

VIRGINIA ELEMENTARY PRINCIPALS' PERSPECTIVES
ON MERIT PAY FOR CLASSROOM TEACHERS

by

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DEDICATION

This manuscript is dedicated to the writer's wife,

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CHAPTER 1

Salaries for the teaching profession should be increased and should be professionally competitive, market-sensitive and performance based. Salary, promotion, tenure and retention decisions should be tied to an effective evaluation system that includes peer review, so that superior teachers can be rewarded, average ones encouraged, and poor ones either improved or terminated.

Report of the National Commission on Excellence in Education

INTRODUCTION

The subject of merit pay for classroom teachers is not new, having been debated with intensity several times during the past fifty years. The first known use of a merit pay system was in Newton, Massachusetts' public schools in 1908. Since that time, a number of programs have been initiated and, more often than not, subsequently abandoned.

It has been suggested that a relationship exists between the state of the nation's economy and this recurring interest in merit pay (Brinks, 1984, p. 21). While the studies reported so far do not necessarily confirm the relationship, it is true that some enthusiasm for merit pay developed during the 1960s (Schneider, 1983, p. 3), when an economic slowdown was experienced, and the current intense interest in the subject accompanies what will likely be recorded as this country's most serious economic slump since the Great Depression of the early 1930s.

According to Robinson (1983, p. 3), the use of merit pay for teachers peaked in the 1920s. Then it declined; in the 1930s and the 1940s, the single salary scale predominated. During the 1950s, there was a modest revival of merit pay systems with about 10% of the country's school systems employing them. Another decline began in the 1970s. When the Educational Research Service conducted a national survey in 1978, it found "only 4 percent of the reporting districts currently using merit plans for teachers..." (Merit Pay Programs, 1979). During the last two or three years, however, national commissions, congressional committees, state legislative committees, departments of education, parent-teacher associations, taxpayer associations, and all of the media have discussed merit pay for teachers. It would seem that everyone is informed about or at least aware of the system.

There have been many surveys on the subject of merit pay. By studying their results, one can, with some degree of accuracy, describe the opinions of superintendents, school board members, teachers, and the general public on the subject. At the same time, there is a dearth of information about the opinions of school principals on this issue. This information is important because principals are usually involved in evaluating teachers in merit pay plans. A survey of school principals was the only way to obtain this information with any degree of accuracy.

Purpose of the Study

The purpose of this study was to examine the perceptions of Virginia's elementary principals concerning the concept of merit pay for classroom teachers. The problem for investigation was: What are the attitudes of Virginia's elementary principals toward merit pay for classroom teachers?

Data was collected on respondents' perceptions of likely outcomes resulting from the imposition of a merit pay plan. This part of the survey addressed issues such as human relations, teacher motivation, quality of instruction, placement of pupils, teacher grievances, teacher morale, teacher turnover, and the attracting of people into the teaching profession.

Important to the basic research question was the for/against issue. While principals may not be involved in the final decision to proceed with a merit pay plan, they will very definitely play a large role in its implementation. This study sought an answer to the question of whether or not elementary principals favor or oppose the introduction of some form of merit pay into their school systems.

Despite the many forms merit pay may take, most proponents agree that any plan adopted must include a valid personnel evaluation system. The whole matter of who should be responsible for teacher evaluation has been of particular concern to teachers, and national surveys have indicated that they prefer this responsibility be assigned to the school principal (Rist, 1983).

The principal's willingness to assume responsibility for the evaluation of personnel resulting in monetary rewards is addressed by this study.

Traditionally, teacher organizations have opposed most forms of merit pay. A recent national survey suggested that teachers who are at a lower position on the experience index favored merit pay more than their colleagues at the upper end of the scale (Rist, 1983, p. 23). The opinions of elementary school principals regarding the degree of resistance to merit pay by various groups within the teaching force is reported in this study.

There are many different kinds of merit pay plans, the forms almost as numerous as the school systems using above-the-scale pay. This study examined the acceptability among principals of various types of above-the-scale plans.

In summary, this study was designed to investigate the issue of the elementary principals' perception of the feasibility of imposing a form of merit pay in the Commonwealth of Virginia. This issue was approached by considering the following research questions:

1. What do elementary principals perceive as the likely outcomes of the introduction of a merit pay plan?
2. Do Virginia's elementary principals favor or oppose merit pay for classroom teachers?

3. How willing are principals to become involved in the personnel evaluation process leading to merit increases in pay?
4. Which groups of teachers do the elementary principals feel will offer the most resistance to a merit pay plan?
5. What form(s) of above-the-scale compensation (if any) is viewed by elementary principals as the most acceptable?

Significance of the Study

With the exception of teachers, whose objectivity may be in doubt, school principals are in, perhaps, the best position to predict the feasibility of a merit pay plan. At the same time, a review of the literature suggests that research concerning their views of the matter has not been done.

School principals will undoubtedly play a major role in the evaluation of personnel that will determine merit pay increases. They will likely become involved in the settlement of grievances filed by teachers as a result of evaluations and subsequent distribution of rewards. The quality of education could be threatened and the principals' leadership role weakened through the introduction of a merit pay plan (Bacharach, Lipsky, & Shedd, 1984). For these reasons, it was the researcher's view that the elementary principals' opinions are significant and that they needed to be surveyed, recognized, and recorded. Making such data available will contribute significantly to knowledge in this field.

In addition, the survey was conducted in the Commonwealth

of Virginia where pay for performance pilot studies have received funding from the legislature (Rewarding good teachers, July 5, 1985). Virginia principals are likely to become involved in the consideration or implementation of a merit pay plan in the near future. Consequently, this survey may assist local school systems in designing Virginia's merit pay system.

Definition of Terms

The following definitions apply to terms used in this study:

Elementary School - Schools listed under the heading "Elementary" in the 1983 edition of the Virginia Educational Directory. This includes all combinations of grade levels, from kindergarten through the seventh grade, but does not include those schools that house only the grades 6 through 8 or grades 6 through 7.

Merit Pay - Monetary reward for performing contracted teaching services, but in a manner recognized by the administration as superior to that of others contracted for the same services.

Incentive Pay - Compensation beyond the basic scale for working toward personal or organizational goals, such as serving in a high priority location (a special school with a high concentration of educationally disadvantaged students, for example); accepting a teaching assignment in bilingual

education, special education, or some other area where a staff shortage exists; demonstrating outstanding attendance; pursuing professional growth by attending special inservice programs or earning extra degrees; or achieving a school's goal such as raising its test scores to a point higher than was predicted.

Differentiated Staffing - A system involving assignment of responsibilities with salary and rank related to duties, i.e., aide, intern or student teacher, teacher, team leader, or master teacher, etc.

Career Ladder - A form of differentiated staffing involving sequential steps such as probationary, career, senior and master teacher.

Above the Scale - Pay that exceeds the salary indicated by a salary scale based on years of experience and qualifications.

Extra Pay for Extra Duties - Contracted extra duties (i.e., coaching, bus duty, etc.) for which pay above the scale is received.

Limitations of the Study

This study was limited to an investigation of the opinions of elementary principals within the Commonwealth of Virginia.

Organization of the Study

This study follows the five-chapter dissertation design.

Chapter 1 includes the introduction, a statement of the problem, its significance, a definition of terms, and the limitations of the study. Chapter 2 considers, in some detail, the current literature on the topic of merit pay for classroom teachers and related material. Chapter 3 describes the methodology and strategy for collecting data along with the plan for analysis. Chapter 4 includes the analysis of the data, and Chapter 5 summarizes, draws conclusions, and makes recommendations for implementation.

Chapter 2

REVIEW OF THE LITERATURE

There is an eagerness to move beyond the alarming headlines to begin to rebuild, with confidence, the public schools. . . .If we do not seize this special moment, we will fail the coming generation of the nation.

Ernest L. Boyer, President,
Carnegie Foundation for Advancement
of Teaching, former U. S. Commissioner
of Education.

Conceptual History

Sources concerned with the history of merit pay for teachers invariably cite the plan introduced in the public school in Newton, Massachusetts, in 1908 as the first of its kind. In subsequent years, interest in such plans intensified and dropped off several times. A chronology of merit pay plans is included in one of Phi Delta Kappa's Hot Topics publication (Schneider, 1983).

- 1908 - First attempt at merit pay plan in Newton, Massachusetts; discarded as unworkable.
- 1920 - Merit plans reported to be common (salary based on training, sex, school assignment).
- 1930 - Peak of merit systems which diminish [sic] toward single salary schedules.
- 1940 - Study of merit plans indicated unreliability of measuring teaching efficiency.

- 1950 - Interest in merit pay reviewed [sic]. Task groups set up to study merit pay in North Carolina, Utah, Kentucky, and Tennessee.
- 1968 - Merit plans stabilized and began to decline. One third of systems in operation that were reported in 1958.
- 1973 - School Systems of 6,000 plus enrollment, having plans, fell to 5.5% after peaking to 11.3% in 1968.
- 1975 - Delaware, Florida and New York legislated plans for teachers and abandoned them as unworkable.
- 1978 - Educational Research Service study of 11,502 school systems indicated:
- 4% had a plan in operation
 - 4.7% were considering plans
 - 6.4% had programs which were not operating
 - 31.7% of discontinued plans lasted one or two years
 - 21.6% of discontinued programs lasted 3 or 4 years
 - 15.1% had a plan that was more than 10 years old when it was discontinued
- 1979 - Survey of systems (30,000 + population) indicated 170 having merit plans in 1959, but only 33 in 1979

1980 - Resurgence of interest in merit plans by larger school systems and state legislatures (p. 3-4)

Spurred on by the report of the National Commission on Excellence in Education entitled A Nation at Risk (1983), a national furor concerning merit pay reached a peak in early 1983. The simple phrase "so that superior teachers can be rewarded, average ones encouraged, and poor ones either improved or terminated (p.30)," became a focal point for government agencies.

By late 1983, the legislatures of 11 states were considering merit pay. At that time, three of those states had taken some form of action concerning plans, and eight others were studying a master teacher program proposal.

The concerns of A Nation at Risk were echoed in the Commonwealth of Virginia in the form of a resolution in the House of Delegates.

WHEREAS, widespread concern has been expressed throughout the Commonwealth about the educational foundation of students graduating from the public schools; and
WHEREAS, the General Assembly has endorsed the concept of quality education for all students and has recognized the crucial role of the teacher in providing quality education; and

WHEREAS, the Board of Education and the State Council of Higher Education, as well as numerous lay and

professional education associations, have expressed concern that conditions must be improved to attract and retain master teachers; and

WHEREAS, the General Assembly endorses the concept of recognizing excellence in teaching and believes schools should be encouraged to seek, attract, retain and reward individuals who demonstrate outstanding ability in teaching young people, Virginia's most precious resource; and

WHEREAS, the General Assembly has expressed its approval of the concept of rewarding public school teachers, who demonstrate superior teaching ability, through differentiated compensation; now, therefore, be it RESOLVED by the House of Delegates, the Senate concurring, That the Board of Education is requested to determine the feasibility of implementing a differentiated compensation system for outstanding performance in teaching. The Board of Education is further requested to submit its plan or plans to the Governor and the General Assembly during the 1983 session (Amendment, 1982).

The above resolution passed by the House of Delegates with the Senate concurring was an amendment to House Joint Resolution 93. The original proposal made by the House Committee on Education was worded just a bit stronger:

"the Board of Education to develop a plan or plans for implementing a differentiated compensation system for outstanding performance in teaching."

It would seem that interest in merit pay for teachers is cyclical. The current revival in interest appears to be more intense than that of earlier periods. There seems to be a particular political climate that will not be satisfied until merit pay programs become state law.

Relationship to Management Theory. The idea of merit pay for teachers has probably come from industry. Industry can speak of the merit in merit pay without apology. If the company shows greater profits, its employees will benefit accordingly. On an individual employee level, the process translates into production. If an employee is normally expected to assemble 200 small engine parts in a day and is able to extend that production level to 225, then, providing the quality is equal, that employee is clearly deserving of more pay than one who is only reaching the set quota. There is logic in this thinking, as the extra 25 parts assembled can easily translate into increased profit for that particular day.

Industry's interest in some system of motivation for individual employees is justified by a belief that employees generally produce at a rate somewhat less than 100 percent.

According to Small Business Report ("Merit Pay," 1981, p. 23), this rate is probably as low as 40-60 percent. While admitting that not all of this low rate is attributable to employee indolence, this source maintains that money used as a motivator can make a difference.

Using money to motivate employees is not necessarily universally accepted as the best way to motivate them, however. The work of Deci (1976) tested the theory of money as a motivator. Deci conducted a study in which subjects were assigned intrinsically interesting puzzles. Each member of the first group was paid the same amount just for participating. In contrast, a second group of subjects was paid according to successful completion of the puzzles or the avoidance of an obnoxious buzzer. In the first case, Deci found subjects working beyond the required time, suggesting that motivation was intrinsic. In the latter case, subjects "had less inclination to continue working on the puzzles voluntarily" (p. 61).

An interest in merit pay follows closely the development of management theory. According to Mibourn (1980, p. 34), it was Frederick Taylor, the father of scientific management, who first gave serious consideration to the study of the importance of pay. Taylor felt that man's extra energy could be tapped and that money could be used as a motivator.

As the era of scientific management passed, so did the interest in money as a prime motivator. The era of human relations, most often associated with Elton Mayo, emphasized co-worker interaction and other social aspects of the work place. It was assumed that people work or are motivated by factors other than money.

The work of Frederick Herzberg furthered the notion that workers are motivated by factors other than monetary rewards. In his motivation/hygiene theory, pay was listed as a hygiene with such other maintenance (hygiene) factors as company policy, administration, supervision, interpersonal relationships, working conditions, status, and security. In contrast, the motivators or satisfiers were more closely related to work content. These were intrinsic to the worker and included such things as achievement, recognition for achievement, interest in work itself, growth, and advancement.

An early Herzberg study found that pay ranked last among six factors related to employee satisfiers: job security, job interest, opportunity for advancement, company management, intrinsic job factors (feelings of growth/accomplishment), pay (Mibourn, 1980).

The Herzberg theory was applied in a teacher reward system as reported by Frase, Hetzel, and Grant in Merit Pay and Evaluation (Klein, 1984). In this Arizona plan, a relationship of the Herzberg theory to that of Abraham

Maslow's hierarchy of needs was noted, as the emphasis was on factors that perpetuate continued excellence rather than immediate short-term changes. Table 1 shows this curious relationship between Herzberg and Maslow.

This illustration has salary ranked low on Maslow's Hierarchy of Needs, along with "Psychological." At the same time, motivators such as advancement, responsibility, possibility of growth, achievement, and work itself are listed in the "Esteem" to "Self-Actualization" needs bracket.

One should realize that this relationship is Herzberg's interpretation since there was no collaboration between Herzberg and Maslow on this idea. Maslow saw low-level needs as basic human survival elements like food, clothing, and shelter. These are best provided for with money or salary. In fairness to Maslow, it should be pointed out that high-level needs in "Self-Actualization" could also be met by salary.

Herzberg's theory was applied in the Arizona plan in a reward system entitled Program for Excellence (p. 49). The results of this plan will be discussed later in the chapter.

In summary, if we are to believe that the work of Herzberg has meaning, then, as merit pay plans are adopted, it needs to be recognized that we are assigning our motivational resources to low-level needs. This may very well

TABLE 1
Maslow/Herzberg Needs Comparisons

Maslow's Hierarchy of Needs		Herzberg's Motivation/ Hygiene Needs Dichotomy	
High			
.	Self-Actualization	Work itself	
.		Achievement	Motivation
.		Possibility of Growth	Needs
.		Responsibility	
.			
.	Esteem	Advancement	
.			
.	Status	Recognition	
.		Status	
.			
.	School Affiliation	Interpersonal Relations	Hygiene
.			Needs
.			
.		Supervision	
.			
.	Safety (Security)	Company Policy	
.		Job Security	
.		Working Conditions	
.			
.	Psychological	Salary	
Low			

Note. From Merit pay and evaluation (p. 45) edited by Karen Klein, 1984, Bloomington, IN: Phi Delta Kappa. Reprinted by permission.

be where our resources ought to be divested, but certainly not to the neglect of those higher order needs such as work itself, achievement, possibility of growth, responsibility, and advancement. At the same time, by assigning our resources to merit pay, we could be saying that teaching as a profession will forever be described as fulfilling only psychological needs and that teachers will not reach the point in their careers when self-actualization can be a reality.

Current Interest

Why Now?

A very general observation could be made that the phenomenon of recurring interest in merit pay for teachers is fiscal and/or political with few roots, if any, in a genuine concern for students and learning.

A large part of the current furor over merit pay for teachers was generated by the report of the National Commission on Excellence in Education. While the membership of the commission was made up almost entirely of persons expected to have a concern with students and learning in common, the commission's work could not be removed from the world of politics. The commission was established by the Secretary of Education, who was appointed by the President of the United States, who had not shown great support for either public school education or even the

Office of Education. It was politically expeditious at the time to find education in a bad state of affairs.

