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Alternative teacher compensation systems: Practices and perceptions as reported by New Hampshire principals

Bradford Wilson Craven

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Alternative teacher compensation systems: Practices and perceptions as reported by New Hampshire principals

Abstract

The purpose of this study was to determine New Hampshire principal's perceptions regarding alternative compensation plans for teachers. Alternative compensation plans, unlike traditional teacher pay plans, are not based exclusively on years of experience and formal educational attainment. Forms of alternative compensation plans include individually-based merit pay, career ladders, skill-and-knowledge-based pay, and group performance awards.

This research was intended to provide a better understanding of how principals view the various alternatives to traditional salary schedules. An assumption of this study was that principals in the state play the primary role in formal teacher evaluations, and any new compensation plans that emerge would have the greatest chance for success if embraced and supported by principals.

A survey research method of data collection was employed in this study. The entire population of 359 full-time New Hampshire public school principals was surveyed. A survey instrument consisting of a mailed questionnaire was developed to determine the perceptions held by principals regarding current evaluation and compensation practices employed by their school districts, as well as specific teacher compensation alternatives including merit pay, career ladders, skill and knowledge-based pay, and group performance awards. Completed surveys were received from 257 principals resulting in a 72% return rate.

The results of the study indicate that, although New Hampshire school districts are compensating teachers according to traditional salary schedules which do not link pay to performance, a considerable number of districts are either working under or planning to implement an alternative compensation system for teachers. Although principals are largely satisfied with their ability and training in teacher evaluation, there was no correlation between this and support for the implementation of alternative systems. There is a particular reluctance to support merit pay programs which are viewed as competitive, dimly viewed by teachers, and difficult to administer. Other alternatives enjoy more favorable perceptions and merit further exploration.

Based on the findings of the study, recommendations for the development of alternative compensation plans for teachers are presented.

Keywords

Education, Administration, Education, Finance

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ALTERNATIVE TEACHER COMPENSATION SYSTEMS:
PRACTICES AND PERCEPTIONS AS REPORTED
BY NEW HAMPSHIRE PRINCIPALS

BY

BRADFORD W. CRAVEN
B.A., Bridgewater State College, 1979
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DISSERTATION

Submitted to the University of New Hampshire
in Partial Fulfillment of
the Requirements for the Degree of

Doctor of Philosophy

in

Education

May 1999
This dissertation has been examined and approved.

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5-3-99
Date
DEDICATION

To my wife Nancy,
my daughter Paige,
and my son Alex.
ACKNOWLEDGEMENTS

The long road to graduation was marked with the generosity and help of many people to whom I wish to express my sincere gratitude.

In 1991, I had the good fortune of being in a class taught by Todd DeMitchell. I found his instruction to be inspirational. Through the years, Todd has served as my advisor in both my masters and doctoral programs. I have always been able to rely on his sage advice and loyal support. For this, I am most thankful.

Other members of my dissertation committee provided me the advice and guidance that I needed to bring this work to conclusion. Ginny Garland has been a mentor through the years. Casey Cobb was invaluable as he coached me through the world of quantitative analysis. Barbara Krysiak and Tom Carroll made pragmatic suggestions that helped me keep my focus and aided in the ultimate clarity of the study.

I owe a special debt of gratitude to four colleagues. Dick Verrill, Marigail Glasheen, Vivian Balam, and Mary Alice Minor gave unselfishly of their time to assist me when I most needed it. It is my hope to some day in some way return the kindness.
Finally, I wish to recognize my family. I thank my late grandparents, my parents, and my sisters for providing me with a lifetime of inspiration and confidence. Both of my children were born during my doctoral studies. Paige and Alex are unending sources of joy and wonder. I cannot replace time lost, but am glad we’ll now have more of it. The heaviest debt of gratitude is to my wife, Nancy, whose love and support are the keys to my success and happiness. Thank You.
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ABSTRACT

ALTERNATIVE TEACHER COMPENSATION SYSTEMS: PRACTICES AND PERCEPTIONS AS REPORTED BY NEW HAMPSHIRE PRINCIPALS

by

Bradford W. Craven
University of New Hampshire, May 1999

The purpose of this study was to determine New Hampshire principal's perceptions regarding alternative compensation plans for teachers. Alternative compensation plans, unlike traditional teacher pay plans, are not based exclusively on years of experience and formal educational attainment. Forms of alternative compensation plans include individually-based merit pay, career ladders, skill-and-knowledge-based pay, and group performance awards.

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was that principals in the state play the primary role in formal teacher evaluations, and any new compensation plans that emerge would have the greatest chance for success if embraced and supported by principals.

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The results of the study indicate that, although New Hampshire school districts are compensating teachers according to traditional salary schedules which do not link pay to performance, a considerable number of districts are either working under or planning to implement an alternative compensation system for teachers. Although principals are
largely satisfied with their ability and training in teacher evaluation, there was no correlation between this and support for the implementation of alternative systems. There is a particular reluctance to support merit pay programs which are viewed as competitive, dimly viewed by teachers, and difficult to administer. Other alternatives enjoy more favorable perceptions and merit further exploration.

Based on the findings of the study, recommendations for the development of alternative compensation plans for teachers are presented.
CHAPTER I

INTRODUCTION

As the field of education was barraged with a host of stinging reports in the early 1980s, almost all suggesting staggering failures to equip students for the demands of the twenty-first century, every area of the enterprise of public education was examined with an eye towards reform. The teaching profession was, naturally, an early and primary target, as the improvement of instruction and the quality of the teaching force itself were seen as pivotal to a renewal of quality public education.

Teacher Compensation and Educational Reform

Both A Nation At Risk (1983) and The Nation Responds (1985) targeted the restructuring of salaries in the teaching profession as a key element of serious educational reform (Brandt, 1990). Many called for the absolute abolition of traditional teacher salary schedules (which primarily reward...
seniority and further educational attainment), and the institution of practices which would reward superior performance on the job (Berliner and Biddle, 1995). The response to these calls was immediate. In early 1983 (when A Nation At Risk was released), no state had introduced measures calling for merit pay, but by late 1986, all but seven states had considered one of several types of performance-based compensation systems (Darling-Hammond, 1988). Merit pay programs would emerge powerfully and quickly in the "first wave of reform."

In New Hampshire, despite the failure to adopt any statewide system of teacher evaluation or compensation, public demands for increased teacher accountability and complaints about traditional salary schedules were heard and have resulted in new contracts featuring pay-for-performance clauses (Berger, 1998). Three school districts introduced language into collective bargaining agreements linking performance to salary increases. Movement to performance-based pay structured (even in limited forms) represents a significant chink in the armor of the traditional form of teacher pay. The proponents of movement to salary based on
performance see it as a way to improve education through increasing teacher motivation and satisfaction, ultimately leading to increased student performance. Opponents of changes to the traditional teacher salary structure see such proposals as devices to further deprofessionalize teachers (Conley & Odden, 1995).

The single salary schedule, widely used by school districts throughout the country since the turn of the century, is based almost exclusively on number of years of teaching experience, degrees earned, and total number of college credits beyond particular degrees. The question as to whether advancement along the scale due to experience and further education translate into enhanced or superior performance in the classroom is being asked with increased fervor. Research by Murnane (1993) indicated that teacher experience in the classroom is not a clear predictor of student achievement.

Despite some of the advantages of traditional salary schedules, such as the tendency to promote teamwork and cooperation, they are under increased scrutiny. To many, a system where teachers are paid based on their individual performance, as in many business settings, could work in public
schools. To those proposing such structures, the perceived fairness of the single salary schedule is outweighed by the need to challenge educators through merit-based systems.

The concept of merit pay is not new, and there are many examples of pay for performance in a variety of work settings in business and industry. The track record of merit pay in education, however, is far from good (Murnane, 1991). What educational merit pay advocates often fail to consider are the strong traditions in the teaching profession that run counter to this concept, the complexity of adapting business models to education realities, and the perception by many educators that these systems put a premium on work that is competitive as opposed to collaborative (Peterson, 1995). As the concepts of teacher professionalism and school restructuring emerge and take practical form, the fit of alternative compensation systems into current educational reform must be analyzed.

Also missing from the equation when considering alternative compensation systems are the quality and goals of the underlying evaluation systems. Principals are still largely responsible for the evaluation of teachers in the United States (Darling-Hammond, 1990; Peterson, 1995). Those systems in
themselves are generally perceived by teachers to be poor, inaccurate, and limited in terms of feedback provided (Heneman, 1975; Hoilfield & Cline, 1997; Jacobson, S.L., & Conway, J.A., 1990; Lawler, 1971; Peterson, 1990). Under most merit-pay proposals, the already present strain for principals of serving in both the formative and summative evaluative roles are exacerbated by adding the role of monetary judge. Bridges (1992) claimed that a nationwide lack of emphasis on systematic teacher evaluation and weak training of administrators in teacher evaluation are perennial problems. A system that financially rewards or punishes teachers based on their performance requires the anchor of an evaluation system that is perceived as being thorough, fair, and skillfully administered.

Though merit pay and career ladders have comprised the majority of alternative compensation models, newer plans are currently gaining favor and being piloted in various states. Forms of skill-and-knowledge based pay link a teacher’s career development plan as well as demonstration of particular knowledge and skills to salary schedules (Kelley, 1996). Group incentives reward teachers on school-wide basis for significant
progress on major school goals. These two latter alternatives may offer the potential of compensating teachers in a manner more appropriate for the overall improvement of education.

While there is considerable evidence that teachers view merit pay and other non-traditional compensation systems negatively (Berliner & Biddle, 1995; Deming, 1993; Firestone, 1991), there is a lack of research in the area of principals' attitudes toward the issue, despite their inherent influence and needed participation. While the two major professional associations representing principals have endorsed merit pay for teachers, there is a lack of evidence documenting the support of individual principals to the concept.

**Purpose of the Study**

The purpose of this study was to collect data on teacher evaluation and compensation systems in New Hampshire public schools and to assess the attitudes of principals toward the administration of alternative compensation systems for teachers.

This study consisted of survey research designed to discover the perceptions and attitudes of New Hampshire school principals toward current evaluation and compensation
practices as well as pay-for-performance schemes which are gaining favor throughout New Hampshire and nationally. This was done to fulfill the goal of determining the perceived ability of current practices to support the implementation of alternative compensation systems.

Research Questions

Specifically, the study sought to answer the following research questions:

1. In what ways and to what extent are evaluation and compensation systems in New Hampshire public schools currently linked?

2. What are the attitudes and perceptions of principals regarding their current district evaluation systems and processes?

3. What is the level of involvement of principals in their schools' current evaluation systems?

4. What are the attitudes of principals concerning the philosophy and administration of traditional teacher salary schedules as well as pay for performance and other alternative compensation systems?

5. How do principals' perceptions of the quality of their
evaluation systems and processes compare with their attitudes
on the administration of alternative compensation systems?

6. How do principals' perceptions of their own
effectiveness as evaluators compare with their attitudes on the
administration of alternative compensation systems?

Significance of the Study

Education reform remains in the forefront of the nation's
political agenda -- polling data consistently ranks the
improvement of schools as the top concern of the American
ceniblic (Sandham, 1998). The methods of how teachers are
evaluated and compensated remain primary factors of
consideration, both in New Hampshire and the nation, when
leaders study changes that may lead to increased school
performance. As principals are clearly key players in teacher
evaluations, their opinions on the value and efficacy of teacher
evaluation and compensation systems are valuable.

An assumption of this study was that for a teacher
compensation program that is linked to evaluation to be
successful, the underlying evaluation system must be sound
and able to be effectively administered. It is further assumed
that principals are the primary evaluators of teachers in New
Hampshire schools. Their support of and confidence in their ability to administer these systems, therefore, was deemed to be crucial to an alternative compensation system’s potential success.

This research was designed to contribute to the knowledge base of merit pay and other alternative teacher compensation plans. The overriding aim was to fill in the research gap pertaining to principals’ views on teacher evaluation and compensation practices. The findings are intended to be of help to school boards, school administrators, teachers’ unions, and policy-makers as they craft specific contracts and plans to address accountability and school improvement demands.

**Methodology**

A survey research method of data collection was used in this study. The entire population of 359 full-time administrative New Hampshire public school principals was surveyed. The three principals from the researcher’s school districts were not included in the study.

A mailed questionnaire was developed to survey principals and determine their perceptions of currently used
evaluation and compensation systems as well as existing and emerging alternative compensation models currently being used throughout the nation. The questions in the instrument were constructed based on a synthesis of the literature review representing the major focus areas including traditional salary schedules, merit pay, career ladders skill-and-knowledge based pay, and group incentives.

Definition of Terms

**Traditional Salary Schedules**: Traditional salary schedules pay teachers on the basis of years of teaching experience as well as earned degrees and further college credits.

**Merit Pay**: Merit pay refers to the practice of teacher compensation on the basis of individual job performance. The measure of performance for salary increases is generally tied to established teacher evaluation systems.

**Career Ladders**: Career ladders are job enlargement systems that rank teachers' jobs based on their importance and complexity. Pay is allocated on the basis of the specific tasks employees are performing. Generally, the more responsibility one assumes, the higher the job grade and pay.

**Skill and knowledge Based Pay**: Skill-and-knowledge-
based pay represents salary systems that provide pay increases or bonuses for individual teachers based on their professional career development plans and the mastery of skills targeted by the school district.

**Group Performance Awards:** Group performance awards are salary bonuses which generally reward all teachers in a school for the meeting of school or district student performance goals. They are intended to boost student achievement through motivating teachers in a collaborative fashion.

