, the reasons were mixed. In the case of one board member, it was assumed that dividing the merit pot would give teachers some type of involvement in the program, rather than just being evaluated and the results of the administration becoming the "law of the land." One of the board members interviewed alluded to the fact that this perogative was given up during a breakdown in negotiations. In retrospect, this was an important perogative of the board of education which was given up and they will never be able to completely control the merit program in the future.

Superintendent

The superintendent noted that one of the important
tasks that he was asked to perform when he was hired by the board of education was the implementation of a merit compensation program. This program was begun in his initial year with a great deal of board input and direction being given. Eventually there was the formation of the three separate committees which would study merit on an annual basis and each having its own board representative.

The negotiation committee meets on an annual basis with the selected representatives of the teachers' organization for the purpose of agreeing to working conditions and a monetary percentage to be allocated for merit compensation. Thus if the line item in the budget labeled "teacher salaries" was in the amount of one million dollars, then the percentage would apply to that figure currently in operation during that fiscal year. If an eight percent increase was agreed upon, the amount of money in the merit pot would be equivalent to eighty thousand dollars. The teachers' organization, in conjunction with the board, would then assign a specific percentage to be given to all teachers in the district as a cost of living increase. It then becomes the perogative of the teachers' organization to decide how much of the remaining money they want to divide among level one through level three categories. In noting the reason for the board's decision to give this perogative to the teachers' organization, it was stated that "it was the only way it would have worked." If the teachers did not have any input into the working opera-
tion of the program, increases could have been dealt out at the pure discretion of the board. It was noted by the superintendent that this practice has greatly weakened the overall effect of merit since there is only a minimal differential between the levels of teaching proficiency.

The superintendent indicated that while the board does participate in an active fashion in the annual review of the merit system, it does leave the process of implementation and evaluation up to the administration. When the board members agree to the format that the program will take for the year, they do not see anything again until the number of teachers per category are presented to them for approval. During the approval process, the board members are not aware of the names of the teachers who receive either the highest or lowest levels of merit.

The superintendent meets with his administrative council early each year and goes over in detail the changes in the program that were agreed to by both the board and teachers' organization. This meeting includes a thorough study of the evaluation instrument which is to be employed. It then becomes the responsibility of the building principal to discuss the program and its changes during building meetings. The principals are given a date when the ratings of teachers are due in the district office. Up to the present time, these ratings have been accepted without the individual principals having to justify the increases that they have given.

The newest area of concern that has received attention
in the district is that of grievances. It was noted that with each year of the program, more are being filed. This rise in grievances indicates the general dissatisfaction with the program by young, inexperienced teachers who receive low ratings.

The superintendent noted that one of the most positive aspects of the program was that it was a vehicle which stimulated the board, administration, and teachers to exchange ideas throughout the year and that this relationship was a very healthy one for all involved.

Building Principals

All four of the principals interviewed noted that they have a high level of autonomy in specifying merit increases. This situation is especially significant in comparison to the role played by other principals who are involved with similar merit compensation programs.

The principals noted that the modification of the rationale and guidelines for the program is a joint function of the board, district and building administrative staff, and teachers. This procedure often sets the stage for meaningful dialogue. Two principals stated that this relationship was one of the most positive aspects of the program up until this year. The meetings during the present year are being dominated by the assistant superintendent of schools who came to the meetings with an attitude of "encounter." There has been little chance for open dialogue on any ideas or concepts which were too far away from his pre-conceived notion of the program.
and procedure for implementing same.

The principals who represent the district on the committee have attempted to postulate a management system which would consist of a review board to look into the merit increases that were presented to the staff. The case study performed by this group would totally include such elements of the educational process as professional growth, teaching techniques, student performance, and relationships with the community. Thus, the plan as it was envisaged, would consist of the teachers and principals presenting the evaluation along with supporting data to justify the evaluation. Then based upon the data, a category would be agreed to and a dollar amount allocated to the individual staff member. While there are several teachers and administrators who favor this particular plan, it has met with a very cool reception by the assistant superintendent who has labeled it "unworkable."

The principals interviewed indicated that it was imperative to have a program of merit compensation because it did serve as a motivator for teacher performance. The major point of contention was related to the procedure used during the allocation and the grievance procedures established. These problems are to be addressed during the course of the school year.

All of the principals stated that the local teachers' organization was trying to encourage teachers to get involved in the grievance and appeal procedure. This participation helps to polarize faculty and administration as well as put
the administration on the defensive since the evaluations have to be defended and subject to re-evaluation by another administrator.

In probing the role of the superintendent in the allocation of merit increases, it was evident that the main input into the process was made by the principal. There were no situations described in which the district office staff interfered or recommended changes other than those originally made by the principal. It was noted by one elementary principal that there was a good possibility that this situation might change this year with the more involved role of the assistant superintendent. Thus individual principals have been prompted to start keeping very close records of classroom visitations, teaching performance, and recommendations.

The general indication was that while merit pay should be continued in the school district, that a format should be established in which the principals would be provided with the necessary leverage to make the program work. This concern was especially leveled at the grievance procedure which they felt would be an ever increasing problem for administrators as it is presently written.

Teachers

The teachers interviewed noted that the person responsible for their merit ratings was their immediate supervisor - the building principal. The majority said that the board's role was to set the amount of money for teacher salaries through
the process of collective bargaining. Then the job of dividing up the merit pot was left up to the teachers' organization officers and ratified by a majority of teachers who belong to the organization.

In asking teachers if there were managerial problems with the program, many indicated in the affirmative. They stated that the program was not responsive to the wishes and needs of teachers. One primary teacher noted that in a recent vote, the teachers made their opinions known by rejecting the entire concept of merit. The response of the administration and board of education was to appoint a committee to form recommendations on the way the program was implemented. This response skirted the whole issue of dropping merit from the district completely.

The teachers view the two most important concessions of the board as their right to allocate the merit pot into categories and the non-punitive nature of the grievance procedure. The major issue presently before the teachers is not the procedure and management of the program, but the elimination of same. The stage is now being set for the professional staff to take a rather militant stance regarding the program. To date, this has included the dissemination of literature to residents of the district as well as the picketing of several schools. In questioning the teachers, it was generally noted that the staff would do everything short of calling a full school strike. The apprehension of the staff on this position appears to be related to ramifications imposed by both the
board and teachers.

There is a small dissenting group of teachers in each building that are supportive of the program. This position relates to their superior evaluations in the past and the fact that the dollar increases are of a cumulative nature. Thus there is no ceiling on the salary levels and these salaries tend to be much higher than teachers in other districts with similar experience and training. This matter will be discussed in more detail in the analysis section of this study since it appears to have serious fiscal ramifications for the district.

Level of Financial Commitment

Board Members

All of the board members interviewed noted that the level of financial commitment that the board of education can make to the merit program is directly related to the increased assessed valuation and multiplier. Based upon this figure of anticipated revenue, the board does a study of the obligations that it has for the next fiscal year and decides upon a range of money for teacher increases.

The board has had a formal professional negotiations agreement for the past six years and uses collective bargaining to arrive at the amount of money that will be allocated for the merit program. This agreement means that prior to negotiations the board has assessed the level of commitment that it can live with and tries to negotiate for an amount of money below this figure.

One board member noted that one of the goals of the
board was to make certain that all salaries of competent instructors were competitive with those in surrounding districts. In recent years the salary allotments have been adjusted to allow for small dollar amounts at the beginning because it is relatively easy to attract competent beginning teachers. The slant of the salary schedule then pushes toward the top of the salaries being paid. It was stated that this schedule was coherent with the district's rationale of rewarding excellent teaching, training, and experience. The same board member noted that this school district was one of the few in the state which does not have ceilings on top salaries.

Superintendent

The superintendent stated that both he and the board feel a commitment to make enough money available on a yearly basis for worthwhile merit increases. The board of education, after studying their perspective budget, revenue, and liabilities, arrives at a percentage amount of money that they can afford to spend on increased teacher salaries. This particular figure is kept in mind throughout the total process of collective bargaining. When the contract is agreed to a basic beginning teacher's salary is decided upon. This salary level for new teachers in the school district usually tends to be a bit lower than that paid by surrounding districts which operate from a salary schedule. A system of this type allows extra money to be allocated for teachers who have spent several years teaching in the district or who have advanced training. The superintendent noted that the fact that there were no ceilings
on senior teachers' salaries might eventually cause some fiscal problems for the district. However, he stated that if a ceiling was applied, it would destroy the philosophical base of the program for these senior teachers.

The superintendent said that the program did serve as a motivator for many of the district's teachers. Several years ago the board gave away the right to allocate the amount of money given to teachers on various levels. Through the years the net effect has been to make the disparity between each level so small that it does not matter from a financial standpoint into which level a teacher is placed. The organization, at the same time, has increased the cost of living percentage which is given to each teacher in the district despite evaluation. It was generally noted that the commitment to the program was sufficient and was at least in the past a reflection of the demands made by the teachers' organization.

**Building Principals**

The building principals all agreed that merit did serve as a motivator for many teachers on the staff. They were split as to whether the motivator was the money or the psychological reality of being placed into a category based on professional performance. All of the principals thought that the percentage given to teachers through the collective bargaining process was sufficient for the district to remain competitive with surrounding school systems. There was concern that the method by which this money is given to teachers generally works against both
the philosophy and rationale of the merit pay program. This method was a concession that the board made to the teachers at the bargaining table and has been paid for heavily during the past few years.

**Teachers**

The teachers, in general, were dissatisfied with the amount of money that was being allocated for salaries. Most interviewed were quite aware that this district was the second lowest in the area in terms of the money being paid to a new teacher. Approximately eighty percent of the teachers interviewed stated that the district had embarked on the program in order to save money. There was a marked disparity between teachers who had more than sixteen years of experience and those with less than this number. The seven teachers were aware that their salaries were higher than they would earn in a different district. This increased salary was attributed solidly to the idea of merit compensation and thus they were strong proponents of the system.

It became obvious through the interviews that the real opposition was not regarding the amount of money that teachers received in the merit program, but the fact that they were put into categories by their supervisor. It was for this reason that in the 1976-1977 school year, there was to be a big push to get rid of merit compensation which might possibly result in a strike before this year's bargaining is complete.

In studying the financial commitment that has been
made to the teachers in salary increases over the past several years, the following chart becomes helpful:

<table>
<thead>
<tr>
<th>YEARS</th>
<th>PERCENTAGE OF INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-1971</td>
<td>6.3% Level I $600 II $400 III $200</td>
</tr>
<tr>
<td>1971-1972</td>
<td>5.5% Level I $350 II $175 III $100</td>
</tr>
<tr>
<td>1972-1973</td>
<td>2.6% Level I $420 II $270 III $121</td>
</tr>
<tr>
<td>1973-1974</td>
<td>4.2% Level I $624 II $420 III $200</td>
</tr>
<tr>
<td>1974-1975</td>
<td>7.0% Level I $640 II $451 III $223</td>
</tr>
<tr>
<td>1975-1976</td>
<td>6.0% Level I $489 II $390 III $235</td>
</tr>
</tbody>
</table>

In comparing the median salary of this school district with surrounding school districts, the following data were obtained:

District E $12,643.00
Surrounding Districts:
District 1 $14,126.00
District 2 $12,520.00
District 3 $12,658.00
District 4 $13,070.00

These data indicate that the median salary of the teachers in this district appears to be well within the range of that granted in the surrounding area. These figures appear to indicate no dollar saving in the merit compensation program. Further discussion of these figures can be found in the analysis section of this study.
### DISTRICT E
### SUMMARY OF DATA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Rationale for embarking on a program of merit compensation</td>
<td></td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>A. Response to negotiations</td>
<td></td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>B. Improvement of instruction</td>
<td></td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>C. Attempt to save money</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>D. Other</td>
<td></td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>II. Role of the local teachers' organization</td>
<td></td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>A. Viable in bargaining with the Board of Education for salary</td>
<td></td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>B. Possesses a master contract with the Board of Education</td>
<td></td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>C. Helped establish the merit compensation program</td>
<td></td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>D. Helps to evaluate the merit compensation program on an annual basis</td>
<td></td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>E. Other</td>
<td></td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>III. Role of the Supt. in allocating merit increases</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>A. Supt. sets raises for staff</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>B. Supt. coordinates the raises with the evaluation of the building principal</td>
<td></td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>C. Allocation is a combination of Board &amp; Supt. recommendations</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
**Data Obtained**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D. Principal makes recommendations to the Supt. - These are then taken to the Board</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>E. Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**IV. Administrative support to building principals**

| A. Do building principals receive extra assistance via added personnel to administer the merit program? | 2 No | 1 No | 3 No | N/A |
| B. Have building administrators received any special inservice to implement the program? | 1 No | 1 Not | 3 No | N/A |

**V. Financial commitment of the district to the merit compensation program**

| A. Do the salaries in the school compare favorably with those of surrounding school districts? | 2 Yes | Yes | 4 Yes | 8 Yes |
| B. Does the annual amount of money allocated per teacher compare favorably with surrounding districts? | 2 Yes | Yes | 4 Yes | 5 No |

**VI. Understanding of the merit compensation program**

| A. Do the members of the staff have a thorough understanding of the merit program? | 2 Yes | Yes | 3 Yes | 7 No |
|                                                                                   | 2 No  | 2 Not Sure |
|-----------------------------|---------------------|-----------|-------|-------------|----------|
| VII. Inservice              |                     | 2         | 1     | 4           | 13       |
| A. Did the school district provide inservice before the initiation of the merit program? | 2 Not Sure | 3 No | 4 Yes | 6 No |
| B. Do teachers receive inservice on the program on an annual basis? | 2 Not Sure | 4 No | 7 Yes | 13 |
| VIII. Future of the merit program (N/A see narrative responses) |         |          |       |             |          |
| IX. Accountability          |                     | 2         | 1     | 4           | 13       |
| A. Does the school district make an attempt to inform taxpayers that teachers are paid via merit compensation? | 2 Yes | 2 Yes | 3 No | 6 Not Sure |
| X. A-160 Plan               |                     | 2         | 1     | 3 Not | N/A |
| A. Has the school district tied merit compensation into its A-160 plan? | 2 Yes | 1 Yes | 3 Not | Sure |
| XI. Actual process followed in merit allocations - N/A to this chart Note narrative responses |         |          |       |             |          |
| XII. Grievance Procedure    |                     | 2         | 1     | 4 Yes | 13 Yes |
| A. Is there a specific grievance procedure outlined to handle complaints related to the allocation of merit increases? | 2 Yes | 4 Yes | 13 Yes |
CHAPTER IV

AN ANALYSIS OF THE DISTRICTS STUDIED

In making a thorough analysis of merit compensation in each district studied and relating this to a point of reference regarding the program, master contracts, and the overall effect of the teachers' organization, a field study was designed and implemented. The instrument designed was representative of the important criteria of a merit program as identified by interviews of superintendents and a thorough search of the literature.

A copy of a questionnaire was sent to all of the superintendents in the state of Illinois who are implementing a program of merit pay. The initial list of districts was obtained from an article published in the Illinois School Board Journal.1 This list included names of superintendents, their addresses, as well as a short description of the program. In addition, the Illinois Office of Education was contacted and the names of additional districts were obtained to be included in the field study sample.

Letters were sent to twenty-three superintendents and responses were received from sixteen. This represented a sixty-nine percent return. These responses were then tabulated

according to the number of times a specific response was received. The number of districts used in tabulating the results was limited to eleven, with the elimination of five districts which would be given more extensive treatment at a later time. The use of this technique was an attempt to assure that the field study remained independent of the case studies, since there was such a small number of superintendents eligible to participate in the field study.

The results of the tabulation yielded the following criteria as being most relevant to a program of merit compensation. The fraction beside each criterion indicates the frequency received from the total sample of eleven.

7/11 1. There must be a definite commitment on the part of the board of education, administration, and the staff (as best as possible) to the merit compensation program. ( Appeared as number twelve on the questionnaire)

6/11 2. The psychological climate of the organization must be good since it is directly related to the production of employees. ( Appeared as number eight on the questionnaire)

5/11 3. The pay incentive plan must be based on a system of measures or standards which are reasonable and objective. ( Appeared as number three on the questionnaire)

4/11 4. Employees must be very much aware of the pay-off system and the workings of it. ( Appeared as number
5. A system of merit compensation should be simple in design and easy for members of the staff to understand. (Appeared as number seven on the questionnaire)

These criteria will be discussed in each individual school district before an in-depth analysis of the data received is made according to the following five areas of importance:

1. Role of the Teachers' Organization
2. Merit and Accountability
3. Evaluation Procedure
4. Managerial Role of the Board, Administration, and Teachers' Organization
5. Level of Financial Commitment Made to the Program

In the analysis, generalizations will be made which have implications for the board, administration, and teachers' organization in implementing a program of this type.

DISTRICT A

District A is a small school district located in the western suburbs of Chicago. The merit program has been in effect for approximately three years and the board has generally labeled it as being successful, though there appears to be mixed opinions among building administrators and teachers.