As the flow of federal funds for education was slowed, state and local agencies had to look more carefully at expenditures. As the populace was already taxed to the limit, the choices seemed to be only to hold budgets to present levels or to cut them. The latter, in many cases, seemed the most appealing.

With education taking a large portion of state budgets and an even larger slice of local budgets, it would seem that a logical place to look for possible cuts and reforms would be in public school education. This critical look at the public schools came at a time when they were, perhaps, the most vulnerable.

In recent years, schools had begun to take on more responsibilities for solving the ills of society. Many of these reforms, while very appealing to special interest groups, were unpopular among the masses, thus making the schools a focal point for controversy. Citizens who were not interested in supporting public education did not have to look very far to find excuses to substantiate their negative feelings. Public funds were being expended to bus students out of the neighborhood, fund expensive special programs for the handicapped, pay teachers to teach students who had been expelled from school for disciplinary reasons,

teach students to drive automobiles, and teach a variety of other controversial classes such as death, sex, and English as a second language.

At one of the regional forums on Excellence in Education sponsored by the U.S. Department of Education, Roy Truby, Superintendent of Schools for the State of West Virginia, said: "In the 1960's, we tried to respond to every crisis in society. We had bad drivers and driver education. Drug problems, we had drug education. Sex problems, we had sex education. Environmental problems, we had environmental education. . . .Just-joking, once I made the comment that if we try to solve every social problem in our schools, we'll have socially adjusted, sexually balanced, loving, caring illiterates" (Report by the Secretary, 1983, p. 13).

At issue, also, was the newly emerging image of the teacher. The contemporary teacher, unlike the long-suffering, poorly paid, dedicated "marm" of the 1800s and early 1900s, was career oriented. Good salary was a must. It could no longer be assumed that a teacher's salary was simply an extra income for the family. Teachers were beginning not to beg for a good salary but rather to demand it through well-organized unions. This new image of the teacher did little to impress favorably those with the purse strings.

These same teachers came under attack as teacher

examinations became a requirement for entering the profession. Their scores were poor. As an example, one report indicated that on what could be considered elementary math in the California examination, 32% of the new teachers taking the examination failed. To pass this section, a teacher needed to only answer 26 of 40 questions correctly (Toch, 1983, p. 5). An even more depressing record was set by full-time teachers in that same state, 43% of whom failed the same test (p. 5).

Since 1980, Virginia has required that new teachers take the National Teacher's Examination prior to being granted a certificate. A minimum acceptable score was at first not set, but will be during the summer of 1984. The proposed standards for passing the test will more than likely be very low. Estimates on minimum passing scores to be set are ranging as low as the 37th percentile.

Clearly the quality of teachers needs to be improved, and merit pay and related evaluation procedures seem to be one means of achieving that goal. Merit pay could be used as a tool to eliminate the bad, encourage improvement in the average, and reward the best.

This issue of why merit pay now was addressed by the Houston Independent School District (HISD) in the Houston Plan for Educational Excellence (no date).

"The productivity of our public schools is at a similar

crossroad. While the access to education is greater than ever before, the quality or excellence of our public schools is in question. Public schools are perceived to have lost the competitive edge. Because our students will become the productive citizens of tomorrow, the HISD must begin in our schools to take 'action for excellence'" (p. 1-2).

The present nationwide interest in merit pay for teachers seems to reflect this concern for a return to productivity and excellence.

State Legislative Action

There exists not one statewide merit pay plan that is funded and functioning. At the same time, many states have studied the problem, proposed, and, in some cases, passed legislation. The model most frequently followed is that of master teacher/career ladder. This idea is favored and promoted by U.S. Secretary of Education T. H. Bell. Bell (1984, March 6) sees a parallel between public school teachers and college professors, stating that the structure of rank in teaching works in colleges and that it will, therefore, work in elementary and secondary education.

The master teacher/career ladder idea served as a model for several state plans that have received nationwide publicity in recent years. The Education Reform Act (1983) of the State of Florida speaks of "Meritorious

Personnel" in Section 19. This legislation establishes a hierarchy of associate master teacher and master teacher. The lower level requires a master's degree, four years of experience, documented superior performance, and outstanding attendance. Participation in this program is voluntary.

The Florida plan includes as evaluators a teacher, a principal, and "one individual, not employed by the school district, with special knowledge of the teacher's subject area" (State of Florida, p. 31). These three evaluators will be included on a districtwide team, implying that the principal on the team will not be evaluating the associate and master teachers assigned to his/her school. The local school principal would be responsible for initial evaluations to determine baseline eligibility.

A difficulty to be overcome is in establishing the initial evaluation team. Teachers are needed on these teams to evaluate their colleagues, yet such teachers would not have advanced to the level of master teacher and thus qualified for this work. Another irony in this plan is that in the 48 Florida counties that participated in a Teachers of the Year program, "only 36 percent of the honored educators would be eligible to apply for merit pay under the new plan" ("Florida Conference," 1984, p. 655).

In one county, four of five Teachers of the Year would be ineligible because they do not have master's degrees.

The Better Schools program in Tennessee includes a Master Teacher - Master Administrator section (State of Tennessee, 1983). This section (49-15-102) establishes a hierarchy of teachers in four stages: apprentice, professional, senior, and master. The descriptions of these levels are similar to other master teacher programs, but principals are also ranked. The hierarchy for principals is: principal, provisional principal, senior principal, and master principal.

The key in instituting the Tennessee program has been the drive of Governor Lamar Alexander. He insists that the heart of education's problem is the fact that "not one state system pays one public school teacher one penny more for doing a good job teaching" (Alexander, 1983, p. 2). According to Governor Alexander, a great deal of the blame for the condition of public education today is due to the changing job market for women. In the past, women were allowed only the jobs of teaching. Because of this large pool of talent being concentrated into a single job market, quality teaching was more likely. Today, many of these women can find good paying jobs and are no longer dependent upon teaching for a livelihood.

A more generalized approach to improvement of teaching

was that of the State Board of Education in Connecticut (Connecticut's Challenge, 1984). While the establishment of ladders is mentioned under the issue of attracting high-quality individuals to education, it is but one of eight recommendations. As in many states, the Connecticut board recognizes the need for first making teachers' salaries comparable to those with similar skills in the private sector. A very interesting part of this report concerns itself with education loans to promising high school seniors (top 25%) who plan to enter the field of education. The loans of up to \$5,000 per year are to be excused after five years of successful teaching in the state.

A general concern that is frequently expressed is included in Turning the Tide (1983), Pennsylvania's response to the call for excellence. "The public no longer is in a mood to support the same level of pay for every teacher, when the performance of some teachers so obviously is superior to the performance of others" (p. 18). This theme runs throughout program designs. Whether or not it is simply political rhetoric, those with the purse strings seem to be saying that they are willing to pay more for excellence, but not more for the same type of teaching that we have experienced in the past.

Secretary of Education Bell has predicted that merit pay will be commonplace by the end of the 1980s. He expected

that one-half of the state legislatures will consider merit pay plans this year ("Merit pay: Complex," 1984). Education Week ("State policies on master teachers." 1983, August 17), reported that 3 states had established policies on recognition of outstanding teachers, 10 had enacted legislation on extra pay for supervising teachers while only 2 had established a policy on extra pay for outstanding performance.

According to The Nation Responds (U.S. Department of Education, 1984), by May 1984 a total of 24 states were considering or had proposed state initiatives concerning master teacher/career ladders. At the same time, 6 states had enacted or approved such initiatives, including California, Florida, Idaho, Illinois, Tennessee, and Utah.

A warning against statewide plans comes from one of the nation's most successful local plans. John Shaughnessy, Associate Superintendent of the Ladue, Missouri, school district, says instead that "they [merit pay plans] need the commitment of the school district and the community" (Ladue Evaluation, p. 143).

Successful Plans

While it appears that problems in teacher merit pay plans often lead to their demise, some programs are successful. In selecting a few such plans for discussion, diversity was the criterion. The four plans discussed represent

the general spectrum among existing programs in the country.

The Houston plan was chosen as it best represents the incentive idea. While merit is considered, it is only a small part of the plan. A merit program known only as an Arizona Plan was chosen because of its base in motivational theory. It also serves as a contrast to others in the involvement of the principal in teacher assessment. The Lawnview plan, whose exact location was undisclosed but later discovered, was chosen simply for its longevity. This program has been in existence for more than 30 years. The final program for consideration is that of Virginia Beach, Virginia. This program has been in existence for nine years and has greatly influenced the structure of the proposed program for the Commonwealth of Virginia. It combines the idea of master teacher and merit pay.

Houston Independent School District

The most talked about merit pay plan is, perhaps, that of the Houston Independent School District. This plan, entitled The Second Mile Plan for Teachers (Houston Independent School District, 1981), is by its own definition more rightly called an incentive program. With the possible exception of category five, it fits the definition established in this paper for incentive pay.

In the Houston plan, awards are made in six categories

for which school personnel may apply after meeting certain baseline requirements. The categories are:

1. High-priority location. Teachers willing to teach in schools with high concentrations of educationally disadvantaged students are eligible for \$2,000 stipends.
2. Critical staff shortage. High school mathematics and science teachers are eligible for \$800 stipends. Stipends for special education teachers range from \$600 to \$900. Bilingual education teachers may earn an extra \$1,000.
3. Outstanding teacher attendance. Teachers who are absent five or fewer days during the year may trade in their unused leave days at a rate of \$100 per day.
4. Professional growth. Teachers who complete college courses in curriculum areas related to their teaching assignment or who voluntarily attend inservice classes operated by the school system are eligible for stipends. For each six-hour block of college coursework (or 72-hour block of approved inservice training), the stipend is \$300.
5. Outstanding educational progress. Test score

averages for each school site are predicted on the basis of previous academic achievement and a number of other factors. If the school's average score exceeds the predicted score, each eligible teacher receives an \$800 stipend.

6. Unique campus assignment. Teachers who teach at a campus for which no test data are available--either because the students have not been at the school long enough to be tested or because the students are not able to be tested using standardized tests--are eligible for stipends ranging from \$450 to \$750 (Miller & Say, 1982).

All six would be considered an incentive plan except number five, educational progress. This very interesting category is merit pay but applied to a whole school as opposed to individual teachers. It blunts opposition to individual teacher plans.

A report after three years of this carefully developed program revealed success in improving academic achievement, reducing teacher vacancies (613 to 376), decreasing critical staff shortages (251 to 186), reducing teacher turnover in high priority schools (18.2 to 15.1), and reducing teacher absences (9 days to 7.6). The average stipend per teacher was reported as \$936, for a two-year total of \$11 million.

The Second Mile program is now just one part of a larger, seven-component plan for educational excellence in Houston that involves the student, parents/community/businesses, and the HISD staff in staff improvement (The Houston Plan, no date, p. 3).

The school principal's involvement in the total process is to sign off on the teacher's application for a stipend. By doing so, the principal validates the teacher's compliance with nine baseline requirements. Of these baseline requirements, one involves the principal's evaluation of the teacher. However, his/her evaluation is just one part of the performance assessment. It should be noted that the principal's role in the HISD incentive or merit pay plan is minimal.

An Arizona School District

A somewhat successful program in an Arizona school district mentioned earlier in this chapter, differs from the Second Mile plan in two very fundamental ways: the principal's role in teacher evaluation and the type of reward.

First of all, unlike the HISD plan, the principal's role is a key one in the Arizona plan. Of the several assumptions made, the most significant is that "competent administrators are capable of identifying excellence in the classroom" (Klein, 1984, p. 48). The program assumes the principal to not only be competent in evaluating instruction

but to have the legal responsibility. A tone of autocracy in the entire program design seems to disregard teacher input. The researchers stated, "A decision was made to avoid the rigorous and conflict-laden process of governance by committee, identifying universally acceptable criteria of excellence, or setting parameters for the reward system" (p. 48).

The second difference-type of reward is based on the theories of Herzberg and Maslow. Recalling Table 1 from earlier in the chapter, we see how low monetary rewards rank as motivators. Based on this premise, a variety of awards are offered by the Arizona plan almost solely for teacher performance in the classroom. Outside the classroom contributions receive only minor consideration. The awards are out-of-state professional conference attendance and computers, and other instructional materials for classroom use. Cash awards are also listed, but are only one of several possibilities.

Teachers are allowed to choose, with their principals, the award they wish to work toward. The results supported the Herzberg theory, for the awards most often chosen were conference attendance and long-sought-after classroom materials.

Another unusual aspect of this somewhat successful program is the distribution of funds. Unlike other

successful programs, the decision was made to divide available funds proportionately among schools, each one to have a certain number of teacher awards. This kind of distribution of funds is typically opposed by teacher organizations.

While the theoretical base in the Arizona plan makes it interesting, it should be noted that the researchers' report was written at the end of the first year. Typically, plans such as this are subject to adjustment and even dismantling after several years. The school board and community must have judged the plan successful, however, as a 50% increase in funding was appropriated after the first year.

Further research revealed that this plan, referred to by researchers as an Arizona school district, was actually that of the Cataline Foothills School District in Tucson (Frase, Grant & Hetzel, 1982).

Lawnview

Lawnview, described only as a "small affluent district in the suburbs of a major metropolitan area in the Midwest" (Cohn & Natriello, no date, p. 3), devised a merit pay plan during the revival of interest in merit pay in the 1950s. Its 30-year history makes this program unique, not only in longevity but in the records kept over the years, which allow for intensive investigation.

After recognizing five basic arguments supporting traditional across-the-board salary increases, the superintendent who launched the new plan raised two objections:

1. In our capitalistic economy, individual endeavor is judged primarily on the basis of effectiveness and performance and is usually rewarded by the payment of appropriate salaries. . . .To disregard. . . . the effectiveness of teaching in determining salary advances is in conflict with the principles of our economy and will tend to handicap the schools in meeting their obligations to our society.
2. A salary schedule which provides increments on the basis of experience and training alone does not provide sufficient incentive for teachers to improve. This is particularly true when the maximum salary is comparatively low and the increments from minimum to maximum salary are small. Also, many people of superior ability have been discouraged from entering the teaching profession because competency has not been considered in determining salaries (p. 5).

Unlike the Arizona plan, Lawnview built in teacher

involvement. A committee on teacher evaluation was established to maintain a continuous evaluation of the program and recommend changes. This committee consists of representatives from each school, one administration staff member elected by the principals, and the superintendent.

While the structure of the program is fairly rigid with building-level meetings a mandatory requirement, a buddy system, and an annually revised handbook, the principal's role is very flexible. Higher levels of administration and the school board are interested in results with regard to the principal's role, and seem to protect his/her autonomy. Principals are encouraged to be creative in the teacher evaluation process. Procedures recorded by researchers ranged from one principal's sitting down at least once every other week with each teacher, to simply monitoring the use of certain materials, to a clinical supervisory technique.

This merit system employed the use of a point system. In addition to regular increments, teachers could expect a \$600-\$1,000 add on, based on points achieved. It was discovered that nearly all teachers received the maximum bonus of \$800, with the \$1,000 award being reserved for very special meritorious service. Because of this wide distribution of awards, the legitimacy of the program has been questioned. One administrator responded by stating

that teachers in the system did not represent the standard cross-section of American teachers. Because the teachers were better, the increments could not be expected to be an even distribution.

Researchers Cohn and Natriello (no date) recognized that the Lawnview program was successful but were reluctant to predict that this model could be adopted with equal success at other locations. However, they did list several "ingredients which could enhance the viability of an attempt to implement merit pay programs" (p. 35). These were careful planning, voluntary participation, well-trained administrators, a responsive organization, a relatively homogeneous community, and financial resources. Of these six, careful planning seemed to be the most important.

The Lawnview program shows a willingness to adjust the program to reflect the concerns of all involved. There is readily evident a trust in the principal's ability to carry out his/her professional responsibility.

Further research into the Lawnview program revealed that Lawnview was a code name for the school district of Ladue in St. Louis, Missouri. This fact was confirmed in a telephone conversation with Charles McKenna, Superintendent of the Ladue Public Schools on July 3, 1984.

Virginia Beach

The influence of the Virginia Beach plan can be seen in the Commonwealth of Virginia's Master Teacher/Career Ladder plan. This influence was predictable, as the Virginia Beach School District had been successfully employing the use of merit pay for nine years, making it the oldest program in the commonwealth. In addition, E. E. Brickell, Superintendent of Schools in Virginia Beach, was one of two division superintendents on the Governor's task force studying merit pay (Governor's Special Advisory Committee, 1983).

While the Commonwealth of Virginia has a four-step plan, Virginia Beach reaches the top tier in only three. With the recent modification in step one and two pay increase, the commonwealth has essentially eliminated one step and, therefore, matches the Virginia Beach plan step-by-step. Table 2 compares these two programs.