**Organization of the Study**

The study consists of five chapters. Chapter one contains an introduction providing general background information on the topic of teacher compensation in the larger context of educational reform, the purpose of the study, research questions, significance of the study, methodology, and definitions of terms. Chapter two is a review of the literature outlining the history, origins, and essential features, and major problems of alternative compensation systems for teachers. Chapter three outlines and describes the complete methodology employed in the study. Chapter four includes the results of the study and a presentation of the summary data used to answer

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the six research questions. Chapter five consists of the findings, summary, and recommendations of the study. References and appendices of supporting material form the last section of the study.
CHAPTER II

REVIEW OF THE LITERATURE

This chapter reviews the pertinent literature that places the research questions in a scholarly context. It provides a framework for understanding the focus of the research and how it augments the existing literature. The review will focus on: (a) the history and origins of merit pay; (b) the problems of merit pay in education, including the role of principals in the teacher evaluation, (c) career ladders, (d) other emerging alternatives to traditional teacher salary scales, and (e) implications for the future.

The History and Origins of Merit Pay

Merit pay may be a relatively new term, but the concept, according to Heneman (1992), can be traced back to the Protestant Reformation of the sixteenth and seventeenth centuries. Work was seen as self-sacrifice in the service of God.
Additionally, work was assessed by the economic success one had. Therefore, economic success through hard work was seen as a willingness to serve God.

Merit pay has existed in myriad work settings in the United States throughout the twentieth century. Examples noted by Brandt (1990) include:

1. Business and industry incentive pay programs and promotional opportunities to attract, maintain, and motivate high quality management personnel;

2. Piecework pay in heavy industry, where production could be tied to individual performance; and

3. Military incentive pay as a recruitment mechanism and military career ladder plans for both enlisted and officer ranks.

Although merit pay has played a visible role in industry, it is experiencing a new, heightened, broad-based resurgence as businesses prepare to compete in the twenty-first century. Kanter (1988) spoke of some of our culture's "bankrupt" ideas about pay, noting that it traditionally was cemented to hierarchical position and seniority. In business (following this model), the paycheck thus reinforces "corporacy" -- status is rewarded regardless of performance. An increased awareness

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of what it takes to be competitive in a global economy has forced businesses to rethink their pay structures in order to stay afloat, and there is a marked shift in determining the basis for pay -- a shift from position to performance, from status to contribution.

In education, too, despite the tendency to think of it as a very recent response to current perceived educational ills, merit pay has had a significant history. In fact, throughout the twentieth century, it has been called upon in reaction to widespread concern about the quality of public education. Arthur and Milton (1991) cited numerous examples where merit pay for teachers was viewed as a panacea for an ailing American educational system. They noted the pre-World War I period when Americans learned that high school students of some European nations outscored U.S. students in several types of knowledge tests, and the late 1950s and early 1960s, when Sputnik launched fears of American students being outpaced in the areas of math and science by Soviet students.

Merit pay plans, despite their new life, and their history and success in business and industry, however, have been and continue to be plagued with a range of difficulties in both
planning and implementation in educational settings. Is it that education is truly a unique structure not suited to such systems, or has the right recipe simply not been found?

**Merit Pay in Education Defined**

Teacher merit pay programs in general are intended to financially reward outstanding teachers for doing their job well. The system may identify superior teachers through any one of a number of sources -- a district or state teacher evaluation instrument, student achievement data, or teacher-developed portfolios. In most cases, merit pay is to be delivered in the form of an annual bonus, not incorporated into the teacher's base pay, and awarded on a yearly basis depending on performance evaluations for that year (Darling-Hammond 1988).

**Problems of Merit Pay in the Educational Arena**

As Farnsworth (1991) noted, although the concept of merit and incentive systems for teachers has been consistently endorsed by groups such as The National Commission on Excellence in Education, The National Science Board, The National Association of Secondary School Principals, The American Association of School Administrators, and The
National Association of Elementary School Principals, and although the public appears widely supportive of the idea, teachers themselves balk at it. The National Education Association has a history of strong and consistent opposition to pay for performance schemes.

It may seem strange that teachers, or at least the unions representing them, are opposed to a plan that is designed to reward performance. Hoy and Miskel (1991) cited the lack of adequate rewards and compensation as one of the major problems threatening to erode or even preclude true professional status for teachers.

Three factors may account for this seeming discrepancy. First, education is not industry; second, there appears to be great distrust among educators in the sophistication of the design and administration of most teacher evaluation systems; and third, there may be a collective "bitter taste" in the mouths of educators as a result of failed merit pay programs in the past. Indeed, Deming (1993) cites merit pay plans in education as having been utterly destructive and serving as a barricade to true quality. Davis and Botkin (1994) extend the argument, recognizing that merit programs are well intentioned, but
doomed to failure in educational settings.

The Dissimilarities Between Industry and Education

Addressing the first point, although many parallels can be drawn between industry and education relating to merit pay, it is essential to highlight some major distinctions. The financial well-being of public schools does not depend as directly on the success of their teaching as corporate earnings depend on the production and marketing of a company's product. However, as Brandt (1990) notes, while referring to increased public scrutiny of standardized test results, schools are not immune to accountability demands.

Attitudes toward competition and achievement-striving represent another dissimilarity between industry and education which may hamper merit pay efforts (Printz & Waldman, 1985). In contrast to their industrial counterparts, most teachers are not used to, and, indeed, find it uncomfortable to be directly compared to other teachers. The flat career path identified by Hoy and Miskel (1991) as a problem of the teaching profession, helps to create a culture of "sameness of status" that renders any merit system a threat -- an enterprise linked to favoritism and unhealthy competition.

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As Rosenholtz (1989) points out, good teaching is by its very nature an interdependent activity dependent upon cooperative relationships with other educators. This is not the case in other professions, such as sales, where teamwork and cooperation may not be a vital job component.

Conley and Odden (1995) point out that teaching may be far more complex than other enterprises in which merit pay may succeed, indicating that external rewards are not the primary motivators of teachers. There is significant evidence that teachers are drawn to education for the intrinsic rewards and satisfaction derived from the process of helping students to learn and meeting other "higher order" needs, such as feeling responsible for their work and having opportunities for job challenge (Conley & Levinson, 1993). Rosenholtz and Smylie (1983) assert that persons who choose to teach generally place great value on intrinsic rewards, collegiality, mastery of subject matter, and working with young people.

Flawed Evaluation Systems

The second cause of teacher mistrust with regard to merit pay is lack of confidence in most current teacher evaluation systems. Heneman (1975) refers to performance appraisal as
the “Achilles heel” of the teaching profession. While almost all educators agree on the need for the accountability that teacher evaluation may provide, there exists a perennial struggle as districts attempt to craft evaluation processes that yield quality judgments of teachers. This is particularly important for districts planning to deviate from traditional experience and education based salary schedules.

Merit pay puts a lot at stake -- a relatively small number of teachers (often a fixed quota) will be singled out for financial reward based on whatever evaluative tools are in place. Murnane and Cohen (1985) assert that administrators responsible for the evaluation and consequent merit pay decision are called upon to be able to convincingly answer two common teacher queries: "Why did my colleague get merit pay, and I did not?" and "What can I do to get merit pay?" They may not be able to adequately respond to these questions. Further, Brinks (1980) cited indications that most employees see themselves as highly productive and may be disappointed if the evaluation indicates weaker than expected performance.

Lawler (1990) cited the difficulty in the evaluation of employees for individual performance-based pay when the
work technologies and processes are complex. A factory worker or car salesperson can be held directly accountable for the number of items produced or units sold. It is a far more difficult task to evaluate an educator and make a financial decision on the intricate components and skills involved in teaching.

Rarely have traditional evaluation programs been designed to provide the time, expertise, and resources needed to produce assessments sufficiently credible to be used for personnel decision making. Loup, Garland, Ellett, and Rugutt (1996) analyzed the quality and methodologies of the evaluation instruments used and developed by the nations largest 100 school districts. They found little evidence of principals using high quality evaluation procedures informed by recent research on teaching and learning. Pajak (1992) identified the shortcomings of often ineffective bureaucratic systems and practices of supervision and evaluation that lead to teacher mistrust. Teachers' union claims that most current teacher evaluation systems are not sophisticated enough to determine who is outstanding and who is not appear well-supported (Darling-Hammond, 1988; Conley & Odden, 1995).

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A 1984 study conducted by Coffman and Manarino-Leggett sought to ascertain teachers' understanding and attitude toward the concept of merit pay. Teachers enrolled in graduate education courses at Fayetteville State University in North Carolina were surveyed. Questionnaires were returned by 102 teachers, 73% of whom were currently being paid according to traditional (experience and education based) salary schedules. Although factors, such as level of education may affect attitudes toward merit pay, results indicated a fairly consistent opposition to the concept (two to one or more) across a wide range of demographic characteristics. The study pointed to a core of common concerns among respondents having to do with the administration of merit pay programs by principals. They include:

1. Prejudices, biases, and personality conflicts entering into the process.

2. The possibility that many teachers who may deserve merit pay will not get it.

3. Possible patronage by teachers towards administrators determining merit pay raises.

Bacharach, Conley, and Shedd (1990) indicated that often
the priority in the development of new systems for merit compensation is not clearly linked to any kind of improved evaluation system. In fact, they contend that these systems may actually erode existing formative evaluation practices by the very nature of the enterprise. It cannot be expected for teachers to be open and honest about problems and shortcomings to a principal or other administrator who will have ultimate control over their pay raises. This link to the building principal would be inevitable in as evidenced in the research by Loup, Garland, Ellett, and Rugutt (1996). Results indicated that in all of the 100 largest school districts in the nation, principals are primary evaluators of staff. In a 1997 study by Holifield and Cline, 90% of respondents indicated that the principal is in charge of supervision of instruction as well as evaluation.

There is considerable evidence, however, of well constructed evaluation systems that provide strong foundations for the high stakes decision-making required under many alternative teacher compensation plans. Petrie (1990) outlined non-traditional evaluation programs in New York and Ohio that both address accountability concerns and involve teachers in a
positive way. In citing exemplary teacher evaluation practices, Wise (1983) highlighted the following factors which contribute to successful evaluation practices needed to underpin merit pay plans:

1. A commitment of top-level leadership to a thorough and high quality evaluation process.

2. The direct involvement of teachers in the design and refinement of evaluation procedures.

3. Compatibility between the evaluation system and the culture of the school district.

4. Adequate training of all evaluators to ensure valid and reliable procedures and results.

5. Proper oversight and evaluation of the evaluators themselves.

6. An evaluation review and appeals process to guard against errors in human judgment.

Administrators' Ability to Evaluate

Bridges (1992) asserted that school districts throughout the country continue to lack systematic approaches and strong commitments to teacher evaluation. He contended that the essential features missing from most districts with regard to
teacher evaluation systems are:

1. Adequate training for principals with remedial assistance that can be used in efforts to improve the performance of the unsatisfactory teacher.

2. Meaningful feedback, incentives, or sanctions provided to principals in relation to their performance in the assessments of classroom teachers.

3. Guarantees that principals have adequate skills and knowledge required to evaluate teachers and take formal action against those who fail to improve their performance in the classroom.

Indeed, results of a comprehensive nationwide study on administrator training conducted by Heller, Conway, and Jacobson (1988) corroborated areas of concern regarding administrator preparation in the areas of supervision and evaluation. Of the 512 principals returning surveys, nearly half (46%) indicated that they felt their formal training in the area of supervision of staff was only fair or poor. This is disturbing in light of the direct involvement principals have in the supervision and evaluation of teachers and the consequent potential repercussion when those evaluative activities are tied
to salary increases and promotional decisions. As Holifield and Cline (1997) noted, the strain that principals feel as they wear the hat of both trusted supervisor and summative evaluator is significant without the further connection to compensation.

Significant changes in administrative practices with regard to evaluation have been called for from many quarters. Scriven (1981) claimed that principals themselves must be subject to judgment under the same terms and conditions as teachers. This type of administrative oversight may serve both to place a strong emphasis from the top on evaluation, and lend an overall sense of fairness to the process.

The Record of Merit Pay Failures

Finally, merit pay systems have a long history of failure. This in itself may skew attitudes toward proposals. The process becomes circular, and the prophecy self-fulfilling. Educators are gun shy. In fact, Murnane (1991) and Deming (1993) claimed that most merit pay systems are extremely short-lived, lasting an average of only three to four years. Murnane (1991) further asserted that despite thousands of attempts to implement merit pay schemes across the country, there is no evidence of even one troubled school district.
improving its performance as a result of the new pay structure.

Leading causes identified in the literature linked to the demise of merit pay plans include:

1. Weakening of morale. In many cases, even teachers who are identified for merit increases oppose the concept in general. In many cases this low morale can be a catalyst to reduced cooperation, job satisfaction, and productivity (Kelley 1996).

2. The exorbitant cost of funding. In many cases, the resources for funding full-scale district or state merit pay programs simply do not exist (Darling-Hammond, 1988).

3. Inadequate evaluation systems. Systems are frequently seen as either too subjective, too time consuming, or too cursory. Poorly trained or inexperienced evaluators are often blamed for these problems (Darling Hammond, 1997).

4. Lack of teacher and/or administrator commitment (Farnsworth, 1991).

5. Unclear goal definition and/or communication (Wallace & Fay, 1988).

In the rare instances where merit pay plans seem to "work" (a definition often limited exclusively to teacher
satisfaction), some troubling conditions are noted. Field research by Murnane and Cohen (1985) in six school districts where merit pay plans were seemingly successful indicated that in these systems, the plans were not conventional ones. They all provided merit bonuses on top of uniform salary schedules that were already competitive with the best salaries offered by other districts in their vicinities. Additionally, most had one or both of the following characteristics:

1. Extra pay for extra work. Extra duties outside the classroom rather than instructional performance were the main criteria for bonuses.

2. Everyone wins. Every participating teacher (over 90% of teachers in the district) received merit pay. All of these bonuses were substantial.

It is clear, then, that merit pay plans may survive and flourish with the full support of teachers. In such instances, however, one must question that success in relation to larger educational long-term goals.

**Career Ladders**

Although some contend that the distinctions among various types of performance-based implementation systems...
have become muddied, and the characteristics of programs named "merit pay" may be almost indistinguishable from job-based programs, there are clearly distinguishable differences. In the private sector, such approaches to employee compensation are well-developed and have met with a great measure of success. These plans are based on detailed job analysis within the organization (Lawler, 1990). A hierarchy is created with more complex jobs being rewarded with higher compensation (Conley & Odden, 1995). The clearest match to these schemes apparent in education are career ladder plans for teachers.