Level of Commitment

The board of education of this school district was in-
instrumental in establishing the merit program and is committed to make it work. In general, the superintendent was hired contingent upon his agreement to design, organize, and implement a program of this type. There appears to be a congruence between the board and superintendent in philosophy and procedures for operating the program. A crucial decision was made during the last school year when the board released several staff members so that an adequate amount of money could be made available for merit increases.

In discussing the program and the level of commitment of both building administrators and classroom teachers, it appears that the system breaks down in this area. It is evident that neither administrators nor teachers have had any input into the formulation or refinement of the program. The changes brought about by the superintendent and the board were done in a manner in which neither the philosophy nor rationale were explained to the staff. The Superintendent's Steering Committee, which has representatives from the building administrators and the teachers, has not been able to discuss merit pay in the last three years due to pressure from the superintendent. In attempting to find out how teachers learn about changes and modifications in the program, the most frequent response was "by word of mouth."

It appears that the commitment of the district to the program at the building level is very low because of the method in which the board makes decisions and also the fact that
the teachers' organization does not operate as a viable pressure group. This group disbanded when it was not able to provide constructive suggestions regarding the merit program. If teachers are not considered as professionals and their advice is not sought, it is impossible for them to be committed to a program. Kresselman and Wood have noted that the performance of employees is not only related to the financial remuneration that they receive, but also to such things as pride in doing a good job and as being considered partners in the management enterprise.

**Psychological Climate**

The dissonance noted between the board of education and the building staff appears to create a great number of problems of both an emotional and professional nature. There appears to be a high level of antipathy toward the board and therefore employees find that they are meaningless pawns. The poor psychological climate seems to relate to the fact that there has been only minimal dialogue among board, administration, and teachers. The fact that the teachers' organization is no longer viable adds to the poor self-esteem concept possessed by employees.

It has been noted by Greene that there is a causal

---


connection between employee satisfaction with their position and the level of performance they show on the job. If the psychological climate is poor because of distrust or insecurity, this atmosphere will have a direct relationship to the teacher's instructional performance in the classroom and the level of rapport that exists with supervisors.

Objective Measures and Standards of the Program

A careful evaluation of the instrument utilized by the district in evaluating teachers was made. This instrument consists of approximately forty different items which the board and superintendent consider to be important in the teaching process. The immediate supervisor makes narrative comments on the teacher's evaluation and then converts this to a dollar amount. There was little or no input solicited from the teachers in the formulation of the evaluation instrument. The use of narrative comments is a personalized approach to evaluation and has to be subjective. When converting these comments to merit increases for teachers, this form of evaluation lacks a frame of reference in which to compare an individual teacher's performance against that of others in the school district. This situation tends to build many hard feelings among staff and also places building administrators in a position of having to defend a teacher's evaluation without the necessary tools to do so.

In discussing the concept of teacher expectations with the board, superintendent, building principals, and teachers,
it becomes evident that there has been no inservice or communication with certified staff regarding what is considered above average, average, and below average performance. The guidelines on evaluation are not open enough to have principals enter specific recommendations for improvement. Information of this type would provide average teachers with specific way in which they could become above average teachers. Statements of recommendations would lend a degree of objectivity to the program and some security for teachers.

Vroom noted the importance of making employees aware of the supervisor’s expectation of their behavior. It is noted by him that when these expectations are objectives and reasonable, most employees will strive to achieve same and this will result in a level of job satisfaction. The failure of the school district to state specific objectives or criteria is one reason why there is a high level of polarity and dissonance among board, administration, and members of the teaching staff.

Awareness of the Mechanics of the System

In discussing the system with individual teachers, there was a great deal of confusion regarding the program. In asking teachers with approximately five years of experience about the program, it was noted that is usually changed on an annual basis. The study conducted during November showed that the guidelines for the program had not been publicized

yet. There has been almost no input from the teachers into the program. With the teachers' organization no longer being effective, there is no system of checks and balances and the board rules the district in a very autocratic manner.

In discussing the annual changes in the program, it was indicated that teachers were not made aware of the modifications until the actual post-visitation conference. Vogel,\(^5\) in an article written in *Educational Technology*, has noted that the teachers should be involved in the program from the very initiation of the school year. He suggests that the principal-teacher relationship should start at this time, which helps to make performance-based evaluation an on-going process.

**Simplicity of the Merit System**

In studying the evaluation instrument and process, it is evident that they are very vague. It is difficult for teachers to equate narrative comments to their job performance and the ways in which they must improve to increase the amount of money they receive.

In the initial year of the program, merit teachers were granted a bonus of four hundred dollars. In the following year, a merit increase consisted of a percentage of the teacher's salary from the past year. In each subsequent year, the mechanics and scope of the program has undergone similar changes.

In making a careful study of the modifications, they have almost always been beneficial to the board of education. This situation has bred both distrust and confusion in teachers. This distrust is coupled with the fact that the teachers' organization is no longer effective and able to speak as a pressure group to encourage a simpler program and one that includes inservice, planning meetings, and provides for teacher input on a frequent basis. It is important to make teachers aware of the weaknesses of the program especially when it is as vague and abstract as the one used in this district.

The following is an analysis of specific categories of data that were received in the case study:

**Teachers' Organization**

The teachers' organization of this school district was quite active and affiliated with the Illinois Education Association. The organization was involved with informal negotiations with the board of education though there was no master contract. The board of education, in making the decision to embark upon a merit program, provided the organization with a challenge to its very existence.

The negotiations held three years ago were marked by a spirit of threat and confrontation. The board of education decided that they would implement merit pay despite any objections from the teachers. The teachers, on the other hand, had made the decision that they could not accept a merit program and would attempt to block its implementation in any way.
possible. The negotiations were marked by conflict and hard feelings. The head negotiator for the teachers' organization finally broke the deadlock by stating..."If that is your final offer then there is no purpose in meeting anymore."
The response from the board was..."I guess you have said it all."

In studying this dialogue, it would indicate that the board's first thought was not to destroy the teachers' organization. The push was for a merit system and they were committed to it with such volition as to make the word "negotiations" a mistake in nomenclature. In conducting interviews with the board members and the superintendent, it was noted that the defeat of the organization was an added fringe benefit of the merit system.

The teachers' organization made a second attempt to regain life after the merit program was initiated. The push was to get all members of the local teachers' organization to write a check for the total amount of the merit increase that they had been granted. The rationale behind this effort was to pool all of the money and reapportion it to the staff in an equal amount using the teachers' organization as a vehicle. This attempt was less than thirty percent effective and the money collected was returned to the teachers. The teachers' organization was then disbanded because of its total ineffectiveness.

In analysing the relationship between the board and teachers' organization in the collective bargaining process
and in the day-to-day policy decision-making, it became evident that there may have been poor feelings between them for an extended period of time. The subject of merit served to polarize both sides and draw the lines for battle. One board member noted that the bargaining team had to be open to the amount of money that would be allocated for both salary increases and fringe benefits, but that any increase established would be part of an overall merit program. In addition there was no input of any kind solicited or given by the teachers in the formulation of the program. Thus the fact that staff members failed to feel a commitment to make the program work is not hard to understand.

The reason for the teachers' organization disbanding appears to be twofold. First, the organization "placed all of its eggs in one basket." They made the demand at the bargaining table that if the board was going to continue to discuss merit then it was senseless to meet. The board readily accepted this statement and there have been no negotiations since. The second reason was that the general opinion of the board and the superintendent held by the teachers was so mixed that they were not unified enough to take action in their organization. This situation appears to be carrying over to the instruction that takes place in the classroom. There is evidence of rivalry and lack of cooperation between instructors even in a team teaching program. The overall morale of the district could be considered poor.

The teachers' organization has never decided to make
another attempt to work with the board of education to modify the program and make changes which would manifest the professional relationship of the teacher. In many merit districts the organization negotiates with the board of education for the total percentage to be allocated for merit increases. In reviewing this option with the staff, they stated that there was no interest in reviving the organization to give input into such a system.

The relationship between the teachers and the board is very indicative of the philosophy of administration and human relations held by the superintendent. The board is largely controlled by the superintendent and since he does not value teacher input or consider this as a valuable resource, this avenue has not been tapped.

Frederick Herzberg⁶ has noted the role that both satisfiers and dissatisfiers play in productivity. The fact that teachers do not possess input into the performance-based compensation system serves as a dissatisfier and hurts both morale, creativity, innovation, and effectiveness in the classroom. Thus if increased teacher performance was a goal of the board, the manner in which they established their program and implemented same might actually be harmful to this goal.

The teachers' organization in this district is non-existent. There are a number of reasons for the deterioration

---

of this organization. First, a unilateral approach was taken by the board of education to design the merit pay program which failed to include teachers or building level administrators in the process. Secondly, the board has not sought input from the teachers in the formulation of personnel policy and educational philosophy. The inherent problem with this situation is that the system of checks and balances is destroyed. In most districts the board must at least keep in mind the opinions and thoughts of the teachers' organization which serves as a pressure group and a possible deterrent to policies which might be deleterious to both instruction and teacher welfare. In this district the board is able to formulate policy with no input coming from the teachers.

The net effect has been apathy by the staff. This apathy is unfortunately not limited to the merit program, but has extended into other aspects of the district's program. This attitude is demonstrated by the difficulty principals experience in obtaining coaches, club moderators, and the poor participation by teachers in optional activities such as parent meetings.

Accountability

In the initial interviews school board members stated that accountability was one of the major reasons for starting the merit program. The program was to serve as a means to reward outstanding teachers for both their service and expertise in the teaching process. In analyzing this premise, it is
hard to draw a correlation between a teacher's performance and the amount of money that you pay a particular person. The principals felt that the teachers who were doing an outstanding job would have been doing so with or without a performance-based compensation program.

It was noted by several board members that the merit compensation program was probably instrumental in the board's success in achieving a tax rate increase. The majority of residents in the community hold middle management positions and this is a concept that they understand. The success in the referendum might be related to this program.

It is important to note that there is a lack of criteria on what constitutes poor or exceptional teaching performance. Thus the district is attempting to utilize merit as a tool to achieve accountability, but accountable as compared to what? It is imperative that teachers be made aware of expectations regarding their performance via criteria. Vroom has stated that when such expectations are made known to employees, they will attempt to strive toward same and are usually successful.

The concept of accountability goes two ways. The teachers are accountable for the instruction provided for their students. In a similar fashion, the administrators are accountable for providing service to teachers so that they can perform in the most efficient manner possible. In

---

7 Ibid., p. 132.
many districts, the teachers are able to place pressure on the board of education and administrators through their professional organization. This pressure might not only be for increased salaries, but also for working conditions which would affect the quality of instruction. The merit program in this district resulted in the death of the teachers' organization, thus disrupting the checks and balances system between the teachers, board and administration.

Evaluation Procedure

The evaluation procedure utilized in this district is not of an objective nature. The evaluation instrument contains approximately forty items which cover a variety of different instructional aspects that are used to assess the teacher's expertise. It is worthy of note, however, that the evaluation instrument does not provide teachers with a guide as to what would be considered acceptable performance. The principal's medium for reporting teacher performance is in the form of narrative comments. While this approach is a good way to comment on a teacher's strengths and weaknesses, it makes it hard for principals to make a determination as to how one teacher's performance compares to that of another. It is feasible for a principal to award merit increases related to a teacher's professional growth after establishing an initial base line of teacher effectiveness. However, the number of teachers that a principal would work with using such an individualized program of merit pay and evaluation would be
limited.

Lawler and Camnan\(^8\) have noted the importance of establishing employee standards when implementing a performance-based system of compensation. In a pure system of merit, as is implemented in this district, even the use of an objective evaluation instrument makes it very difficult to rate the performance of individual teachers. The subjective procedure utilized in this school system makes it next to impossible to do so.

There were many teachers interviewed who noted a general dissatisfaction with the evaluation procedure. In addition, some mentioned that the building principal did an inadequate job of holding conferences both before and after the visitation. Teachers who were evaluated hastily and received average to below average merit increase were especially vehement in their dissatisfaction with the program.

The fact that the teachers' organization is not a viable means for the teachers to communicate their dissatisfaction with the procedure is particularly evident. When teachers discuss the matter, it is usually limited to the faculty lounge where no change is possible. There is also a high level of frustration when professionals are not allowed the forum for constructive criticism of programs and procedures to which they must conform. Thus, in the area of evaluation, the ab-

sence of the teachers' organization or an appropriate agency through which the grievance procedure may be handled disrupts the checks and balances which exist between the professional staff and the board of education.

**Allocation of Merit Increases (Managerial Role)**

In reviewing the procedure for the allocation of individual increases in this school district, there appears to be a philosophical difference in the way the program was designed and the actual procedure in use for granting increases. The program was originally designed to provide the teachers with a program of merit compensation in its purest form. The teachers could receive up to sixteen hundred dollars or no increase at all depending upon their professional growth by obtaining graduate hours, advanced degrees, or by their teaching proficiency as determined by their immediate supervisor.

The principals are responsible for the evaluation of teachers and the initial allocation of salary increases. They then meet with the superintendent on an individual basis and discuss the evaluation and salary increases granted to teachers. In this allocation at the district level, the superintendent requires that the spread of salaries be placed onto a bell-shaped curve. Thus the number of teachers receiving minimal increases is approximately the same as those which received the highest. The remainder of the staff stay close to the mean.

It is evident that it is impossible to have a system of merit which is both pure in the manner in which increases are alloca-
ted and yet fit a predetermined formula for how many teachers can receive a sizeable increase.

The principals all agreed that the superintendent had required them to make changes in the salaries of specific teachers on their staff. Thus, the individual who has the most contact with the teacher and who knows the teaching strengths and weaknesses the best, is not the one who makes the final decision on salary. The reason for this situation may be two-fold. First the superintendent may have some predetermined ideas about particular teachers employed by the district and these ideas are imposed upon the principals. The second might be the need to save money. If the district accepted the premise that teachers would continue to improve on a yearly basis, then they would receive larger increases annually and the program would pose a fiscal problem. When considering the program from this point of view, it is difficult to know if accountability was the only reason for initiating the merit program.

The board of education does not get involved in the individual allocation of merit increases after it sets the amount of money that will be available throughout the district. The final contracts are approved by the board, but they have never asked to make any changes in the recommendation of the superintendent.

It is hard to determine if such discrepancies in the allocation procedures would be prevalent if the teachers' organization were viable. This organization could serve as a check against abuses of the program and help assure that it
would operate on a professional level.

**Level of Financial Commitment**

In studying the financial commitment that has been made to this school system, it is evident that teachers in this district suffer financially. It is impossible to say that the reason the mean salary is approximately one thousand dollars below that of surrounding school systems is related solely to merit pay or the lack of a teachers' organization. The two districts which have the highest mean average of salaries in the area have an assessed valuation which is slightly higher than that possessed by District A.

At face value, it would appear that one of the reasons the board initiated merit compensation was to save money. This was put to the test last year when the board was faced with the choice between the elimination of a salary increase or the reduction of staff to make the money available for salary increases. The decision made granted an approximately seven percent increase to be allocated for teacher salaries. The result was the elimination of four positions previously held by non-tenured teachers. This decision would indicate the board's concern for supplying adequate money to make the program operate successfully.

The superintendent noted that there may be a need to establish a ceiling on merit increases as the district experiences tighter fiscal conditions. Though this change may be necessary to achieve a balanced budget, it appears contrary
to the philosophy of the program.

While all the board members interviewed note that the reason for implementing the merit program was the improvement of instruction, it is very difficult to prove that this is a correct assumption from the data collected. What does appear to be quite evident is that this program is helping the board arrive at a more fiscally sound system of budgeting at the teachers' expense.

The teachers' organization, which no longer meets with the board on a regular basis, does not serve as a pressure group to give the board an impetus to provide higher salaries and fringe benefits for the professional staff. In the absence of any dialogue, the board is able to set salaries at whim.

If merit compensation is to work, there must be a strong working relationship among the teacher, administration, and the board. This is not the case in this school district and is related to the poor morale and dissatisfaction which is present among both teachers and building administrators.

**Summary**

The relationship that presently exists between the board of education and the teachers' organization is strained because of the board's unilateral position on merit compensation. The teachers further cite the fact that they were neither involved in the decision to implement merit pay or asked to contribute in the formulation of the guidelines of the pro-
gram. The teachers note that this relegation to a low position on the educational team has caused hard feelings for many years prior to the inception of merit.

The teachers' organization in this district did make an effort to polarize the staff on the issue of merit compensation. They worked for the elimination of merit, but when this plan was not feasible they sought the effective change of the program.

The reasons why the teachers' organization has not been effective are outlined below:

1) The superintendent in the school district has a great deal of experience in working with teachers and negotiating with the board of education for wage and salary demands. The teachers' organization was unable to equal the strong-willed, knowledgeable, and experienced representative of the board of education.