The Virginia Beach plan makes no pay differential in pay scale between probationary and continuing contract teachers, whereas the Virginia plan would offer step-two teachers \$3,000 more, over and above the regular plan scale. The Virginia Beach plan offers step-three teachers \$3,350 plus regular step increases, while the commonwealth plan would boost the final tier to \$5,000. In drawing these comparisons, one should note that the Virginia Beach School

TABLE 2

Similarities of the Commonwealth of Virginia
and the Virginia Beach Plans

	Commonwealth	Virginia Beach
Step 1	Probationary/Career	Probationary
Step 2	Senior: + \$3,000	Continuing Contract: No extra \$\$
Step 3	Master: + \$5,000	Career: + \$3,350

District is, in fact, operating a system, while the commonwealth has merely approved the plan of the Governor's task force. There has been no funding of the state Master Teacher/Career Ladder plan.

The Virginia Beach plan was organized in 1974, beginning with an agreement between the school board and the teachers' union. According to Superintendent E. E. Brickell (1984), "Teacher union participation is vital to the success of any such salary plan" (p. 31).

In the Virginia Beach plan, moving from probationary to continuing contract is fairly routine, as it is in every county in the commonwealth. The difference between Virginia Beach and other plans occurs in the third tier. Minimum requirements for this step include: (a) a college-level professional teaching certificate; (b) eligibility for the continuing contract salary tier; (c) satisfactory assessments in two previous evaluations with commendations clearly reflecting career teacher status; and (d) demonstrated involvement in professional activities over a period of at least three years (p. 31).

Recognizing the typical objections to such plans because of the subjectivity of evaluations, the Virginia Beach plan has built in an appeals procedure. This provision is credited with gaining the teacher support necessary for the program.

Changes in the Virginia Beach plan are forthcoming, which will split the top tier. The top tier will be called career teacher. The lower portion of the top tier will be much like the old career step. Added will be the master teacher level. Requirements for this pinnacle will be five years as a career teacher and demonstrated skill in observing, assisting, and evaluating the performance of other teachers. The top level will provide salary increases of from \$3,600 to \$4,500 annually. In addition, extended contracts will be offered up to a full 12 months.

Virginia Beach feels that its system is working well. The superintendent is certain the program is attracting new teachers and retaining the present ones (p. 40).

A telephone request for information on this program was routed to their personnel office. According to that office, the only information available is a two-page document, Requirements for Placement on the Career Teacher Schedule (1984-85). Attached to this list of requirements was a three-page teacher application.

The Virginia Plan

The plan for the Commonwealth of Virginia was developed by a Governor's task force. According to Cox ("Robb names panel. . . .", 1983), this task force included a former president of the Virginia Congress of Parents and Teachers,

two school superintendents, a teacher and a dean from the Virginia Episcopal Schools, four public school teachers, a secondary principal, a local school board member, a delegate from the House Education Committee, two lawyers with a professional interest in education, an economics professor, a banker, a state senator, and the president of the State Board of Education. In addition, consultants to the task force included two university deans, an official of the Department of Education, and a nationally known consultant, George Redfern. John Jamison of Williamsburg also served as a consultant but was not mentioned by Cox. The total task force including consultants and cochairmen consisted of 25 members. Only one principal had been named, and that member was from a secondary school. No elementary principal was named to the task force.

The final plan, reported from the task force, took the form of differentiated staffing and was entitled Master Teacher/Career Ladder. The task force had been asked to find ways of identifying "master teachers", ask the various school divisions to submit plans for piloting merit pay plans, and make recommendations to the Board of Education on which plans should be funded.

While school divisions were encouraged to work on plans, many would have difficulty getting past the prerequisites listed by the task force. These include:

1. Base salary schedules must be improved.
A Career Ladder plan must not be adopted at the expense of an improved regular salary schedule.
2. Local evaluation systems should be reexamined with the involvement and participation of those affected by the plan including teachers, parents, students, administrative personnel, and other appropriate persons.
3. A local Career Ladder plan will be developed cooperatively by teachers, administrators, and the community.
4. Eligibility and selection shall be determined on a nondiscriminatory basis.
5. Local school divisions should develop a comprehensive training program for the local evaluators.
6. Statutory provisions regarding teacher status apply.
7. Local school divisions should have ongoing staff development programs which address the identified needs of the faculties.
8. Local school divisions will undergo periodic evaluation of their Career Ladder plan (Master Teacher Plan, 1983).

The title Master Teacher Plan and Career Ladder is somewhat deceiving. It is not two plans, but rather one is a possible goal while the other is a means of achievement. In other words, there are steps in the career ladder leading to the apex of master teacher. The steps are four in number: probationary, career, senior, and finally master. Originally, the plan called for an increase in pay over and above the regular step at each level. This plan has been modified, so that there is no increase in pay from probationary to career. After that point, there would be an increase of \$3,000 from career to senior, and a \$5,000 increase from senior to master.

The plan has similarities to plans for differentiated staffing and extra pay for extra duties at the senior teacher and master teacher levels. The plan states that senior teachers may have longer working days and/or extended contracts. At the master teacher level, extended contracts are required.

Recognizing that there may be very competent teachers who do not wish to assume extra duties and extended contracts, the plan will eventually include a pay-for-performance component. It is in this part of the plan that Virginia has its largest concern. Since the task force was not charged with responsibility for developing a pay-for-performance plan, it was decided that school divisions would be allowed

to submit proposals for piloting at the division level. The rather unrealistic figure of \$250,000 was appropriated. The task force was to recommend which plans should be funded.

The announcement to school divisions concerning pay-for-performance pilots, in addition to the general project requirements such as time limits, evaluations, etc., included a definition and goals. The definition of pay-for-performance was established as "an award made to individual teachers or groups of teachers in recognition of unusually effective performance" (1983).

The goals were to include but not be limited to the following:

1. Explanation of the manner in which the plan was developed, including an indication of those persons or groups involved in the development of the proposal;
2. Indication of the way by which "unusually effective performance" will be measured;
3. Indication of the forms in which the award will be made (monetary, leaves of absence, professional development grants, etc.);
4. Indication that the proposal has taken into consideration factors which cumulative experience indicate [sic] are necessary for the

success of performance pay plans;

5. Indication of the manner by which the effectiveness of the plan will be evaluated, including the criteria to be used;
6. Indication of the criteria upon which the financial component was developed, including awards and administrative costs;
7. Indication of the local contribution of the school division, both in-kind and monetary (Commonwealth of Virginia, 1983).

By the deadline of May 1, 1984, a total of 12 projects had been submitted by a like number of school divisions. While some projects may have been for a single school, all submitted were by school divisions.

The special advisory committee recommended a total of five plans to the State Board of Education. A sixth plan was recommended, dependent upon the availability of funds after July 1, 1984.

School divisions receiving grants were Fairfax County, Virginia Beach City, Campbell County, Hopewell City, and Orange County. Approved contingent upon fund availability was a project in Prince William County ("Board Hears Proposals," June, 1984). Grants approved were at approximately \$50,000 each ("Rewarding Good Teachers," 1984).

The task force report to the Governor contained a minority report prepared by the four public school teachers on the committee. There were five points covered in this minority report:

1. Basic salary increases are needed before merit pay is considered.
2. Quotas regarding the number of master teachers should not be included as a part of the plan.
3. Master teachers should not become quasi administration. Good teachers need to remain in the classroom.
4. Teacher involvement in merit pay plan development will consist of administrators selecting teachers to participate who would either agree with administration or at least not be vocal about their disagreement.
5. There was a fear of a limit being placed on the number of teachers at the master teacher level. The public would think of all others as unfit to teach. The result would be low teacher morale (A Minority Report, no date).

In summary, the Virginia plan fits the definition of differentiated staffing. The major points made by the task force charged with the responsibility for developing the plan were that base salaries need attention before

considering a master teacher plan, some "good" teachers may prefer not to advance to senior and master teacher levels but should not be punished with less pay, personnel evaluation systems need to be considered, and all plans must be cooperatively developed.

These points are not inconsistent with those of successful programs.

Common Elements of Success and Failure

If the decision of whether or not to implement a merit pay plan for teachers was based solely on a literature review, then there would be very few merit pay plans. And, yet, there are plans that seem to be working, and have been for as long as 30 years. It would seem that some common elements must exist in the successful plans that are absent in those judged unsuccessful.

The Educational Research Service (ERS) completed an extensive review of merit pay plans and among its considerations was that of success and failure (Review of the Literature, 1979). Under prerequisite criteria on successful programs was a concern for involvement of all affected parties during the developmental stage. This would include teachers, administrators, the school board, and the community. Plans that are mandated upon teachers "have failed completely" (p. 7).

Related criterion was that administrators must give the plan a high priority. There must be a united commitment to its success.

Other prerequisite criteria listed by ERS were:

- (a) Objectives must be to improve instruction, not penalize poor teachers. The plan must be articulated clearly on this point.
- (b) Trust must exist among all those involved.
- (c) Research must be done on successful programs in similar circumstances. As a general rule, plans are not adoptable from one school system to another.
- (d) Limits on numbers of rewards available should not be set.
- (e) Evaluation of the plan itself should be continuous.
- (f) Development of the plan needs to move slowly with all points considered.
- (g) Continuity from year-to-year needs to be considered. Having established a plan, then dropping it and applying it again causes morale problems.
- (h) Orientation of new teachers must be completed.
- (i) Initiation of the plan ends the school board's role. No second guessing of the

administration should be done.

Under the evaluation process, 11 items for consideration in successful programs included:

- (a) Evaluation needs to be objective. Evaluation should not be based on the performance of others.
- (b) Evaluation should be continuous and by a team of evaluators.
- (c) Confidence in the evaluator's ability should be expressed by teachers.
- (d) Achievement of pupils should be measured by standardized tests administered by the guidance department, if achievement is to be a criterion of teacher evaluation.
- (e) Training of evaluators is important.
- (f) Evaluation results should be statistically valid and standardized.
- (g) Conference should be held with teachers as an evaluation follow-up.
- (h) Evaluation of teachers requires time, so adequate staff must be employed.
- (i) Evaluations of superior merit should stand for only one year.
- (j) Merit rating must be two-way. Administrators need to be evaluated on how well they evaluate.

(k) Procedures for appealing evaluations must be provided.

A third area for consideration in successful programs was that of financing. In this area, it was noted that attention needs to be given to adequate funding, substantial rewards, good base pay, and due consideration for all aspects of the financial outlay. In addition, it should be emphasized that merit pay is not a money saving device, but "will cost more than a regular salary schedule" (p. 9).

In cases when merit pay plans have been unsuccessful, a portion of one of the common elements identified above was ignored. In contrast, where all or most of the above were carefully considered, the programs were successful.

The program with the longest history in this literature review was that of Lawnview or Ladue. This program, for the most part, provided for each of the above listed criteria. One of the two-part keystones of the Ladue program, like that found to be most important in the ERS report, was improvement of teaching or instruction. A second part was added to the Ladue merit plan, that of evaluation for placement on the salary schedule (Ladue Evaluation and Salary Program, 1982, p. 4). The idea of evaluation for initial placement is an individual school district problem, and may not be of particular concern to another system considering merit pay.

The evaluation process appears to be one major area of concern and one that can easily cause failure if neglected in the design phase. Successful programs that require and place a degree of importance on principals evaluation of teachers speak to the areas of evaluator training, objectivity, and orientation of new personnel to the evaluation process. As programs become more incentive based and less pay-for-performance based, the role of the evaluator and the evaluation process seems to decrease in importance. Such is the case in the Houston plan.

In an ERS survey, it was discovered that 6.4% of the schools responding reported that they had implemented, and then discontinued, a merit pay plan. The two primary reasons given for discontinuing were difficulty of administration (evaluating teachers fairly) and low morale because of teacher unhappiness with the whole concept of merit pay ((Merit pay, 1981). Teachers seem to reject the idea of merit pay individually and collectively, and both NEA and AFT unions have position statements rejecting the notion.

The rejection of the notion of merit pay points, again, to the need for cooperation in the developmental stages. As noted in the Virginia Beach plan, union endorsement was sought and received before the plan was put into effect. At the same time, the continued success of the Arizona

plan is doubtful because the idea of cooperation was rejected in the developmental stages. From the experiences reported in the literature review, one could, with a great degree of confidence, predict the demise of the Arizona plan in about three years unless basic improvements are made in the area of cooperation among those involved in the plan.

In summary, there are common elements among successful and unsuccessful plans. Paramount considerations appear to be cooperation among all parties involved in development of plans, a well-understood and communicated evaluating system based on criteria as objective as possible, the careful training of evaluators, adequate funding with an unlimited number of possible awards, and a basic purpose of improving instruction.

Relation to Industry

Discussions on merit pay for teachers often lead to comparisons with industry. A brief review of the recent literature suggests that industry has some of the same difficulties in its merit compensation programs. While the concerns range from dehumanization to profit taking, the focus in industry, as in education, is apparently on results. At this point, industry and education are perhaps the most comparable. Both are seeking results: one for

profit, and the other to improve instruction or learning.

At the same time, these very goals may be what makes the two incomparable. According to Carver and Sergiovanni (1973), there are several unique factors in education that make it dissimilar to other sectors, including "an interesting paradox. Schools suffer from goal ambiguity. Although the stated goal of the school is to provide learning experiences for children and youth -- and no citizen or administrator would challenge this general goal -- yet the means by which it is to be accomplished are not universally agreed upon. Indeed, considerable confusion ensues when a group attempts to define what is meant by this goal" (p. 135). This goal ambiguity does not exist in industry. Industry's goal is indisputably profit, and the disagreement is only on whether the dollars spent for an employee benefit will eventually result in more profit, a readily evident and measurable commodity. In education, there is considerable disagreement on exactly what the goal should be and a very large disagreement on how to measure it once it is achieved.

In the examination of recent literature concerning the problems of industry in merit and incentives, two areas were considered: motivational designs and results.

Motivational Design

The point that industry is single-minded in its goal of profit has been made. The objectives that need to be

considered in any compensation plan then become secondary. For example, if it is established that employee absenteeism is a problem and that it is somehow related to a drop in company profits, then incentives need to be set that would result in better attendance. If production is down, which means lower profits, then incentives would be set with minimum production quotas and bonuses for production above those minimums. A careful balance must be maintained between management goals and employee needs.

In applying rewards and incentives, industry has recognized the work of Maslow as has education. The difficulty in applying Maslow to employee incentives is that employees engaged in the same tasks may be functioning on a different needs position on the hierarchy scale. This point is well made by Connellan (1978): "The amount of effort we exert in fulfilling a need corresponds directly to the degree with which that need has been met" (p. 45). Figure 1 illustrates this point.

Therefore, in the design phase, industry must consider the differences between company and individual goals. Once individual employee's goals requiring a great deal of money are met, then motivators for individuals should be changed. At the same time, industry's goal of more profit has remained constant.

There are examples of industry having recognized this

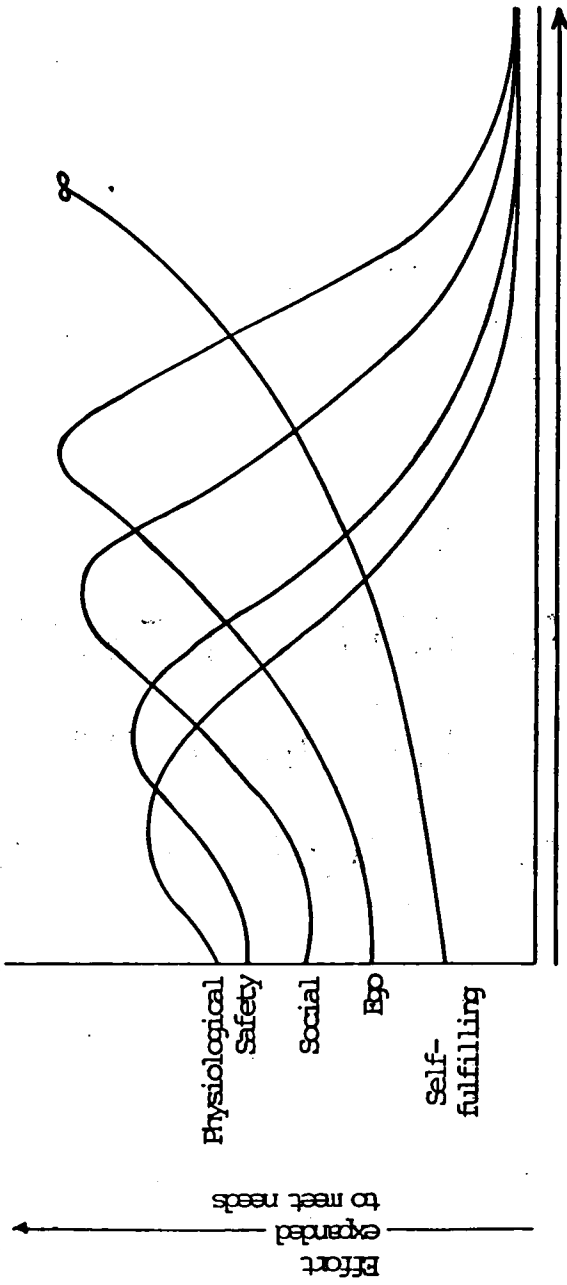


FIGURE 1

NEED FULFILLMENT

Note: From How to Improve Human Performance (p. 46) by T. K. Cornnellan, 1978, New York: Harper and Row, Copyright 1978 by T. K. Cornnellan. Reprinted by permission.

phenomenon of differences in rewards. According to Henderson (1982), rewards can vary greatly in industry from "a twinkle in the eye and a heartfelt 'thank you' to a \$5,000 or even a \$100,000 bonus" (p. 3). Both extremes of these rewards and all those in between could be made for "contributions that went far beyond the call of duty" (p. 3).