Career ladder programs create a new job structure over the course of the teaching career, allowing teachers to progress through staged titles and responsibilities. Promotion is based on an assessment of professional achievements, providing further opportunities for professional growth and financial rewards, as well as additional duties. These opportunities are provided through the creation of a hierarchy of job classifications and a differentiated salary schedule (Darling-Hammond, 1988).

The major difference between career ladders and merit
pay is the way in which it alters the "flat" career path of teachers which was noted earlier. Teachers often find career ladder schemes attractive in that they often allow teachers to assume more responsibility over school or departmental activities without leaving the classroom (Bacharach, Conley, and Shedd, 1990) Although there are a variety of career ladder models, this sequence of stages proposed by Hoy and Miskel (1991) is fairly typical:

1. Teacher candidate: This stage is for prospective teachers during their college or university preparation.

2. Intern teacher: This stage includes the period when the beginning teacher is inducted into the profession. Interns would receive close supervision, mentoring, and support as they start working in classroom settings.

3. Novice teacher: This stage is the time that individuals assume the primary responsibility for teaching various student groups, receive modest levels of supervision, and complete the probationary period of employment and certification.

4. Career teacher: This stage is for autonomous teachers who are qualified to assume full professional responsibility for teaching their subjects and students.
5. Career professional teacher: This stage is reserved for teachers who accept responsibilities beyond a single classroom, for example, evaluating curriculum, conducting research, working with probationary teachers in the district, and developing and delivering in-service projects. They would continue to serve as classroom teachers.

Career ladder programs have emerged as a key component of many holistic educational restructuring models that have emerged within the past decade. They are embraced, for instance, by Sizer’s Coalition Of Essential Schools (Sizer, 1991). Souhegan High School in Amherst, New Hampshire, a newly formed non-unionized Coalition school, has adopted a career ladder model very similar to the one outlined above.

In other districts nationwide, career ladder programs have experienced mixed reactions. Research by Bacharach, Conley, and Shedd (1990) has indicated that there is nothing in current teacher job structures or compensation systems that prevents districts from involving teachers in decision making or providing developmental support. They further contend that career ladder systems may actually create a structural obstacle in that a promotion is required in order for a teacher
to perform new and different kinds of responsibilities. It also seems clear that career ladder systems, by their very nature, will be based on some sort of quota system undermining the concept that career advancement will be based strictly on qualifications. Although, as Griffin (1985) asserted there is a clearly objective rationale for payment (those who do more, get more), the competition for the top-level positions can be demoralizing and isolating (Conley & Odden, 1995).

Teacher fears over administrator ratings in career ladder programs exist as they did concerning merit pay plans. A 1991 study by Firestone, building on 1988 studies by Fuhrman, Clune, and Elmore, focused on teacher perceptions of job enlargement programs in two districts pilot testing state reforms which included career ladders. Although results were mixed in terms of overall teacher perceptions in the two intensive case studies, with some teachers indicating an increased level of job satisfaction, while others indicated a feeling of a decline in morale as a result of career ladders, the research indicates complex perceptions of the fairness of career ladders across variables. A consistent problem was the general perception among most teachers that principal ratings may be
used as an instrument of intimidation, although, surprisingly, principals were seen by most teachers as effective observers. Although generalizing from a small number of case studies is always difficult, these results call for further study, particularly in the area of principals' perceptions.

Career ladder programs, however, frequently call for expanded and alternative evaluation processes beyond traditional principal-driven models. Darling-Hammond and Sclan (1992) referenced various forms of self-evaluation, peer review, and portfolio development that are found in career ladder evaluation programs. Although these approaches to evaluation may change the traditional bureaucratic arrangements governing supervisory relationships, they are nevertheless subject to teacher scrutiny over the issue of fairness and accuracy.

Another alternative is the use of multiple teacher panels in determining advancement along a career ladder. A 1987 study conducted by McCarthy and Peterson in which multiple peer judgments of teachers were compared with principal judgments indicated that teacher review panels were more critical and selective than principals and reported high levels of
confidence in their ability to make accurate judgments and promotional decisions regarding teachers (Peterson, 1995). In successive studies in 1988 and 1990, Peterson extended his claims as to the effectiveness of teacher review panels in evaluation processes. The loss of administrative control on the part of principals that this may entail, however, could be problematic to administrators. This variable was not studied by Peterson. The current study will seek principals' views on these alternative strategies, thus building on Peterson's work.

Other Emerging Alternatives

Despite some claims of success, the overwhelming body of literature on teacher compensation structures as they relate to the improvement of education strongly suggests that merit pay and career ladders are not the answer to overall educational improvement. As Arthur and Milton (1991) pointed out in their analysis of the flawed and failed Florida Teacher Incentive Program, "carrot and stick" programs for teachers are not the solution to increased student achievement or lasting school reform. Berliner and Biddle (1995) emphasized that the correct recipe for teacher motivation lies in cooperative strategies as opposed to extrinsic sanctions. The answer may lie
in structuring the profession of teaching (and compensation systems) in such a way that the best and brightest are drawn to the profession, and then decide to make a career in schools. A simple solution -- one that would likely be endorsed by a variety of educators -- but, how can this be achieved?

Regardless of particular views on pay-for-performance, compensation itself, as well as incentives, appear to play a large role in most educational researchers' recipes for the revitalization of public education.

Firestone (1991) found many teachers articulated a need for teacher incentive reforms beyond merit pay and career ladders. Murnane (1991) contended that the journey to educational improvement will be an easier one if policy makers learn to get the incentives right. By this, he referred to the very arduous task (entailing much experimentation, patience, persistence, negotiation, and risk) of altering fundamental educational policies that determine "who will teach." In addition to radical changes in policies regarding mandatory training requirements (he suggests a performance-based licensing process), he proposed these further policy shifts:

1. Higher salaries, particularly for beginning teachers,
which will both attract a strong applicant pool and encourage them to stay in the profession.

2. Flexibility in salaries for teachers in shortage areas.

3. Better working conditions, particularly in support services offered to beginning teachers.

4. Better recruiting, screening, and hiring practices, in an attempt to identify the strongest and most committed candidates.

5. Support for initiatives, including tuition policies that would encourage teachers to continue to be learners by paying for courses that teachers are interested in taking (as well as related out-of-pocket expenses).

In Massachusetts, legislators reeling from low scores on the state's first-ever exam for licensing new teachers, have proposed bold legislation involving the structure of the teaching profession and related compensation. These proposals involved the creation of significant signing bonuses for qualified candidates and the creation of a "master teacher corps" based on the payment of bonuses for those educators who complete the National Board for Professional Teaching Standards requirements and an additional content test (White, 36).
With a nation-wide demand for skilled teachers, the need to explore forms of compensation beyond the traditional salary scale is becoming apparent to politicians, school boards, and superintendents. Bradley (1998) chronicled several instances of school districts across the country paying bonuses and other monetary incentives to highly qualified beginning teachers including:

1. A program in Dallas, which furnished new teachers with both enhanced starting salaries and sign-on bonuses.

2. An incentive package in Baltimore, which provides funds for closing costs for a home purchased in the city, the coverage of relocation expenses, and substantially increased starting salaries.

3. A legislature-approved package in Mississippi, in which teachers may obtain low-interest loans to build houses.

These assertive plans approached the problem of building a qualified teacher work force through compensation in a front-loaded manner. The improvement of education in these cases was approached through the aggressive attraction of well-qualified teachers through financial incentives.
**Skill-and-Knowledge-Based Pay**

Another alternative being examined by scholars is based on the expansion of professional skills. Although most career ladder programs rely on job differentiation as a basis for compensation, plans are emerging that are structured instead on the teacher's own professional career development. In such models, growth in terms of skills and knowledge are the key to continued salary increases (Conley and Odden, 1995). These systems reward teachers for meeting goals and developing expertise in areas that are identified by the school district or school itself as contributing to high student performance (Kelley, 1996).

Several forms of skill-and-knowledge-based pay are in the beginning stages in school systems throughout the United States (Conley & Odden, 1995). A skills/competency-based-pay salary component could be added to salary schedules or replace other components (such as education or experience). Kelley (1996) suggested possible links to professional licensing and certification such as that being developed by the National Board for Professional Teaching Standards. Under such a scenario, teachers are not pitted against one another, but instead
rewarded for their mastery of knowledge and competencies valued by their school districts.

Kelley and Odden (1995) studied several pay plans based on skill and competency development. One such system, developed in Douglas County, Colorado, is an example of a unique hybrid compensation design, incorporating some features of a traditional salary schedule while revising and adding other components. More specifically, base pay was retained under the plan as well as incremental increases for additional coursework, but the traditional experience column was revised to provide annual increases only for teachers rated as proficient by school principals. Additionally, the plan provided:

1. Bonuses for outstanding teachers selected by principals who evaluate teaching practice portfolios.

2. Bonuses for learning specific skill blocks identified by the district.

3. "Responsibility pay," awarded to teachers by a staff committee for contributions such as advising, coaching, and school leadership.

A ground breaking contract in Bedford, New Hampshire
contained features that reward teachers for the acquisition of particular skills and knowledge. According to Berger (1998), teachers who acquire, apply, and demonstrate skills that support district goals are granted individual bonuses. Unlike many similar plans in different states, these performance awards are determined by the district’s staff development committee, not the building principal.

Kelley and Odden (1995), as a result of their studies, encouraged state and local policymakers to consider initiating efforts to add elements of skills or competency-based pay to existing teacher agreements and compensation plans. They see it as sending a clear message to teachers that new skills are not only needed and valued, but also necessary in order to reach the goal of teaching students to world-class achievement levels. For skills- and competency-based plans to be most effective, however, the design of the plan should include both clear, specific, and measurable skill blocks, and an objective, sound, and credible assessment system to which compensation is linked (Kelley and Odden, 1995).

**School-Based Incentives**
There have been significant moves in various states within the past three years to improve education through the use of school-based performance incentives and rewards for teachers. Under such systems, all teachers within a school may receive bonuses for the achievement of school-wide goals (Odden & Kelley, 1997). These plans are designed to encourage a common mission and common goals for achievement (Odden & Kelley, 1995). This use of a policy mechanism to promote collaborative efforts is markedly different from the adoption of individually-based merit pay.

Odden and Kelley (1995) also cited gainsharing programs as another type of group-based performance incentive. These systems provide incentives for teachers to explore more efficient means for the delivery of educational services. A portion of the cost-savings garnered through a faculty-based initiative could potentially be returned in part to the teachers and in part to the school for the purchase of instructional materials.

Significant research by Kelley (1998) tracked the effects of the Kentucky School-Based Performance Award Program which was implemented in 16 elementary, middle, and high
schools in the fall of 1996. The system was designed to hold schools accountable for improved student performance on the state’s authentic assessment instrument. A series of goals were established for individual schools in terms of percentage gains in student achievement. Schools were then designated a status according to the following guidelines:

1. Reward schools, which exceeded accountability goals and were given monetary awards.
2. Successful schools, which met accountability goals.
3. Improving schools, which progressed, but below set goal levels.
4. Declining schools, which scored slightly below the previous year’s results.
5. Crisis schools, which scored significantly below previous results.

Reward schools, under the Kentucky program, received a pool of funds that are distributed to teachers for any purpose, including salary bonuses. Kelley (1998) reported that in the first two years of the program, 40% of schools exceeded performance goals. Teachers in more than 98% of award schools voted to use the money for salary bonuses, the distribution of
which was a highly contentious process. Schools in declining and crisis categories suffered sanctions, including the mandatory development of transformation plans and threats to teacher job security.

The study by Kelley (1998) targeted several key findings that would be of interest to policy-makers who are considering a group incentive program as a catalyst for educational improvement. Highlighted conclusions, based on the perceptions of teachers and administrators working under the Kentucky Accountability Program include:

1. A combination of rewards, sanctions and developmental interventions provides a powerful package that has the potential to promote successful organizational change.

2. Many teachers are motivated by a desire to avoid the negative publicity associated with sanctions.

3. Salary bonuses, although appreciated as an acknowledgement of good work, was not an incentive that drove teacher behavior.

4. Schools that had a high quality, focused professional development program for teachers as well as principals committed to accountability goals had the enabling conditions
needed to be successful.

Kelley and Odden (1995) stressed that group performance award plans be clearly laid out in terms of what specific measures of progress are to be targeted. They emphasize that the awards given (salary bonuses, increased funding for professional development, etc.) represent what is meaningful to teachers in the particular district. Wohlstetter and Mohrman (1994) insisted that teachers, under group performance-based plans be given professional control over the work environment. The point being that teachers, if they are to be held responsible for improvement results, must have the capacity to improve organizational effectiveness. It is clear then, that alternative compensation plans may be harmonious with other reform strategies, such as school-based management.

**Implications for the Future**

The pay for performance movement of the 1980s resulted from cries for reform -- cries directed to the field of education from those outside it (where such pay structures are common practice). The movement, including both merit pay and career ladder schemes, has seen more failure and
skepticism than success and acceptance.

Brandt (1990) noted that career ladder and merit pay programs are no longer the centerpieces of educational conventions. School-based management, teacher empowerment, and various job restructuring models are gaining favor. Yet, there are districts where carefully implemented, monitored and modified plans that link performance and pay have resulted in teacher and administrator enthusiasm as they wait and hope for improved student performance and increased teacher status and recognition (Conley & Odden 1995; Hart, 1996; Richards & Sheu, 1992). It may be possible to use variations of these methods in New Hampshire to both improve the profession of teaching and answer public calls for increased teacher accountability.