2) The teachers' organization at the time of the implementation of merit compensation was experiencing a leadership problem. For many years the organization had attempted to develop viable lines of communication to the board of education. The thrust of the organization in the "pre-merit" years was related to salary and fringe benefits as well as to establish themselves as consultants to the board on educational matters. The data obtained indicated that several of the most able teachers in the district served as officers of the organization attempting to foster this
partnership. The efforts never came to fruition and these leaders never participated actively in the organization again. When the board of education decided to implement merit pay, the teachers' organization had one of its less able members serving as president who lacked creativity and innovation, was not aggressive, and could not unify the staff on the issue of merit pay.

3) The merit program introduced rivalry among the teachers. The organization's final attempt to get rid of merit pay consisted of requesting all teachers to pool their merit increases which would then be redistributed equally to all members of the organization. The junior high school teachers were willing to participate in this reallocation, but the elementary (K-5) teachers were unwilling to do so. It is interesting to note that in the initial year primary teachers received much higher raises than junior high teachers and this set the stage for further division within the organization.

The above reasons contributed to the present situation of the teachers' organization in District A. If the organization is to become viable at some further time, it is apparent that some issue other than merit will have to be the catalyst as the organization has been brutally defeated on this issue.

DISTRICT B

District B is a suburban quasi-rural district located
about twenty miles from Chicago. It represents a bedroom community which is generating approximately thirty new students per year with the assessed valuation not keeping pace. The district has attempted two referendums in the past year and both were defeated by a healthy margin.

**Level of Commitment**

The amount of money that is placed into the merit pot is calculated by eighty percent of the staff times three hundred dollars. Thus, eighty percent of the district staff is expected to earn merit increases. The premise of eighty percent of the teachers being meritorious seems very difficult to defend and through interviews the response was that this was used as a device to punish those teachers who were not in favor with either the administration or the board. In retrospect, it appears that the teachers' organization played an important role as a pressure group in arriving at this percentage. It becomes obvious to even the casual observer that the net effect is to nullify the merit program.

The second problem encountered is that the annual raise for the teachers is computed by including both the annual increment given to all teachers as well as the merit pay. Thus if the cost of living index is 5.7%, all teachers would receive a 3.0% increase and merit teachers an additional 2.7%. The net effect is that merit does not enhance the instructor's financial position, but lack of merit causes them not to keep up with the cost of living.
Psychological Climate

The psychological atmosphere in this district appears to be good. The teachers' organization, however, seems to be preparing to start a major effort toward more dialogue with the new superintendent. The general attitude is one of "wait and see."

When this study was done, the superintendent had been on the job less than three months and it was evident that he was still experiencing a honeymoon period. The superintendent did hold a general meeting with the staff and tell them that he would not bargain collectively for salary and fringe benefits. While the teachers' organization and staff did not appreciate this statement, they did respect him for his straightforward approach regarding this position of teacher salaries. He did promise to set up a communication committee which would serve as a vehicle to make recommendations to him which he would then carry to the board of education. Thus there is a general feeling of optimism among the members of the teachers' organization.

The previous administration had created a hostile working relationship with both individual staff members as well as the teachers' organization as a whole. The information obtained via interviews indicated that the previous superintendent had fostered distrust and a high level of insecurity for teachers on the staff. Thus, while Greene's connection

---

between job satisfaction and performance cannot be drawn in this district, there appears to be a much improved atmosphere with this new administration. The teachers' organization will be putting this relationship to the test because they plan to recommend through the communication committee the total elimination of the merit program. In its place they are suggesting that the money previously made available for merit be put into general salary increase which would be awarded to all members of the staff.

Objective Measures and Standards of the Program

In conducting interviews with both teachers and building principals, the evaluation procedure and criteria have been studied in depth. The evaluation forms that were reviewed were from the past academic year because the superintendent was in the process of revising the system. The procedure utilized last year consisted of a checklist with approximately thirty items. There were about eight which appeared to be rather vague such as teacher dress, inspiring citizenship, and contributions to the development of student's work-study skills like neatness and study habits. There was also no evidence of any pre-evaluation goal setting. A system of this type fails to make teachers aware of expectations of their performance and set the base line for the awarding of merit increases. Vroom has noted the importance of making staff members aware of the expectations that supervisors have for them and states

\(^{10}\text{Vroom, p. 132.}\)
that they will usually try to work toward these goals.

In addition to a rather subjective instrument for teacher evaluation, the district did not have a policy personnel statement or any written information on what were considered to be the characteristics of a meritorious teacher. Thus if a first year teacher desired to work toward district goals and thereby receive merit, there was no information available to make them aware of the expectations regarding their performance. If the goal of the program is to be the improvement of instruction, it seems incongruous that such information is not readily available.

The new evaluation instrument, which still lacks specific criteria, was designed by the superintendent and presented in typed form to the building principals for their comments. It was noted by the superintendent that neither offered any suggestion for improvement. This failure to provide criticism is very difficult to understand since the process of evaluation is one of the hardest and most tedious duties that a principal must perform.

The communication committee, consisting of representatives from both buildings whose function was to serve as a sounding board for new policies and procedures to be implemented in the district, was never asked to comment or make suggestions on the new evaluation instrument. While this new procedure does appear to be far superior to the one used previously, it still does not identify specific criteria which are to be used during the evaluation process. Lawler and
Camnan have noted that a performance-based program of compensation must have a system of objective measures and standards which can be readily understood by the staff. This need for objectivity is an area to which the school district must address itself if merit is to improve instruction.

Awareness of the Mechanics of the Program

During the course of interviewing both teachers and building administrators, it becomes very evident that teachers were not aware of why they either did or did not receive merit increases. It was noted by many teachers that the merit program was often used by the previous superintendent to get back at teachers who were not supportive of his administration or were, in his opinion, poor instructors. It is extremely interesting to note that this opinion was shared by one of the building principals who had been asked to change his evaluation of selective teachers on occasion. When this type of interference takes place, it is very difficult to try and persuade both teachers and administrators that the goal of the program is to improve instruction.

In talking to teachers, they indicated unanimously that they were not aware of how merit increases were given. They felt that it was the combined decision of both the building principal and the superintendent. It was also noted that there had not been any formal or informal inservice regarding the program since its implementation. One teacher who had not received merit for the past three years stated that it is impos-

11Lawler and Camnan, p. 164.
sible to provide inservice on a program which possesses no structure.

The comments made by the teachers were supported by the principal who was in charge of the primary building. He also noted that he felt very insecure in trying to implement a program of this type because of the lack of structure.

**Simplicity of the Merit System**

The merit program in this district lacks adequate structure. A program which is simple in nature might utilize a flow-chart which graphically depicts each step of the procedure. This district does not possess an orderly process for the implementation of the program and this absence of structure serves as a source of confusion for many teachers. The new evaluation instrument still does not provide a viable system of criteria to be used by both administrators and teachers to illustrate what constitutes meritorious performance.

The following data were received via the case study technique through interviews conducted with board members, district and building administrators, as well as both elementary and junior high school teachers. Special emphasis was placed on ascertaining information about the role of the teachers' organization in the planning, implementation, and maintenance of the performance-based compensation program.

**Teachers' Organization**

The teachers' organization in District B has maintained a low profile for many years. The reason for this situation
appears to be twofold. First, the former superintendent ruled the district as a tyrant. He neither sought nor utilized any suggestions that were made by the organization. In addition many teachers felt that the superintendent did not relate the correct information to the board and often strived to make the organization look bad in their light. The second reason that the teachers' organization has had trouble in dealing with the board is the fiscal condition of the system. They are presently operating approximately one hundred and sixty thousand dollars in the red. Thus it is very hard for the organization to work in an effective manner to improve the salary and fringe benefits of the teachers.

The teachers' organization does not have a master contract with the board of education, and their relationship remains informal. The representatives of the organization and the board get together each March to discuss the organizational requests for salary and benefits. The board then calls a subsequent meeting to explain to the teachers what amount of money will be made available for salary increases. This percentage has been very minimal in the past since two recent referendums have been defeated.

In taking an initial look at this teacher organization, it appears to be rather ineffective in its dealings with the board and administration. Recently, however, it has been successful in supporting a teacher in a formal grievance procedure over merit. The teacher appealed to the new superintendent through an organization committee. A brief
hearing was held and the net result was the support of the teacher's case and the reinstatement of her merit increase. This reinstatement of merit was one of the first victories that the teachers' organization has had in many years. It was noted by many teachers that this victory was serving as a catalyst to get the teachers organized for the elimination of the merit pay program. It appears evident that the teachers' organization is approaching a critical stage as they are trying to establish themselves as a viable force in the school system. Unlike many professional organizations, it is not feasible for them to bargain for money. Rather than let the organization die, they have decided to utilize merit pay as a reason to band together. The teachers are planning meetings with the board and the superintendent to discuss this matter. The teachers' organization, through new leadership and capitalizing on the fact that they have a young new superintendent, plan to be very active and aggressive when seeking change.

The teachers' organization will be as successful as the board of education and superintendent desire them to be. When viewing the core leadership of the organization, they are very unsophisticated in the ways of personnel and labor bargaining. The new superintendent appears to be liked by the teachers, but does not plan to have them serve in a much different role than they had previously.

The board and superintendent might do well to consider the renewed interest in the organization. This organization, while concerned and interested, does not pose a serious
threat such as a strike or similar work action. It may be possible for this organization to turn into one which can be supportive of the board of education on several critical issues it is facing. It may also serve as a viable organization to set up a system of checks and balances within the community.

**Accountability**

It is difficult to determine why vague policies and procedures were included in the initial program of merit compensation. In studying the situation as it exists today, the ambiguity of the system as well as the small amount of financial resources that the district can make available for the plan, makes it a poor tool for accountability.

A merit award of three hundred dollars gross which then must have federal taxes and teacher pension deducted will not serve as a viable motivator for staff members. Herzberg notes that while money serves as a satisfier for employees, it may not serve as an effective motivator.

This board of education must face the fact that if it desires to utilize a merit system, it is going to have to make a much greater financial commitment to the program. Thus the merit increases would have to be sizable each year or be in excess of the cost of living. In studying the fiscal situation of the district, this does not appear to be feasible. According to the old adage "if you can't do something right

---

12 Herzberg, p. 22.
don't do it at all," the best plan for this school system might be to abandon the merit program.

It is interesting to note when reviewing the demands of the local teachers' organization, that the elimination of merit because of its non-existent effect on accountability may appear to be a major victory for the organization.

It seems that the board is beginning to think along these lines. In studying the public relations material which was utilized during the last attempts to pass a referendum, there was no mention of the district having a performance-based program of compensation. This material did discuss the frugal fiscal policy of the district and the services being provided. Perhaps the board is aware that the program is not serving the purpose for which it was designed.

Formalized Evaluation Program

The evaluation procedure that is being utilized in this district is currently going through a transition. The original instrument contained about thirty different items which were involved in the teaching process. It called for the principal to determine the level of proficiency that a teacher possesses in each area. Pre-evaluation conferences and goal setting do not take place. Thus, teachers who need to improve in a given area may not even be made aware of this weakness until the final evaluation. Pritchard has noted that there must be a

---

clear relationship established between effort and the amount of money that a person is paid. The point that should be stressed is that the effort of the teacher must be directed toward a predetermined goal. This goal setting becomes the responsibility of the principal as he serves as the instructional leader of the school.

The role of the teachers and administrators in deciding what type of evaluation procedure is to be utilized was recently brought to light when the superintendent decided to revise the evaluation process. He requested no input from members of the teaching staff and received none from the building administrators who have to implement the program. In an article published in Nations Schools, it was noted that a performance-based system of compensating employees can exist only in an environment where there are not high norms against productivity. An active role by all of the personnel in the district will help assure the best working conditions possible.

In analysing this program in light of the organization and the method of allocation of increases, it is obvious why there was not more structure included. The true reason for the program may not have been the improvement of instruction, but instead used as a means for applying leverage on poor teachers or those who may not have been supportive of the board and administration. In time morale began to deteriorate and teachers got more involved with politics and rumor mon-

gering than with instruction.

This system as well as the poor relationships that existed with staff members caused the previous superintendent to resign at the end of the last academic year. The newly appointed superintendent, who has previously worked with a system of merit compensation, is committed to a program of performance-based evaluation and has received the support of the board. The question yet to be answered is whether the board can effectively operate a system of this type which relies upon the administration to make the decisions without receiving input from the teachers.

The new superintendent is attempting to correct several of the most obvious flaws in the program. These include the evaluation procedure, development of criteria for merit increases, and establishing a chain of command to be utilized when implementing the program. The program must receive a higher level of input from the classroom teachers who work under this system. They must help determine what is a fair and equitable system of evaluation and what constitutes a meritorious teacher. If teachers are not treated as professionals and participants in the planning of the program, how can the system be used as a tool to assess their professional performance?

Level of Financial Commitment

In analyzing the fiscal situation of this district, there is the serious question as to whether a district that has such limited resources can successfully implement a pro-
gram of merit compensation. The teachers' organization has attempted to bring the financial situation of the teachers to the board on several occasions. This attempt has been unsuccessful because of the high level of debt that the district faces on a yearly basis. During this study which took place in November, the system had sold a quarter of a million dollars worth of tax anticipation warrants. For the past three years the district has had to borrow up to the legal limit on warrants and even then rely upon early tax money to meet payrolls.

Frederick Herzberg, in a study of middle managers, has found that things other than money serve as motivators for employee performance. They noted achievement, recognition, the nature of the work, responsibility, and the possibility of advancement as ways to promote satisfaction on the job and increase productivity. Thus it may be worthwhile for administration and board to seek non-monetary ways to reward staff members for performance and use it as a motivator for other staff members to improve.

The dollar amounts allocated may not serve as a motivator for employees. This fact coupled with the figure that approximately eighty percent of the staff received the bonus makes merit the norm rather than the exception. If merit is to be continued in this district, it is evident that teachers will have to receive a higher salary increase than 2.9 percent.

When an equitable amount of money is placed into salary increases, the teachers will be more receptive to a program that utilizes bonuses.

This school district needs to carefully look at both its new administration and the merit program. If it plans to continue the program, it must develop a philosophy and rationale which includes the involvement of teachers, building administrators, and the board. The evaluation procedure and criteria for merit must be re-worked to be as objective and non-discriminatory as possible. In addition, the district must analyze its sources of revenue to determine if a system of this type is feasible.

In determining the future of performance-based compensation in this district, the board would be remiss if it did not ask the teachers' organization to take an active role. This organization, though not permitted to give much input to date, has been very supportive of the district. The fact that employees are earning between $1,500 to $2,000 less than their counterparts in surrounding districts is indicative of both a tight job market and a commitment to the community and school district.

The teachers' organization acting as a pressure group may also help establish a system of checks and balances as the board makes policy which affects the district. This action may guard against severe morale problems as were experienced with the past superintendent.
The relationship between the board of education and teachers' organization in District B has been strained in the past because of two major issues. The first was communication. The previous superintendent was considered almost unapproachable by the teachers regarding any issue. It was the board and superintendent who imposed the merit program on the teachers without any warning or dialogue with members of the organization. In subsequent encounters with the superintendent, it was impossible for the teachers to hold a two-way conversation about the program and this frustration became a major issue for the teachers' organization.

The second element which has hurt the relationship between the board and teachers' organization was the poor rapport and technical proficiency of one building principal whose evaluations are purely subjective and who is openly hostile to several members of the teaching staff. This building has been the exclusive source of all grievances initiated in the past two years. These grievances, coupled with a superintendent and several board members who have had poor rapport and communication with the staff, served to create a very polarized staff.

The question which comes to light is why the teachers have not embarked on more militant activities as yet. The major reason is undoubtedly the fact that the fiscal condition of the school district is very poor, so that bargaining for
increased merit, base salaries, and fringe benefits is unrealistic. Thus the role of the organization becomes that of a grievance committee which represents teachers whom they think have been treated unfairly by the administration and superintendent. This status appears to be changing because of two factors. First, the district has a new superintendent and several new board members who have already identified increased communication as one of their goals. The second is that recently the organization represented two teachers who had been denied merit pay and the board reinstated this money on a retroactive basis admitting that the evaluation by the principal was not complete.

This victory with the new board members and superintendent has resulted in a renewed interest in making the organization effective and it appears that the first issue will be the elimination of merit compensation and the redistribution of this money to teacher salaries.

DISTRICT C

District C is a rural unit district located approximately two hundred eighty miles from the city of Chicago. This study was limited to the elementary (K-8) attendance center. Although the district does sell tax anticipation warrants on an annual basis, the fiscal outlook of the district is generally good.

The following comments deal with the managerial dynamics of the program in this district as they relate to the
criteria established in the field study.

Level of Commitment

There appears to be a high level of disparity among employees in this district regarding the merit compensation program. The program was the brain child of the board of education and had, as its original purpose, the improvement of instruction. This idea was fostered by the fact that the district was small and board members often compared individual personalities finding that it had to justify a blanket increase to all teachers. The system established a two hundred dollar bonus to be awarded to outstanding teachers.

In general, there does not appear to be a high level of commitment to the program. It was hastily designed and the administration of the program has been less than exemplary. In interviewing one board member, it was noted that the board of education would be evaluating the program during the current year to make a decision regarding its continuation. In a similar vein, the teachers interviewed did not seem to have any feelings either way. The general attitude regarding the program at this time could be noted as one of apathy.