The controversy of what motivates is just as confusing in industry as it is in education. Assuming that certain lower level needs can be satisfied by money, what other consideration should be given to employees to extend their need to satisfy company goals? While some still insist that money is the single most important motivator in today's society (Burroughs, 1982), the whole idea has been expanded to include such things as recognition, lump sum salary advances, more time off, family vacations, titles, sharing in management decisions, and many others. A comprehensive list of noncompensation rewards was presented by Henderson (1982). (See Figure 2).

In summarizing his points on noncompensation, Henderson (1982) states that because of the decline in family over the past 30 years "at a minimal cost, possibly the most variable reward employers can offer their employees is the opportunity to make friends--to have the opportunity to interact with people in a pleasurable and supportive manner (p. 11).

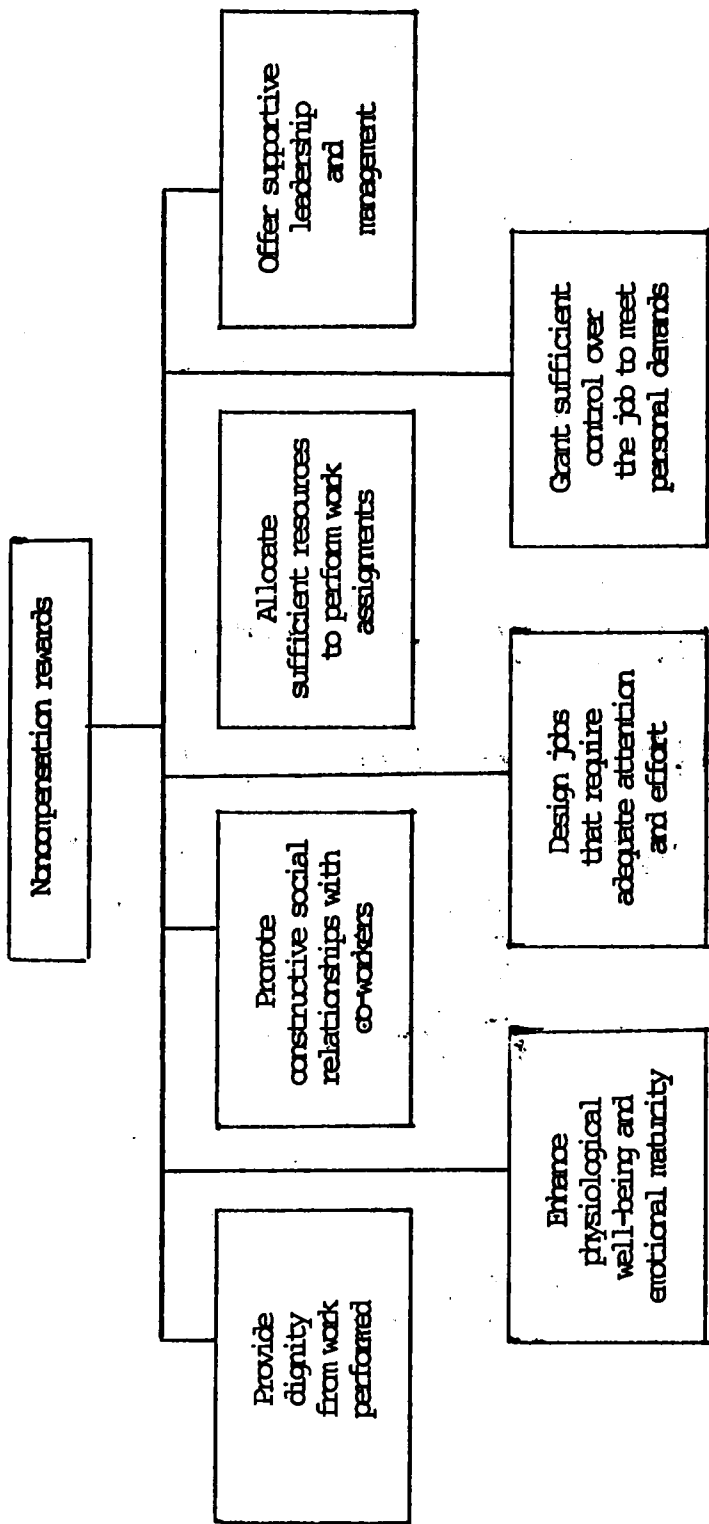


FIGURE 2

COMPREHENSIVE LIST OF NONCOMPENSATION REWARDS

Note: From "Designing a Reward System for Today's Employee" by Richard I. Henderson, 1982, Business, July-September, p. 8. Reprinted by permission.

A study conducted by the George Mason University contrasted what employees want from their jobs and what management perceived their wants to be. While there were points at which management and the employees ranked perceived wants and real wants closely, the first three were nearly at opposite poles. Ranked first by employees was "full appreciation for work done." Second was "feeling in on things," while "sympathetic understanding of personal problems" ranked third. Management ranked these three choices as eighth, tenth, and ninth consecutively (Lighting the fire, 1984). Results of rankings can be seen in Table 3.

The first-place ranking by employees in the NSPA Study was different from that reported by upperclassmen expecting to enter the job market. In a study conducted by a major university, a good income was the first choice among 10 job-related factors (Harris, 1976). In interviews, it was discovered that many of these upperclassmen had been on tight budgets and/or were planning marriage immediately after college, and therefore had a great need for money at that point in their lives. Harris goes on to try and build a case for money as a motivator for all ages. Those nearing retirement were interested in money to carry them through those years of less or perhaps no income. The middle-aged employee often had children in college and needed extra money for that expense (p. 229). There is,

TABLE 3

What Do Workers Want From Their Jobs?

	Employees Rank	Management Rank
Good Working Conditions	9	4
Feeling "in" on Things	2	10
Tactful Disciplining	10	7
Full Appreciation for Work Done	1	8
Management Loyalty to Workers	8	6
Good Wages	5	1
Promotion and Growth with Company	7	3
Sympathetic Understanding of Personal Problems	3	9
Job Security	4	2
Interesting Work	6	5

Note: From Lighting the fire (p. 9), 1984, Arlington, Virginia: National School Public Relations Association, Copyright 1984 by NSPA. Reprinted by permission.

however, a break-even point between perceived value of monetary rewards and perceived personal cost. When perceived personal costs exceed perceived gains, then money ceases to motivate (p. 232).

The idea of having employees decide their preference in rewards has not gone unnoticed. A very interesting and objective system for deciding wage/benefit packages was reported by Chonko and Griffin (1983). This system involves the use of a matrix with attributes distributed across the top and side. The employee marks in the cells the choices in rank order from 1 (most preferred) to 9, (least preferred). With this "trade-off" matrix, mean values can be established after employee data are collected. While trade-off analysis has been primarily "developed in the area of consumer research" (p. 47) and job offers, its application to wage/benefit programs seems appropriate. Figure 3 illustrates the trade off of salary and unemployment compensation by one employee.

In their presentation, Chonko and Griffin recognize the arbitrary manner in which benefit packages are usually put together. They are often universally applied and leave little room for individual employee preference. This is particularly true in contracts negotiated between union and management.

In a brief look at the program design issues in industry's

		Salary		
		12,000	11,000	10,000
Unemployment Compensation	Percent 100	(1)	(2)	(5)
	50	(3)	(4)	(6)
	0	(7)	(8)	(9)

FIGURE 3

SAMPLE TRADE-OFF MATRIX

Note: From "Trade-off analysis finds the best reward combinations" by L. G. Chonko and R. W. Griffin, 1983, Personnel Administrator, May, p. 47, The American Society for Personnel Administration, 606 North Washington Street, Alexandria, Virginia 22314, \$30 per year. Reprinted by permission.

consideration of merit pay, it appears that concerns have been or are being met in the basic issues of what motivates an employee. In comparing the literature in education to that of industry, it appears that education may have neglected this area.

Results

Without the benefit of an extensive review of the related literature in industry, it is difficult and, perhaps, foolish to make judgments on the success or failure of merit compensation programs. It would appear, however, that industry has had some successful programs, and some that have failed bitterly. Some have failed in the single attribute they were designed to improve. In other cases, residues from one planned improvement were carried over into other areas of employee performance.

Reported by Kopelman and Schneller (1983) was a program that actually made an employee absentee record worse. The program, instituted by an industrial textile products manufacturer, was designed to award a \$25 bonus to employees who were absent no more than three hours per quarter. The reported results showed an increase of from 2.56 to 2.92 occurrences of absence, a 13.9% increase. This program was judged effective in raising perfect attendance from 25 percent to 31.8 percent, but the lower paid employees' attendance records deteriorated. In the end, the company

paid "\$7,500 in bonuses for 12.3 percent more hours absent" (p. 44).

In a study by Kopelman and Reinharth (1982), the results of judgmental merit reward systems were examined. This study recognized the fact that "judgment-based reward systems. . . .apply to the large majority of today's employees" (p. 40). This is true now more than ever, as jobs become less related to output (which is measurable) than to knowledge (more difficult to measure). The investigators feel that judgmental reward systems that tie performance to rewards are likely to generate higher levels of performance, particularly after two years.

On the other hand, judgmental merit reward systems that employ a wide range of possible salary increases tend to generate higher levels of job performance after a one-year time lag. This builds a case for wide salary and/or merit increase ranges, something completely foreign to education, which is just trying to break away from the single salary schedule. On the other hand, research such as Kopelman and Reinharth's, which looks at judgmental rewards, has meaning for education, where output is extremely difficult to measure.

In contrast, industry sometimes seeks to systematize merit awards. Through charts, formulas, and various performance descriptors, the human element that often makes

evaluation systems subjective can be eliminated or, at least, neutralized. Just one of many available examples is reported by Emans and Seithel (1983). Their plan involves a series of matrix guides that are:

1. Structural enough to move people through a salary range in accordance with a reward philosophy.
2. Flexible enough to entertain various combinations of performance levels.
3. Clear enough to serve as an aid in career guidance.
4. Precise enough to provide a basis for projecting costs.

Summary

In comparing industry merit pay plans to those in education, one should keep in mind the difficulty of measuring performance. Individual performance rewards, based on readily evident and measurable output, make systems in industry more viable than those in education.

The ambiguity surrounding the goals of education also makes comparisons to industry difficult. The goal of industry is increased profit; the goal of education is as varied as the number of school systems and, unlike profit, it is difficult to recognize when those goals have been attained.

It would appear that industry has a wealth of research in reward, awards, and motivation on which the field of education could possibly capitalize. Some of these research models would be applicable to education. Of particular interest would be the use of "trade-offs" as a method of developing reward systems.

The middle management position in industry, much like the school principal in education, seems to have been neglected in developing merit pay plans. In this brief literature review, there did not seem to be very much concern for the interaction of employee to immediate supervisor with regard to merit increase judgments. Middle management was expected to carry out the policies decided upon by upper management and researchers.

Chapter 3

CONCEPTUAL FRAMEWORK AND METHODOLOGY

The type of research employed in this study was survey by mail. More specifically, it is the basic design described by Babbie (1973, p. 62) as crosssectional, "at one point in time from a sample selected to describe some larger population at that time."

The Population

The sampling frame for this study included all the elementary principals in the Commonwealth of Virginia. For the purpose of this study, an elementary school was defined as any school listed under the heading "Elementary" in the 1983 edition of the Virginia Educational Directory. This included all combinations of grade levels, from kindergarten through seventh grades, but did not include schools that house only grades 6 through 8 or grades 6 through 7. According to these guidelines, there was a total of 1,139 elementary schools in Virginia.

A list of these schools was obtained from the Virginia Department of Education. The list, accurate through August 15, 1983, contained the school's state designation number, the principal's name, the name of the school, and the school address. Since school numbers are not consecutive in the

directory, they were renumbered consecutively for the purpose of sampling.

Sampling Procedure

A random sample of 300 principals was selected. This sample of approximately 26% of the available population was arrived at through use of the "Table for Determining Sample Size from a Given Population" by Krejcie and Morgan (1970, p. 607). The figure prescribed for a population of 1,139 was between 285 and 291, but for convenience this number was rounded to 300.

To assure randomness, a random number was generated by a Sharp EL-515 Solar Cell Scientific Calculator. From this random number, 0.095, every fourth school was selected until a total of 300 had been chosen for the survey. One exception was made, as using this method the researcher's school was chosen. The selection process was continued one more step, and a school was selected to replace that of the researcher.

The Survey Instrument and Implementation

The instrument employed was a fixed-response-form-questionnaire developed to gather information related to the perceptions of elementary principals concerning merit pay for teachers in the Commonwealth of Virginia. Demographic information was gathered in Part A of the survey form. Part B was designed as a summated scale to determine the intensity of

agreement or disagreement with the various statements. A copy of the instrument can be found in Appendix B.

Part B is composed of questions relating to various aspects of the merit pay concept. Included are: Outcomes - If merit pay is introduced, what will be the results?; Acceptance - Do Virginia's elementary principals favor or oppose the implementation of a merit pay plan?; Evaluation - Who should be involved in the evaluation of personnel resulting in merit pay increases?; Teacher Resistance - Which groups of teachers will offer the most resistance to a merit pay plan?; Form - What form(s) of above-the-scale compensation will be the most acceptable?

The numbers of survey items related to research questions are: Outcomes - 15; Acceptance - 6; Evaluation - 5; Resistance - 3; Form - 7.

The instrument was submitted to a panel of experts for comments and suggestions prior to piloting. This panel consisted of a graduate-level survey research class with 13 participants and three professors of education, one of whom also served as an official of the Virginia Association of Elementary School Principals. Revisions were made based on their recommendations. The survey, in its revised form, was field tested with 31 school administrators in the Commonwealth of Virginia in March 1984.

An internal consistency alpha level was computed based on 26 questions in the survey design to decide the for/against

issue concerning merit pay for teachers. The Cronback formula was employed for this computation (Carmines & Zeller, 1983). Reliability was established at .85+ using this method.

Implementation

The questionnaires were printed in final form and mailed to the sample population on September 4, 1984. Included in the packet was a letter requesting fellow principals to participate in this important survey, a questionnaire, a pre-addressed stamped return envelop, and a pencil imprinted with a message from the researcher to encourage participation. Respondents were informed that the data would be reported in statistical terms only, so that anonymity of respondents was ensured. They were informed that coding of instruments was designed to assist in follow-up activities only.

Questionnaires were numbered and recorded on a check sheet as they were returned. On September 17, 1984, the first phase of returns was considered complete, and the follow-up procedure was put into operation. Nonrespondents were sent a postcard requesting that they complete the questionnaire. On October 1, a second follow-up procedure took place, consisting of a letter, and a second questionnaire.

Following a cutoff date of October 29, 1984, nonrespondents were contacted by telephone. For those who agreed to

the procedure, their responses to the survey questions were recorded over the telephone. The data received from these nonrespondents was analyzed separately and compared to the remainder of the sample to see if generalization about nonrespondents was possible.

A response rate of 90% was sought. It was felt that this level was realistic, given the timeliness of and almost universal interest in this subject. The incentive enclosed with each survey contributed to a high response rate, as did the follow-up procedures outlined above.

For nonresponse items, where it was more or less apparent that the respondent had simply skipped an item, the system of imputation was used and a response recorded. This system was very cautiously applied to guard against an indication of a larger problem of instrument reliability. Frequency of imputation use is reported in Chapter 4.

The nature and design of the instrument are such that a high incidence of response error was not anticipated. In cases where obvious errors occurred, the respondents were telephoned and a resolution effected.

Data Processing and Plan of Analysis

As responses were received, they were numbered and charted on a check list. The questionnaire design is such that coding was facilitated. The respondents were asked to respond to statements in degrees of agreement or acceptability on a four-point Likert scale, with categories ranging from "strongly disagree" to "strongly agree" or from "totally unacceptable" to "highly acceptable." The four-point design eliminated the middle response category, which could be interpreted as undecided.

Items related to each research question were summarized to see if this survey determined any degree of agreement or disagreement on the major research foci: Outcomes, Acceptance, Evaluation, Teacher Resistance, and Form. These results provided the basis for determination of the basic question: Given the perceptions of elementary principals in the Commonwealth of Virginia, can a merit pay plan for teachers be successfully implemented?

While the determination of the research questions was made based on frequency and strength of response, a series of Chi Square/Crosstabs was computed. These data were utilized to determine the statistical relationship among the demographic variables of type of school system, years of experience, age, sex, merit pay programs in use, planning for merit pay, and school enrollment.