**Summary**

There is a tremendous amount of literature which chronicles the successes and failures of various systems which connect work performance to teacher compensation. Similarly, the perceptions of teachers regarding alternative forms of teacher compensation is abundant. There is a significant gap in the research regarding principals’ perceptions of plans that
may represent a key piece of the educational improvement puzzle in both New Hampshire and the nation. This study could offer significant insight to school districts considering alternative teacher compensation proposals, offering analysis of the perceptions and practices of principals in a process in which they will arguably play the most significant role.
CHAPTER III

METHODOLOGY

Research Design

The purpose of this study was to identify the status of teacher evaluation and compensation systems in New Hampshire public schools and to assess the attitudes of principals toward the administration of alternative compensation systems for teachers. Specifically, the study sought to answer the following questions:

1. In what ways and to what extent are evaluation and compensation systems in New Hampshire public schools currently linked?

2. What are the attitudes and perceptions of principals regarding their current district evaluation systems and processes?

3. What is the level of involvement of principals in their schools' current evaluation systems?

4. What are the attitudes of principals concerning the
philosophy and administration of traditional teacher salary schedules as well as pay-for-performance and other alternative compensation systems?

5. How do principals' perceptions of the quality of their evaluation systems and processes compare with their attitudes on the administration of alternative compensation systems?

6. How do principals' perceptions of their own effectiveness as evaluators compare with their attitudes on the administration of alternative compensation systems?

Population

The subjects for this study were all of the full-time administrative public school principals in the state of New Hampshire. The listing of principals by grade level in the state of New Hampshire according to the New Hampshire Schools and Public Academies data base furnished by the New Hampshire Department of Education is summarized in Table 1. All full-time administrative principals in the state were included in the study. Principals serving in multi-level schools or serving in several individual schools were designated to the category of the highest grade level that they supervised.

Table 1
New Hampshire School Principal Population

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Full-Time Administrative Principals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>219</td>
</tr>
<tr>
<td>Middle/Junior High</td>
<td>65</td>
</tr>
<tr>
<td>High School</td>
<td>75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>359</strong></td>
</tr>
</tbody>
</table>

Limitations of the Study

This study was limited to principals in New Hampshire. For the purposes of the study, the population was further restricted to include only principals classified by the New Hampshire State Department of Education as administrative principals. This eliminated lead teachers and teaching principals of very small schools whose supervisory roles were likely to be minimal. The researcher and the two other principals from the researcher's school district were not included in the study.

Instrumentation

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A survey instrument consisting of a mailed questionnaire was developed by the researcher (Appendix A). Individual items in the survey were developed through the major sources cited in literature review. The law of parsimony was applied in item construction. The questions in the survey were designed to measure principals' perceptions of important areas cited in the literature on teacher compensation systems including current practices, merit pay, career ladders, and other potential alternatives.

The questionnaire consisted of four major sections. The first section consisted of 48 items designed to measure principals' opinions on current evaluation and compensation practices, merit pay, career ladders, and alternative compensation strategies. Respondents were asked to circle the appropriate response on a five point Likert Scale which included: strongly disagree, disagree, neutral, agree, and strongly agree.

Section two was designed to gather information on and measure the extent of principals' involvement in current teacher evaluation processes. This section consisted of nine questions concerning current evaluation system components.
used in the principals' schools to which respondents answered yes or no. In a similar format, Section three contained seven items concerning current and past compensation systems used in schools to which principals were asked to circle yes or no. This section was designed to determine the extent to which alternative compensation systems which link compensation to evaluation are in current use or being planned in public schools in the state of New Hampshire.

Section four, the final section, included 11 items for the collection of demographic data. The demographic data described the characteristics of the respondents and was used in the data analysis section of the results chapter for descriptive purposes only.

The questionnaire was validated by a jury of six experts in the field of supervision and evaluation (Appendix B). The expert panel was comprised of four professors of education who specialized in the area of supervision and evaluation, one practicing superintendent who was instrumental in alternative compensation system implementation, and one consultant who specialized in evaluation system design. The jury was asked to identify deficiencies of the questionnaire including possible
misunderstandings, ambiguities, and inadequate or redundant items. The suggestions they made formed the basis for the final revision of the instrument.

Data Collection

The questionnaire was sent with an explanatory introductory letter to all members the population (Appendix C). The introductory letter clearly stated the purposes of the research and the intended uses of the findings. Confidentiality was assured. The endorsement of the study by the New Hampshire Association of School Principals was included in the cover letter. A postage-paid, self-addressed envelope was provided for the return the instrument.

A two-week turnaround time was requested of respondents. For the purposes of follow-up communication, surveys were numbered to identify those who had responded. Following the two week period, an initial response rate of 54% of the entire population was obtained. A written reminder was sent to all non-respondents after the initial two-week period (Appendix D). After a period of four weeks from the original mailing, a response rate of 62% was obtained. Non-respondents were then sent a second reminder letter and
another survey (Appendix E). A final response rate of 72% was obtained after a period of one week following the mailing of the final reminder as shown in Table 2.

Table 2

**Final Response Rate**

<table>
<thead>
<tr>
<th>Principals</th>
<th># Surveyed</th>
<th>#Usable</th>
<th>#Non-Respondent</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>219</td>
<td>160</td>
<td>59</td>
<td>73%</td>
</tr>
<tr>
<td>Mid./Jr. High</td>
<td>65</td>
<td>46</td>
<td>19</td>
<td>71%</td>
</tr>
<tr>
<td>High</td>
<td>75</td>
<td>51</td>
<td>24</td>
<td>69%</td>
</tr>
<tr>
<td>Total</td>
<td>359</td>
<td>257</td>
<td>102</td>
<td>72%</td>
</tr>
</tbody>
</table>

Data Analysis

The data on returned questionnaires were entered into a spreadsheet in Microsoft Excel. Answers to the research questions were sought by analyzing the data through the use of the Microsoft Office statistical package.

The six research questions were:

1. In what ways and to what extent are evaluation and compensation systems in New Hampshire public schools
currently linked?

2. What are the attitudes and perceptions of principals regarding their current district evaluation systems and processes?

3. What is the level of involvement of principals in their schools' current evaluation systems?

4. What are the attitudes of principals concerning the philosophy and administration of traditional teacher salary schedules as well as pay-for-performance and other alternative compensation systems?

5. How do principals' perceptions of the quality of their evaluation systems and processes compare with their attitudes on the administration of alternative compensation systems?

6. How do principals' perceptions of their own effectiveness as evaluators compare with their attitudes on the administration of alternative compensation systems?

The statistical techniques applied in the analysis for each of the six research questions included:

Research Question 1 - Frequency distributions and percentages were calculated for each of the seven questions in Section 3 pertaining to current teacher compensation systems,
plans for the implementation of new systems, and the discontinuation of alternative systems.

Research Question 2 - Statement mean and standard deviation were computed for items #1, #2, #3, #7, and #9 in Sub-section A of Section 1 of the survey pertaining to current evaluation systems and practices.

Research Question 3 - Frequency distributions and percentages were computed for the nine items in Section 2 dealing with current teacher evaluation process components. In addition, frequency distributions were computed for the last item in Section 4 indicating the specific job titles of other professionals who evaluate teachers in principals’ schools.

Research Question 4 - Statement mean and standard deviation were calculated for items #4, #5, and #6 of Sub-section A of Section 1 dealing with principal perceptions of traditional teacher salary schedules. Additionally, statement mean, standard deviation and rank were computed for principals’ responses to the 32 items in sub-sections B and C, in Section 1 of the survey pertaining to merit pay, and career ladders. Finally, statement mean and standard deviation were calculated for the six statements in sub-section D of Section 1
dealing with skill-and-knowledge based pay and group performance awards. The mean of means was calculated for principal responses to each of the four major areas of Section 1 (traditional salary schedules, merit pay, career ladders, and alternative systems). Results were charted according to specific groups of principals -- those currently working in districts with merit or pay, those working in districts with career ladder programs, and those currently working in districts with traditional salary schedules.

Research Question 5 - Correlation analysis was used to measure the strength of the relationship between principals’ perceptions of the quality of their current evaluation system with their responses regarding the administration of alternative compensation systems. Specifically, Pearson’s correlation coefficients were calculated for principals’ mean responses to statements #1, #2, #3, #7, #9, #24, and #39 in Section 1 with their responses to statements #25 and #41 in Section 1. There is no standard interpretation for what constitutes a strong or weak correlation. Suggestions offered by Wolf (1986) will serve as a guide for this discussion. Under this system of interpretation \( r = .10 \) represents a weak
correlation; \( r = .30 \) is a moderate correlation; and \( r = .50 \) indicates a strong correlation. Under these conditions a Pearson correlation coefficient value of .645 would be considered strong positive correlation; a correlation of .332 would be interpreted as moderate and a correlation of -.165 would be classified as weak negative correlation. These correlations were tested for significance.

Research Question 6 - Statement mean and standard deviation were calculated for items #8 and #10 in Section 1. Correlation analysis was then used to measure the strength of the relationship between principals' perception of their own effectiveness as evaluators and their responses regarding the administration of alternative compensation systems. Specifically, a Pearson's correlation coefficient of was calculated for statements #8 and #10 and tested for significance. Additional Pearson's correlation coefficients were then calculated with the mean of the means of those two statements with statement #25 in part B of Section 1, dealing with merit pay, and statement #41 in part C of Section 1, dealing with career ladders. The guidelines used for interpretation of correlations and discussion of this study are
the same as those listed in the previous discussion of statistical treatment for research question 5.

One additional area of data analysis included reported demographic data from section four of the survey. This primarily included fixed-type questions for demographic data which was used for descriptive purposes only. Frequency distribution summaries were determined for demographic data including gender, age, number of students served, school location, school classification, years as principal in current schools, years as principal at all school, years in education (total), teacher population, and number of teachers directly evaluated. One question in section four asked principals to identify other professionals in their schools (by title) who formally evaluate teachers. This data was categorized and summarized.

Summary

This study was designed to determine principal perceptions regarding current evaluation and compensation practices as well as emerging alternative compensation systems including merit pay, career ladders, skill and knowledge-based pay, and group performance awards. This information would
be useful in determining directions for educators, school boards, and policy-makers who are looking at alternative teacher compensation systems as potential tools for the improvement of education.

This chapter presented an overview of the methodology used in the study including research design, population, study limitations, survey instrumentation, procedures utilized, and techniques applied in the analysis of data. The results of the study are presented in the next chapter.
CHAPTER IV

RESULTS

The survey results regarding the perceptions of alternative teacher compensation and current teacher evaluation and teacher compensation practices from 257 New Hampshire full-time administrative public school principals, representing 72% of the entire population, are presented in this chapter. The first section will report demographic characteristics of respondents. The second section will outline findings for each of the following six research questions:

Research Question 1 - In what ways and to what extent are evaluation and compensation systems in New Hampshire public schools currently linked?

Research Question 2 - What are the attitudes and perceptions of principals regarding their current district evaluation systems and processes?

Research Question 3 - What is the level of involvement
of principals in their schools' current evaluation systems?

Research Question 4 - What are the attitudes of principals concerning the philosophy and administration of traditional teacher salary schedules as well as pay for performance and other alternative compensation systems?

Research Question 5 - How do principals' perceptions of the quality of their evaluation systems and processes compare with their attitudes on the administration of alternative compensation systems?

Research Question 6 - How do principals' perceptions of their own effectiveness as evaluators compare with their attitudes on the administration of alternative compensation systems?

Demographic Characteristics of Respondents

Nearly two-thirds of the respondents in the study identified themselves as male. Over eighty percent of the responding population were age 45 or older. While a clear majority of principals were well experienced in education, with nearly eighty percent listing over 20 years total employment in education, well over half of all respondents have served as principal at their current schools for five or fewer years. Total
years experience as a principal varied across categories, with the largest percentages serving between 2 and 5 and 11 and 15 years respectively.

Elementary school principals outnumbered both middle and high school principals by a margin of more than 3 to 1. Over half of all schools were listed as being in rural locations. Student populations varied in size from under 251 to over 3000, but over 75% of schools were listed as having student populations of over 251 and under 1000. Similarly, teacher populations were varied, but over 75% of schools were listed as having between 16 and 60 teachers. Most principals (78%) indicated that they directly evaluated between 11 and 40 teachers. Principals were most frequently assisted by assistant principals, special education directors, and department heads in the teacher evaluation process.
Table 3

Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>90</td>
<td>35%</td>
</tr>
<tr>
<td>Male</td>
<td>165</td>
<td>64%</td>
</tr>
<tr>
<td>No Response</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>257</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>25-34</td>
<td>4</td>
<td>1.5%</td>
</tr>
<tr>
<td>35-44</td>
<td>43</td>
<td>17%</td>
</tr>
<tr>
<td>45-54</td>
<td>157</td>
<td>61%</td>
</tr>
<tr>
<td>56-64</td>
<td>50</td>
<td>19%</td>
</tr>
<tr>
<td>Over 64</td>
<td>1</td>
<td>.5%</td>
</tr>
<tr>
<td>No Response</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>257</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Students Served</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 251</td>
<td>41</td>
<td>16%</td>
</tr>
<tr>
<td>251-500</td>
<td>110</td>
<td>42%</td>
</tr>
<tr>
<td>501-1000</td>
<td>87</td>
<td>34%</td>
</tr>
<tr>
<td>1000-2000</td>
<td>17</td>
<td>7%</td>
</tr>
<tr>
<td>2001-3000</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td>Over 3000</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>257</td>
<td>100%</td>
</tr>
</tbody>
</table>
Table 3 Continued

Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Location</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>142</td>
<td>56%</td>
</tr>
<tr>
<td>Suburban</td>
<td>73</td>
<td>28%</td>
</tr>
<tr>
<td>Urban</td>
<td>42</td>
<td>16%</td>
</tr>
<tr>
<td>Total</td>
<td>257</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Student Population Served</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>160</td>
<td>62%</td>
</tr>
<tr>
<td>Middle/Junior High</td>
<td>46</td>
<td>18%</td>
</tr>
<tr>
<td>High School</td>
<td>51</td>
<td>20%</td>
</tr>
<tr>
<td>Total</td>
<td>257</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Years as Principal at Current School</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1</td>
<td>32</td>
<td>12%</td>
</tr>
<tr>
<td>2-5</td>
<td>116</td>
<td>45%</td>
</tr>
<tr>
<td>6-10</td>
<td>47</td>
<td>18%</td>
</tr>
<tr>
<td>11-15</td>
<td>40</td>
<td>16%</td>
</tr>
<tr>
<td>16-20</td>
<td>13</td>
<td>5%</td>
</tr>
<tr>
<td>Over 20</td>
<td>9</td>
<td>4%</td>
</tr>
<tr>
<td>Total</td>
<td>257</td>
<td>100%</td>
</tr>
</tbody>
</table>
Table 3 Continued

Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years as Principal (All Schools)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-1</td>
<td>13</td>
<td>5%</td>
</tr>
<tr>
<td>2-5</td>
<td>72</td>
<td>28%</td>
</tr>
<tr>
<td>6-10</td>
<td>45</td>
<td>18%</td>
</tr>
<tr>
<td>11-15</td>
<td>61</td>
<td>24%</td>
</tr>
<tr>
<td>16-20</td>
<td>32</td>
<td>12%</td>
</tr>
<tr>
<td>Over 20</td>
<td>34</td>
<td>13%</td>
</tr>
<tr>
<td>Total</td>
<td>257</td>
<td>100%</td>
</tr>
</tbody>
</table>

| Years in Education (All Positions)    |           |         |
| 0-1                                   | 0         | 0%      |
| 2-5                                   | 2         | 1%      |
| 6-10                                  | 5         | 2%      |
| 11-15                                 | 12        | 5%      |
| 16-20                                 | 34        | 13%     |
| Over 20                               | 204       | 79%     |
| Total                                 | 257       | 100%    |

| Total Number of Teachers at School(s) Supervised |           |         |
| 1-15                                               | 18        | 7%      |
| 16-30                                              | 78        | 30%     |
| 31-45                                              | 86        | 33%     |
| 46-60                                              | 38        | 15%     |
| 61-75                                              | 15        | 6%      |
| 76-90                                              | 12        | 5%      |
| Over 90                                            | 10        | 4%      |
| Total                                              | 257       | 100%    |
Table 3 Continued

Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Teachers Directly Evaluated by Principal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td>1-10</td>
<td>7</td>
<td>3%</td>
</tr>
<tr>
<td>11-20</td>
<td>63</td>
<td>24%</td>
</tr>
<tr>
<td>21-30</td>
<td>82</td>
<td>32%</td>
</tr>
<tr>
<td>31-40</td>
<td>58</td>
<td>22%</td>
</tr>
<tr>
<td>41-50</td>
<td>28</td>
<td>11%</td>
</tr>
<tr>
<td>Over 51</td>
<td>17</td>
<td>7%</td>
</tr>
<tr>
<td>Total</td>
<td>257</td>
<td>100%</td>
</tr>
</tbody>
</table>
Research Question 1

In what ways and to what extent are evaluation and compensation systems in New Hampshire public schools currently linked?

The linkage between evaluation and compensation systems in New Hampshire public schools was determined by responses to a set of seven questions on compensation system status and features in Section three of the survey. Principals responded to the questions by answering “yes” or “no.”

Table 4 shows the questions, number of “yes” responses, and the percentages of the population that those responses represent. A clear majority (88%) of principals indicated that their schools were currently operating with traditional salary schedules, which do not link compensation levels to evaluation. Twelve percent of principals indicated that their schools were operating under an alternative compensation plan, with merit or pay for performance plans outnumbering career ladder programs. A similar number of principals (13%) responded that their districts were planning a move to an alternative teacher compensation system, with merit or pay for performance plans again leading plans for career ladder
programs. When taken in total, one quarter of all principals indicated that alternative compensation systems were either in place or being planned for their districts. A very small number (5%) of principals indicated that their districts had discontinued an alternative teacher compensation plan within the past ten years.
Table 4

*Compensation Practices and Planning*

<table>
<thead>
<tr>
<th>Status</th>
<th>Yes</th>
<th>response frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT PRACTICE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Is your district currently</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating on a traditional</td>
<td>227</td>
<td>88%</td>
<td></td>
</tr>
<tr>
<td>experience and education-based</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>salary schedule for teachers?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Is your district now under</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a merit-pay or any type of</td>
<td>19</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>&quot;pay for performance&quot; system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for teachers?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Is there any type of career</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ladder system in effect for</td>
<td>11</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>teachers in your district?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PLANS TO IMPLEMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Is your district planning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to implement a merit pay or</td>
<td>25</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>&quot;pay for performance&quot; system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in the near future?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Is your district planning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to implement a career ladder</td>
<td>7</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>program?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

69
Table 4 Continued

*Compensation Practices and Planning*

<table>
<thead>
<tr>
<th>Status</th>
<th>Yes</th>
<th>response frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DISCONTINUED PRACTICE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Has your district discontinued the use of a career ladder system for teachers within the last ten years?</td>
<td>2</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>2. Has your district discontinued the use of a merit pay or any type of &quot;pay for performance&quot; system for teachers within the last ten years?</td>
<td>10</td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>
Research Question 2

What are the attitudes and perceptions of principals regarding their current district evaluation systems and processes?

Principals' perceptions of their current district evaluation systems and processes were measured by responses to five statements in Section 1 of the survey. A 5-point Likert scale, including degrees of disagreement and agreement was used (1 = strongly disagree; 5 = strongly agree).

Table 5 shows the statements, means, and standard deviations for responses to statements pertaining to current evaluation systems and practices. Mean responses for this section ranged from 3.04 to 3.61, with three responses clustering in "neutral" range and two responses in the lower end of the "agree" range. The statements with the highest level of agreement were that the principal's district places a strong emphasis on evaluation and the current teacher evaluation system used is appropriate for contract renewal decisions (Statement 9 M = 3.61; Statement 2 M = 3.59). The two statements with the lowest means were that the criteria of the current evaluation system are clear and appropriate.
indicators of teaching performance and that teachers view the evaluation systems in place as being helpful to their professional improvement (Statement 3 $M = 3.04$; Statement 7 $M = 3.06$).
Table 5

*Principals' perception of current evaluation systems and practices*

<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT EVALUATION PRACTICES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. The current teacher evaluation system in my school is appropriate for</td>
<td>3.08</td>
<td>1.18</td>
</tr>
<tr>
<td>the purposes of teacher growth and development.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. The current teacher evaluation system in my school is appropriate for</td>
<td>3.57</td>
<td>1.03</td>
</tr>
<tr>
<td>the purposes of contract renewal decisions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. The current teacher evaluation system in my school is generally</td>
<td>3.04</td>
<td>.94</td>
</tr>
<tr>
<td>viewed by teachers as being helpful to their professional improvement.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. The criteria of our current teacher evaluation system are clear and</td>
<td>3.06</td>
<td>1.14</td>
</tr>
<tr>
<td>appropriate indicators of teaching performance.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. My school district places strong emphasis on the teacher evaluation</td>
<td>3.61</td>
<td>.99</td>
</tr>
<tr>
<td>process.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Research Question 3

What is the level of involvement of principals in their schools' current evaluation systems?

The level of involvement of New Hampshire public school principals in their schools' current teacher evaluation systems was determined by responses to a set of nine questions on compensation system status and features in Section two of the survey. Principals responded to the questions by answering “yes” or “no.”

Evaluation Process Components.

Table 6 shows the questions, number of “yes” and “no” responses, and the percentages of the responding population that those responses represent. Certain evaluation practices were found to be widespread in New Hampshire public schools. Ninety percent or more of the responding principals indicated that they conduct both formal and informal classroom observations of teachers in their schools. Additionally, individual goal-setting processes as well as pre-conferences and post-conferences were listed as part of the current teacher evaluation systems of nearly all schools.

Nearly two-thirds of all principals reported that a self-
evaluation process was a part of their teacher evaluation program. Almost one-fifth of principals reported peer evaluation and portfolio review as components in current teacher evaluation systems. A strong majority (87%) of principals indicated that they were the primary evaluators of teachers in their schools, although more than half responded that other administrators within the school or district played a role in the teacher evaluation process.
Table 6

Principals' level of involvement in teacher evaluation

<table>
<thead>
<tr>
<th>Statement</th>
<th>n</th>
<th>yes</th>
<th>%</th>
<th>n</th>
<th>no</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am the primary evaluator of teachers in my school.</td>
<td>222</td>
<td>222</td>
<td>87%</td>
<td>33</td>
<td>33</td>
<td>13%</td>
</tr>
<tr>
<td>2. Other administrators play a role in teacher evaluations in my school.</td>
<td>149</td>
<td>149</td>
<td>58%</td>
<td>107</td>
<td>107</td>
<td>42%</td>
</tr>
<tr>
<td>3. There are peer evaluation components in the teacher evaluation system</td>
<td>48</td>
<td>48</td>
<td>19%</td>
<td>208</td>
<td>208</td>
<td>81%</td>
</tr>
<tr>
<td>4. A portfolio review is part of the teacher evaluation system in my school.</td>
<td>49</td>
<td>49</td>
<td>19%</td>
<td>208</td>
<td>208</td>
<td>81%</td>
</tr>
<tr>
<td>5. There is a self-evaluation component in the teacher evaluation system</td>
<td>163</td>
<td>163</td>
<td>63%</td>
<td>94</td>
<td>94</td>
<td>37%</td>
</tr>
<tr>
<td>6. There is an individual goal-setting process in the teacher evaluation system in my school.</td>
<td>233</td>
<td>233</td>
<td>90%</td>
<td>25</td>
<td>25</td>
<td>10%</td>
</tr>
<tr>
<td>7. Pre-conferences and post-conferences are part of the formal observation process in the teacher evaluation system in my school.</td>
<td>242</td>
<td>242</td>
<td>94%</td>
<td>15</td>
<td>15</td>
<td>6%</td>
</tr>
</tbody>
</table>
Table 6 Continued

*Principals' level of involvement in teacher evaluation*

<table>
<thead>
<tr>
<th>Statement</th>
<th>n yes</th>
<th>%</th>
<th>n no</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. I conduct routine formal observations of teachers in my school.</td>
<td>238</td>
<td>93%</td>
<td>18</td>
<td>7%</td>
</tr>
<tr>
<td>9. I conduct routine informal observations of teachers in my school.</td>
<td>240</td>
<td>94%</td>
<td>16</td>
<td>6%</td>
</tr>
</tbody>
</table>

**Other Evaluators.** Principals indicated in Section 4 the other professionals (by title) who assisted them in the teacher evaluation process. Table 7 lists the frequency distributions of these responses. Although a variety of professional educators were listed by principals, assistant principals were dominant in this regard, with almost half of all respondents identifying them as key figures in the process of teacher evaluation. Special education directors, department heads, and curriculum directors follow in rank order in the top tier of professionals listed by principals as conducting teacher evaluations in their schools.
Table 7

Other professionals who evaluate teachers

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Response Frequency (n)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Principal</td>
<td>117</td>
<td>45%</td>
</tr>
<tr>
<td>Special Education Director</td>
<td>45</td>
<td>18%</td>
</tr>
<tr>
<td>Department Heads</td>
<td>31</td>
<td>12%</td>
</tr>
<tr>
<td>Curriculum Director</td>
<td>20</td>
<td>8%</td>
</tr>
<tr>
<td>Superintendent</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td>Vocational Director</td>
<td>9</td>
<td>3%</td>
</tr>
<tr>
<td>Athletic Director</td>
<td>7</td>
<td>2.5%</td>
</tr>
<tr>
<td>Guidance Director</td>
<td>6</td>
<td>2%</td>
</tr>
<tr>
<td>Assistant Superintendent</td>
<td>6</td>
<td>2%</td>
</tr>
<tr>
<td>Pupil Personnel Director</td>
<td>6</td>
<td>2%</td>
</tr>
</tbody>
</table>
Research Question 4

What are the attitudes of principals concerning the philosophy and administration of traditional teacher salary schedules as well as pay for performance and other alternative compensation systems?

Principals’ perceptions of pay for performance and other alternative compensation systems were measured by responses to four sets of statements in Section 1 of the survey. A 5-point Likert scale, including degrees of disagreement and agreement was used (1 = strongly disagree; 5 = strongly agree). Results will be reported for each category including traditional salary schedules, merit pay, career ladders, and alternative strategies.

Traditional Salary Schedules. Table #8 shows the statements, means, and standard deviations for responses to statements pertaining to traditional teacher salary schedules. The mean of means for responses to the two statements regarding principal’s direct perception of traditional salary schedules was 2.35. The mean of the statement regarding principals’ perception of teachers’ perception of traditional salary schedules was 3.48.

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Table 8

*Principals' Perception of Traditional Salary Schedules*

<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TRADITIONAL SALARY SCHEDULES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Teachers are satisfied with traditional education and experience based teacher salary schedules.</td>
<td>3.48</td>
<td>0.95</td>
</tr>
<tr>
<td>5. I am satisfied with traditional education and experience based salary schedules.</td>
<td>2.40</td>
<td>1.01</td>
</tr>
<tr>
<td>6. Traditional education and experience based teacher salary schedules are fair criteria for determining the compensation of educators.</td>
<td>2.30</td>
<td>0.87</td>
</tr>
</tbody>
</table>

Key: Strongly Disagree: 1 Disagree: 2 Neutral: 3 Agree: 4 Strongly Agree: 5
**Merit Pay.** Table 9 shows the statements, means, and standard deviations for responses to questions pertaining to merit pay. Table 9 also includes a ranking for statements within the category. The 16 statements (#11 - #26) are ranked with 1 indicating the highest mean and 16 the lowest mean.