The reason for this indifference is probably related to the dollar amounts placed into the program and the number of bonuses which are made available to teachers on an annual basis. It does not take an outsider long to see that the board of education is not making merit pay a priority in their fiscal planning. The board's expenditure for the merit program
is a little more than one percent of the total expenditure in the educational fund.

The teachers also noted that the two hundred dollar bonus does not serve as a viable motivator since it will not buy a week's groceries after federal and state tax plus teacher pension are taken out. This system can quite easily be turned into a dissatisfier which will have a negative effect on teacher morale and thereby decrease productivity.

Thus, from a financial standpoint, it appears that the district is not expending the necessary dollar amounts to make the program effective. In a subsequent analysis, the district has also failed to develop an adequate system of criteria to make the program operational.

**Psychological Climate**

The psychological climate in this district might be considered as fair. There has not been any significant effect on the climate because of the merit program. This situation is probably related to the apathetic and uncommitted manner in which the board and administration approach the program. The primary teachers interviewed noted that the program was a source of mild irritation for most staff members when the increases were announced.

There does not appear to be any high norms against productivity which have an overall effect on staff morale or on their general output. There seem to be two reasons why merit pay has not affected staff morale. First, the amount of
money involved is very minimal and seemingly there is not a definite commitment by either the board or the administration to make the program work. Thus, the teachers do not consider merit as a threat.

**Objective Measures and Standards**

The evaluation instrument utilized by this district is superior to that used in many of the districts studied. The instrument is designed with two different checklists. One is used for elementary (K-6) teachers and another, which is more subject matter oriented, for teachers in the junior-senior high school (7-12). In reviewing both of these forms, they are objective and relate directly to elements which are part of the teaching process. There are not any items such as dress or record keeping which might cloud the issue of teacher performance.

There is no evidence of goal setting included in the program and this is one area that could use some improvement. Vroom\(^1\) has noted a good evaluation technique should clearly establish the beginning expectations of the administration for the teachers and what is necessary to achieve same. Thus, a system which would stipulate what the expectations are for each employee would be an individualized approach to evaluation and center on the needs of specific employees.

It was noted by the superintendent of this district that the best effect that merit has had was to get the princi-

---

\(^1\) Vroom, p. 132.
pals into the classroom and the formulation of viable instruments to make the process of evaluation objective and as constructive as possible for teachers. The goal of objective evaluation appears to have been met except for the absence of specific goal setting as a regular part of the procedure.

**Awareness of the Mechanics of the System**

The teachers in this district do not appear to be aware of how the merit increases are given. They do know that the bonus increase is a product of their annual evaluation which is done by a building administrator. The evaluation, though objective in nature, has never been discussed in relation to the merit system. Thus, teachers are not aware of exactly what constitutes meritorious service and what they must do to achieve the bonus.

The members of the staff feel that the individual who is responsible for the merit program is the building principal and, in most cases, this is true. There is no program of goal setting established. Thus, a system without the use of objective criteria cannot be used as an instrument to improve instruction.

In reviewing materials and handbooks that relate to teacher evaluation, there has not been an attempt to either simplify the program or explain it to the staff. The district did not conduct any inservice on the program when it was originally implemented and has not done so to date. It has been
noted by Lawler and Camnan\textsuperscript{17} that to make merit successful there must be a clear relationship between the pay off system and the mechanics of the program. This is not the case in this district.

**Simplicity of the Merit System**

The merit compensation program utilized in this district is simple because it lacks structure. It appears that the program was created to appease some of the board members, but the necessary planning and organization required to make a program of this type work was never expended. The probable reason for this lack of planning was the fact that the program was initiated on a whim and there was never a definite commitment on the part of the administration and teachers of the district.

The program which is simple and the evaluation procedure which is objective has been thwarted by confusion because it was neither explained to the teachers nor planned in conjunction with their representatives. This would provide a good vehicle for the teachers' organization to get involved with both the planning and organization of the program. If the system is to be continued, it will be highly desirable to maintain the simplicity of the program yet establish criteria which are mutually agreeable to board, administrators, and teachers.

The following analysis relates to information obtained

during interviews with district personnel including board members, administrators, and teachers.

**Teachers' Organization**

The teachers' organization has been relatively passive for the past few years. One reason for this attitude is the fact that the community is rather close-knit with many individuals living in the area. Thus, there is an informal relationship with the board of education since many teachers are friends and neighbors of board members. The second reason is the fact that most staff members are middle age and female and who may not be serving as the major support for a family.

The community is beginning to change slightly with the influx of individuals who are employed in both light and heavy manufacturing which have moved into the school district. This situation has caused new teachers to be hired to compensate for both growth and teacher retirement. These individuals tend to be younger than their predecessors and do not have the same commitment to the district and community.

The change in the teachers' organization became evident when the teachers were experiencing problems with the previous superintendent. They served as a viable pressure group by stating that the best way that the working conditions of the district could be improved was to eliminate him from the district. This pressure resulted in the superintendent seeking and obtaining a new position. This was the first time that there had ever been talk of a strike. It was easy to
note during the interview procedure, that the staff members involved in the organization were approximately ten years younger than other staff members and were imported from the Chicago area with no commitment to either the district or community.

The teacher organization as an agent in dealing with teacher salaries has been relatively ineffective until recently. The push made by the organization has resulted in a larger increase awarded to teachers. Previously, salary increases had averaged about 2.5%. The present increase was 5.6% which is about three percentage points higher than usual. This increase may have been related to the superintendent who did listen to the requests of the organization and responded to them in an appropriate manner.

The second reason may be that the organization, through its militant activity directed toward the previous superintendent and the threat of a strike, may have made the board realize that they were a force with which to be reckoned. In either case, the organization will grow into a viable bargaining agent for the teachers if they have the necessary leadership and the same level of commitment in the K-6 buildings as is present in the junior-senior high school and the board sanctions such growth by recognizing the organization as a viable spokesman for the district's teachers.

**Accountability**

As noted by board members, the purpose for implementing the merit program was an attempt to reward superior teach-
ers and hold other staff members more accountable for their work with children. It is difficult to see that this has been the net effect of the program. The board has not made a commitment of money to make the system work. The board has also not specified what teachers are to be accountable for in their normal teaching duties, much less the added expectations of being a merit teacher. Jorgenson\textsuperscript{18} notes that Tolman, as early as 1932, had developed expectancy theory. This theory stresses the importance of employees being aware of exactly what the expectations are of their performance. A statement of expectations helps to provide the teacher with a source of security as well as giving their work a sense of direction.

In discussing the public relations components of accountability with both board members and the superintendent, it was ascertained that there was never an attempt made to make the public aware that the employees of the local school system were involved with a performance-based program of compensation. The failure to communicate this situation to the public was probably a vicarious admission by the board that the program was not viable and that the goals for which it was established were never realized. In order to make the program a vehicle for accountability, criteria would have to be established which relate to the evaluation program. The board will also have to place more money into the program to

make the bonus worthwhile. This improvement in the program does not appear to be a priority with either the administration or the board at this time and it is probable that the system will be phased out rather than reworked.

Formal Evaluation Procedure

The evaluation procedure utilized in this district is far superior to those used in the other districts studied. One instrument which is being used has been specifically designed for elementary teachers. Another evaluation tool is for junior-senior high school which is by nature departmentalized and subject matter oriented. The form calls for the principal or supervisor to rate the teacher in a number of different areas. It is possible for the evaluator to make narrative comments or suggestions as to how a teacher may improve.

The checklist directly relates to the teaching process and activities which take place in the classroom. It does not include activities which are supplementary to the regular program such as participation in extra-curricular activities, attendance at parent meetings, and teacher dress. This technique is excellent if the reason for utilizing merit pay is to improve instruction. The evaluation should then center almost exclusively on the instruction taking place.

While this evaluation procedure is well-structured and the number of visits made by administrators seem on paper to be reasonable, there are two things which would help improve the system of evaluation. First, there are not enough
building administrators to spend the time necessary to do evaluations. The principal who is responsible for three buildings noted that she is able to do little more than keep the doors open to the three schools. It is impossible to provide leadership on instruction, evaluation, and in extracurricular activities, when the maximum time spent in any building is two days. The second area for improvement would be the utilization of a system of evaluation by objectives. Objectives would be established by the mutual consent of teacher and administrator as well as the process to realize these objectives. This goal setting could be done as a regular part of the yearly evaluation or take the form of a pre-evaluation conference held each fall. The results would then be assessed during the evaluation.

It is apparent that the most obvious flaw in the procedure is the lack of building administrators. If the board has established the improvement of instruction as an objective for administrators, then they will have to create additional positions in this area. This need for administrators becomes even more important if they desire to continue the merit compensation program.

**Allocation of Merit Increases**

It appears to be the role of the building principal to decide which teachers receive merit increases. The principals noted that they discussed the merit increase with the superintendent and were asked to validate their recommendations. Invariably, the superintendent would agree to the bonus being
paid to a specific teacher after he had made some comments. This technique of discussing each individual teachers with a member of the district office staff is probably an excellent idea. It gives the principal some input as to how the teacher is viewed from afar and what types of changes the superintendent might like to see in the individual or in the program they teach. A principal often develops a mixed professional-personal relationship with a teacher and may become blind to some of that person's shortcomings. The dialogue between the principal and district office may bring the teacher's strengths and weaknesses into light and help the principal in formulating realistic goals for that individual.

One principal noted that the former superintendent took a much more aggressive role as a distributor of merit increases. This situation lasted only the first year of the program, but it might illustrate that the overall goal of initiating the program may have been to get back at some poor teachers or those who were anti-administration. This approach changed when its potential volatile status was recognized. The principals have been the allocators of merit since this time.

**Level of Financial Commitment**

The district has not made a financial commitment to either the teachers or the merit program in the past. The new superintendent noted that the district had to sell approximately two hundred fifty thousand dollars of tax anticipation warrants on an annual basis.
The salary increases given during the last year set an interesting pattern. They were approximately three percentage points higher than usual or a 5.6% increase. The reason for this larger increase is probably twofold. First, the new superintendent appears to be much more supportive of the teachers than his predecessor and is willing to speak up for the teachers to establish reasonable salary increases. The second reason is the new militant stance that is evolving from the teachers' organization. The organization was instrumental in getting rid of the previous superintendent and increased dialogue has taken place among the board, superintendent, and teachers. The success that the organization has had during the past two years will probably serve as a catalyst for future activity. The overall goal of the organization is to become involved in collective bargaining with the board for increased salaries and fringe benefits.

In addition to the percentage increase granted to teachers, the amount of money established for merit compensation must be evaluated. The teachers' organization has noted to both the board and the superintendent that a two hundred dollar bonus is not enough money to serve as a motivator for employee performance. Collins has stated that money is the best incentive that has ever been found, but to serve in the capacity of a motivator it must be sufficient enough to establish itself as a goal to be sought. It must be feasible for

most teachers to achieve this goal if they expend the necessary energy.

If merit is to be continued in this district, the bonus must be increased to provide teachers with an incentive. The teachers' organization should also be involved with helping to establish monetary and procedural aspects of the program. If a merit program is to be successful, teachers should be involved in every stage of its planning and implementation. This area is one in which the organization can provide a very definite contribution to the school district.

Summary

The relationship between the teachers' organization and the board of education in District C is very unique for several reasons. This school system is a unit district serving grades K-12 and a geographic area of almost seventy square miles. This study centered only upon the elementary school teachers and principals of the district, but it is important to analyze the relationship of the secondary teachers with the board to obtain the true flavor of the teachers' organization.

The four buildings of the school district are spread over a wide geographical area. The teachers in the three elementary buildings very seldom have an opportunity to talk with one another other than during institute days which are held on the district level. From a demographic standpoint, many of the elementary teachers are residents of the school district and many actually attended the school for their own elementary and secondary education. This situation contrasts
vividly with the teachers at the junior-senior high school who have no residential ties to the district. Many of the staff members drive large distances from their homes to the high school. Many of these were hired directly out of college and have moved to this rural area. The turnover rate is very high for these teachers who desire to gain experience and then secure jobs in urban areas. Thus they are less afraid than might be expected to make their views known on merit compensation, salaries, and fringe benefits.

In evaluating salary data, it is interesting to note that the many of the merit increases are among the elementary school teachers who have worked for a long period of time in the district. This factor helps to set a very interesting stage for viewing the role of the teachers' organization. The elementary teachers who represent about fifty percent of the district's staff are well satisfied with the merit program mostly because they are getting the majority of the money placed into the program. They are a closely knit group who relate well with their immediate supervisor who is an itinerant elementary principal. Thus, the teachers' organization is polarized along two lines and the board of education has taken advantage of this situation. When dealing with the organization, they consistently ask about how well they represent the elementary teachers on such issues as merit, salary, fringe benefits, and working conditions. While it appears evident that the organization mainly represents the junior-
senior high school teachers, the board informs the organization that they set salary, merit, fringe benefits, and personnel policies for all of the district's teachers and they do not view the organization as being representative.

The relationship between the board and the teachers' organization will probably not change in the near future. It is possible that dynamic leadership, less teacher mobility, and retirement of elementary teachers with an accompanying influx of younger teachers may help to make the organization a viable pressure group.

**DISTRICT D**

District D is a rural school system located approximately 260 miles from Chicago. About fifty percent of the students live in town with the remaining fifty percent being transported from farms to the district's one attendance center. The superintendent also serves in the capacity of building principal for a school staff of 20 and a student body of approximately 360. From a fiscal standpoint, this district has continued to remain in the black, although the superintendent noted that he would be depending upon early taxes to meet the summer payroll.

The following comments consist of an analysis of the district in light of the field study which focused upon the components that should be included in a program of merit compensation.
Level of Commitment

The board has attempted to utilize the price-wage indicator as a basis for the salary increases granted for the past two years. The program was initiated out of a desire to reward superior teachers for their service to the school district and to the community. In formulating the program, the superintendent and the board were involved without receiving any input from the teachers and this may have resulted in the poor level of commitment possessed by the teachers.

In reviewing the role of the teachers' organization in the program, it would have to be considered as one of general apathy. It was noted by several teachers that their professional organization had not made a big push against the merit program for several reasons. First, the procedure and interpersonal dynamics of the system make it palatable to most of the staff members. Secondly, the board consists of several of the leading citizens of the community. The board of education is of a different social class than many of the teachers and the teachers find it hard to cultivate communication with the board members. This situation is interesting, since almost all of the district's teachers live within the town. Thus, the dynamics of the school system must be interpreted in light of the socio-economic base of the town and the political relationships that exist.

It is fair to note that the teachers do not feel a commitment to the program as it presently exists. They have
not been more vocal because of the ramifications which might take place. Thus, many teachers fail to see the cause and effect relationship between increased performance in the classroom and the dollar amounts that they are granted on an annual basis.

Psychological Climate

The climate of this district might be regarded as good, but restricted. This statement requires explanation. The superintendent, who also serves as the building principal, has an excellent rapport with the teachers in the building. They consider him to be very fair, straightforward, and knowledgeable about educational matters. However, the teachers feel stifled because his dual role makes it difficult for him to discuss their concerns about wages, working conditions, and educational matters with the board of education. It is difficult for the superintendent to provide support for teachers and assistance in times of a crisis and yet remain divorced from his role as the board's chief executive officer. He must also make recommendations to the board of education in formulating personnel policies which can effect teacher welfare and try to keep any prejudice he may develop as a building principal out of such decisions.

There does not appear to be a high level of dissonance within the organization because of the ability of the superintendent as an organizational manager and the fact that salary and fringe benefits have increased at an acceptable rate
for at least the last two years. The area of communication is one to which the board should address itself. The fact that many teachers are citizens within the community has caused them to deal vicariously with the board. The board needs to be aware of changing staff patterns and teacher militancy.

**Objective Measures and Standards**

In reviewing the evaluation instrument in the district, it becomes evident that there were several problems inherent in both the checklist and the procedure that was utilized. The evaluation checklist of approximately thirty items was devised jointly by the superintendent and the board of education. The instrument, which calls for a rating of one to five on each element, does not include any room for a narrative comment which would suggest methods for improvement or particular reasons why a teacher received a commendation.

The criteria which are included on the instrument are of a very subjective nature and often do not relate to the actual teaching process. There are statement on teacher dress, promptness, initiative, and citizenship. McGrill\(^{21}\) has noted that evaluation must relate directly to the actual process that a teacher goes through in the classroom. Evaluation should take place for the improvement of instruction and

\(^{21}\)A talk given by Thomas McGrill to the DuPage County Principals on June 18th and 19th, 1975, in Wheaton, Illinois. Dr. McGrill is head of teacher placement at the University of Illinois.
not be used as a motivator for teacher involvement in extracurricular activities. A move toward the development of an instrument which relates more directly to the teaching process would help to make the evaluation procedure more objective.