Chapter 4

PRESENTATION AND ANALYSIS OF DATA

The purpose of this study was to investigate and describe Virginia's elementary principals' perception of the feasibility of imposing a form of merit pay for classroom teachers in the Commonwealth. The assumption is made that their opinions and attitudes toward the concept of merit pay will have a direct bearing on the success of plans to implement such a program.

In this chapter the results of a survey, developed by the researcher, are reported. The data are presented by research question, as described in Chapter 1. Individual statements are presented, as they relate to their respective research questions. The strength of each response is represented by the mean computed for each survey statement. In addition, demographic data are presented with cross-tabulations to show possible significant differences ($p < .05$) between responses and such variables as district size, respondent's age, sex, whether or not respondent's system currently employs or is considering a merit pay plan, and respondent's respective school enrollments. A summary of demographic data are presented in Table 5.

Survey Response

In a random selection, 300 elementary school principals,

Table 5

Survey of Perceptions of Elementary Principals
on Merit Pay for Classroom Teachers

Demographic Data of Respondents and Nonrespondents
Respondents N=269
Nonrespondents N=31

Statement	Response	Frequency of Return	Respondents Percentage	Nonrespondents Frequency
By demography	Small county	24	8.9	0
	Medium county	64	23.8	6
	Large county	36	13.4	1
	Small urban	8	2.9	1
	Medium urban	15	5.6	1
	Large urban	122	45.4	22
1. Years of experience as an elementary principal:	Less than 5 years	64	23.8	-
	5 to 9	55	20.4	-
	10 to 14	70	26.0	-
	15 to 19	39	14.5	-
	20 or more	40	14.9	-
	Missing data			.4
2. Age:	Under 25	0	0	-
	25 to 36	40	14.9	-
	37 to 48	130	48.3	-
	49 to 60	91	33.8	-
	Over 60	7	2.6	-
	Missing data	1	.4	-

Table 5 (continued)

Statement	Response	Respondents		Nonrespondents Frequency
		Frequency of Return	Percentage	
3. Sex:	Female	81	30.1	10
	Male	188	69.9	20
	Missing data	-	-	1
4. Does your school system currently employ a form of merit pay for teachers? (Yes, please answer No. 5 then go to 7. No, please skip No. 5 and continue).	Yes	28	10.4	3
	No	241	89.6	25
	Missing data	-	-	3
5. Which of the following best describes the criteria through which merit pay is awarded?*	(1) Merit	6	2.2	3
	(2) Incentive	14	5.2	3
	(3) Differentiated staffing	8	2.9	3
6. Is your school board presently considering a merit pay plan?	Yes	128	47.5	7
	No	122	45.3	20
	Missing data	-	-	4
7. Student enrollment in your school:	Less than 351	98	36.4	6
	351-600	117	43.5	17
	More than 600	52	19.3	8
	Missing data	2	.8	-

*Total in category may not equal total "Yes" in No. 4, as several school districts reported more than one type of above-the-scale compensation.

of Virginia's 1,139 elementary schools, as defined in Chapter 1, were mailed surveys. 269 surveys were returned. This represented a return percentage of 89.66 (see Table 6). While cautioning that the ranking of response rates serves only as rough guides and has no statistical basis, Babbie (1973) states that "a response rate of 70 percent or more is very good" (p. 165). The 70 percent or more category is the highest of three acceptable levels he establishes. The 89.66 percent rate of return is well above the expected return of 76 percent, which Dillman (1978, p. 56) established for a questionnaire of this size, administered to specialized populations.

A factor in this high response rate was an additional postcard follow-up, not part of the original plan as described in Chapter 3, and the inclusion of an incentive with the second follow-up. The incentive was a personal check from the researcher in the amount of 40¢, to be used by the respondent for the purchase of a cup of coffee while completing the survey. This addition to the original follow-up plan was prompted by early responses indicating that elementary principals were particularly busy at that time selected for the survey mailing. Deadlines were also extended by several weeks to accommodate principals' busy schedules.

A total of 31 (10.33%) principals did not respond to the survey. An attempt was made to contact each nonrespondent

Table 6

Response Rate for Questionnaire: Elementary Principals'
Perspective of Merit Pay for Classroom Teachers

<u>Questionnaires Mailed</u> Frequency	<u>Questionnaires Returned</u> Frequency	Percentage	<u>Questionnaires Not Returned</u> Frequency	Percentage
300	269	89.66	31	10.33

by telephone to see if there was any particular reason why the survey was not answered. Nine nonrespondents were actually contacted, and eight of them indicated a lack of time as a reason for not responding. One principal stated that the survey information had not been received.

Because of the high response rate, it was not felt that nonrespondents could have biased the data. Therefore, attempts to administer the survey by telephone were not made. For informational purposes, however, the available demographic data of nonrespondents are included in Table 5.

Presentation by Research Question

For purposes of analysis, the instrument designed for use in this study was divided into six sections. Part A of "Survey on Perceptions of Elementary Principals on Merit Pay for Classroom Teachers" collected demographic data of respondents. Parts B and C were designed to answer research questions concerning outcomes, the for-against issue, evaluation of teachers, resistance, and form of above-scale compensation. The questions addressed by Parts B and C were numbered 1 through 5 respectively in Chapter 1.

Research Question 1: What do elementary principals perceive as the likely outcomes of the introduction of a merit pay plan?

The first research question addressed by the questionnaire was that of perceived outcomes. If a merit pay plan were

introduced, what effects did principals think it would have on human relations, motivation, instruction, parents, placement of pupils, grievances, morale, turnover, and recruitment? These issues were addressed in questions 8 through 22. The results of this portion of the survey are reported in Table 7.

Human relations

Opinions on the issue of human relations were sought by questions 8-11. The general agreement with negatively stated questions 8 and 11 and disagreement with positively stated question 9 indicated that principals surveyed felt that human relations would be affected to some degree by the introduction of a merit pay plan. The strongest of this perceived effect was in the area of teacher-teacher relations. Questions 8 and 10 were concerned with this relationship. A total of 172 of the principals surveyed agreed that cooperation among teachers would be adversely affected, while 92 felt that cooperation would not be affected by the introduction of merit pay. On this question, a strength of response was represented by a mean of 2.79 (standard deviation .77). Principals surveyed also felt that teachers would become more competitive, with 243 disagreeing with positively stated question 10. On the teacher-teacher relations issue, there was a significant ($p < .05$) difference on how the question concerning cooperation was answered depending on

Table 7

Perceptions of Virginia's Elementary Principals
on Merit Pay for Classroom Teachers: Outcomes
N=269

Statement	Response							Mean	SD ¹	Missing Data	%	
	SD	%	D	%	A	%	SA					
8. Merit pay will have an adverse effect upon cooperative effort among teachers.*	9	3.3	83	30.8	125	46.4	47	17.4	2.79	.77	5	1.8
9. A merit pay plan will encourage the principal and teacher to have a closer working relationship.	37	13.7	127	47.2	86	31.9	14	5.2	2.29	.77	5	1.8
10. Merit pay will make teachers less competitive.	76	28.2	167	62	14	5.2	7	2.6	1.81	.64	5	1.8
11. The working relationship between elementary principal and elementary teacher will be adversely affected by the introduction of a merit pay plan.	13	4.8	101	37.5	113	42	34	12.6	2.64	.77	8	3

Table 7 (continued)

Statement	Response										Missing Data %	
	SD	%	D	%	A	%	SA	%	Mean	SD		
12. Merit pay will motivate teachers.	19	7	97	36	124	46	20	7.4	2.55	.74	9	3.3
13. Instruction can be improved by the introduction of a merit pay plan.	24	8.9	111	41.2	112	41.6	14	5.2	2.44	.73	8	3
14. Parents will request that their children be placed in the rooms of teachers earning merit pay.*	4	1.4	37	13.7	142	52.7	80	29.7	3.13	.70	6	2.2
15. Teachers not receiving merit increases should have a means of appeal or access to an appeals procedure.	10	3.7	42	15.6	171	63.5	40	14.8	2.91	.68	6	2.2
16. A merit pay plan will not lead to an increase in teacher grievance cases.*	43	15.9	162	60.2	51	18.9	6	2.2	2.07	.67	7	2.6

Table 7 (continued)

Statement	Response										Missing Data %	
	SD	%	D	%	A	%	SA	%	Mean	SD ¹		
17. The introduction of a merit pay plan with provision for appeal will result in a large portion of administrative time being devoted to the appeals process.	1	.3	64	23.7	146	54.2	50	18.5	2.92	.66	8	2.9
18. Merit pay will have an adverse effect on teacher morale.*	1	.3	89	33	127	47.2	43	15.9	2.81	.7	9	3.3
19. Paying teachers based on their performance will improve teacher morale.	25	9.2	133	49.4	93	34.5	9	3.3	2.33	.70	9	3.3
20. In order for a merit pay plan to be effective, it must have the support of the vast majority of the teachers affected.	3	1.1	27	10	122	45.3	112	41.6	3.29	.69	5	1.8

Table 7 (continued)

Statement	Response						Mean	SD ¹	Missing Data %			
	SD	%	D	%	A	%				SA	%	
21. A merit pay plan will reduce teacher turnover.	25	9.2	155	57.6	82	30.4	1	.3	2.22	.61	6	2.2
22. Merit pay will attract people into the teaching field.	25	9.2	119	44.2	112	41.6	8	2.9	2.39	.70	5	1.8

Key: SD Strongly disagree
 D Disagree
 A Agree
 SA Strongly agree
 SD¹ Standard deviation
 * Scale for negatively stated questions have not been inverted as to magnitude

the district size (see Appendix C).

Questions 9 and 11 addressed the issue of teacher-principal relations. A total of 164 principals surveyed disagreed with the statement that merit pay would encourage the principal and teacher to have a closer working relationship, while 100 agreed with the statement. In a similar question, number 11, a total of 147 principals agreed that the working relationship between teacher and principal would be adversely affected, while 144 indicated that they did not feel that this relationship would be affected. There was a significant difference ($p < .05$) in responses to this question by age of respondent (see Appendix C).

Motivation

The question of whether or not merit pay would motivate teachers was addressed by question 12 (see Table 7). A total of 144 of the principals surveyed agreed that merit pay would motivate teachers, while 116 disagreed. This question had a strength of response or mean of 2.55 (standard deviation .74). There was a significant difference ($p < .05$) on how the question was answered depending on age and sex of respondents (see Appendix C).

Instruction

Question 13 addressed the issue of improved instruction. A total of 126 respondents felt that instruction would be

improved by the introduction of a merit pay plan, while 135 felt that it would not. The strength of response for this positively stated question was 2.44 (standard deviation .73). The variable of age of respondent was significant ($p. <.05$) in how this question was answered.

Placement of pupils

The issue of whether or not parents would request that their children be placed in the rooms of teachers earning merit pay was posed by question 14 (see Table 7). A total of 222 principals surveyed agreed that such requests would be made. Only 44 respondents felt that this would not occur. A large number of respondents (80 or 29.7%) strongly agreed with the statement that parents would make such requests. On this question, the strength of response was 3.13 (standard deviation .70). Significant differences ($p. <.05$) in how the question was answered were found in sex of respondent and in whether or not the school district had a plan in use (see Appendix C). A total of 27 respondents reported having a plan in use. Of these, 18 agreed that parent requests for special placement would occur, while 9 felt that they would not.

Grievances

There were three questions on the survey related to the issue of teacher grievances. The first of these questions,

number 15, addressed the issue of whether or not teachers should have access to an appeals procedure when denied merit pay. A total of 211 respondents agreed that teachers should have access to an appeals procedure, while 52 disagreed. The mean or strength of responses on this positively stated question was 2.91 (standard deviation .68). The variables with significant differences ($p < .05$) were in age of respondent and whether or not the school district was considering the adoption of a merit pay plan. In school districts where a plan was being considered, 92 of 126 respondents felt that an appeals procedure was needed, while 34 disagreed. Of those systems not considering a plan, 104 principals surveyed felt that the procedure was necessary, while 14 disagreed.

Question 16 was designed to see if principals felt that the introduction of merit pay would increase the occurrence of grievances. A total of 205 principals surveyed disagreed with the positively stated question, indicating that they felt that grievance cases would increase. 57 felt that the increase would not occur. The mean response for this question was 2.07 (standard deviation .67). There were no significant differences found in relation to demographic variables.

The issue of the amount of administrative time being devoted to appeals as a result of the introduction of merit pay was addressed by question 17. A total of 196 principals surveyed indicated they believed that a large portion of

administrative time would be spent in appeals, while 65 felt that it would not. A total of 50 respondents strongly agreed with the statement, while only 1 principal surveyed strongly disagreed. The mean for question 17 was 2.92 (standard deviation .66). Both age and sex of respondents were significant ($p. <.05$) in how this question was answered.

Morale

The issue of whether or not teacher morale would be affected was addressed by questions 18, 19, and 20. Questions 18 and 19 were essentially the same, except that 18 was negatively stated, while 19 was positive. The expected reversal in how the two questions were answered was observed. A total of 170 respondents agreed with question 18, while 158 disagreed with question 19. The reverse was similar, with 90 principals surveyed disagreeing to question 18, and 101 agreeing to question 19. The mean for question 18 was 2.81 (standard deviation .7) with age being a significant ($p. <.05$) variable in how the question was answered. The mean for question 19 was 2.33 (standard deviation .7) with no significant differences among demographic variables on how the question was answered.

A factor in morale is teacher support of the plan for merit pay. Question 20 addressed this issue. The highest mean score for a positively stated question in outcomes of a merit pay plan was the 3.29 (standard deviation .69)

registered for this question. A total of 234 principals surveyed felt that the plan must have the support of the vast majority of the teachers in order to be effective. Only 30 respondents disagreed. There were no significant differences among demographic variables on how this question was answered.

Turnover

A total of 180 principals surveyed disagreed with the statement in question 21 that teacher turnover would be reduced by the introduction of a merit pay plan. 83 respondents felt that it would reduce turnover. The mean response was 2.22 (standard deviation .61), with 25 principals strongly disagreeing and only 1 strongly agreeing with the statement. There were no significant differences among demographic variables on how the question was answered.

Attracting teachers

Question 22 was designed to solicit opinions on whether or not merit pay would attract people into the teaching profession. A total of 144 principals surveyed felt that it would not be a factor, while 120 felt that it would. The mean on this question was 2.39 (standard deviation .70). There were no significant differences among demographic variables on how the question was answered.

Research Question 2: Do Virginia's elementary principals favor or oppose merit pay for classroom teachers?

The second research question addressed by the questionnaire was whether or not elementary principals favored the adoption of a merit pay plan. Questions 23-28 were designed to solicit opinions on this matter. Of these six questions, numbers 23, 25, and 28 could be considered action questions. These dealt with the actual recommending or not recommending the adoption of a plan. Questions 24, 26, and 27 were concerned with the principals' beliefs about the concept (see Table 8).

Recommend-not recommend

On question 23, a total of 129 principals surveyed agreed that merit pay should become a part of the compensation package, while 121 disagreed with the statement. There was a significant difference ($p < .05$) in how the question was answered based on age of respondent (see Appendix C). Of the 40 respondents in the 25-36 year old range, 25 disagreed with statement 23, while 15 agreed. The reverse occurred in the 37-48 year old range with 46 respondents disagreeing, while 72 agreed with the statement. Other age categories were similar to the overall totals reported for this question. On question 23, a total of 19 respondents (7.1%) did not answer the question. This was the highest missing data reported on the survey. A total of 146 principals surveyed

Table 8

Perceptions of Virginia's Elementary Principals on Merit Pay
for Classroom Teachers: Favor/Oppose

N=269

Statement	SD	%	D	%	A	%	SA	%	Mean	SD ¹	Missing Data	%
23. Merit pay should become part of the teachers' compensation package.	21	7.8	100	37.1	116	43.1	13	4.8	2.48	.72	19	7.1
24. A merit pay plan will be difficult to administer.*	2	.7	31	11.5	123	45.7	108	40.1	3.27	.69	5	1.8
25. I would not encourage my school board to adopt a merit pay plan.*	14	5.2	98	36.4	86	31.9	60	22.3	2.74	.87	11	4.1
26. Teachers who are more effective in the classroom should receive larger salary increases than teachers who are less effective.	7	2.6	43	15.9	144	53.5	59	21.9	3.0	.72	16	5.9

Table 8 (continued)

Statement	SD	%	D	%	A	%	SA	%	Mean	SD ¹	Missing Data	%
27. Lock-step pay scales are fair to all teachers.*	39	14.4	144	53.5	68	25.2	5	1.8	2.15	.69	13	4.8
28. As principal of the school, I would encourage the adoption of some type of merit pay.	31	11.5	97	36.0	114	42.3	16	5.9	2.44	.78	11	4.1

Key SD Strongly disagree
D Disagree
A Agree
SA Strongly Agree
SD¹ Standard deviation
* Scale for negatively stated questions have not been inverted as to magnitude

agreed with negatively stated question 25, while 112 disagreed. The 60 principals strongly agreeing helped to contribute to the mean of 2.74 (standard deviation .87). On this question, sex and age of the respondents were significant ($p. <.05$) demographic variables. In the 49-60 year old bracket, a total of 60 principals surveyed agreed that they would not recommend a plan to the school board, while 28 disagreed with this negative statement. Other age categories were similar to total positive-negative feelings indicated for this question. With regard to sex of respondents, a total of 41 females disagreed with the statement while 35 agreed. A total of 71 males disagreed with the statement, while 111 agreed.