The mean responses for statements regarding merit pay ranged generally from "disagree" to "neutral" for all statements. The two statements with the highest mean regarding merit pay were teachers' peers should play a formal evaluative role in merit pay programs and teachers would feel confident in their principal's ability to make merit pay decisions (Statement 22 M = 3.07; Statement 23 M = 3.03). The two statements with the lowest mean among principal responses in the category were merit pay plans do not create tension and competition among teachers and merit pay plans are easy to administer (Statement 17 M = 1.84; Statement 13 M = 1.86). In addition, the statement that teachers in general support the idea of merit pay received a low mean response (Statement 18 M = 1.99).
Table 9

Principals' perception of the philosophy and administration of merit pay programs

<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>SD</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>MERIT PAY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Merit pay is a better system of compensation for teachers than traditional salary schedules.</td>
<td>2.82</td>
<td>1.11</td>
<td>5</td>
</tr>
<tr>
<td>12. Merit pay plans do not place undue emphasis on money.</td>
<td>2.37</td>
<td>.87</td>
<td>9</td>
</tr>
<tr>
<td>13. Merit pay plans are easy to administer.</td>
<td>1.86</td>
<td>.77</td>
<td>15</td>
</tr>
<tr>
<td>14. Merit pay plans enhance teacher accountability.</td>
<td>3.02</td>
<td>1.04</td>
<td>3</td>
</tr>
<tr>
<td>15. Merit pay plans increase teacher motivation.</td>
<td>2.98</td>
<td>1.03</td>
<td>4</td>
</tr>
<tr>
<td>16. Merit pay plans satisfy teacher needs for self-esteem and recognition.</td>
<td>2.68</td>
<td>1.03</td>
<td>8</td>
</tr>
<tr>
<td>17. Merit pay plans do not create tension and competition among teachers.</td>
<td>1.84</td>
<td>.82</td>
<td>16</td>
</tr>
<tr>
<td>18. Teachers in general support the idea of merit pay.</td>
<td>1.99</td>
<td>.86</td>
<td>14</td>
</tr>
</tbody>
</table>

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.
<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>SD</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. Teachers in my school support the idea of merit pay.</td>
<td>2.07</td>
<td>.91</td>
<td>12</td>
</tr>
<tr>
<td>20. Principals should be the primary evaluators in merit pay programs.</td>
<td>2.77</td>
<td>1.14</td>
<td>6</td>
</tr>
<tr>
<td>21. Teachers’ peers should be the primary evaluators in merit pay programs.</td>
<td>2.27</td>
<td>.91</td>
<td>11</td>
</tr>
<tr>
<td>22. Teachers’ peers should play a formal evaluative role in merit pay programs.</td>
<td>3.07</td>
<td>1.11</td>
<td>1</td>
</tr>
<tr>
<td>23. Teachers in my building would feel confident in my ability to make merit pay decisions.</td>
<td>3.03</td>
<td>.85</td>
<td>2</td>
</tr>
<tr>
<td>24. The current evaluation system in my school supports the compensation decisions required in a merit pay program.</td>
<td>2.03</td>
<td>.94</td>
<td>13</td>
</tr>
<tr>
<td>25. I am in favor of introducing merit pay in my school.</td>
<td>2.33</td>
<td>1.13</td>
<td>10</td>
</tr>
<tr>
<td>26. If our current evaluation system was improved, I would be in favor of introducing merit pay in my school.</td>
<td>2.72</td>
<td>1.24</td>
<td>7</td>
</tr>
</tbody>
</table>

Key: Strongly Disagree: 1  Disagree: 2  Neutral: 3  Agree: 4  Strongly Agree: 5
Career Ladders. Table 10 shows the statements, means, and standard deviations for responses to questions pertaining to career ladders. Table 10 also includes a ranking for statements within the category. The 16 statements (#27 - #42) are ranked with 1 indicating the highest mean and 16 the lowest mean.

Responses concerning career ladders were primarily centered in the "neutral" range, with five responses approaching "agree" and one response approaching disagree. The two statements with the highest mean regarding career ladders were career ladder programs expand leadership potential among teachers and career ladder programs provide a positive alternative to the flat career path of teachers (Statement 28 $M = 3.93$; Statement 27 $M = 3.75$). There was also a relatively high mean response for the statement that career ladder programs satisfy teacher needs for self-esteem and recognition (Statement 32 $M = 3.66$). The area with the lowest mean response from principals concerning career ladders were that current evaluation systems in their schools do not support the job advancement decisions required in a career ladder program (Statement 39 $M = 2.47$).
Table 10

Principals' perception of the philosophy and administration of career ladder programs

<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>SD</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>27. Career ladder programs provide a positive alternative to the “flat career paths” of teachers.</td>
<td>3.75</td>
<td>.73</td>
<td>2</td>
</tr>
<tr>
<td>28. Career ladder programs expand leadership potential among teachers.</td>
<td>3.93</td>
<td>.68</td>
<td>1</td>
</tr>
<tr>
<td>29. Career ladder programs do not negatively interfere with traditional administrative roles.</td>
<td>3.60</td>
<td>.74</td>
<td>4</td>
</tr>
<tr>
<td>30. Career ladder programs are easy to administer.</td>
<td>2.90</td>
<td>.73</td>
<td>14</td>
</tr>
<tr>
<td>31. Career ladder programs increase teacher accountability.</td>
<td>3.50</td>
<td>.68</td>
<td>5</td>
</tr>
<tr>
<td>32. Career ladder programs satisfy teacher needs for self-esteem and recognition.</td>
<td>3.66</td>
<td>.69</td>
<td>3</td>
</tr>
<tr>
<td>33. Career ladder programs do not create tension and competition among teachers.</td>
<td>2.91</td>
<td>.78</td>
<td>13</td>
</tr>
</tbody>
</table>

85
<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>SD</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>34. Teachers in general support the idea of career ladders.</td>
<td>3.00</td>
<td>.60</td>
<td>11</td>
</tr>
<tr>
<td>35. Teachers in my school support the idea of career ladders.</td>
<td>3.01</td>
<td>.61</td>
<td>12</td>
</tr>
<tr>
<td>36. Principals should be the primary evaluators in career ladder programs.</td>
<td>3.13</td>
<td>.83</td>
<td>10</td>
</tr>
<tr>
<td>37. Teacher peers should be the primary evaluators in career ladder programs.</td>
<td>2.57</td>
<td>.78</td>
<td>15</td>
</tr>
<tr>
<td>38. Teacher peers should play a formal evaluative role in career ladder decisions.</td>
<td>3.29</td>
<td>.88</td>
<td>9</td>
</tr>
<tr>
<td>39. The current evaluation system in my school supports the job advancement decisions required in a career ladder program.</td>
<td>2.47</td>
<td>.92</td>
<td>16</td>
</tr>
<tr>
<td>40. Teachers in my building would be confident in my ability to make career ladder promotion decisions.</td>
<td>3.34</td>
<td>.67</td>
<td>6</td>
</tr>
<tr>
<td>41. I am in favor of introducing a career ladder program in my school.</td>
<td>3.14</td>
<td>.88</td>
<td>9</td>
</tr>
</tbody>
</table>
Table 10 Continued

<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>SD</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>42. If our current evaluation system were improved, I would be in favor of introducing a career ladder program in my school.</td>
<td>3.30</td>
<td>.88</td>
<td>7</td>
</tr>
</tbody>
</table>

Key: Strongly Disagree: 1 Disagree: 2 Neutral: 3 Agree: 4 Strongly Agree: 5

Alternative Strategies. Table 11 shows the statements, means, and standard deviations for responses to questions pertaining to skill and knowledge-based pay and group performance incentives. All responses within the category of alternative strategies range from "neutral" to "agree." The statements with the highest level of agreement from principals were that teachers should be given salary increases based on their mastery of knowledge and skills valued by their school districts and teachers' pay should be increased as they receive advanced certification either from a state teaching standards board or the National Board for Professional Teaching Standards. (Statement 45 M = 3.94; Statement 43 M = 3.73). The weakest support was indicated for the statement that all teachers in a school should be given salary bonuses when school-wide achievement goals are met (Statement 46 M = 3.25).
<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ALTERNATIVE STRATEGIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>43. Teachers' pay should be increased as they receive advanced certification either from a state teaching standards board or the National Board for Professional Teaching Standards.</td>
<td>3.73</td>
<td>.93</td>
</tr>
<tr>
<td>44. Teachers' individual professional development plans should be linked to their salaries.</td>
<td>3.55</td>
<td>.95</td>
</tr>
<tr>
<td>45. Teachers should be given salary increases based on their mastery of knowledge and skills valued by their school districts.</td>
<td>3.94</td>
<td>.81</td>
</tr>
<tr>
<td>46. All teachers in a school should be given salary bonuses when school-wide achievement goals are met.</td>
<td>3.25</td>
<td>1.06</td>
</tr>
<tr>
<td>47. School-based performance salary bonuses would foster a collaborative as opposed to competitive culture among teachers.</td>
<td>3.47</td>
<td>.97</td>
</tr>
</tbody>
</table>
Table 11 Continued

*Principals’ perception of the philosophy and administration of alternative teacher compensation strategies*

<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>48. School-based performance salary bonuses would motivate teachers to change teaching practices.</td>
<td>3.43</td>
<td>.90</td>
</tr>
</tbody>
</table>

Key: Strongly Disagree: 1  Disagree: 2  Neutral: 3  Agree: 4  Strongly Agree: 5

**Section Means.** Table 12 indicates the mean of means an for all responses within the categories of traditional salary schedules, merit pay, career ladders, and alternative strategies. Data are provided for principals working in districts with traditional salary schedules (n = 227), those who are currently working under a merit or pay for performance plan (n = 19), and respondents currently working in districts with career ladder programs (n = 11).

Results were largely consistent. The responses for alternative strategies had the highest mean totals across categories of principals, followed by career ladders. Traditional salary schedules and merit pay followed, with merit pay plans faring slightly better than traditional salary schedules for those principals currently working in districts with merit plans.
Table 12

*Compensation systems means of means by principals operating under traditional salary schedules, merit pay, and career ladders*

<table>
<thead>
<tr>
<th>Compensation System Type</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TRADITIONAL SALARY SCHEDULES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traditional Principals (n = 227)</td>
<td>2.74</td>
<td>0.73</td>
</tr>
<tr>
<td>Merit Principals (n = 19)</td>
<td>2.68</td>
<td>0.71</td>
</tr>
<tr>
<td>Career Principals (n = 11)</td>
<td>2.64</td>
<td>0.92</td>
</tr>
<tr>
<td><strong>MERIT PAY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traditional Principals (n = 227)</td>
<td>2.45</td>
<td>0.53</td>
</tr>
<tr>
<td>Merit Principals (n = 19)</td>
<td>2.73</td>
<td>0.56</td>
</tr>
<tr>
<td>Career Principals (n = 11)</td>
<td>2.53</td>
<td>0.80</td>
</tr>
<tr>
<td><strong>CAREER LADDER</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traditional Principals (n = 227)</td>
<td>3.18</td>
<td>0.39</td>
</tr>
<tr>
<td>Merit Principals (n = 19)</td>
<td>3.23</td>
<td>0.36</td>
</tr>
<tr>
<td>Career Principals (n = 11)</td>
<td>3.48</td>
<td>0.46</td>
</tr>
<tr>
<td><strong>ALTERNATIVE STRATEGIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traditional Principals (n = 227)</td>
<td>3.54</td>
<td>0.59</td>
</tr>
<tr>
<td>Merit Principals (n = 19)</td>
<td>3.41</td>
<td>0.57</td>
</tr>
<tr>
<td>Career Principals (n = 11)</td>
<td>3.62</td>
<td>0.47</td>
</tr>
</tbody>
</table>
Research Question 5

How do principals' perceptions of the quality of their evaluation systems and processes compare with their attitudes on the administration of alternative compensation systems?

Correlation analysis was used to measure the relationship between current evaluation system responses in part A of Section 1 with statements in support of merit pay and career ladders in parts b and c of Section 1 respectively. Specifically, Pearson's correlation coefficients were computed for statements #1, #2, #3, #7, #9, and #24 in part A of Section 1 with statement #25 in part B of Section 1; and statements #1, #2, #3, #7, #9, and #39 in part A of Section 1 with statement #41 in part C of Section 1.

There is no standard interpretation for what constitutes a strong or weak correlation. Suggestions offered by Wolf (1986) will serve as a guide for this discussion. Under this system of interpretation r = .10 is a small effect size; r = .30 is a moderate effect size; and r = .50 is a large effect size.

Merit Pay. As evidenced in Table 13, results indicate relationships ranging from very weak negative to no
correlation between all but one evaluation statement to the statement in support of merit pay. The strongest correlation value (.234) was between statement #24 regarding the adequacy of current evaluation systems to accommodate merit pay decisions and the support of merit pay.
Table 13

*Correlation between principal responses to evaluation system statements to statements in support of merit pay*

<table>
<thead>
<tr>
<th>Statement</th>
<th>r</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT EVALUATION SYSTEM</strong></td>
<td></td>
</tr>
<tr>
<td>1. The current teacher evaluation system in my school is appropriate for the purposes of teacher growth and development.</td>
<td>-.095</td>
</tr>
<tr>
<td>2. The current teacher evaluation system in my school is appropriate for the purposes of contract renewal decisions.</td>
<td>-.018</td>
</tr>
<tr>
<td>3. The current teacher evaluation system in my school is generally viewed by teachers as being helpful to their professional improvement.</td>
<td>-.151**</td>
</tr>
<tr>
<td>7. The criteria of our current teacher evaluation system are clear and appropriate indicators of teaching performance.</td>
<td>-.169***</td>
</tr>
<tr>
<td>9. My school district places strong emphasis on the teacher evaluation process.</td>
<td>-.152**</td>
</tr>
</tbody>
</table>
Table 13 continued

Correlation between principal responses to evaluation system statements to statements in support of merit pay*

<table>
<thead>
<tr>
<th>Statement</th>
<th>r</th>
</tr>
</thead>
<tbody>
<tr>
<td>24. The current evaluation system in my school supports the compensation decisions required in a merit pay program.</td>
<td>.234****</td>
</tr>
</tbody>
</table>

*Note. Merit pay statement (#25) was “I am in favor of introducing merit pay in my school.”