The individual doing the evaluation is another concern in the evaluation program. This small district employs only one administrator who is able to do teacher evaluations. The inherent problem is that it is almost impossible for a superintendent to remain completely objective in his dealings with the staff. Thus, an administrator would be unable to disqualify himself in making decisions regarding a staff member with whom he has a personality conflict. In a ludicrous vein, this district has the superintendent's wife on the staff as a junior high teacher. Thus, he is responsible for determining the amount of merit increase that she is to receive. It is evident that since the increase goes to his wife, he benefits vicariously. If the superintendent gives his wife a high increase, he may be accused of showing preference. If she receives only a minimal increase, it would be hard for him to live with his teacher/wife.

An additional element which would improve the evaluation system and build in objectivity would be pre-evaluation goal setting. This technique would include specific objectives tailor-made for the individual instructor. The goals are contributed by both the superintendent and the teachers and would
focus on both the weak points and the areas of expertise possessed by a teacher. A teacher would then be aware of specific areas in which his supervisor would like him to improve. This procedure would also highlight the teacher's strengths which are beneficial to the school.

It was noted by both board members and the superintendent that one of the most significant side effects of the merit program was the initiation of a comprehensive evaluation procedure. Merit pay served as a catalyst to get the superintendent out of his office and into the classroom. The next area that should be addressed is how to make the most out of the time that he spends in evaluation.

Awareness of the Mechanics of the System

The teachers interviewed appeared to be aware of the logistics of the merit program, even though they do not particularly like the system. They noted that the board members were responsible for setting the amount of money available for salary increases. They also noted that the superintendent was responsible for the actual process of evaluation which included both the classroom visitations and the post-evaluation conference. The determination of merit increases is a joint matter between the board of education and the superintendent. Thus, at many meetings, the board of education goes in to executive session and determines where teachers will fit along the salary continuum. This might cause personalities to become involved in the determination of salaries rather than proficiency in the art of teaching. It was noted by two that
they feel insecure regarding the process since there are no written criteria or policy statements for the program and no grievance procedure. In reality, the teachers find it very difficult to file a grievance regarding a merit increase for two reasons. First, the district has only one administrator and it would be very difficult to appoint another person to do a subsequent evaluation. Secondly, since the board of education in conjunction with the superintendent sets the salaries for certified personnel, they might be reluctant to modify a decision made previously. Thus, modifying a merit increase might cause the board to lose faith with both the teaching staff and members of the community. This problem in program design and the lack of communication between the board and teachers may be harmful to the system in the near future.

Simplicity of the Merit System

The organizational format of the merit program is very loose which allows for a wide variety of alternatives to be exercised by the board of education. In the area of personnel management which is the focus of this study, it is apparent that the board in this district is overactive in the area of administration as noted by its involvement in the evaluation and merit allocation process and has problems limiting its activities to that of policy-making.

It is important that the system be articulated with the teachers' organization and that their help be solicited in working to improve the program. This technique might serve as a stimulus to get the teachers' organization involved in
aiding the board as it tackles major professional problems. The teachers' organization has not been utilized at all as a sounding board and effective partner in the school system. The organization should be tapped in a district such as this for two reasons. First, a district which plans to implement a performance-based compensation system needs the support of the teachers. One of the best ways to gain such support is to involve the teachers' organization as a partner which plans the program. It would still remain the perogative and responsibility of the administration to implement the program in the best feasible manner.

The second role that the organization can play is to serve as an effective sounding board. There are many benefits to smallness in the autonomy a district possesses, but it can also result in the inbreeding of ideas and philosophies. The board has only one professional that it deals with on a regular basis. A board/superintendent advisory council made up of members of the teachers' organization might be the most viable way to simplify the program.

There is a need to put the philosophy and rationale of the program into writing and to outline specifically what the procedure is for the allocation of merit increases. Included would be a statement of criteria and a revised evaluation procedure which would be structured as objectively as possible. There should also be an effective way for teachers to file a grievance if they feel that they have received an unfair increase. If teachers are given this option, it will
improve the program by being a move in the direction of teacher dignity.

The following analysis relates to information obtained during interviews with district personnel including board members, administrators, and teachers.

Teachers' Organization

The teachers' organization in this district remains in the infancy stage in dealing with the board for salary and fringe benefits. The reason for this situation is probably that the teaching staff, which is rather small, are members of the community in which they teach. Thus, the neighbors serve as a pressure group against becoming too militant. One teacher interviewed noted that there was not one teacher on the staff that would be "caught dead" by the neighbors picketing or involved in any other type of job action.

This group does serve in a manner that is rather unique, among suburban teachers' organizations. The organization possesses a professional committee which attempts to bring in speakers, offer college courses, and other types of learning activities for teachers. This function of the organization may be related to the rural nature of the district and the age of the staff. The average age of the faculty is approximately forty and thus most have been out of college for a long time. The thrust, then, is toward inservice.

The teachers do deal on an informal basis with the board of education regarding salary and fringe benefits. This action in no way approximates collective bargaining, but in-
stead a dialogue. In this relationship, the superintendent serves as a facilitator for both parties. This is the only time that the board and teachers actively talk about monetary issues. The next time the teachers receive information about salary is when the teachers are made aware of the range for the annual merit increases.

In retrospect, the board utilizes the price-wage index rather than have a dialogue with the teachers' organization. The teachers, in general, have felt that the board has been fair and that a good relationship exists between them.

The reader might question why there remains viable relationships among the board, administration, and teachers despite the fact that the board does not consider the teaching staff as an important partner in the merit pay process. There are a number of elements that have contributed to the teachers' high level of apathy and complacency. The first is the fact that the teachers themselves are residents of the community as well as taxpayers. Secondly, there is a very good working relationship between the teachers and the superintendent. It must be noted that this relationship is unique because the superintendent, while he is the chief executive officer of the school district employed by the board, also serves as the building principal. Thus, the teachers put a great deal of trust in this man that he will make sure that the board is fair to the members of the teaching staff. In the past, he has always been able to live up to this expectation. The third reason is that at least for the past two years, the
board has made an attempt to provide the teachers with a good salary increase on an annual basis along with reasonable fringe benefits. Therefore, there has not been an issue to polarize the teachers into becoming more militant.

Approximately three years ago, there was a push by the teachers in the high school district to bind together and form an I.E.A. (Illinois Education Association) affiliated organization to deal with the high school and its three feeder districts. While the high school teachers were very involved in this move because several non-tenured teachers were released because of unsatisfactory service, the push for affiliation was not successful and each district continues to have its own teachers' organization.

**Accountability**

In reading the analysis of this school district, the reader may wonder why there is the push for merit compensation if good rapport exists with both the board and administration with no serious problems. In reviewing this question, the answer may be related to the makeup of the board of education. Robert Bendiner, in a book entitled *The Politics of Schools*, has noted that boards of education are usually represented by the following professions:

<table>
<thead>
<tr>
<th>Profession</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>35%</td>
</tr>
<tr>
<td>Business</td>
<td>24%</td>
</tr>
<tr>
<td>Housewives</td>
<td>17%</td>
</tr>
</tbody>
</table>

---

Doctors 7%
Clergy 5%
Educators 4%
Retired 3%
White Collar 3%
Union Officials 2%

As noted above, the usual percentage of board members from an agricultural background is approximately thirty-five percent. It would be reasonable to expect this percentage to be higher in a rural area such as this one. However, this is not the case since the board is made up of six of the town's leading entrepreneurs. The seventh board member is the manager of a grain elevator. The business background of the board members and the fact that they are employers in their individual jobs has led them to utilize a system that they feel will lead to employee accountability. They feel that merit compensation will reward those teachers who provide exemplary service to the district and encourage others to improve. The best motivator that they have found to date is money and they have attempted to utilize it in the best way possible.

The performance-based program of merit compensation has not been used in a formalized manner as a district community relations tool. There remains the fact, however, that the members of the community know about the system by word of mouth and this vicarious manner of small town communication does serve the purpose of proving the accountability of personnel.
Formalized Evaluation Procedure

The system of evaluation utilized in this district must be reworked to make it of a more objective nature. The instrument, which consists of a checklist, should be changed to make the items specific to the teaching process which is practiced on a day-to-day basis. In addition, the expectations of the administration could be made known through a series of mutual administrator/teacher goals. These goals would be evaluated at the end of the school year and help provide criteria for the awarding of merit increases to staff members.

In attempting to carry out the evaluation process in the most thorough way possible, it is very difficult for the superintendent to serve in the dual capacity of central office and building principal. These two roles are often not compatible because of the unique relationships that exist between principals and the teachers with whom they work. In addition, a system of this type does not allow enough flexibility for the teachers to develop and implement a grievance procedure with the board of education.

In reviewing the evaluation procedure, there is also a need to develop specific criteria on what constitutes merit teaching. Thus, if a teacher were to receive an average or a superior rating and an increase, he would have to demonstrate certain qualities for that category. The benefits of listing criteria are twofold. First, it helps to provide teachers with a sense of security. If they know that the goals being set by the administration are realistic, they will approach
the program in a more positive manner. Secondly, it provides the evaluator with a standard that can be applied to all of the teachers that he evaluates.

The last thing that should be considered in the district's evaluation program is the role that the board of education plays in the allocation of merit increases. The board/administration role conflict will be discussed in another section.

Allocation of Merit Increases

In this area there was a great deal of unity in the responses of the teachers. All indicated that the increases were granted by the board and superintendent based upon a combined analysis of the evaluation made.

This district portrays some interesting problems that are associated with a small rural district of this type. First, there is no dichotomy between the building and central office staff which could serve as a buffer or an aid in solving conflicts should they occur in the evaluation program. In addition, the unique relationship between the superintendent and the board comes into consideration. It is almost impossible for the superintendent/principal not to answer pointed questions when they are presented to him by board members. Because of the confusing nature of staff relationships, it is imperative that the procedure and the role that the board of education is to play be clarified and followed in a specific manner. This clarification will help preserve a level of professionalism in the program and attempt to make sure that teachers who
receive merit do so because of the performance that they show in the classroom, rather than personality.

The teachers' organization could help to play a more significant role in the merit compensation program. In a district of this size in which so few individuals control the fate of the instructors, the role of the teachers' organization becomes particularly important.

If this merit system is to be improved, it needs the input of all of the members of the educational community. The teachers, through their organization, could make a significant contribution in the refinement of the evaluation procedure and also the method the board uses to allocate increases to members of the staff.

It is imperative that the board understand its role as a policy planner and leave the professional aspects of evaluation and the allocation of increases to the administrators they hire. It is only be centering on teaching performance that the goal of improvement of instruction can be realized.

Financial Commitment

The financial commitment to both the salary and merit program has undergone a transition over the past four years. In the early years of the program, the board granted only minimal increases of approximately three percent. This situation changed during the 1975-1976 school year for a number of reasons. First, the dollar spread of approximately $1 to $300 was not considered to be large enough to serve as a motivator of employee performance. Secondly, the cost of living con-
continued to increase and teachers of this district were suffering financially because of their participation in the merit program. Finally, it was three years ago that the teachers of the high school and the three surrounding elementary districts considered banding together for the purpose of collective bargaining and becoming affiliated with the Illinois Education Association. It is difficult to ascertain what the board's motives were, but it is interesting to note that this was the first time the board gave the teachers such a high percentage increase. It is reasonable to assume that an increase of five percent was probably brought about for some reason other than trying to provide the teachers with a sense of financial security. The best way to try and convince the teachers that they do not need a collective bargaining package is to try to prove to them that the board has their best interests at heart by providing adequate salary and fringe benefits.

If this district is to be successful in implementing a program of merit compensation, it must make the evaluation program more objective and establish criteria for the program and the teachers. The major element of the system that must be addressed by the board, administration, and teachers' organization is the clarification of the roles of each, the delineation of the board's policy-making function, and the professional relationship which must exist between administration and teaching staff.
Summary

The relationship between the board of education and the teachers in District D is very unique because of two factors. First, the district is located in a rural area and is a closely knit community in which the teachers view themselves as key individuals. Secondly, the superintendent who also serves as a building principal is a unique individual who does an excellent job in representing the board of education and the teachers.

The teachers have received reasonable increases for the past two years and there are no major issues in this district because of the good working relationship with the superintendent. Thus, there does not appear to be any event which would polarize the staff into becoming a militant force to deal with the board of education.

In analyzing the data obtained and the relationship between the teachers and the board of education, it appears that the board has a very patriarchal view of the teachers and in fact initiated the program to motivate certain teachers to increase their performance. The major factor here is the superintendent who is able to control the situations that present themselves and make both the teachers and the board look good. If the superintendent were to leave the district, there would probably be a quick polarization of the staff to utilize the teachers' organization to provide the safety now given by the superintendent.
DISTRICT E

District E is located in the northwest suburban area of Cook County. The school district has experienced some financial problems in the past and has to borrow money on an annual basis to meet the financial obligations of the district.

The following comments relate to the managerial dynamics of the program and the criteria established in the field study.

Level of Commitment

This school district has gone through a variety of merit compensation programs. The board of education has shown its commitment to the program through its work with both the administrative council and the members of the teachers' organization. The unique element in this district is the fact that the teachers' organization is very involved in the mechanics of the program. The board of education thoroughly believes in the rationale, philosophy, and eventual outcomes of the merit compensation program. The administration, in both the central office and the buildings, feel that performance-based evaluation can serve as a motivator for employees and result in improved instruction in the classroom.

The teachers' organization, which has grown in militancy over each year, uses merit compensation as an issue to polarize the staff against the administration and board of education. This situation encourages unity within their organization which is necessary when collective bargaining takes place.
The effect on the teaching staff is unique. There are approximately eight teachers who have a commitment to the program either because they feel that it does serve as a motivator or because of the fact that the merit increases which are awarded are cumulative and help older teachers earn salaries that are far superior to those earned by teachers of similar experience and training in other districts. These teachers are quite hesitant to discuss their commitment to the program because of the manner in which they may be viewed by their colleagues.

The teachers' organization has set up a spirit of confrontation over the merit pay issue during the current academic year. The board of education has been petitioned to eliminate the merit program and convert the money expended to the salaries paid to all teachers via a percentage. This request has drawn the battle lines between the board/administration and the teachers' organization. Thus, the board which hired the present superintendent with the objective of implementing a program of this type, has decided that they will not eliminate the merit system. On the other hand, the teachers' organization is attempting to show its strength by applying pressure on the board to eliminate the program or modify it in a manner beneficial to the teachers.

Psychological Climate

The climate within the district as a whole as it relates to the district office and the board of education as well as that found in each individual building will be con-
sidered. The relationship between the building principal and the teachers is like a micro-environment within the organization and will have ramifications for the program as a whole.

During the last academic year, members of the teachers' organization met with the board of education to discuss the merit program and its side effects namely discontent, distrust, and severe morale problems. At that time, the board promised to appoint a committee consisting of board, administration, and teachers to analyze the program and make modifications which will help improve the attitude of the teachers.

The committee on merit pay was established and became polarized almost at the start. The teachers' organization had changed its stance from requesting changes in the program to demanding its total elimination. The board of education, on the other hand, decided that they were not going to allow the teachers' organization to dictate the content of board policy. They decided that while they would accept some modifications in the program, they would refuse to eliminate it.

The meetings held consisted of elected teachers, one building principal, two board members, and the assistant superintendent. The meetings went badly because of the non-flexible attitude that was taken by the assistant superintendent as noted by both teachers and building principals. When each suggestion was introduced to modify the program, there was always a counter-reason given by this administrator as to why it was not feasible. In reality, the function of the committee was being thwarted because of his preconceived ideas.
It appears that the teachers were more aggravated after the sessions than before. This polarity results in the teachers becoming more dissatisfied with the program and serves as a hygiene factor which will affect the productivity of the total organization.

While it is a good idea for the teachers, administration, and board to meet to discuss the program, there is a need for more flexibility on all parts. If each party comes to the discussion with preconceived ideas as to what is acceptable, the meetings will be less than productive. The role that the assistant superintendent plays in the formulation of new merit plans must be analyzed. It may be beneficial to have the superintendent work with this committee since the majority of people within the district view him as a flexible individual who has their best interests at heart.

Objective Measures and Standards

The evaluation system in this district is probably the most objective in any of the districts studied. The process includes teacher-principal goal setting as part of the evaluation. The Evaluation Committee has set criteria for each category of merit.

These criteria help to provide teachers with information as to what is expected of them regarding their performance in the classroom and also gives the building principals some structure when they do the evaluation.

One of the most exemplary points of the program is the fact that it is evaluated on an annual basis by a com-
mittee representative of all members of the district. This committee provides an open forum for the discussion of both the strengths and weaknesses of the program and gives an opportunity to formulate modifications which will help improve the system. DeCharms22 has noted that when employees feel that they have been consulted and involved in the evaluation, they will usually feel positive about the program and work toward organizational goals.

It is interesting to note that despite numerous opportunities for teachers to get involved, there appears to be much more militancy among these teachers than those in the other districts studied. The reason for such militancy may be twofold. First, the teachers' organization has been involved in collective bargaining with the board for both salary and fringe benefits for the past five years. Thus, the teachers' organization has among its members several seasoned veterans of the negotiating process. These teachers, through their relationship with the board, have known the thrill of victory and the agony of defeat at the bargaining table. If there is any district in which the teachers' organization has seen how vulnerable a board can be as shown by the board's abrogation of their rights to allocate the merit pot, it is here. Secondly, the solicitation for involvement of the teachers' organization in the decision-making process, while

22Richard DeCharms, Personal Causation (Reading, Massachusetts, 1968), p. 58.
positive, has been viewed as a weakness on the part of the board of education. While the board is attempting to involve the teachers in participatory management, the teachers view the request for involvement as an indication of the inadequacies of the administration and the board.