Question 28 was simply a positive restatement of question 25. The expected reversals were found, as 130 principals surveyed agreed that they would encourage, in perhaps a more general sense, the adoption of a plan, while 120 disagreed. Unlike question 25, there were no significant differences ($p. <.05$) in how this question was answered based on demographic variables.

Difficulty in administration

The highest strength of response for this research question was a mean of 3.27 (standard deviation .69) scored on question 24 concerning the difficulty anticipated in administering a merit pay program. A total of 231 principals

surveyed agreed that such a program would be difficult to administer, while only 33 disagreed. Of the 231 agreeing with the statement, 108 (40.1%) strongly agreed. Significant differences ($p < .05$) based on demographic data were found in whether or not the respondent's school district had adopted a plan and size of the respondent's assigned school (see Appendix C). In the larger schools (600 pupils and more), 40 principals surveyed agreed with the statement on difficulty of administration, while 12 disagreed.

Principle agreement-disagreement

The second highest strength of response on research question 2 was the 3.0 (standard deviation .72) registered on question 26 concerning whether or not principals surveyed agreed in principle that more effective teachers should receive larger salary increases than less effective teachers. A total of 203 principals surveyed felt that more effective teachers should receive larger salary increases, while only 50 disagreed. There was no significant difference in how this question was answered based on demographic data of respondents.

Question 27 also related to the principle of relating pay to effectiveness, but it was stated negatively. A total of 73 principals surveyed agreed that lock-step pay scales are fair to all teachers. 183 surveyed disagreed with the statement. When demographic data were considered, the

variables of age of respondent, sex, and whether or not a school division was considering a plan were significant ($p. <.05$). The most significant ($p.=.0163$) was that of sex, with 63 females disagreeing with the statement, while a total of 14 agreed (see Appendix C). Male responses were recorded at 120 disagree and 59 agree.

Research Question 3: How willing are principals to become involved in the personnel evaluation process leading to merit increases in pay?

The issue of teacher evaluation was the focus of questions 29-33 (see Table 9). Question 29 was designed to find out if principals agreed in general that a merit pay plan must include a teacher evaluation system. Questions 30, 31, 32, and 33 were concerned with who or, in one case, what should be involved in teacher evaluation. The issue, as stated in the research question, was willingness to share the responsibility for evaluation.

Importance of evaluation

On question 29 concerning whether or not a merit pay plan should include an evaluation component, a total of 259 of the principals surveyed agreed that such a system must be included. This question had the highest strength of response of any statement related to research question 3. Only 4 respondents disagreed. With a mean of 3.43 (standard deviation .55), age of respondent was a significant ($p. <.05$)

Table 9

Perceptions of Virginia's Elementary Principals on
Merit Pay for Classroom Teachers: Evaluation

N=269

Statement	SD	%	D	%	A	%	SA	%	Mean	SD ¹	Missing Data	%
29. A merit pay plan must include a system of teacher evaluation.	2	.7	2	.7	139	51.6	120	44.6	3.43	.55	6	2.2
30. The most important assessment of teacher performance leading to merit salary increases is that made by the school principal.	7	2.6	51	18.9	144	53.5	59	21.9	2.97	.73	8	3.0
31. Peer evaluations should be a part of the merit pay plan.*	24	8.9	72	26.7	144	53.5	23	8.5	2.63	.77	6	2.2
32. Pupil achievement as measured by a standardized test should be a consideration in assigning merit pay increases.*	50	18.5	96	35.6	109	40.5	8	3.0	2.28	.80	6	2.2

Table 9 (continued)

Statement	SD	%	D	%	A	%	SA	%	Mean	SD ¹	Missing Data	%
33. In a merit pay system, favoritism on the part of the principal could be eliminated or at least reduced by using an outside evaluator.*	11	4.0	61	22.6	160	59.4	31	11.5	2.8	.69	6	2.2

Key SD Strongly disagree
D Disagree
A Agree
SA Strongly agree
SD¹ Standard deviation
* Scale for negatively stated questions have not been inverted as to magnitude

variable in how the question was answered (see Appendix C).

Responsibility

Question 30 asked if primary responsibility for evaluation of teachers in a merit pay plan should be assigned to the school principal. A total of 203 principals surveyed agreed with this statement, while 50 disagreed. The mean or strength of response for this question was 2.97 (standard deviation .73). There was no significant difference in how the question was answered based on demographic data.

As indicated by responses to question 31 concerning peer evaluation, 167 principals surveyed felt that peers should be included in the evaluation process, while 96 disagreed. On this question, size of school district and whether or not the school district was considering a plan were significant ($p < .05$). Of the 126 respondents working in systems that were considering the adoption of a plan, a total of 59 disagreed with the statement, while 67 agreed (see Appendix C). Respondents from school divisions not considering plans favored using peers by a ratio of 87 to 31.

The issue of whether or not pupil achievement should be included in the evaluation process was addressed by question 32. This more objective approach to the evaluation of teachers was favored by 117 respondents and rejected by 146. There was a significant difference on how this question was

answered based on the type of merit pay plan in use by systems already involved in above-the-scale compensations. Only 1 of the principals in systems employing merit pay disagreed with the statement, while 5 agreed. A similar configuration existed in these systems reporting the use of incentive plans, with 3 principals surveyed disagreeing and 11 agreeing that pupil achievement should be a part of the evaluation system.

A total of 191 principals surveyed felt that favoritism could be eliminated by an outside evaluator, while 72 felt that it would not make a difference. The strength of response on this question, number 33, was 2.8 (standard deviation .69). There were no significant differences in how the question was answered in relation to demographic variables.

Research Question 4: Which groups of teachers do the elementary principals feel will offer the most resistance to a merit pay plan?

Questions 34-36 were concerned with the principals' opinions on what groups of teachers would favor or not favor a merit pay program (see Table 10).

On questions 34, a total of 86 principals surveyed agreed that teachers at the upper salary levels would favor merit pay, while 176 felt that they would not. A significant difference ($p < .05$) in how the question was answered was registered by size of the school to which the principal was assigned.

Principals surveyed were evenly divided on the question

Table 10

Perceptions of Virginia's Elementary Principals on Merit Pay
for Classroom Teachers: Resistance

N=269

Statement	SD	%	D	%	A	%	SA	%	Mean	SD ¹	Missing Data	%
34. Teachers at the upper salary levels will generally favor merit pay.	13	4.8	163	60.5	78	28.9	8	2.9	2.3	.61	7	2.6
35. Teachers at the lower salary steps will generally favor merit pay.	11	4.0	112	41.6	130	48.3	8	2.9	2.51	.63	8	3.0
36. Teacher associations will generally oppose any form of merit pay.	7	2.6	32	11.8	161	59.8	62	23.0	3.06	.68	7	2.6

Key SD Strongly disagree
D Disagree
A Agree
SA Strongly agree
SD¹ Standard deviation

concerning whether or not teachers at the lower salary steps would favor merit pay. On this question, number 35, a total of 138 principals agreed that teachers at lower steps would favor a plan, while 123 disagreed with the statement. There were no significant differences among demographic variables on how this question was answered.

On question 36 concerning opposition by teacher associations, 223 principals surveyed felt that these organizations would oppose the introduction of a merit pay plan. Only 39 respondents disagreed. The strength of response on this item was 3.06 (standard deviation .68), the highest mean of the three questions related to this research question. Sex of respondent was a significant variable on how the question was answered (see Appendix C). A total of 19 of the 79 female respondents disagreed with the statement, while 20 of 183 male respondents disagreed.

Research Question 5: What form(s) of above-the-scale compensation (if any) is viewed by elementary principals as the most acceptable?

Questions 37-43 were concerned with the form merit pay might take (see Table 11). Question 37 asked for an opinion on a very specific type of incentive pay, while questions 41, 42, and 43 asked principals to predict the acceptability among teachers of three different forms of merit pay. Questions 38, 39, and 40 were concerned with principals'

Table 11

Perceptions of Virginia's Elementary Principals on Merit Pay
for Classroom Teachers: Form
N=269

Statement	SD	%	D	%	A	%	SA	%	Mean	SD ¹	Missing Data	%
37. It is unfair to pay certain teachers more because they are certified in disciplines where teacher shortages exist.	15	5.5	82	30.4	129	47.9	35	13.0	2.7	.77	8	3.0
38. In order for a merit pay plan to work, principals should not be limited in the number of merit pay increase recommendations they may make.	3	1.1	27	10.0	172	63.9	60	22.3	3.1	.61	7	2.6
39. It should be possible for one school faculty to receive no merit pay increases while another could receive several or many.	17	6.3	61	22.6	145	53.9	37	13.7	2.8	.77	9	3.3

Table 11 (continued)

Statement	SD	%	D	%	A	%	SA	%	Mean	SD ¹	Missing Data	%
40. In order to dis-tribute merit pay dollars fairly, a quota per school should be established (e.g., 5% of each school faculty).	72	26.7	148	55.0	37	13.7	4	1.4	1.9	.68	8	3.0
41. Incentive Pay - Compensation beyond the basic scale for work toward personal or organizational goals such as high priority locations, critical staff shortages, outstanding teacher attendance, professional growth, school goal achievement.	TU	%	U	%	A	%	HA	%	Mean	SD ¹	Missing Data	%
	11	4.0	67	24.9	157	58.3	22	8.1	2.73	.67	12	4.5

Table 11 (continued)

Statement	TU	%	U	%	A	%	HA	%	Mean	SD ¹	Missing Data	%
42. Merit Pay - Compensation above the scale for outstanding performance in the classroom.	15	5.5	76	28.2	135	50.1	34	12.6	2.72	.76	9	3.3
43. Differentiated staffing - A system involving assignment of responsibilities with salary and rank related to duties, e.g., aide, intern or student teacher, teacher, team leader or merit teacher, etc.; not unlike a master teacher or career ladder plan.	5	1.8	49	18.2	165	61.3	38	14.1	2.9	.64	12	4.5

Key SD Strongly disagree
D Disagree
A Agree
SA Strongly agree
SD¹ Standard deviation

TU Totally unacceptable
U Unacceptable
A Acceptable
HA Highly acceptable

opinions on the distribution of above-scale awards.

Distribution

A total of 232 respondents agreed with the statement in question 38 that principals should not be limited in the number of merit increase recommendations that could be made. There were 30 respondents who disagreed with the statement. Question 38 registered a strength of response of 3.1 (standard deviation .61), the highest for any single statement under research question 5. Whether or not the school system had a plan in effect was a significant factor ($p. <.05$) in how this question was answered (see Appendix C).

On question 39, a total of 182 principals surveyed agreed that it should be possible for one school to receive no merit increases while others received several or many. There were 78 respondents who disagreed (see Table 11). On this question, age of respondent was a significant ($p. <.05$) variable in how it was answered.

Question 40 was essentially the same as 39, except reversed. Respondents were asked to decide if quotas for each school should be established in order to distribute merit pay dollars fairly. A total of 220 respondents disagreed, while 41 agreed with the statement. There were no significant ($p. <.05$) differences in how this question was answered based on demographic data. Similarity of reversed responses were not as close as expected between question 39

and 40.

Form

In question 37 respondents were asked to decide the fairness of paying teachers more because of their particular specialty in teaching, such as a critical teacher shortage subject. Such a pay would be considered a form of incentive, according to definitions established for this research. A total of 164 of the principals surveyed agreed that such a plan was unfair, while 97 disagreed (see Table 11). On this question, which registered a mean of 2.7 (standard deviation .77), size of school district was a significant ($p < .05$) factor in how the question was answered.

On question 41 a total of 179 principals surveyed felt that incentive pay would be acceptable among teachers, while 78 disagreed (see Table 11). A similar response was found in question 42 concerning merit pay, with 169 respondents indicating that teachers probably would accept this form of above-the-scale compensation, while 91 thought it would not be acceptable. Questions 41 and 42 scored similar means of 2.73 (standard deviation .67), and 2.72 (standard deviation .76) respectively.

A total of 203 principals surveyed felt that differentiated staffing would be acceptable to teachers, while 54 disagreed. This question, number 43, scored the highest strength of response at 2.9 (standard deviation .64) among

the questions on form.

There were no significant differences, ($p < .05$) in how any of the questions on acceptability of various forms were answered when compared with demographic variables.

Chapter 5

SUMMARY, CONCLUSIONS, RECOMMENDATIONS, AND IMPLICATIONS

This chapter provides a summary of the data presented in this study, draws conclusions based on the data, makes recommendations for further study, and suggests implications based on the findings.

Summary

The idea of merit pay for teachers has been debated many times since it was first introduced to the public schools in 1908. During the periodic revivals of interest in merit pay plans, school systems have adopted plans, but many of them were later abandoned.

The recent interest in merit pay for classroom teachers has been intense. It was generated by the report of the National Commission on Excellence in Education entitled A Nation at Risk (1983). This interest was reflected by the Commonwealth of Virginia in a resolution in the House of Delegates charging the State Board of Education with responsibility for determining the feasibility of implementing a system of compensation for teachers whose performance in the classroom is outstanding.

While the focus of this study was on the perceptions of elementary school principals regarding a plan of merit pay for elementary school teachers, a broad knowledge base was

developed through an extensive literature review. This review included a look at successful plans throughout the nation and in the Commonwealth of Virginia. Comparisons were drawn to industry, where some have felt that success in merit pay has been achieved. Relationships to management theory were also explored. It was noted that throughout the literature, there seemed to be little attention given the opinions of elementary principals and middle management in general. Yet immediate supervisors often play a key role in the evaluations of personnel that lead to merit pay increases.

The purpose for this study was to examine the perceptions of Virginia's elementary principals concerning the concept of merit pay for classroom teachers. The problem for investigation was: "What are the attitudes of Virginia's elementary principals toward merit pay for classroom teachers?"

To identify these perceptions, a fixed-response-form-questionnaire was developed by the researcher. The questionnaire was designed to gather information in six areas of concern: demographics of respondents, outcomes expected if a plan were adopted, opinions for or against merit pay plans, evaluation of teachers, resistance expected among teachers, and form of plan that might be the most acceptable.

A total of 300 (26%) of Virginia's elementary principals were randomly selected to participate in the study. Each was mailed a copy of the Survey on Perceptions of Elementary

Principals on Merit Pay for Classroom Teachers along with an introductory letter. A special incentive was included in the mailing. Appropriate follow-ups were completed with an additional incentive included in the second letter. The total response was 269 or 89.66%. Because of the high response rate, attempts were not made to administer the survey to nonrespondents by telephone. A total of 9 respondents were contacted, however, to see if there were any particular reasons for their not responding. A portion of the demographics on the questionnaire was available on nonrespondents, and consequently recorded and reported.

Research Question 1: What do elementary principals perceive as the likely outcomes of the introduction of a merit pay plan?

The perceived outcomes of the introduction of merit pay were surveyed in the areas of human relations, teacher motivation, quality of instruction, placement of pupils, teacher grievances, teacher morale, teacher turnover, and the attracting of people into the teaching profession.

With regard to human relations, principals surveyed felt that cooperation among teachers would be adversely affected by a merit pay plan and that teachers would become more competitive. There was no strong indication that principals felt that their relationships with teachers would be adversely affected. Responses on principal/teacher relations were about evenly divided between agree and disagree. Age of respondent

was significant ($p. <.05$) on the question regarding this relationship.

With regard to motivation of teachers and improvement of instruction, the responding principals' opinions were about evenly divided between positive and negative answers. The factor of age was significant ($p. <.05$) for both of these questions, with sex of respondents significant ($p. <.05$) for the motivation issue only.

There was agreement that parents would request that their children be placed in the rooms of teachers receiving merit pay with 29.7% of the respondents indicating that they strongly agreed that parents would do so. Sex of respondent and whether or not the school district had a merit pay plan were significant ($p. <.05$) factors in how this question was answered.

Principals surveyed felt that, if merit pay plans were introduced, the occurrence of teacher-filed grievances would increase and that these grievances would demand increased administrative time. In questions related to grievances, age and sex of respondent along with whether or not the school system had a merit pay plan were significant ($p. <.05$).

Principals surveyed were fairly evenly divided on the issue of teacher morale considerations in adopting a merit pay plan, with age of respondent a significant ($p. <.05$) factor. The strongest response for any question under research question 1 was recorded for the issue of teacher

support for a plan; a total of 234 (86.9%) of principals surveyed felt that this support was needed.

A majority of the principals surveyed agreed that merit pay would not help in reducing teacher turnover. Respondents were evenly divided on the issue of whether or not merit pay would attract teachers into the profession. On both the issue of turnover and attracting teachers, there were no significant ($p < .05$) differences among demographic variables on how the questions were answered.

Research Question 2: Do Virginia's elementary principals favor or oppose merit pay for classroom teachers?