** Significant at p<.05  
*** Significant at p<.01  
**** Significant at p<.001

Career Ladders. Results shown in Table 14 demonstrate virtually no relationship between responses to statements on current evaluation systems to the statement in support of career ladders. The strongest correlation (.100) existed between the statement that the current teacher evaluation system supports the job advancement decisions required in a career ladder program.
Table 14

Correlation between principal responses to evaluation system statements to statements in support of career ladders*

<table>
<thead>
<tr>
<th>Statement</th>
<th>r</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT EVALUATION SYSTEM</strong></td>
<td></td>
</tr>
<tr>
<td>1. The current teacher evaluation system in my school is appropriate for the purposes of teacher growth and development.</td>
<td>.008</td>
</tr>
<tr>
<td>2. The current teacher evaluation system in my school is appropriate for the purposes of contract renewal decisions.</td>
<td>.016</td>
</tr>
<tr>
<td>3. The current teacher evaluation system in my school is generally viewed by teachers as being helpful to their professional improvement.</td>
<td>.051</td>
</tr>
<tr>
<td>7. The criteria of our current teacher evaluation system are clear and appropriate indicators of teaching performance.</td>
<td>.040</td>
</tr>
<tr>
<td>9. My school district places strong emphasis on the teacher evaluation process.</td>
<td>.014</td>
</tr>
</tbody>
</table>

95
Table 14

Correlation between principal responses to evaluation system statements to statements in support of career ladders*

<table>
<thead>
<tr>
<th>Statement</th>
<th>r</th>
</tr>
</thead>
<tbody>
<tr>
<td>39. The current evaluation system in my school supports the job advancement decisions required in a career ladder program.</td>
<td>.100</td>
</tr>
</tbody>
</table>

*Note. Career ladders statement (#41) was “I am in favor of introducing a career ladder program in my school.”
Research Question 6

How do principals' perceptions of their own effectiveness as evaluators compare with their attitudes on the administration of alternative compensation systems?

Principal's perception of their evaluation training and ability to evaluate were measured by responses to two statements in Section 1 of the survey. A 5-point Likert scale, including degrees of disagreement and agreement was used (1 = strongly disagree; 5 = strongly agree). Table 15 shows the statement, mean, and standard deviation for both items. The mean responses were in the "agree" range for both items.

Table 15

<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. I have been adequately trained in teacher evaluation practices.</td>
<td>3.93</td>
<td>0.92</td>
</tr>
<tr>
<td>10. I feel confident in my ability to appropriately and fairly evaluate teachers in my school.</td>
<td>4.19</td>
<td>0.66</td>
</tr>
</tbody>
</table>

Key: Strongly Disagree: 1 Disagree: 2 Neutral:3 Agree: 4 Strongly Agree: 5
Correlations. The Pearson's correlation coefficient of statements #8 and #10 (r = .645) was strong and significant at the .001 level. The calculated mean of the means of the two statements was 4.06 indicating a high level of agreement. Table 16 displays the results for the additional Pearson's correlations which were calculated for the mean of means of statements #8 and #10 and statements in support of merit pay (#25) and career ladders (#41).

As indicated in table 16, no correlation existed between how principals perceived their ability to evaluate teachers and their support of the implementation of merit pay. Similarly, there is no correlation between principals' perception of their ability to evaluate teachers and their support of career ladder programs.
Table 16

*Correlation between perception of evaluation effectiveness and training to responses in support of merit pay and career ladders*

<table>
<thead>
<tr>
<th>Statement</th>
<th>r</th>
</tr>
</thead>
<tbody>
<tr>
<td>25. I am in favor of introducing merit pay in my school.</td>
<td>-.086</td>
</tr>
<tr>
<td>41. I am in favor of introducing a career ladder program in my school.</td>
<td>-.015</td>
</tr>
</tbody>
</table>

*Note.* The mean of means of statements 8 and 10 in Section 1 was used for this calculation. Statement 8 was “I have been adequately trained in teacher evaluation practices.” Statement 10 was “I feel confident in my ability to appropriately and fairly evaluate teachers in my school.”

Scale = Strongly Disagree: 1 Disagree: 2 Neutral: 3 Agree: 4 Strongly Agree: 5
Summary

This chapter presented the results of survey responses from 257 full-time administrative public school principals in New Hampshire regarding their perceptions of teacher compensation systems, as well as current evaluation practices and procedures in their schools. On average, principals do not consider either traditional salary schedules or individually-based merit pay in a positive light. Career ladders enjoyed slightly higher support, most statements indicating a neutral view. Emerging compensation alternatives were seen more favorably by principals.

Principals indicated an extremely high level of involvement and dominant presence in the evaluation of teachers in their buildings. Current evaluation practices were not perceived as being adequate, but principals views on their own ability to evaluate were relatively positive. There was not a significant correlation between either of these factors and support for the implementation of alternative compensation plans.

Traditional salary schedules are dominant in New Hampshire public schools, although one quarter of all principals indicated alternative compensation systems were either in place or in the planning stages for their school. The next chapter will summarize
the study, findings, and offer recommendations for practice and further research.
CHAPTER V
SUMMARY, FINDINGS, AND RECOMMENDATIONS

Summary of Study

The purpose of this study was to determine New Hampshire principals' perceptions regarding teacher compensation systems. Assumptions of this study were that principals are the primary evaluators of teachers and their positive views and support of alternative teacher compensation plans which link salary to performance would be vital to the implementation and ultimate success of any non-traditional salary program.

A survey method of data collection was used in this study with the entire population of 359 full-time administrative principals in the state of New Hampshire. A questionnaire was developed and mailed to all identified principals. The questions in the survey were categorized, representing a synthesis of the major areas cited in the literature regarding
alternative teacher compensation systems including merit pay, career ladders, skill and knowledge based pay, and group performance awards. Completed survey responses were received within the requested time period by 257 principals resulting in a 72% rate of return.

In an era of intense examination of educational practice, the restructuring of teacher compensation has emerged as one potential alternative to overall educational improvement. In a profession long dominated by traditional salary schedules which reinforce equal status for all teachers, moves to systems which link pay directly to performance represent a significant shift. As teacher evaluation becomes linked to financial compensation, the stakes of the supervision and evaluation process are raised considerably. This has serious ramifications for principals, who are the key players in teacher evaluation.

An overarching purpose of this study was to provide information to fill the significant knowledge gap that exists in terms of school administrators’ attitudes toward alternative compensation systems. The study is intended to add to the existing base of knowledge regarding teacher compensation as a tool to improve education. The findings should prove helpful
to school districts and policy makers considering alternatives to traditional salary schedules. The recommendations offered may provide a basis for crafting proposals that enjoy the support of principals, whose involvement in the process is likely to be considerable.

Summary of Findings and Discussion

The following summarizes the findings according to the six research questions:

Research Question 1. In what ways and to what extent are evaluation and compensation systems in New Hampshire public schools currently linked?

Compensation practices as reported by principals reveal the widespread practice of paying teachers according to traditional salary schedules. Under such plans, there is no link between performance as cited in evaluations and increases in pay. Teachers are paid according to years of experience and educational attainment. A teacher’s pay advances as he or she moves along the experience scale and takes additional college courses. Further financial gains are made as contracts are approved and the scale is adjusted to reflect negotiated raises.

There are, however, significant inroads being established
in New Hampshire in terms of alternative teacher compensation systems. Teacher compensation system practices and planning as reported by principals indicate that alternative methods of teacher pay are either in place or being planned in the districts of one quarter of the study respondents. This lends credence to the theory that the intense spotlight on educational accountability is driving reform that alters long-accepted methods for the compensation of teachers (Berger, 1998; Brandt 1990; Sandham, 1998). Merit and other “pay-for-performance” models far outpace career ladder plans, both in terms of existing programs and those planned for the future.

Five percent of principals report that their districts have had, but discontinued the use of alternative systems. In this instance again, merit plans were listed as being discontinued to a far greater extent than career ladders. It is significant to note, however, the far greater trending toward merit programs, with 13 percent of principals in the study citing planning efforts. This study did not attempt to elicit the detail of existing or planned models of alternative teacher compensation, but it may well be that emerging models are not “classic” merit models but similar to the hybrid forms discussed
by Conley and Odden (1995) which incorporate new salary components into existing schedules.

**Research Question 2.** What are the attitudes and perceptions of principals regarding their current district evaluation systems and processes?

**Research Question 3.** What is the level of involvement of principals in their schools' current evaluation systems?

Principals' perceptions of their current evaluation systems revealed that they "agreed" (means of 3.50+) with statements that their school district places a strong emphasis on the teacher evaluation process and that the current teacher evaluation system in their school was appropriate for the purposes of contract renewal decisions. The other three statements in the section on current evaluation systems received mean responses in the neutral range, although responses all had means above 3.0, with more principals indicating agreement than disagreement.

What is reflected in the data is that principals have reservations about the quality of their current teacher evaluation systems in terms of (a) their being seen as
beneficial to teachers; (b) their being appropriate for the purposes of teacher growth and development and (c) their criteria serving as clear and appropriate indicators of teaching performance. This supports the notion espoused by many scholars that current teacher evaluations systems may lack the sophistication required to clearly differentiate between teachers in terms of performance and eligibility for differentiation in pay (Conley & Odden, 1995; Darling-Hammond, 1988; Lawler, 1990; Murnane & Cohen, 1985).

Lawler's (1990) contention that the evaluation process is likely to be difficult when the work technologies (as in teaching) are complex reflect principals' lukewarm response in regard to their teacher evaluation systems' capabilities.

Principals in New Hampshire also revealed that their role in the teacher evaluation process is prominent. Eighty-seven percent of principals in the study identified themselves as the primary evaluators of teachers in their schools. These findings are almost identical to those of major national studies that have emphasized the scope and influence of the principal's role in this enterprise (Holifield & Cline, 1997; Loup, Garland, Ellett, & Rugutt, 1996). A majority of principals (58%) reported that
they receive the assistance of other administrators in the
teacher evaluation process. Forty-five percent listed the
assistant principal as offering assistance, with special education
directors and department heads following, listed by 18% and
12% of principals respectively.

A study of the results regarding the components of
current evaluation systems are further indication of the great
deal of administrator time that must be committed to the
teacher evaluation process. Almost all principals report that
they perform routine classroom observations of teachers both
at the formal and informal levels. While this is to be expected,
94% of principals report that the formal evaluations include
conferences with the teacher both before and after the
observation, suggesting elements of clinical supervision where
formative evaluation is emphasized in an effort to improve
teacher performance. Experts have emphasized the strain that
this presents for principals who must also serve as a
summative judge (Bacharach, Conley, & Shedd, 1990; Holifield
& Cline, 1997).

Other evaluation procedures are making their way into
systems in New Hampshire. Individual goal-setting processes
for teachers are part of the teacher evaluation systems of 90% of principals. Sixty-three percent of principals report that teacher self-evaluation is a part of their current evaluation program. Peer evaluation and portfolio review were listed as teacher evaluation process components by 19% of the principals in the study. It is clear that New Hampshire school districts, unlike the 100 largest districts in the country as reported in a study by Loup, Garland, Ellett and Rugutt (1996), are being influenced by emerging developmental practices cited in teacher evaluation literature. Administrators appear to remain unconvinced, however, of their current systems’ ability (despite their districts emphasis on teacher evaluation and their heavy involvement in multi-faceted programs) to do more than determine who is acceptable for continued employment or termination.

Research Question 4. What are the attitudes of principals concerning the philosophy and administration of traditional teacher salary schedules as well as pay for performance and other alternative compensation systems?

Principals’ attitudes concerning the philosophy and
administration of traditional teacher salary schedules, merit pay, career ladders, and other alternative compensation systems reveal some distinct patterns. This overview will be followed by a separate discussion section for each system.

Principals, regardless of the type of system they were currently working under, viewed emerging compensation alternatives, including skills and knowledge-based pay and group performance awards, most favorably (means of means from 3.41 to 3.62). Career ladders were ranked second in level of agreement across categories of principals (means of means from 3.18 to 3.48). Perceptions of traditional salary schedules (means of means from 2.64 to 2.74) and merit pay programs (means of means from 2.45 to 2.73) were much more negatively skewed.

It is significant to note that principals currently working under merit pay programs, while still viewing them relatively negatively (mean of means = 2.73), were significantly more positive about them than principals working under traditional salary schedules (M = 2.45) or with career ladders (M = 2.53). Similarly, principals working in districts with career ladder programs view them more favorably (M = 3.48) than principals
currently working under traditional salary schedules (M = 3.18) or merit pay systems (M = 3.23). This suggests that familiarity with the system may create a level of comfort leading to a more favorable view. Merit pay, as will be discussed later, has had a particularly dim reputation and history among educators (Heneman, 1975; Peterson, 1990), which may jade administrator perceptions. Alternatively, emerging models such as group incentives and skills and knowledge-based pay may benefit from the "halo effect," as they are relatively new and untested.

It is clear that while principals are largely unsatisfied with traditional salary schedules, they are loathe to embrace merit pay. Career ladders enjoy a higher level of support, while the notions of skills and knowledge-based pay and group incentives appear to offer potential for principals considering teacher compensation alternatives. It is fair to say that principals may be influenced in their decisions to support an alternative pay plan by their perceptions of how teachers view compensation models. Principals seem to realize the importance of staff support to the ultimate success of any change from the status quo. As Fullan (1991) noted, educators
are often very wary of reform when they feel the solution may be wrong, difficult to implement, and cause harmful side-effects. It may be that principals see advantages and benefits to changing the system of teacher pay, but the fear of negative consequences outweighing the positive ones may be too powerful to overcome.

**Traditional Salary Schedules.**

There was a decided difference between principals’ satisfaction with traditional teacher salary schedules ($M = 2.40$) and their perceptions of teachers’ satisfaction with them ($M = 3.48$). These results support the abundance of literature which emphasizes the lack of threat that such systems present to professionals who value motivators in their work and may balk at alternative systems which stress competition (Deming, 1993; Davis & Botkin, 1994; Herzberg, 1966). It is reasonable to conclude that, although principals are skeptical about the efficacy of traditional systems in terms of their ability to fairly determine compensation for teachers ($M = 2.30$), their apparent support by teachers may discourage them from promoting their abolition.