Mulder, in an article entitled "Power Equalization Through Participation," has noted that in participatory management the philosophy and rationale of the program must be explained. Employees serve in an advisory capacity and must know that their opinions and ideas will receive consideration. It is imperative that the roles of each group participating be delineated and that all involved in the process know who makes the final decision.

One of the best dividends that teacher involvement will provide is increased commitment to the program and hopefully improve morale since teachers have a vested interest in the development, implementation, and outcome of the program.

Awareness of the Mechanics of the System

In discussing the program with staff members, there appears to be confusion among them. The program, which is reviewed on an annual basis so that improvements might be considered, has undergone so many changes each year that teachers find that years blend together. These same teachers thought that elements of the program that were discontinued

three years ago were still integral parts of the program. This situation gives light to the need for annual inservice for the teachers of the district.

The responsibility of making teachers aware of the changes in the merit program falls to the building principals. They are asked to discuss the program and the evaluation procedure with the teachers during the institute at the opening of the school year. This process of inservice may not be the most effective that can be made. It might be better to have members of the district office staff, such as the superintendent or assistant superintendent, meet with the teachers either as a whole via a district meeting or through individual visits to each building. Such an inservice program would serve two purposes. First, if the teachers heard about the modifications of the program from a single source, it would help establish a level of uniformity. Thus, each teacher in the district would receive the same information about the program and its effect upon both the district and the individual teacher.

The teachers noted that they felt that the individual who was responsible for their merit increases was the building principal. In studying this situation, the teachers' thoughts were correct and the building principal, after evaluations, recommends a merit increase for each teacher. To date, none of these recommendations have ever been changed. The level of confidence that the superintendent and the board place in their building principals is exemplary. There does
not appear to be any evidence that the program is being used for any reason other than the improvement of instruction.

One final point on the awareness that teachers have on the merit program should be noted. The board of education and the teachers' organization are polarized over the issue of merit compensation and this often sets the stage for "rumor mongering." Both groups might attempt to make the other look bad by presenting the teachers with false information or partial truths. This situation makes the role of the superintendent even more important in making all employees covered by the merit program aware of its mechanics. It would also be valuable to provide copies of board policies and procedures that relate to the program as well as a copy of the evaluation instrument. These materials would provide teachers with objective information regarding the program.

**Simplicity of the Merit Program**

The program implemented in this district, while not overly simple, provides the needed structure to give both administrators and teachers a level of direction and security. The specific criteria established for each level of merit helps to provide objective standards for evaluation. The pre-evaluation conference, which consists of the establishment of teacher-principal goals, helps to draw the teacher's areas of strengths and weaknesses to light and to individualize both the evaluation and merit compensation program.

The criteria, which have been refined and reevaluated on an annual basis, are another positive part of the merit
program. The district office in combined efforts with members of the teachers' organization, board, and administration, have explained specifically what the expectations are for merit teachers. This explanation, along with the goal-setting in the pre-evaluation conference, should provide teachers with both the opportunity to ask questions and the needed information to help them acquire the goal of merit.

While the program is not extremely complex, one of the problems which should be studied is the communication that transpires from the board and the central administration to the teachers and administrators at the building level. During the course of the interviews, it was evident that confusion was not limited solely to teachers, but there was also some confusion between two building administrators. This situation points to the need for the central office to either call a general meeting of all teachers or appoint an individual such as the assistant superintendent to meet with the teachers at each building, make a presentation, and answer questions. This technique would help assure that all of the teachers possessed the same information at the onset of the program.

It appears that the goal setting, criteria for merit, and many of the other structured elements of the program, help to provide teachers with a sense of security. McGregor makes mention of security and safety as being necessary for

employees, before working with them to improve productivity or their relationship with other employees. In this area, the program meets employee needs while remaining dynamic in adjusting the program to meet the needs of the staff, teachers' organization, board of education, and the administrative staff. These elements, along with staff input, make it an exemplary program. Roethlisberger states that "participation by employees in decision-making does positively contribute to the improved effectiveness of the organization." 25

The following analysis relates to information obtained during interviews with district personnel including board members, administrators, and teachers.

Teachers' Organization

The teachers' organization is unique compared to others studied in this project. It is quite evident that the teachers in this district are the most militant and they have also been the most successful in their dealings with the board of education. The district has had a master contract with the teachers for the past five years and they bargain collectively on a yearly basis. In analyzing the organization's relationship with the board, two elements must be considered. First, approximately five years ago, some of the larger suburban districts such as Wheeling and Palatine fought for and received a contract from their respective boards. While the tax base and the teacher and student populations were not similar in

District E, it is quite possible that the teachers may have decided to ask for a contract at the same time and were successful. Secondly, it is possible that the teachers felt the need for a higher level of security than that which could be provided by tenure since it was evident that merit compensation would not be eliminated.

During the process of bargaining, it appears that the board tried to provide the teachers with adequate money and fringe benefits. It was in the area of working conditions (merit) that the two groups became polarized. From the onset of the program, the teachers attempted to get the board to rethink its commitment to the plan. When it became evident that this would not take place, there was an attempt made to weaken the program during bargaining. The teachers were successful in getting participatory planning and management of the program built into the master contract. The most important victory by the organization was the board's agreement to allow the teachers' organization to allocate the amount of money for both overall percentage increases and for level one and two teachers. It is difficult for the author to understand why this perogative was relinquished. The net result has been the weakening of the program with each subsequent year of negotiations.

During negotiations last year, there was a demand made by the teachers' organization to eliminate the merit program. While the board did not acquiesce to their demands, it did agree to discuss the request during the fall. This offer
delayed the inevitable confrontation and served to polarize the board and teachers' organization more than ever. When the committee finally did meet, it did not center on the major issue presented by the teachers, namely the elimination of the program. Instead they focused on ways that it could be improved. This discussion resulted in the teachers picketing in front of school before each school day and during open houses and P.T.O. meetings. This teacher militancy took place at the same time that the board of education was attempting to pass a referendum. This was a crucial time for the board of education which was already into deficit financing and caused them to become very hostile toward the teachers' organization.

In retrospect, the teachers' organization has served as a viable pressure group in lobbying for salary increases and fringe benefits. The board has failed on numerous occasions to take a strong stand against the organization and has buckled under the pressure each time. Each success serves to reinforce the teachers' organization for its next contact with the board. It might prove valuable for the board to consider using an outside negotiator such as those which can be furnished by the Illinois Association of School Boards or through several other legal associations and consulting firms. The benefits from utilizing such services would be twofold. First, the new face at the negotiating table would be one foreign to the teachers' organization and one whose strategy would be untested. This strategy would help keep the teachers
"off guard" and allow the board to be more controlling in the bargaining situation. Secondly, and more important, is the impact that an outsider would have on negotiations. In such encounters, feelings run very high and conflicts often arise. The negotiator may aggravate some teachers, but he has the benefit of being able to collect his fee and walk away from the district. The net result remains the same, namely the amount of money and fringe benefits which were granted by the board of education. However, the strain between administration and teachers is less because personalities were not involved.

Accountability

The basic philosophy and format of the merit program is one of accountability. The most recent attempt to make residents of the district aware of the program was during a referendum which was held in the fall for an increase in the educational fund. The referendum was passed, but it is impossible to assess the part that merit pay played, if any, in the success though it was stressed during the pre-referendum campaign.

The board members noted that they felt more secure with the personnel management of the school district because of this program. This feeling is understandable when the composition of the board is examined, since five board members are employed in either middle or upper management positions. They are no strangers to the ideas of Drucker or Lickert as they relate to organizational management. One
noted the relationship between the merit program practiced in this school district and management by objectives. This analogy is interesting when examined in detail since there appears to be a good correlation between both programs. Both merit compensation and management by objectives (M.B.O.) begin with the goals established in a mutual manner by the employee and his immediate supervisor. This consensus serves to give direction to the employee and makes him aware of the supervisor's expectations. In addition, the benefits of the program extend upward to both building and district office administrators as well as to the board of education. If a mutual goal-setting process is to be used, the district's future plans must be studied and then placed into appropriate behavioral terms so they can be measured.

The evaluation reviews that are held semi-annually and annually are similar to those of merit and also are related to both performance on the job and professional growth. This evaluation is then translated into a rating (Level I or Level II) which is used in calculating the employee's salary. In addition, there is a phase built into the program for the reformulation of goals and provides the opportunity for goals to be added to each employee's appraisal.

The program as established remains dynamic through evaluation with the involvement of administrators, board members, and members of the teachers' organization. Culbert

has noted that increased employee participation may help to stimulate feelings of involvement and lead to increased overall productivity within the organization. The thrust of participatory management seems to be in the direction of the teachers. They have made numerous demands and the board of education has acquiesced to them often during the negotiation process.

**Evaluation Procedure**

The formalized evaluation procedure utilized in this school district has been discussed previously and will be noted here only briefly. The program established is objective and there are adequate criteria established for each category of merit. It is evaluated, along with the instrument, on an annual basis and input is received from district and building administrators and teachers. This input helps to provide a sense of commitment by all involved in the program.

In discussing the evaluation program with the principals, it was noted that the pre-evaluation goals that were established by themselves and the teachers were in need of improvement for two reasons. First, the objectives were often not written in behavioral terms, making them very difficult to evaluate during the annual performance review. Mager\(^\text{27}\) has noted that a good performance objective contains the following elements:

1) The objective must be **pertinent** to the responsibility

---

\(^{27}\text{Robert F. Mager, Preparing Instructional Objectives (Palo Alto, California, 1962), p. 9.}\)
possessed by the employee being evaluated.

2) The objectives established for the employee must be attainable. That is, the goal can be realized with the appropriate effort being expended by the employee.

3) The objective must be measureable. That is, it must be linked to an observable event or performance that can be evaluated by a supervisor.

In reviewing these elements with each administrator responsible for writing objectives, it was evident that the objectives were not being phrased in behavioral terms.

A second element of concern in regard to evaluation objectives is their relationship to the teaching process. If the design of the program is to improve instruction, goals which pertain to such areas as teacher tardiness or teacher rapport with other staff members should not be performance objectives. Objectives included in the merit evaluation process should relate directly to the teaching process and be formulated only after a joint assessment of strengths and weaknesses.

The supportive relationship established between the district and building administrators is excellent. District E was the only one studied in which the superintendent, district staff, or board of education did not play a part in changing any evaluations of teachers. This support helps to amplify the position of the principal and establish him as the agent for evaluation.
Managerial Role of the Board and Administration

The board of education, through the administration, has attempted to clearly identify the role that each plays in the merit program. The board as policy-maker establishes the amount of money that is to be placed into the program. The district administrative staff is responsible for the dissemination of information regarding the program and the actual allocation of money. The basic role of decision-maker regarding individual merit increases falls to building administrators and there appears to be evidence that this position is respected by both the superintendent and board since no ratings have ever been changed at their request.

This overview of the program and the roles that individuals play sounds exemplary, but under the close light of analysis there appear to be some problems. Through the negotiation process several years ago, the role of the board and teachers' organization regarding the determination of merit percentages and the disposition of the merit for Level I through Level III teachers was clarified. In this agreement, it became the board's function both by law and mutual consent to set the annual percentage for staff salary increases. Thus, if one million dollars had been expended for staff salaries in the previous year and an eight percent increase was granted, then the total dollar amount placed into the program would be eight thousand dollars. This dollar amount was then given to the teachers' organization who di-
vided it three ways. First, a percentage was established that would be provided for all teachers. This percentage was, in a sense, a cost of living or longevity increase. Then a dollar amount was established for both Level I and Level II teachers. In reviewing the table below, some interesting insights can be gained:

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase</th>
<th>Level I</th>
<th>Level II</th>
<th>Level III</th>
</tr>
</thead>
<tbody>
<tr>
<td>70-71</td>
<td>6.3</td>
<td>$600</td>
<td>$400</td>
<td>$200</td>
</tr>
<tr>
<td>71-72</td>
<td>5.5</td>
<td>$350</td>
<td>$175</td>
<td>$100</td>
</tr>
<tr>
<td>72-73</td>
<td>2.6</td>
<td>$420</td>
<td>$270</td>
<td>$120</td>
</tr>
<tr>
<td>73-74</td>
<td>4.2</td>
<td>$624</td>
<td>$420</td>
<td>$200</td>
</tr>
<tr>
<td>74-75</td>
<td>7.0</td>
<td>$640</td>
<td>$451</td>
<td>$223</td>
</tr>
<tr>
<td>75-76</td>
<td>6.0</td>
<td>$489</td>
<td>$390</td>
<td>$235</td>
</tr>
</tbody>
</table>

In reviewing the transition in dollar amounts from the inception of the program to the past school year, it is interesting to note that in 1970-71 the differential between the Level I and Level III teacher was $400, but in 1975-76 the difference was only $254. In analyzing the total table, there has been a gradual attempt by the teachers' organization to narrow the disparity between Level I and Level III teachers. What is even more important is the role that the board of education took in negotiating this agreement and making the thrust of negotiations the retention of the merit compensation program. In doing so, the board tried to appease the teachers' organization and abrogate their rights and duties to establish the salaries and fringe benefits to be paid to their employees. When this power was turned over to the teach-
ers, they began a gradual transition toward making the gap more narrow between the Level I and Level III teacher. The net effect would be to make the program a less than adequate motivator for some teachers.

The reason this power was given to the teachers' organization is difficult to establish. It would appear that during the initial period of negotiations, the teachers held the advantage and pushed a power play. There was a hint of a teacher work action (not a strike) and the board acquiesced to many of their demands. In a similar vein, the board was vehement about initiating a program of merit compensation and would not negotiate the actual implementation of the program although they would discuss the specific elements of the program. This failure to be foresighted on the part of the board of education has resulted in the rationale and philosophy of the program being changed covertly along with the results achieved by the system.

Financial Commitment

In analyzing the figures regarding the merit program, there does not appear to be a disparity between the mean salaries paid in this district and those in surrounding areas. These figures would indicate that the school district is not saving any additional money by implementing a program of this type.

The annual amount of money allocated for the program is established through the collective efforts of both the teachers' organization and the board of education. The board
attempts to utilize the cost of living as well as the money available in the educational fund due to increases in assessed valuation to establish the range of salary increases that might be granted during the process of negotiations. The district is presently involved in deficit financing and has made a decision not to enlarge this debt for any reason. Thus, strict guidelines are established to allocate salary increases on an annual basis.

It is interesting to note a few elements of the program that have a direct fiscal relationship to the district. First, the program as it is presently being implemented does not set any limits on the number of teachers who may receive merit increases in a given year. This situation makes salary costs very difficult to project and work into a line item in the district's annual budget. Secondly, the program does not set a maximum salary that a teacher can receive in the merit program. A teacher who is outstanding receives merit increases on an annual basis. The teacher's salary, then, is continually being raised to a higher level which may not be possible to sustain over future years.

There is adequate money being placed into the merit program, but it is evident that the method for dividing up the money allocated for overall percentage increases and Level I and Level II teachers must be reevaluated. If money is to be utilized as a motivator for a teacher to work at improving teaching techniques and curriculum, it must be maximized by providing exemplary teachers with a significant amount of
money to make the extra effort expended warranted.

In summary, the amount of money being placed into the district's performance-based evaluation program appears to be adequate. The district must carefully analyze its practice of allowing unlimited numbers of teachers to achieve merit status and the cumulative nature of the merit increases granted especially to older teachers. This may be contrary to the philosophy of merit compensation, but the fiscal base of the district based upon tax rates and the assessed valuation does not appear to be sufficient to provide long term financing of the program without some limitations being placed upon the amount of money given to senior teachers.

District E has the most refined program of merit compensation of any of the districts studied. The teachers' organization has been asked to participate in both the formulation and maintenance of all phases of the program. This involvement helps to establish a commitment from the teachers on the day-to-day operation of the program. The board must be cautioned against what Filley\textsuperscript{28} calls the Forcing Process. This process consists of either party (teachers' organization or board of education) trying to maximize on either real or perceived imbalances between the two parties. Thus, if the board has a commitment to the program it must be flexible in its dealings with the teachers' organization, but remain unmoved on certain aspects of the program which would detract from the

\textsuperscript{28} Alan C. Filley, \textit{Interpersonal Conflict Resolution} (Glenview, Illinois, 1975), p. 90.
overall philosophy and rationale for which it was implemented. It appears evident that the stage has been set for a power play by the teachers' organization over the merit program and they have already won the first round.