The question of whether or not principals surveyed were in favor of merit pay plans was approached in two related but different ways. First, principals were asked if they would recommend the adoption of a merit pay plan to their school boards. Respondents were generally evenly divided between agreement and disagreement with statements on this issue.

In contrast to questions of recommending-not recommending a plan were the generic questions of the fairness of lock-step pay plans and paying effective teachers the same as ineffective teachers. In their responses to these questions, the principals surveyed generally agreed that these traditional pay plans were not fair.

The next issue concerned the difficulty of administering merit pay plans. There was strong agreement on this question,

with more than 85% of the respondents indicating that they felt such a plan would be difficult to administer.

On research question 2, sex and age of respondent were significant ($p. <.05$) in responses as to whether or not merit pay should become a part of the compensation plan. On the issue of difficulty in administration, size of assigned school and whether or not the respondents were in school districts employing a merit pay plan were significant ($p. <.05$). With regard to the basic issue of fairness in lock-step plans, it was found that age, sex, and whether or not the school district employed a merit pay plan were all significant ($p. <.05$) in how the respondents answered the question.

Research Question 3: How willing are principals to become involved in the personnel evaluation process leading to merit increases in pay?

Principals surveyed generally agreed that evaluation of teachers must be included in a merit pay plan. With 120 (44.6%) respondents indicating that they strongly agreed, the highest strength of response (3.43, standard deviation .55) was recorded for this subquestion of research question 3. Age of respondent was a significant ($p. <.05$) factor in how this question was answered.

Principals surveyed were also in agreement concerning their responsibility for evaluation. A total of 203 (75.4%)

of the principals surveyed felt that theirs should be the most important assessment. Principals surveyed were somewhat willing to share this responsibility, with a total of 167 indicating that peer evaluations should be included in a merit pay plan and 191 indicating that outside evaluators could help in reducing favoritism. There was a significant ($p. <.05$) difference in how the question on peer evaluation was answered based on the size of school district and whether or not a school district was considering a plan.

A total of 146 principals surveyed did not feel that pupil achievement scores, as measured by standardized tests, should be included in the evaluation process. There was a significant ($p. <.05$) difference in how the question was answered, based on what type of plan was already in use by a school system.

Research Question 4: Which groups of teachers do the elementary principals feel will offer the most resistance to a merit pay plan?

Principals surveyed generally agreed that teachers at the upper salary levels would oppose merit pay plans, and they were about evenly divided on whether or not teachers at the lower salary levels would favor a plan. The size of assigned school was a significant ($p. <.05$) factor in how the question regarding upper salary level teachers was answered.

With strength of response at 3.06 (standard deviation .68), principals surveyed agreed that teacher associations

would oppose any form of merit pay. Sex of respondent was a significant ($p. <.05$) factor in how this question was answered.

Research Question 5: What form(s) of above-the-scale compensation (if any) is viewed by elementary principals as the most acceptable?

On the three questions related to distribution of awards, there was general agreement among respondents that the number of awards should not be limited. These questions were related to limits of the number of recommendations for merit increases a principal could make and whether or not certain numbers of awards should be assigned to a particular school. On these questions, age of respondent and whether or not a school system had a plan in operation were respectively significant ($p. <.05$).

While respondents generally agreed that teachers would find incentive pay acceptable as defined by the survey, they did not feel that the incentive offered to teachers in certain areas of teaching specialty were fair.

When asked to predict the acceptability of above-the-scale compensation among teachers, principals surveyed indicated that they felt teachers would accept the three plans described. Of the three, differentiated staffing was, by far, predicted to be the most acceptable, with 213 respondents marking responses of either acceptable or highly acceptable. The

strength of response on the acceptability of the three forms of compensation were incentive 2.73 (standard deviation .67), merit pay 2.72 (standard deviation .76), and differentiated staffing 2.9 (standard deviation .64). There were no significant ($p < .05$) differences in how acceptable-form questions were answered based on the demographics of respondents.

Conclusions

The conclusions, based on data collected by the Survey on Perceptions of Elementary Principals on Merit Pay for Classroom Teachers with regard for the literature review, are presented as they relate to the various research questions.

Outcomes

Based on the perceptions of elementary principals surveyed, the introduction of a merit pay plan would need the support of the vast majority of teachers affected. At the same time, teachers could be expected to become more competitive and less cooperative. Teacher morale would be adversely affected. Certain aspects of school administration could change somewhat if merit pay plans are introduced, as more time would be spent in dealing with teacher grievances. In addition, principals strongly agree that parents would make requests for their children to be placed with teachers receiving merit pay, which would cause additional administrative concerns.

Principals do not see merit pay as a means to reduce turnover or attract teachers into the profession. Instruction may or may not be improved.

Favor-Oppose

Elementary principals feel that traditional lock-step pay plans are unfair but would not recommend the introduction of merit pay plans. These conflicting positions are not unlike those found in the literature.

Evaluation

If merit pay plans were introduced, principals feel that they should play the most important role in evaluating teachers for merit increases in pay. Principals also feel that teachers' peers should be included in the evaluation process, along with outside evaluators. They are reluctant to use pupil achievement as a criterion for evaluation.

Resistance

Teacher associations, as a group, will generally oppose merit pay plans. Among individual teachers, principals expect that more resistance will come from those at the upper levels of pay scales than those at the lower levels. This finding supports a study referenced in the literature review (Rist, 1983).

Form

Of the three forms of above-the-scale compensation defined for this study, principals felt that differentiated staffing would be the most acceptable to teachers, merit pay was thought to be the least acceptable. Principals did not indicate conclusively that they perceived teachers as not accepting any of the three forms of above-the-scale compensation presented.

Research Problem Conclusion

Given the attitudes of Virginia's elementary principals as determined by the survey administered for this study, it is unlikely that a merit pay plan can be successfully implemented in Virginia. Principals tend to agree conceptually to the idea of merit pay but reject it operationally. The literature is clear in suggesting that merit pay systems are generally unworkable, unless all parties involved are in agreement regarding its implementation and value.

Recommendations

1. This study should be replicated in other states. The Commonwealth of Virginia is generally considered a conservative state, and results in Virginia could differ from results in states that are less conservative. In states where collective bargaining is permitted, principals may present a different perspective.

2. Extensive research should be considered in the area of teacher motivation. It seems reasonable to assume that someone who purposely chooses the field of education, spends a minimum of four years in college preparing for work, knowing that monetary rewards will be less than that in other fields requiring an equal amount of education, will not be motivated by money. The trade-off matrix idea presented by Chonko and Griffin (1983) should be researched using a sample from the teacher population.
3. This study should be modified as appropriate and then replicated with a sample of Virginia's secondary school principals. Because they deal more with specialty teachers, they may present a different perspective.
4. This study should be administered to a sample of Virginia's teachers to determine possible differences in the perspectives of principals and teachers.

Implications

1. Merit pay as defined for this research should not be included in a compensation plan for teachers. Plans that are considered incentive or differentiated staffing, as defined for the project, could be adopted but only with considerable time in planning, inservice training, a commitment of fiscal support, clearly stated objectives, and both organizational and individual support from teachers throughout the planning stages.
2. Efforts to improve instruction must be centered on hiring and retaining competent teachers. In order to do this, base salary scales must be improved considerably. Through evaluation of personnel, teaching skills can be improved, or cases built to eliminate incompetent teachers.
3. As above-the-scale compensation plans are considered, school principals must be included as key members of committees considering such plans. Since evaluation of personnel is the most important aspect in any above-the-scale compensation plan and principals are the chief evaluators of teachers, their involvement in planning is imperative.

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APPENDICES

APPENDIX A
LETTERS TO RESEARCH SUBJECTS



VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

COLLEGE OF EDUCATION — NORTHERN VIRGINIA GRADUATE CENTER

September 3, 1984

Dear Colleague:

The enclosed survey is a part of my doctoral dissertation at Virginia Polytechnic Institute and State University. This survey is designed to solicit the opinions of elementary school principals in Virginia concerning merit pay for teachers.

In researching this topic, it became apparent that the elementary school principal's opinion had not received much, if any, attention. At the same time, it appears that a merit pay plan must include some form of teacher evaluation, and the responsibility for this evaluation will most certainly fall to the school principal. Therefore, our opinions are important.

Your answers will remain confidential. There is, however, a control number to be used in keeping a record of responses received. This will help eliminate the planned follow-up letters, cards and phone calls to nonrespondents.

I understand the importance of your time, since I, too, am an elementary school principal. At the same time, I urgently request that you complete the survey. Perhaps it will prove to be valuable as the state and localities consider various types of merit pay systems.

Please return in the enclosed, self-addressed, stamped envelope to: G. Ronald Brown, Rt. 2, Box 377B, Berryville, Virginia 22611.

Thank you very much for your cooperation, time, and assistance.

Sincerely,

G. Ronald Brown

encl
GRB:de

P.S. This study has been approved by the Virginia Association of Elementary School Principals.



VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

COLLEGE OF EDUCATION — NORTHERN VIRGINIA GRADUATE CENTER

(703) 698-6066

September 27, 1984

Dear Colleague:

Several weeks ago, a questionnaire seeking your opinion on merit pay for classroom teachers was mailed to you. Your name was selected in a random sample of Virginia's elementary principals. If you have already returned the questionnaire, please accept my sincere thanks. If not, please do so today. Because of the relatively small sample selected, it is important to have all questionnaires returned if the results of the study are to accurately represent the opinions of Virginia's elementary principals.

Enclosed you will find a copy of the original letter, another questionnaire, and a self addressed stamped envelop. In addition, I have enclosed a personal check for 40¢. Please use the check to buy yourself a cup of coffee and take a few minutes to complete and return the questionnaire.

Again, I understand the importance of your time and appreciate very much your willingness to donate a portion of that valuable time to my study.

Sincerely,

G. Ronald Brown

GRB:de
encl

APPENDIX B
QUESTIONNAIRE

Control Number _____

**Survey on Perceptions of Elementary Principals
on Merit Pay for Classroom Teachers**

Part A

Directions: Please respond to the following by placing a check (✓) in the appropriate blank. For Parts A and B, please consider merit pay as a very broad term to include incentive pay, master teacher plans, differentiated staffing, pay for performance, etc.

1. Years of experience as an elementary principal:

- _____ less than 5 years
 _____ 5 to 9
 _____ 10 to 14
 _____ 15 to 19
 _____ 20 or more

2. Age:

- _____ under 25
 _____ 25 to 36
 _____ 37 to 48
 _____ 49 to 60
 _____ over 60

3. Sex:

- _____ female
 _____ male

4. Does your school system currently employ a form of merit pay for teachers?

- _____ yes (please answer No. 5, then go to No. 7)
 _____ no (please skip No. 5 and continue)

5. Which of the following best describes the criteria through which merit pay is awarded? (Please check all that apply) (Numbers are for coding purposes only.)

- _____ (1) performing better than others
 _____ (2) coaching or sponsoring student activities
 _____ (2) teaching in a high priority school
 _____ (2) attending classes and/or in-service programs
 _____ (2) attaining advanced degrees
 _____ (2) maintaining a good attendance record
 _____ (2) attaining schoolwide goals
 _____ (3) serving as a team leader
 _____ (3) serving as a master teacher
 _____ (2) teaching a subject in which there is a critical staff shortage

6. Is your school board presently considering a merit pay plan?

- _____ yes
 _____ no

7. Student enrollment in your school:

- _____ less than 351
 _____ 351 to 600
 _____ more than 600

Part B

Directions: Please indicate your degree of agreement or disagreement with the following statements regarding merit pay for classroom teachers. Please circle only one response for each statement and respond to each item.

	(1) Strongly Disagree	(2) Disagree	(3) Agree	(4) Strongly Agree
8. Merit pay will have an adverse effect upon cooperative effort among teachers.	1	2	3	4
9. A merit pay plan will encourage the principal and teacher to have a closer working relationship.	1	2	3	4
10. Merit pay will make teachers less competitive.	1	2	3	4
11. The working relationship between elementary principal and elementary teacher will be adversely affected by the introduction of a merit pay plan.	1	2	3	4
12. Merit pay will motivate teachers.	1	2	3	4
13. Instruction can be improved by the introduction of a merit pay plan.	1	2	3	4
14. Parents will request that their children be placed in the rooms of teachers earning merit pay.	1	2	3	4
15. Teachers not receiving merit increases should have a means of appeal or access to an appeals procedure.	1	2	3	4
16. A merit pay plan will not lead to an increase in teacher grievance cases.	1	2	3	4
17. The introduction of a merit pay plan with provision for appeal will result in a large portion of administrative time being devoted to the appeals process.	1	2	3	4
18. Merit pay will have an adverse effect on teacher morale.	1	2	3	4
19. Paying teachers based on their performance will improve teacher morale.	1	2	3	4
20. In order for a merit pay plan to be effective, it must have the support of the vast majority of the teachers affected.	1	2	3	4
21. A merit pay plan will reduce teacher turnover.	1	2	3	4

	(1) Strongly Disagree	(2) Disagree	(3) Agree	(4) Strongly Agree
22. Merit pay will attract people into the teaching field.	1	2	3	4
23. Merit pay should become part of the teachers' compensation package.	1	2	3	4
24. A merit pay plan will be difficult to administer.	1	2	3	4
25. I would not encourage my school board to adopt a merit pay plan.	1	2	3	4
26. Teachers who are more effective in the classroom should receive larger salary increases than teachers who are less effective.	1	2	3	4
27. Lock-step pay scales are fair to all teachers.	1	2	3	4
28. As principal of the school, I would encourage the adoption of some type of merit pay.	1	2	3	4
29. A merit pay plan must include a system of teacher evaluation.	1	2	3	4
30. The most important assessment of teacher performance leading to merit salary increases is that made by the school principal.	1	2	3	4
31. Peer evaluations should be a part of the merit pay plan.	1	2	3	4
32. Pupil achievement as measured by a standardized test should be a consideration in assigning merit pay increases.	1	2	3	4
33. In a merit pay system, favoritism on the part of the principal could be eliminated or at least reduced by using an outside evaluator.	1	2	3	4
34. Teachers at the upper salary levels will generally favor merit pay.	1	2	3	4
35. Teachers at the lower salary steps will generally favor merit pay.	1	2	3	4
36. Teacher associations will generally oppose any form of merit pay.	1	2	3	4
37. It is unfair to pay certain teachers more because they are certified in disciplines where teacher shortages exist.	1	2	3	4

	(1) Strongly Disagree	(2) Disagree	(3) Agree	(4) Strongly Agree
38. In order for a merit pay plan to work, principals should not be limited in the number of merit pay increase recommendations they may make.	1	2	3	4
39. It should be possible for one school faculty to receive no merit pay increases while another could receive several or many.	1	2	3	4
40. In order to distribute merit pay dollars fairly, a quota per school should be established (e.g., 5% of each school faculty).	1	2	3	4

Part C

Directions: Merit pay means different things to different people. Please react to the following concepts of merit pay by indicating your opinion concerning the probable acceptance of each by the teachers in your school.

	(1) Totally Unacceptable	(2) Unacceptable	(3) Acceptable	(4) Highly Acceptable
41. Incentive Pay - Compensation beyond the basic scale for work toward personal or organizational goals such as high priority locations (special schools with high concentrations of educationally disadvantaged students), critical staff shortages (teaching assignments in bilingual education, special education, etc.), outstanding teacher attendance, professional growth (attendance at special in-service programs or extra degrees), school goal achievement (raising schoolwide test scores to a point higher than predicted).	1	2	3	4
42. Merit pay - Compensation above the scale for outstanding performance in the classroom.	1	2	3	4
43. Differentiated staffing - A system involving assignment of responsibilities with salary and rank related to duties, e.g., aide, intern or student teacher, teacher, team leader or merit teacher, etc.; not unlike a master teacher or career ladder plan.	1	2	3	4

APPENDIX C
SUMMARY OF CHI SQUARE SIGNIFICANT TEST

Table 12

Chi Square for Research Question: What Do Elementary Principals Perceive as the Likely Outcomes of a Merit Pay Plan?

Statement	Variable	Chi Square	df	Level of Significance
8. Merit pay will have an adverse effect upon cooperative effort among teachers.	Area	11.8850	5	.0364*
	Experience	6.0314	4	.1968
	Age	2.4332	3	.4875
	Sex	.1718	1	.6785
	Plan in Use	.4599	1	.4977
	Description of Plan	1.0629	2	.5877
	Considering a Plan	1.7529	1	.1855
	Enrollment	.8664	2	.6484
9. A merit pay plan will encourage the principal and teacher to have a closer working relationship.	Area	2.2703	5	.8106
	Experience	5.1042	4	.2768
	Age	2.4110	3	.4916
	Sex	.3308	1	.5652
	Plan in Use	.8393	1	.3596
	Description of Plan	.7370	2	.6918
	Considering a Plan	.3510	1	.5535
	Enrollment	1.8455	2	.3974
10. Merit pay will make teachers less competitive.	Area	5.0288	5	.4124
	Experience	1.4529	4	.8349
	Age	3.7959	3	.2844
	Sex	.4068	1	.5236
	Plan in Use	.0123	1	.9117
	Description of Plan	2.0057	2	.3668
	Considering a Plan	.3895	1	.5325
	Enrollment	.3721	2	.8302
11. The working relationship between elementary principal and elementary teacher will be adversely affected by the introduction of a merit pay plan.	Area	7.4703	5	.1879
	Experience	4.7006	4	.3194
	Age	13.8437	3	.0031*
	Sex	.0189	1	.8907
	Plan in Use	.0072	1	.9324
	Description of Plan	.1753	2	.9161
	Considering a Plan	.0930	1	.7603
	Enrollment	.2197	2	.8960

Table 12(continued)

Statement	Variable	Chi Square	df	Level of Significance
12. Merit pay will motivate teachers.	Area	3.6253	5	.6045
	Experience	3.3621	4	.4991
	Age	10.6718	3	.0136*
	Sex	3.8637	1	.0493*
	Plan in Use	1.1691	1	.2796
	Description of Plan	1.9126	2	.3843
	Considering a Plan	.0266	1	.8705
13. Instruction can be improved by the introduction of a merit pay plan.	Enrollment	1.6038	2	.4485
	Area	1.6559	5	.8944
	Experience	2.7513	4	.6003
	Age	11.0115	3	.0117*
	Sex	.8192	1	.3654
	Plan in Use	.5701	1	.4502
	Description of Plan	.1068	2	.9480
14. Parents will request that their children be placed in the rooms of teachers earning merit pay.	Considering a Plan	.0010	1	.9745
	Enrollment	1.8725	2	.3921
	Area	7.3333	5	.1970
	Experience	5.5067	4	.2391
	Age	1.4145	3	.7021
	Sex	4.1726	1	.0411*
	Plan in Use	7.1992	1	.0073*
15. Teachers not receiving merit increases should have a means of appeal or access to an appeals procedure.	Description of Plan	4.0680	2	.1308
	Considering a Plan	2.7861	1	.0951
	Enrollment	4.3059	2	.1161
	Area	13.5003	5	.0191*
	Experience	3.7731	4	.4376
	Age	1.9787	3	.5768
	Sex	.2992	1	.5843
16. A merit pay plan will not lead to an increase in teacher grievance cases.	Plan in Use	.1139	1	.7357
	Description of Plan	.3444	2	.8418
	Considering a Plan	8.8152	1	.0030*
	Enrollment	4.6066	2	.0999
	Area	.6191	5	.9871
	Experience	1.4025	4	.8438
	Age	2.0828	3	.5554
	Sex	1.6898	1	.1936
	Plan in Use	.0038	1	.9505
	Description of Plan	2.2041	2	.3322
	Considering a Plan	.0022	1	.9624
	Enrollment	2.4607	2	.2922

Table 12 (continued)

Statement	Variable	Chi Square	df	Level of Significance
17. The introduction of a merit pay plan with provision for appeal will result in a large portion of administrative time being devoted to the appeals process.	Area	4.3274	5	.5033
	Experience	1.4070	4	.8430
	Age	8.1311	3	.0434*
	Sex	4.3238	1	.3076*
	Plan in Use	2.3704	1	.1236
	Description of Plan	.1475	2	.9289
	Considering a Plan	.8105	1	.3680
	Enrollment	.2279	2	.8923
18. Merit pay will have an adverse effect on teacher morale.	Area	7.0739	5	.2152
	Experience	6.0358	4	.1965
	Age	9.2668	3	.0259*
	Sex	.1456	1	.7028
	Plan in Use	.0781	1	.7799
	Description of Plan	.0507	2	.9749
	Considering a Plan	.0094	1	.9228
	Enrollment	.2099	2	.9044
19. Paying teachers based on their performance will improve teacher morale.	Area	6.4551	5	.2644
	Experience	5.4155	4	.2472
	Age	4.4990	3	.2124
	Sex	.3074	1	.5792
	Plan in Use	2.0131	1	.1559
	Description of Plan	.0964	2	.9529
	Considering a Plan	.7700	1	.3802
	Enrollment	2.0147	2	.3652
20. In order for a merit pay plan to be effective, it must have the support of the vast majority of the teachers affected.	Area	4.2437	5	.5149
	Experience	4.5410	4	.3377
	Age	1.3677	3	.7131
	Sex	1.7011	1	.1921
	Plan in Use	1.5286	1	.2163
	Description of Plan	1.9110	2	.3846
	Considering a Plan	.1310	1	.7174
	Enrollment	2.7277	2	.2557
21. A merit pay plan will reduce teacher turnover.	Area	7.9069	5	.1614
	Experience	2.1677	4	.7049
	Age	4.4375	3	.2179
	Sex	1.8788	1	.1705
	Plan in Use	2.3130	1	.1283
	Description of Plan	.4538	2	.7970
	Considering a Plan	2.2792	1	.1311
	Enrollment	.3272	2	.8491

Table 12 (continued)

Statement	Variable	Chi Square	df	Level of Significance
22. Merit pay will attract people into the teaching field.	Area	3.4180	5	.6358
	Experience	5.4051	4	.2462
	Age	2.9580	3	.3981
	Sex	3.1858	1	.0743
	Plan in Use	.0880	1	.7667
	Description of Plan	2.5071	2	.2855
	Considering a Plan	.0739	1	.7857
	Enrollment	2.3142	2	.3144

*Significant at $p < .05$

Table 13

Chi Squares for Research Question: Do Virginia's Elementary Principals Favor or Oppose Merit Pay for Classroom Teachers?

Statement	Variable	Chi Square	df	Level of Significance
23. Merit pay should become part of the teachers' compensation package.	Area	3.4025	5	.6382
	Experience	2.7267	4	.6045
	Age	8.7010	3	.0335*
	Sex	.7792	1	.3774
	Plan in Use	.1444	1	.7039
	Description of Plan	.7654	2	.6820
	Considering a Plan	.4278	1	.5130
	Enrollment	2.8926	2	.2354
24. A merit pay plan will be difficult to administer.	Area	6.0521	5	.3012
	Experience	6.5383	4	.1624
	Age	.9291	3	.8184
	Sex	1.4758	1	.2244
	Plan in Use	4.9567	1	.0260*
	Description of Plan	2.3418	2	.3101
	Considering a Plan	.0581	1	.8095
	Enrollment	7.5903	2	.0225*
25. I would not encourage my school board to adopt a merit pay plan.	Area	2.8985	5	.7156
	Experience	2.0291	4	.7304
	Age	10.3945	3	.0155*
	Sex	4.8689	1	.0273*
	Plan in Use	1.8106	1	.1784
	Description of Plan	1.9180	2	.3833
	Considering a Plan	.2516	1	.6160
	Enrollment	.5376	2	.7643
26. Teachers who are more effective in the classroom should receive larger salary increases than teachers who are less effective.	Area	2.7677	5	.7357
	Experience	1.5876	4	.8110
	Age	2.8537	3	.4147
	Sex	.2936	1	.5879
	Plan in Use	.0126	1	.9106
	Description of Plan	1.8571	2	.3951
	Considering a Plan	.0337	1	.8543
	Enrollment	2.8577	2	.2396

Table 13 (continued)

Statement	Variable	Chi Square	df	Level of Significance
27. Lock-step pay scales are fair to all teachers.	Area	4.2897	5	.5085
	Experience	7.8839	4	.0959
	Age	8.4091	3	.0383*
	Sex	5.7690	1	.0163*
	Plan in Use	1.4799	1	.2238
	Description of Plan	2.8889	2	.2359
	Considering a Plan	4.0447	1	.0443*
	Enrollment	.5293	2	.7675
28. As principal of the school, I would encourage the adoption of some type of merit pay.	Area	7.0164	5	.2194
	Experience	5.8876	4	.2077
	Age	5.1711	3	.1597
	Sex	1.0051	1	.3161
	Plan in Use	.9494	1	.3299
	Description of Plan	.3921	2	.8220
	Considering a Plan	.5320	1	.4657
	Enrollment	2.0301	2	.3624

*Significant at $p < .05$

Table 14

Chi Squares for Research Question: How Willing Are Principals to Become Involved in the Personnel Evaluation Process leading to Merit Increases in Pay?

Statement	Variable	Chi Square	df	Level of Significance
29. A merit pay plan must include a system of teacher evaluation.	Area	5.4138	5	.3675
	Experience	5.3394	4	.2542
	Age	8.9734	3	.0296*
	Sex	.7702	1	.3802
	Plan in Use	.4647	1	.4954
	Description of Plan	-	-	***
	Considering a Plan	2.4605	1	.9604
30. The most important assessment of teacher performance leading to merit salary increases is that made by the school principal.	Enrollment	2.4683	2	.2911
	Area	3.7197	5	.5904
	Experience	2.0341	4	.7295
	Age	.6047	3	.8953
	Sex	.0117	1	.9137
	Plan in Use	.3692	1	.5434
	Description of Plan	.1508	2	.9274
31. Peer evaluations should be a part of the merit pay plan.	Considering a Plan	.0031	1	.9555
	Enrollment	.5186	2	.7716
	Area	11.3666	5	.0446*
	Experience	1.6568	4	.7985
	Age	4.6065	3	.2030
	Sex	.1057	1	.7451
	Plan in Use	.0037	1	.9514
32. Pupil achievement as measured by a standardized test should be a consideration in assigning merit pay increases.	Description of Plan	.3444	2	.8418
	Considering a Plan	11.0581	1	.0088*
	Enrollment	2.6808	2	.2617
	Area	1.0501	5	.9584
	Experience	3.9360	4	.4147
	Age	1.8887	3	.5958
	Sex	.0536	1	.8169
	Plan in Use	.1633	1	.6861
	Description of Plan	9.6428	2	.0080*
	Considering a Plan	.0121	1	.9123
	Enrollment	4.8209	2	.9976

Table 14 (continued)

Statement	Variable	Chi Square	df	Level of Significance
33. In a merit pay system, favoritism on the part of the principal could be eliminated or at least reduced by using an outside evaluator.	Area	4.2429	5	.5150
	Experience	3.9026	4	.4193
	Age	4.9803	3	.1732
	Sex	1.3751	1	.2409
	Plan in Use	.0318	1	.8584
	Description of Plan	.7359	2	.6921
	Considering a Plan	3.0459	1	.0810
	Enrollment	3.5487	2	.1696

*Significant at $p < .05$

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Table 15

Chi Squares for Research Question: Which Groups of Teachers
Do the Elementary Principals Feel will Offer
the Most Resistance to a Merit Pay Plan?

Statement	Variable	Chi Square	df	Level of Significance
34. Teachers at the upper salary levels will generally favor merit pay.	Area	1.9406	5	.8573
	Experience	4.8318	4	.3050
	Age	3.2823	3	.3501
	Sex	1.1418	1	.2853
	Plan in Use	.1393	1	.7089
	Description of Plan	4.8076	2	.0904
	Considering a Plan	.5934	1	.4411
	Enrollment	6.3977	2	.0481*
35. Teachers at the lower salary steps will generally favor merit pay.	Area	4.3103	5	.5056
	Experience	5.6374	4	.2279
	Age	7.2285	3	.0650
	Sex	.0356	1	.8504
	Plan in Use	.0126	1	.9104
	Description of Plan	4.1343	2	.1265
	Considering a Plan	.0058	1	.9393
	Enrollment	1.3351	2	.5129
36. Teacher associations will generally oppose any form of merit pay.	Area	3.0082	5	.6987
	Experience	5.6992	4	.2228
	Age	4.0614	3	.2549
	Sex	7.4987	1	.0061*
	Plan in Use	.3136	1	.5755
	Description of Plan	2.5422	2	.2805
	Considering a Plan	1.5823	1	.2084
	Enrollment	2.9203	2	.2322

*Significant at $p < .05$

Table 16

Chi Squares for Research Question: What Form(s) of Above-the-Scale Compensation (if any) is Viewed by Elementary Principals as the Most Acceptable?

Statement	Variable	Chi Square	df	Level of Significance
37. It is unfair to pay certain teachers more because they are certified in disciplines where teacher shorgages exist.	Area	11.1087	5	.0493*
	Experience	2.8869	4	.5769
	Age	4.2800	3	.2328
	Sex	3.1444	1	.0762
	Plan in Use	2.7818	1	.0953
	Description of Plan	.3921	2	.8220
	Considering a Plan	.2700	1	.6033
	Enrollment	1.2346	2	.5394
38. In order for a merit pay plan to work, principals should not be limited in the number of merit pay increase recommendations they make.	Area	5.2706	5	.3837
	Experience	1.8848	4	.7569
	Age	1.6343	3	.6516
	Sex	2.7826	1	.0953
	Plan in Use	3.8925	1	.0485*
	Description of Plan	3.1339	2	.2087
	Considering a Plan	1.0255	1	.3112
39. It should be possible for one school faculty to receive no merit pay increases while another could receive several or many.	Area	8.0778	5	.1520
	Experience	7.0849	4	.1315
	Age	11.1459	3	.0110*
	Sex	1.0082	1	.3153
	Plan in Use	.1594	1	.6897
	Description of Plan	2.8240	2	.2436
	Considering a Plan	.0306	1	.8610
40. In order to distribute merit pay dollars fairly, a quota per school should be established (e.g., 5% of each school faculty).	Area	4.5547	5	.4726
	Experience	1.9516	4	.9446
	Age	.3329	3	.9537
	Sex	.5045	1	.4775
	Plan in Use	.1795	1	.6718
	Description of Plan	2.2849	2	.3190
	Considering a Plan	.0517	1	.8201
Enrollment	4.4150	2	.1100	

Table 16 (continued)

Statement	Variable	Chi Square	df	Level of Significance
41. Incentive Pay - Compensation beyond the basic scale for work toward personal or organizational goals such as high priority locations, critical staff shortages, outstanding teacher attendance, professional growth, school goal achievement.	Area	5.5577	5	.3517
	Experience	3.1469	4	.5335
	Age	4.1813	3	.2425
	Sex	.8309	1	.3620
	Plan in Use	.1270	1	.7215
	Description of Plan	1.7317	2	.4207
	Considering a Plan	.0904	1	.7637
	Enrollment	5.9731	2	.0505
	42. Merit pay - Compensation above the scale for outstanding performance in the classroom.	Area	2.7426	5
Experience		5.0133	4	.2859
Age		.8827	3	.8296
Sex		.3175	1	.5731
Plan in Use		.4364	1	.5088
Description of Plan		.6854	2	.7099
Considering a Plan		.0846	1	.7711
Enrollment		1.9130	2	.3842
43. Differentiated staffing - A system involving assignment of responsibilities with salary and rank related to duties, e.g., aide, intern or student teacher, teacher, team leader or merit teacher, etc.; not unlike a master teacher or career ladder plan.	Area	9.7904	5	.0814
	Experience	7.0797	4	.1317
	Age	6.5728	3	.0868
	Sex	.1553	1	.6935
	Plan in Use	.6980	1	.4034
	Description of Plan	.0141	2	.9930
	Considering a Plan	.1551	1	.6937
	Enrollment	1.8003	2	.4065

*Significant at $p < .05$

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VIRGINIA ELEMENTARY PRINCIPALS' PERSPECTIVES
ON MERIT PAY FOR CLASSROOM TEACHERS

by

G. Ronald Brown

(ABSTRACT)

The purpose of this research study was to examine the perceptions of Virginia's elementary principals concerning the concept of merit pay for classroom teachers. The problem for investigation was: What are the attitudes of these principals toward merit pay for classroom teachers?

To identify these perceptions, a fixed-response-form-questionnaire, Survey on Perceptions of Elementary Principals on Merit Pay for Classroom Teachers, was developed by the researcher. The questionnaire was designed to gather information in six areas of concern: demographics of respondents, outcomes expected if a plan were adopted, opinions for or against merit pay plans, means for evaluation of teachers, resistance expected among teachers, and the most acceptable form of plan. Reliability was established at .85.

In a random selection, 300 elementary school principals (26%) were mailed surveys, 269 surveys (89.66%) were returned, 31 (10.33%) principals did not respond. An attempt was made to contact each nonrespondent by telephone to see if there

were any particular reasons why the survey was not answered. Nine nonrespondents were contacted, and 8 of them indicated a lack of time as the reason for not responding. Because of the high response rate, it was felt that nonrespondents could not have biased the data, therefore, attempts to administer the survey by telephone were not made.

Respondents felt that teachers would become more competitive and less cooperative. Parents would make requests that their children be placed with teachers receiving merit pay, and teacher-filed grievances would increase. Respondents believed in the concept of paying more effective teachers higher salaries, but they were reluctant to recommend the adoption of a merit pay plan. Respondents felt that principals should be the main evaluators of teachers, but they endorsed the use of teachers' peers and outside evaluators. They felt that teacher associations would oppose merit pay.

Of the three forms of above-the-scale compensation defined for the study, principals surveyed felt that teachers would find differentiated staffing the least objectionable.

It was concluded that, given the attitudes of Virginia's elementary principals, it is unlikely that a merit pay plan can be successfully implemented in Virginia.