In attempting to resolve the problem the district has regarding the allocation of money for each category of merit, it is evident that this subject must be worked into a demand to be presented by management at the next bargaining session. Walton and McKensie have noted that when a critical element which cannot be compromised is brought to the bargaining table it will almost always result in a high level of interpersonal conflict on the part of the negotiating team. Walton and McKensie suggest that during volatile bargaining an outside consultant be brought into the proceedings. The board and administration would benefit from his level of expertise and also allow the conflict and hard feelings associated with the negotiating process to be displaced on the hired negotiator. This situation allows the administrators and teachers to work at a higher level of harmony then would have been possible previously.

If this modification is made in the program and the district is aware of the fiscal ramifications of merit, this system could become one of the most exemplary in the state.

Summary

The relationship between the teachers' organization

---

and the board of education in District E is unique because of the high level of participatory decision-making that they have experienced. It is interesting to note that this participation has not resulted in the teachers feeling that they are more involved with the educational enterprise, but more as a weakness on the part of the board of education. In each compromise that has been made regarding the issues of merit compensation, the net result has been increased militancy on the part of the teachers' organization.

The key element which helped create this clamor for power was the initiation of a master contract which strictly set the provisions of the merit program, including levels of teacher performance and grievance procedures. The most significant clause to be written into the master contract was the creation of a teachers' organization committee whose job was to divide the merit according to each level of teaching performance. In analyzing the data from the 1970-71 through 1975-76 school years, the net result achieved by the teachers' organization has been to reduce the difference between Level I and Level III teachers. This disparity may be shown by noting the $400 difference in 1970-71 to $254 in 1975-76.

The stage is presently being set for a conflict between the board of education and the teachers' organization. The teachers have made a decision that merit is not a viable program in the district and that the money allocated for it should be turned into a general fund to be used for salary
increases to be given to all staff members on an equal basis. In turn, the board of education has decided that the time to take a stand against the organization is now at hand and is vehement that merit compensation be retained even if in a modified form. Thus, the battle lines are being drawn and the board is willing to risk a strike if necessary. In accumulating data from teachers, it was noted that they would probably not strike over the issue of merit but would push the issue as far as possible.

The teachers' organization itself appears to be divided on the matter of merit compensation with some senior members desiring to keep the program as it is presently being implemented and the majority of younger teachers demanding its elimination. Teachers who are new to the district find it difficult to get anything higher than a minimal increase. Teachers who have been in the district for many years have received merit increases over several years which have been cumulative. The merit program for these teachers has paid them excellent wages in a time when most teachers with similar training and experience are not any longer on the salary schedule.
CHAPTER V

RECOMMENDATIONS

In reviewing the results obtained from this study, there are some basic points which appear to be common to all districts. There are also differences which exist between districts for a number of unique reasons. The most critical factor in reviewing the school systems studied is the reason why merit pay was initiated. It was noted that the most common reply to a question regarding the inception and history of the program was that it was supposed to improve instruction. In reality, the data obtained from teachers and building principals indicate three reasons for the implementation of merit pay. First, merit was often implemented to keep the teachers' organization in its place. Many people interviewed indicated that merit was one method to make the organization aware of the power of the board of education. This program was also used as a tool in at least one district to weaken the process of collective bargaining. Secondly, in some systems studied, the board desired to use the program to fill a void in either district or building level administration. In such districts, the administrators found it increasingly difficult to work with teachers. The board desired to give them a tool which could be used to coerce teachers into improved performance when other motivational techniques had failed.
In school systems of this type, merit was usually synonymous with attempting to correct personnel or teacher organization problems in a crisis situation. Third, some districts assumed, but usually did not verbalize, that there would be a factor of financial savings by implementing a program of this type. This premise was often related to the poor opinion that many board members had about the teachers in their district assuming that few would deserve merit increases.

It is very important that boards of education carefully analyze the reasons for initiating a merit compensation program. There must be a commitment shared by the board of education and teachers' organization to make a merit program work. The benefits of initiating such a program must not be only for the board of education and administration. The teachers must feel that if they expend a high level of energy toward improved instruction that they will benefit from increased dollars in their pay check. The program cannot be used to save money or be used as leverage to eliminate teachers whose performance is low.

This study could be divided into two basic areas - those criteria which relate to the data collected in the field study and those which served as a basis for the case studies. The criteria will be reviewed under each category with specific recommendations noted which might be given consideration when implementing a program of this type.

The following data was collected in the field study
and analyzed in this paper:

1) There must be a definite commitment on the part of the board of education, administration, and staff to the merit compensation program.

   This category appears to have received little consideration in most of the districts studied. In most cases it was a unilateral decision of the board of education to embark on a merit program with the superintendent and his fellow administrators either being ambivalent or opposed to the proposal. In only one of the districts studied were the teachers ever asked for input toward the formulation of the program.

   It is obvious that if a commitment is an important element of the program, that all of the people who will be involved in it should be consulted in the decision to initiate the system and in working out the actual guidelines. It is important to note that the board of education should seek advice from its employees in formulating the program. The board, however, cannot abrogate its legal responsibility as policy-makers to give the final decision regarding the plan.

2) The psychological climate of the organization must be good since it is directly related to the productivity of employees.

   In reviewing the five districts studied, it was evident that morale was very poor in many of the schools. In
these districts there has been a high level of turnover especially of first and second year teachers and a very high rate of absenteeism. In many buildings, there was evidence of intense rivalry in which teachers hesitated to share ideas with one another and failed to work together effectively. In one open space school which utilized team teaching and differentiated staffing, the merit program had created such a high level of dissonance that teachers began self-contained classrooms in a pod. The teachers feared sharing ideas and working together because the wrong person might get credit for an idea and thus benefit by receiving additional merit pay.

It is important that school districts have a building principal who is humanistic and can relate to teachers both individually and in groups. In educating today's students, the needs of each are so diverse as to mandate a group approach capitalizing on the talents of all members of the professional staff. It is through such a collegial approach to teaching that instructors can feel the most successful and achieve the highest level of satisfaction. If employees fear that the merit program is being used as a tool to eliminate their jobs, it will have serious ramifications for their productivity in the classroom.

In summarizing, districts which plan to implement a merit compensation program should seek principals who are good at human relations and very proficient in such areas
as curriculum and teacher evaluation. They must use their professional ability to make sure that merit pay does not stimulate rivalry and poor cooperation between staff members so that the real goals of merit compensation can be achieved.

3) The pay incentive plan must be based on a system of measures and standards which are reasonable and objective.

In many districts, there appeared to be a problem with teachers not being aware of the expectations that their immediate supervisor had placed on their work. The evaluation instruments were often poorly designed and attempted to measure many things which were not even part of the teaching process. In some districts, especially those which had a weak teachers' organization, the grievance procedure was very poor and would not be viable if put to a true test in resolving a conflict.

In districts which utilize the traditional salary schedule, evaluations which are reported in the narrative may be a good attempt to individualize the performance appraisal process. However, in merit pay districts, the specific criteria or expectations that are held regarding teacher performance should be explained to the teachers prior to evaluation. These criteria must be objective and observable so that the supervisor may assess if they have been achieved and to what extent. The evaluation will then become the major instrument for allocating the merit increases to staff
members.

In a different vein, it becomes the responsibility of the superintendent to work with the building principals to establish viable schedules for conducting evaluations and working out specific problems as they become apparent. It will also be necessary for inservice to be provided for principals on how to perform evaluations in the most effective manner possible. This inservice might be accomplished by sending principals to seminars or workshops or by having a consultant meet with the administrative council over a period of time to help improve the techniques of observation and reporting utilized by the principals.

4) Employees must be aware of the pay-off system and the workings of it.

In the districts studied, four out of five had mixed understandings as to the workings of the merit compensation program. Part of this problem is related to the dynamic and changing status of the merit program. It is common in school districts utilizing merit to change the program almost on a yearly basis when it does not achieve the desired results. The method of changing the system should be examined. If the principals and teachers are the individuals who are most closely associated with the program, they should participate in the decision to change or modify it. It is also necessary to make all of the members of the management team and the teachers aware of the changes which have taken place in the
program. This communication might be accomplished in a variety of different ways:

1) The board of education and superintendent might issue a joint communication which would explain all of the major changes which had taken place in the merit program and compare it with the system as it was formerly implemented.

2) The board of education might request that the superintendent meet with his administrative staff to go over the modifications that have been made and then delegate to him the job of holding building meetings to discuss the changes in the program and answer the respective questions that individual teachers might have.

3) A third and superior method would be to have a representative from the district office such as the superintendent or his assistant meet with all of the district's teachers at the beginning of the school year and answer questions. The benefit of having the district office handle this inservice would be that all of the teachers would receive this information from a common source and this would eliminate the chance of teachers obtaining different information especially regarding the process of evaluation that would be followed.

In trying to eliminate high turnover among teachers, it is very important to make new teachers aware of exactly how the merit program works and the ramifications that the program might have for them professionally and monetarily. If a teacher has serious reservations about joining a school
system which utilizes merit, it will be much better for all involved if the teacher seeks employment elsewhere.

5) A system of merit compensation should be simple in design and easy for the staff to understand.

The differences in the merit compensation programs studied can be considered within the range from overly simple to very complicated. In one district which utilized the purest form of merit, there was no evidence of a structure which is necessary to give teachers security in knowing what is expected of them and how the program will be managed.

In designing a system of this type, there should be a step-by-step procedure that notes expectations for those teachers who will receive merit increases and those who will not. This procedure might be outlined in the form of a flow-chart for the purpose of simplification. The program should not try to include procedures (no matter how unique) to rectify all problems. The unique problems that develop can be handled on an individual basis within the confines of the merit compensation policies which have been adopted by the board of education.

In a different way of simplifying the program, it might be valuable to have a time frame for making changes in the system. It is often the case that programs which were originally of a simple nature have been made more complicated by all of the changes that were made on an annual basis. Sometimes old guidelines are never officially deleted and staff members do not receive an explanation of the changes.
It could also be noted that most teachers consider it very important to know why certain changes were made in the program. If time is taken to explain the rationale behind the modifications, it will help prove to teachers that they are valuable members of the educational team and will solicit their support for the changes.

The following recommendations were made by analyzing the data obtained from the interviews conducted in the case study section. The five major categories given consideration are listed above the discussion and recommendations as to how these procedures might be improved.

A. Role of the Teachers' Organization

The role of the teachers' organization was given major consideration in this study. It was very interesting to note that four of the five districts studied had professional organizations which were not viable in working for the teachers that they represented. In the fifth district, there was a highly militant and organized teachers' group which has bargained collectively with the board for the past five years and has become more militant with each ensuing school year.

The four school districts which have experienced the elimination of their teachers' organization as an effective pressure group have all seen this change take place since the inception of merit compensation. Prior to the implementation of the merit system all four groups were more involved in dealing with the board of education than they are at the present time. The following is a summary of the reasons for
this change in the professional teachers' organizations in these school systems.

1) Merit compensation as a program tends to fragment staff members if not implemented in the correct manner. This fragmentation causes teachers to be more concerned in protecting their own interests rather than working for the common good of all of the district's teachers. If allowed to continue spreading, this general feeling of apathy may spread into the classroom and destroy teacher productivity rather than promoting it which is usually the reason for implementing a program of this type.

2) The goals established for the organization (school system) may be much different than those desired by individual teachers. As teachers move further away from group goals, it becomes easier for their main concern to be related only to the individual goals set for them by their immediate supervisor. The individualization of goals serves to create factions within the school and make it difficult to bind together to form an organization which will treat all teachers alike and work for their common benefit.

3) Merit pay may stimulate rivalry among some teachers who desire to surpass each other on the technical components of good teaching and thus earn higher merit increases than their colleagues. This rivalry again tends to create factions within the school which would make it very difficult for them to work together in the teachers' organization.

4) The most able teachers who possess high levels of leader-
ship ability and could lead the teachers' organization in an
effective manner are also the same teachers who are probably
receiving the highest level of merit increases. Thus the
capable teachers have no incentive to organize their colleagues
since they are already receiving the benefits that the other
teachers desire. A lack of effective leadership for the teach­
ers' organization is created because of the merit program.
5) The teachers who have not received merit increases are
often afraid that if they participate too much in the teachers' organization that they will be considered reactionaries and
will then find it almost impossible to raise their status in
the merit program. It is also evident that this fear is an­
other source of fragmenting the staff and creating membership
problems for the local teachers' organization.

The fifth district studied found its teachers much more militant since the implementation of merit compensation.
This situation was created for two reasons. First, the board
of education made the decision to allow the teachers' organ­
ization to be the sole dividers of the merit pot. This de­
cision represented an early victory of the teachers against
merit compensation and helped to prove to them that the or­
ganization was viable and worthy of their support. This ac­
tion by the board was an abrogation of its responsibility as
a policy-making body and has resulted in many of the present
problems they are experiencing. The second factor giving
rise to teacher militancy is the leadership of the organiza­
tion. The executive board of the teachers' organization has
remained virtually unchanged over the past five years, though individuals have changed positions. These teachers are located in the junior high school as are the majority of the district's teachers. Thus the nucleus of the organization and followers are in one strategic area and there are effective leaders in each of the feeder elementary schools.

It is important to note that the teachers' organization can be an effective partner in the educational enterprise. It is imperative, however, that the following be given consideration:

1) The board of education must accept the responsibility of clarifying the role that it plays as a policy-maker and outlining the specific duties of the administration and teachers' organization in the operation and planning of the school system.

2) The commitment that is necessary to assure success of the merit compensation program should pre-empt any attempts at unilateral decision-making. It should be noted that a collegial process of working with all of the individuals that are concerned with the education of children should take place before any big decisions are made which will affect the school system. It is important, however, to make sure that the roles of the board, administration, and teachers' organization are considered in their proper perspective when making decisions.

3) The teachers' organization can serve as a viable pressure group which can help establish a system of checks and balances and will assure that the board of education and administration
will treat the teachers in a fair and equitable manner.

4) If the school system does not engage in a program of formal collective bargaining, it is imperative that there be positive communication between the board, administrators, and teachers on a frequent basis. These sessions should not be limited to times when matters such as wage and fringe benefits are being considered, but should also include topics of an educational nature. This procedure might help to stimulate more significant dialogue and cooperation between these parties which often find themselves at odds.

B. Accountability and Merit Compensation

In almost all of the school districts studied, there had been little attempt to make local taxpayers aware of the fact that the teachers in their district received their salary based upon performance evaluation. Thus the board members who have instituted the program to show that the local tax money is being used in the most effective way possible have failed to complete the task they started. If people were aware of the working relationship that exists between teachers and their board, they would realize that this relationship often creates a better education for their children. The results would probably be more positive when the board of education had to seek rate increases to continue educational programs and provide adequate funding for the merit system. The key element here is communication which would make more community residents aware of the program utilized in their school system.
The following are some suggestions which might provide more effective public relations regarding the character of the merit compensation system:

1) A newsletter is often an effective tool to make local taxpayers, who often do not have children in the school system, aware of the educational programs and activities that are being utilized. It would be feasible to set aside one copy of such a newsletter for explaining what merit compensation is, how it is managed, and what the end result is for teachers.

2) Parent meetings held in the school regarding various issues such as building programs or the new curriculum that is being considered for adoption, is a good time to make residents cognizant of the care that is taken to spend funds in the best way possible. This communication would include making them aware of the performance-based system of compensation used with the certified staff.

3) In some school districts the use of teas or meetings in parents' homes provide board members, administrators, and teachers with an opportunity to discuss the school system and its programs and procedures. This informal atmosphere would provide an excellent time for a discussion on merit compensation.

4) In some schools there has been an attempt made to provide local residents with an opportunity to gain more information about their districts. In one system, the superintendent and principals remain at their desks for one hour per week
to answer questions about school programs or problems. This procedure will often help to avert rumors which would be harmful to the system, a specific administrator or teacher, or the teachers' organization.

The amount of money that needs to be spent to have an effective school public relations program is small when considering the benefits which may be yielded. If a school district is utilizing merit compensation for the purpose of improving instruction, but is not making the public aware of it, they are missing an important opportunity which may help them gain taxpayer support when needed.

C. Formalized Evaluation Process

The five school systems studied all have some type of formalized evaluation procedure. The major difference between each is the level of objective standards and criteria that are established prior to the evaluation. It is important that the school district make the teachers aware of the specific expectations that their supervisor has regarding their performance. If teachers are not sure of what is expected of them, then it is impossible to hold them accountable. One way of conveying these expectations to teachers is by pre-evaluation goal setting. Behavioral goals are set by the teacher and principal at the beginning of the school year. These objectives are realistic and readily observable by the supervisor who must determine if the goals have been met and to what extent so that a decision regarding
merit compensation can be made. It is through objective evaluation and extensive pre-conference planning that the end result of the evaluation process will not be a surprise to either the teacher or supervisor.

The question of objective standards of measurement and evaluation was covered earlier in this chapter in detail. This analysis will not be covered here for the sake of repetition.

D. Managerial Role In the Merit Compensation Program

In the five districts studied, the procedure and role of the board and administration differ greatly as to how the actual decisions are made to grant merit increases. In most of the systems the decision is made by the building principal who discusses the matter with the superintendent to obtain his approval. The superintendent retains veto power over the decision, but exercises this power infrequently recognizing that the building principal works with the teacher on a daily basis and is in the best place to make an assessment of teaching proficiency.

In one rural district, the merit decisions were made at an executive session of the board of education with each teacher's case being presented by the superintendent along with his recommendations. In this system it was often the job of the superintendent to validate the decisions that had been made.

The approach that appears to be the most viable and
is practical in one of the districts studied is to rely totally upon the assessment made by the building principal. Thus, while it seems to be the most effective procedure, it could experience problems if the principal is a less than capable leader.

The following recommendations might be valuable in creating a structure which will provide for the most effective determination of which teachers receive merit increases:

1) The role of the teachers' organization must be clearly delineated. The organization can have a dialogue with the board of education in establishing percentages to be applied to the "merit pot" or money allocated for increases. The organization can also serve as a pressure group in trying to get the board of education to establish fringe benefits which are needed by members of the teaching staff and which are also attractive to new employees in the district.

2) The role played by the board of education should be limited to the financial requests of the merit compensation program. It is imperative that the task of determining who receives merit increases be done by members of the administrative staff. This method will help to reduce the possibility that personalities will become involved in the management of the program.

3) The superintendent must provide the building principals with adequate time and support so they are able to make accurate objective assessments of teaching performance. These
decisions must be validated by data accumulated via the observation process and goal setting sessions. These assessments are then turned into merit increases for members of the professional staff.

4) The superintendent's role in the allocation process must be clearly defined. It is imperative that the teachers be aware of who is responsible for determining their merit increases. It is quite possible that the superintendent will desire to maintain his veto power over the principal's decision, but it should be used carefully. In the event of a difference of opinion, the teacher should be made aware of the fact that their merit was determined by the superintendent.

The major consideration in establishing a program of this type should be to assure objective evaluation and allocation of merit increases based purely upon the overt proficiency shown by the teacher. It is imperative that personalities and differences be placed to the side when determining the salaries of staff members.

E. Level of Financial Commitment

The level of financial commitment made to the merit program in the districts studied is a factor unique to the school system. In one district, the average merit increase was about 5% per employee. In several districts, teachers were given bonuses in addition to their regular salaries which amounted to approximately $300.00. An increase of
this type becomes insignificant after teacher pension and federal taxes are taken out of the bonus.

A district preparing to implement merit compensation must carefully analyze its fiscal resources. A school system which is involved in deficit spending will experience many problems in attempting to implement a program of this type.

One major consideration of school systems is whether merit increases should be cumulative or non-cumulative. This issue becomes very controversial since non-cumulative increases are so small as not to serve as a viable motivator for employees and may even become a source of dissonance. In school districts where the merit increases have been of a cumulative nature, the teachers are more satisfied with the funding of the program, but there may be far-ranging fiscal implications for the system.

The board of education must provide an adequate amount of money for the program to serve as a motivator for individual teachers. If this is not the case, discontent and unhappiness regarding the program will result. Some boards have initiated programs of merit compensation in the hope of saving money. In actuality, there appears to be evidence that the fiscal expenditure for teacher salaries is higher in a merit program than it is in districts utilizing a single salary schedule.

In reviewing the data obtained in this study, several
general recommendations have been formulated which can be of value for districts interested in a merit program:

1) The commitment necessary to make merit viable in the school district must come from all members of the educational team. The board of education is well advised to include teachers and building administrators in all phases of the planning. It is through such involvement that merit can eliminate the stigma that it is the "board's program" and become internalized as a system which will benefit all members of the school district. It is important to note that while the board of education can foster involvement by all of the personnel who will be included in the program, it must not abrogate its right and responsibility to be the policy-making body of the school district.

2) The psychological climate in the individual schools must be maintained at a level which will foster teacher-student creativity and involvement. There must be a cooperative spirit present which centers on students rather than personal differences related to the merit program. The teachers' organization can do much to help or hamper the school environment. In pursuing negotiations and modifications in the merit program, the procedures must be of a professional nature which do not include the personalities of individual teachers or administrators. The most important element in creating a good psychological climate in each building is the principal. It is the role of this middle management leader to deal with
people in a humanistic and professional manner. The teachers assigned to a given school must feel that their principal possesses the technical skills and sense of fairness to make the merit program work. The responsibility of providing effective leadership at the building level falls to the superintendent and board of education and this area is one that must receive their attention and review at least on an annual basis.

3) Districts must formulate objective evaluation standards and criteria for merit increases. It is through such objectivity that a level of consistency will exist between each building and the teachers will receive merit increases on a fair and equitable basis.

4) It is imperative that districts present all teachers with an annual or semi-annual inservice on the merit compensation program. This inservice will help assure that teachers are aware of the modifications that have been made in the program and provide an opportunity to ask questions. An adequate explanation of the program will also help foster understanding and the possibility of establishing a deeper commitment to the system. It is often a good idea to assign one administrator to perform this task since there would be a single source of information for all employees.

5) The teachers' organization should be considered as a viable group to give insight to the board of education prior to making a decision regarding merit pay. The organization,
which is often looked upon as an enemy of the board, really exists for much the same reason as the school administration and the board. The role the organization plays as a pressure group should not be limited to salaries and fringe benefits, but can also be a valuable tool in explaining to the community the workings of the school system and thus gain support for it.

6) The role that the board of education, administration, and teachers' organization have in the school system must be clearly defined. A cooperative effort can be generated when the complete scope, depth, and purpose of the board and teachers' organization is understood. It is through such an analysis that each party will stimulate dialogue, but not abrogate its responsibilities to either the taxpayer, board, or members of the teachers' organization.

7) It is imperative that communication of a positive and constructive nature exist between the board, administration, and teachers' organization. It is through such a positive relationship that useful information can be exchanged. The rationale for decisions made by the board and administration can be explained and hopefully become a source of commitment to all parties involved.

8) School systems which have a program of merit compensation must utilize good techniques of public relations to make local taxpayers aware of the program. School districts will often find taxpayers who work in industry, are accustomed to pro-
grams of this type, and who react in a positive manner. This support is very valuable when boards of education must seek rate increases to continue quality education in a time of declining enrollment.

9) It is important that building principals be provided with adequate time to make evaluations of certified teachers included in the program. Evaluation is essential in a performance-based program of merit compensation. The board and superintendent will be able to make the building administrators aware of their commitment to the program by providing the additional support so that evaluation may be performed in the most complete and fair manner possible.

10) The amount of money allocated on an annual basis for the merit compensation program must be sufficient to motivate staff members to increase their performance. If boards of education grant only minimal bonuses on a yearly basis, it may serve as a source of dissonance for the teachers and actually hurt their performance. In a similar manner, the board's attempt to provide sizable merit increases is another way that evidence can be given to the teachers regarding the commitment of the board and administration to the program.

Conclusion

Can performance-based evaluation coexist with the teachers' organization? The answer is a resounding "yes". An effective, constructive teachers' organization working with an administration that has clearly delineated goals and
the self-confidence to ask teachers for advice, can tap a valuable source for the benefit of the school district. The teachers' organization in such a setting could serve as a positive power to assure checks and balances within the system and work with the administration to make collegial bargaining possible.

This study has attempted to ascertain information about the relationship between performance and monetary rewards, as well as the thrust of the teachers' organization in either accepting or rejecting this concept. As a side effect, it has been noted that the present structure of schools may do more to cause boredom and apathy than stimulate creativity. It seems impossible to believe that a bright college graduate joining a school district directly after graduation, will remain as vibrant and dynamic after ten years when his role within the organization has remained static and is rewarded only for longevity and additional course work completed. We are forcing our most promising teachers out of the profession and into private industry where the work will be more challenging and the salary significantly higher.

Further study might prove profitable in the following areas of personnel management:

1) Job Enlargement
2) Job Enrichment
3) Collegial Decision-Making
4) Collegial Bargaining
5) The Role of the Teachers' Organization in Grievance Resolution

6) The Role of the Teachers' Organization in Participatory Management of a School District

The one caution to be noted in preparing to involve teachers in collegial bargaining and participatory management is that the board and administration cannot abrogate their legal and performance responsibilities as the leaders of the school system. The developing role, however, may be much more sophisticated with their main responsibility being consensus-building within the context of the school system's goals.
APPENDIX
Teacher Interview Sheet

Teacher ____________________
School ____________________
Grade __________

1) How would you describe the interpersonal climate as it exists in the building? Is it possible to attribute either the poor or good climate to merit pay? If the teacher has been at the school prior to the inception of merit pay, I will try to inquire about any changes in the climate that took place.

2) As a teacher, why do you think the board of education embarked on a merit pay program?

3) Has the local teachers' organization changed its scope of activity since the inception of merit pay? Is the teachers' organization viable in dealing with the board of education for salary increases and fringe benefits?

4) Who do you feel is responsible for the merit increases that you receive? Is it the board, superintendent, or principal who makes the ultimate decision? What do you feel is the role of the board of education in this process?

5) Do you believe that members of the staff are able to keep up with teachers employed by surrounding school districts in the amount of average salary paid?

6) Would you please explain the merit pay evaluation procedure and allocation of funds as it takes place in your building?

7) Do you feel that all of the teachers in your school understand this program?
8) What type of in-service do you receive on an annual basis regarding the merit pay program?

9) Provided that the merit pay program is continued in the district, what type of change do you think members of the staff would like to see?

10) If you feel that your merit increase was determined in an unfair manner, what are the procedures that you must follow to register this complaint?

11) Do you feel that your immediate supervisor (Dept. Chairman, Principal, etc.) has the necessary time and administrative support to make merit pay successful?

12) Do you feel that there has been an attempt to make residents of the district aware of merit pay as one method of seeing that the district is accountable to the taxpayer? If so, what vehicle do they use to achieve same?

13) Do you feel that members of the teaching staff in your school are satisfied with the merit pay program as it is presently being implemented? What suggestions do you have to motivate tenured teachers to improve their skills as teachers?

14) Is there an attempt made to communicate all information to parents regarding the fact that the teachers' salaries in your school are determined in part by merit? Is there an attempt to link the merit pay program to achievement test scores, improved performance in junior or senior high schools, etc?
Building Administrator Sheet

Person Interviewed _______________________

___ Number of years in the district since the inception of merit pay

1) Why do you feel that the district embarked upon a program of merit pay? Has this changed your working relationship with members of your school staff?

2) What is the role of the teachers' organization in working with base salary, fringe benefits, etc.? Has the teachers' organization changed in its philosophy or mode of operation since the inception of merit pay? Does the teachers' organization remain as a workable group since the inception of merit? Does the organization continue to work toward the same organizational goals that it did before merit?

3) Who is the person who makes the ultimate administrative decision (excluding the board of education) regarding the merit increases that staff members receive? What specifically is the role of the principal, board of education, superintendent?

4) Do members of the staff appear to be content with the base salary, etc. that they receive? Does the phenomenon of merit pay cause any problem in recruiting staff members to your school?

5) Who is responsible for explaining the merit pay program to new staff members? Do staff members receive in-service from the district office regarding changes in the program or is that considered part of the principal's role?

6) Do you feel that all members of your school staff have a thorough understanding of the merit pay program?
7) Do you feel that the merit pay program implemented in your district is dynamic and responsive to the needs of the district teaching staff?

8) What changes would you like to see in the merit pay program?

9) One of the basic rationales for employing merit is to show that the professional staff is accountable to the children and taxpayers of the district. Do you think that this is true? Why?

10) What is the actual process that is employed in allocating increases for members of the teaching staff? How often are evaluations performed? Do you feel that the instrument utilized is sufficiently objective enough to make the program viable? What are some strong and weak points of the program? How might it be improved?

11) What is the grievance procedure utilized by the teachers? Is this procedure developed by consulting with the teachers' organization? In the past two years, how often has this procedure been used by members of your staff?

12) How would you describe the psychological climate in the building? Do the teachers maintain an open and candid relationship with administrators and fellow teachers?

13) Has the board of education or district office provided you with any additional service or personnel to help you implement merit pay in your building?
Board Member Questionnaire

Name ____________________________
District Number ____________________
Position __________________________
Committee Member __________________

1) What was the reason that the board initiated a program of merit compensation for the classroom teachers? Was there a specific incident or reason that brought such a program to the board for consideration?

2) What is the board's relationship with the local teachers' organization? Has this organization's relationship with the board changed since the inception of merit pay? Does the board deal exclusively with the teachers' organization or is there a strong relationship between a state (IEA) or national (AFT-NEA) teachers' organization?

3) What role does the board play in the allocation of increases to staff members? How do you as a board member view the role of the superintendent?

4) Do you feel that your district must provide the teachers with a higher percentage increase because of the merit pay program? Have the increases since the inception of merit been approximately the same as those adopted by surrounding districts which have approximately the same size school system and comparable financial resources (equalized assessed valuation)?

5) What future modifications do you envision taking place in your district's merit program? Why do you feel that these changes are needed?
6) What is the actual process that the board uses each year to establish the amount of money expended for teacher salaries?

7) What is the role of the board in grievances that teachers may have regarding their evaluation and the amount of money that was allocated to them in the form of salary increases?

8) Do you feel that most teachers employed by the board understand the philosophical rationale for implementing a program of merit compensation? Do the teachers appear to understand the mechanics of the system that is used to determine the actual dollar amounts of their increases?

9) Has the board provided any additional help in the way of inservice or additional personnel to help building administrators implement merit pay?

10) Does the board make a concentrated effort to make residents of the district aware of the merit program through press releases, district newsletters, etc. Is there an attempt to link the merit program to performance on achievement tests, etc.?
District Office Interview Sheet

Person Interviewed ______________________

1) Average age of the faculty ______

2) Average number of years of experience that staff members possess ______

3) A brief summary of the socio-economic status of the community

4) The size of both the professional staff and the student body Ratio ______ (student/teacher)

5) What changes have taken place in the superintendency since the inception of the merit pay program?

6) What was the specific rationale or philosophical basis upon which the merit pay program was initiated?

7) What is the role of the teachers' organization? Does it have a role in setting teacher salaries or fringe benefits? Does the organization still work toward similar goals that it had before the implementation of merit?

8) What is the role of the superintendent in allocating funds to members of the district teaching staff? What role does the board play in allocating salary increases?

9) How does the base salary and the average amount of money expended for each staff member compare with districts which have salary schedules? What is the difference between the average and superior teachers in merit salary increases?

10) Does the superintendent feel that members of the district staff have a thorough understanding of the merit pay program?
11) What type of inservice was provided for both administrators and staff members prior to the initiation of merit pay? Is there an inservice program on an on-going basis in the district?

12) As district superintendent, what changes or modifications in the merit program do you see taking place in the near future?

13) Do you view merit pay as one tool that the superintendent and board have to prove accountability to residents of the district? How is accountability justified to the board members and taxpayers? Is there an attempt to link the merit pay program to such objective criteria as achievement test results, high school performance, etc.?

14) Is the merit pay program included in the A-160 plan of the district? If so, how is it related to the overall operation of the district? If this is included in the A-160 plan, I shall try to obtain a copy to study for myself.

15) What is the actual procedure employed by the district to allocate increases to members of the teaching staff? Who is responsible for the decision as to how much money each staff member is to receive? Is the evaluation only at the building level and performed exclusively by the building principal? What is the role of the district office in the decision-making process?

16) Has there been a need to add any additional building administrators to help implement the merit program? Has there been any extra support from the district office in order to relieve building principals of some administrative duties?
17) Do you feel that members of the teaching staff are satisfied with the program of merit compensation as it is presently being implemented?

18) What is the specific evaluation procedure employed to make decisions on merit pay? How often are the evaluations made and how are they reported to the teacher? Is there any evidence of goal setting? What is the role of the district office in making this allocation of funds? Documents that relate to merit pay will be obtained for study when possible.

19) What is the grievance procedure that is utilized when teachers do not agree with the amount of money that they receive through the merit pay program?

20) The following data will be obtained from the district office:

A. Copies of the board policies which relate to merit compensation

B. Explanation from the board and superintendent to staff members regarding merit compensation

C. The data will be collected to complete the chart which appears on the following page
<table>
<thead>
<tr>
<th>School Year</th>
<th>Percentage Increases Granted By the Board of Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-1971</td>
<td></td>
</tr>
<tr>
<td>1971-1972</td>
<td></td>
</tr>
<tr>
<td>1972-1973</td>
<td></td>
</tr>
<tr>
<td>1973-1974</td>
<td></td>
</tr>
<tr>
<td>1974-1975</td>
<td></td>
</tr>
<tr>
<td>1975-1976</td>
<td></td>
</tr>
</tbody>
</table>

* Denotes year of the inception of merit pay
BIBLIOGRAPHY
I. Books


II. Periodicals


III. Miscellaneous


**A New Look at Salary Scheduling.** Salt Lake City, Utah: Utah Education Association, 1966.


APPROVAL SHEET

The dissertation submitted by Edward Stephen McNally has been read and approved by the members of the School of Education.

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 with reference to content and form.

The Dissertation is therefore accepted in partial fulfillment of the requirements for the Degree of Doctor of Education.

Jan. 4, 1978  (Signature of Advisor)