**Merit Pay.** Principal responses to statements about
merit pay produced relatively low means (1.84 - 3.07). It is interesting to note that some of the statements that generated the highest response means were that: (a) merit pay is a better system of compensation for teachers than traditional salary schedules ($M = 2.82$); (b) merit plans enhance teacher accountability ($M = 3.02$); and (c) merit pay plans increase teacher motivation ($M = 2.98$). Some of the statements earning the lowest mean responses reflected that principals feel very clearly that: (a) teachers do not support merit pay ($M = 1.99$); (b) the plans are difficult to administer ($M = 1.86$); and (c) the plans create tension and competition among teachers ($M = 1.84$).

It was also clear that, although there was a high level of agreement (relative to the category) that principals perceive that teachers would feel comfortable with their ability to make merit pay decisions, principals did not feel their current evaluation systems were up to the task. The problem of evaluation systems lacking the sophistication to produce assessments sufficiently credible to support merit pay decisions is noted in the literature (Brinks, 1980; Lawler, 1990, Murnane & Cohen, 1985; Pajak, 1992). Although principal
support for the introduction of merit pay is weak ($M = 2.33$), it improves somewhat when the question of an improved evaluation system to support it is posed ($M = 2.72$).

There is considerable evidence in the literature that merit pay suffers from a poor track record and history of implementation failures (Deming, 1993; Farnsworth, 1991; Kelley, 1996; Murnane, 1991). This may be responsible for principals' reluctance to embrace such plans, despite general dissatisfaction with traditional salary schedules. Principals' views of teacher perceptions of merit pay are similar to those of teachers cited in the study by Coffman and Manarino-Leggett (1984). Both the threat to the school culture in terms creating an unhealthy competitive environment and the distinct lack of teacher support for merit pay may be factors that inhibit principals from endorsing a system that they feel may have some beneficial values.

**Career Ladders.** Principals' perceptions of career ladder programs were distinctly more positive than for merit pay programs or traditional salary schedules. There was a notable similarity in the response pattern to statements in this section to the identically constructed section on merit pay, although all
responses to statements resulted in significantly higher means.

The areas which garnered the highest level of agreement from principals (means ranging from 3.66 to 3.93) reveal principals perceive that career ladder programs: (a) expand leadership potential among teachers; (b) provide a positive alternative to the flat career paths of teachers; and (c) satisfy teacher needs for self-esteem and recognition. It is also significant to note that principals expressed a relatively high level of agreement within the category ($M = 3.60$) to the statement that career ladder programs do not negatively interfere with traditional administrative roles.

As with merit pay, statements receiving relatively low mean levels of agreement express administrator concerns that career ladder programs may create tension and competition among teachers ($M = 2.91$), and that they would be difficult to administer ($M = 2.90$). These results support claims in the literature of career ladder programs being subject to the same basic criticisms of merit pay plans in terms of competition for advancement and fear over administrator ratings (Conley & Odden, 1995; Firestone, 1991). The statement that teachers in their building would support the idea of career ladders...
produced a mean of 3.01, ranking twelfth in level of agreement among the 16 statements in the category. This very neutral rating is harmonious with several national studies that cite complex teacher perceptions of career ladder programs, with some teachers indicating increased job satisfaction, while others noted a decline in teacher morale (Firestone, 1991; Fuhrman, Clune, & Elmore, 1987).

Again, although the statement pertaining to the adequacy of the current evaluation systems to support the job advancement decisions required in a career ladder program received a mean response of only 2.47, the statement pertaining to teachers' confidence in their principal's ability to make those decisions produced a significantly higher mean level of agreement (M = 3.34). There is credible evidence that supports the need for sophisticated and multi-faceted evaluation systems to underpin career ladder programs (Darling-Hammond & Sclan, 1992).

An interesting finding of this study was the prevalence of the very processes (including self-evaluation, portfolio development, and peer review) deemed to be beneficial in supporting career ladder programs. These components were
reported as present by almost all New Hampshire principals working in districts with career ladder programs. One of these components -- peer review -- has been demonstrated as successful element of teacher evaluation programs (Peterson, 1995). It is essential to reiterate that principals did not express a high level of concern with career ladder programs (which often include expanded leadership roles for teachers as well as teacher review panels) interfering with traditional administrative structures.

One factor that possibly relates to the markedly more positive perception of career ladders is the more defensible rationale for pay differentiation between teachers. As Griffin (1985) asserted, those who are willing and eager to assume expanded duties are paid accordingly. Although Conley and Odden (1995) cited the isolating and demoralizing competition for positions at the top of the ladder, there is a factor (the willingness to assume an expanded role) that may make it easier for principals to support their decision-making.

Other Alternatives. The emerging compensation alternatives of skills and knowledge-based pay and group performance incentives were perceived by principals in a more
favorable light than either existing traditional salary schedules or the more prominent merit pay and career ladder alternatives. This was consistent across categories of principals, regardless of the current teacher compensation system that they are working under. This suggests that, regardless of current teacher compensation practice, principals see possibilities in these emerging strategies that they may be able to enthusiastically support. This may be due to the "halo effect" that sometimes surrounds new and untested ideas. Neither alternative system in this category has had the time to develop the negative anecdotal track record that has plagued some merit pay programs.

The three statements regarding skills and knowledge-based pay generated a significantly higher means of means (3.74) than the three statements concerning group incentives (3.38). The statement that teachers should be given salary increase based on their mastery of knowledge and skills valued by their school districts produced one of the highest levels of agreement in the study (Statement 45 M = 3.94). This suggests the receptivity of principals to the notion, as emphasized by Conley and Odden (1995), that payment of teachers for...
attaining and being able to use knowledge and competencies valued by the schools may offer great promise. Newer teachers will be able to more quickly increase their compensation, no longer dependent on advancing on a schedule over which they have minimal control. Such systems have the potential to both respond to critics of traditional salary schedules, while avoiding the tension inherent in pitting teachers against each other that is often found in individual merit performance systems.

**Research Question 5.** How do principals' perceptions of the quality of their evaluation systems and processes compare with their attitudes on the administration of alternative compensation systems?

**Research Question 6.** How do principals' perceptions of their own effectiveness as evaluators compare with their attitudes on the administration of alternative compensation systems?

There were very weak to no correlations demonstrated between principals' perceptions of their current evaluation systems and their support of the introduction of either merit pay or career ladders. Correlation values ranged from -.169 to .234. Although principals indicated that their current
evaluation systems were not adequate to guide the personnel decisions that would be required of them under merit pay or career ladders, and that they would be more favorably disposed to their introduction if they were improved, the variables of evaluation system satisfaction and support for alternative systems appear to be independent of each other.

Similarly, there was no correlation found between principals' perception of their ability as teacher evaluators and their support for the administration of either merit pay \( (r = -0.086) \) or career ladders \( (r = -0.015) \). In fact, contrary to research by both Bridges (1992) and Heller, Conway, and Jacobson (1991), principals in this study agree that they are both adequately trained in teacher evaluation (Statement 8 \( M = 3.93 \)) and confident in their abilities to evaluate teachers (Statement 10 \( M = 4.19 \)).

It is possible, based on the findings of these two questions, that factors other than evaluation system strength and ability to evaluate are more predominant in leading principals to a willingness or reluctance to consider the implementation of particular alternative teacher compensation models. The consideration of teachers perceived support and
opinions of these models may be crucial. Certainly in both the case of merit pay and career ladders, responses related to teacher perceptions of alternative models were telling. Despite principals' relative agreement to the advantages of these systems, they viewed them as being difficult to implement to a degree that was quite consistent (in terms of mean level of agreement) with their perceptions of teacher support for these alternatives.

Recommendations for Practice

Based on the findings of this study, the following recommendations are suggested for consideration to those studying alternative teacher compensation models. If implemented in the processes of considering and developing a new system design, they would likely result in programs that would gain the considerable principal and teacher support they will need to succeed.

The recommendations for practice are:

1. Include both teachers and principals in the design process for alternative compensation systems to ensure a broad base of support from these crucial stakeholders.

2. Analyze the efficacy of current evaluation systems
prior to their linkage to any teacher compensation system. Adapt the current evaluation system or construct a new one so that it is able to properly support the compensation system decisions that principals will have to make.

3. Consider the inclusion of peer evaluation, portfolio review and self-evaluation components as a part of career ladder programs.

4. Explore the increased linkage of teachers' own professional development plans to both evaluation plans and salary increases.

5. Identify the teacher skills and knowledge needed to meet student achievement goals. Reward teachers who master those skills identified by the district.

6. Consider development of hybrid compensation systems which retain some aspects of traditional schedules while adding incentives related to skills and goals identified by principals and teachers in the district.

7. Identify both the intrinsic and extrinsic rewards that are most valued by educators in the school system before attempting to design a new teacher incentive program.

8. Secure adequate funding for several years of an
alternative teacher compensation plan prior to implementation.

9. Design alternative compensation plans that allow access to all teachers, decreasing the sense of tension and competition among faculty.

10. Develop a timeline for the evaluation and redesign of any new alternative teacher compensation plan. Elicit feedback and suggestions for modification from all stakeholders.

Recommendations for Further Research

Based on the findings of this study, it is recommended that the following questions warrant additional research:

1. What are the specific components of alternative teacher compensation systems that are in effect or in development?

2. In school districts that have discontinued the use of any alternative teacher compensation system, what are the specific reasons that led to the discontinuation of the practice?

3. What are the intrinsic rewards that teachers strive for and desire? How do they compare with the perceived needs for extrinsic rewards?

4. What are the perceived cultural barriers within schools that block support for alternative teacher compensation
models?

5. What changes to the teacher evaluation process would be likely to enhance both teacher and administrator support for alternative teacher compensation models?

6. What are the specific evaluation process components that teachers and principals view as essential to the measurement of good teaching and teacher development?

7. To what extent are principals' evaluations linked to their compensation? Does this have any bearing on their views of alternative teacher compensation models?

8. What are the long-term student achievement results in districts with multi-year pay for performance plans still in operation?

9. Are there any correlations between teacher certification by the National Board for Professional Teaching Standards and student achievement, teacher morale, and principals' ratings of teachers.

10. What are the long-term economic effects on districts adopting alternative teacher compensation systems?

11. How do alternative compensation systems influence teacher turnover and burnout rates?
Concluding Remarks

This research has led the author to a number of conclusions. Among them are that principals are, indeed, the key players in teacher evaluation. They are not satisfied with traditional salary schedules which remain the dominant form of teacher compensation, although alternative forms linking evaluation to compensation exist and are continue to expand.

Merit pay plans are not favorably viewed by principals and are seen as difficult to administer. Aspects of career ladder programs are philosophically appealing to principals, and are viewed much more favorably. It is clear, however, that with career ladders, principals share the same concerns regarding teacher competition and difficulty in administration that they did with merit plans. The alternative strategies of skills and knowledge-based pay and group performance awards were viewed most favorably by all principals and warrant further exploration.

Although current teacher evaluation practices appear to be viewed as appropriate by most principals for basic employment decisions (and there are notable developments in the sophistication of evaluation systems), it seems clear that...
they are not viewed as being sufficient to underpin compensation systems that link performance to salary. Perceptions of principals’ current evaluation systems, however, were not correlated with their willingness to adopt either merit pay or career ladder plans. New Hampshire principals, contrary to some national studies, view themselves as both adequately trained and able to perform sound teacher evaluations. These perceptions, however, are not linked to their willingness to support either career ladders or merit pay in their schools.

The matter of changing teacher compensation in the context of broader educational movements will not fade away. Kelley (1996) pointed out that the single salary schedule, which has served as the major vehicle for paying teachers throughout this century, may not be in harmony with other major school reforms. The public remains unhappy that teachers’ pay is not linked to job performance (Bradley, 1998). Policy makers, local officials, administrators, and teachers continue to grapple with the issue and attempt to craft proposals for meaningful and acceptable changes.

Principals, due to the heightened role they play in
teacher evaluation, will be key players in alternative teacher compensation system implementation. As Fullan (1991) pointed out, principals are key to successful organizational change. In approaching change, however, they must be aware of the culture of their school, the necessity of a certain level of teacher advocacy, and the impact of harmful side effects as a result of the change. The researcher has concluded that principals in New Hampshire are aware of those factors.

Based on the assumption that principals will be crucial to the successful implementation of any pay for performance program for teachers, their perceptions as reported in this study would warrant study by school districts considering such plans. Further, the recommendations for practice and continued research included in the study should provide a framework for the inclusion of collaboratively developed teacher compensation reforms as vital components of larger educational improvement efforts.
REFERENCES


Brinks, J.T. (1980). Is There Merit in Merit Increases? 
*Personnel Administrator*, May.


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APPENDIX A

Questionnaire
Alternative Teacher Compensation Systems: Practices and Perceptions as Reported by New Hampshire Principals

Principal Survey

Please respond to the questions in this survey and return it in the enclosed self-addressed and postage paid envelope. Your prompt reply will be greatly appreciated. Your responses will be held in the strictest of confidence. Answers of all principals in the state will be averaged.

SECTION I - Principal Opinions
SECTION II - Evaluation Process Components
SECTION III - Compensation Systems
SECTION IV - Demographic

Refer to next page for a glossary of terms.

Bradford Craven, Principal
Milford High School
100 West Street
Milford, New Hampshire 03055
603-673-4201 x228
GLOSSARY OF TERMS

• TRADITIONAL SALARY SCHEDULES: Traditional salary schedules pay teachers on the basis of years of teaching experience as well as earned degrees and further college credits.

• MERIT PAY: Merit pay refers to the practice of teacher compensation on the basis of individual job performance. The measure of performance for salary increases is generally tied to established teacher evaluation systems.

• CAREER LADDERS: Career ladders are job expansion systems that rank teachers' jobs based on their importance and complexity. Pay is allocated on the basis of the specific tasks employees are performing. Generally, the more responsibility one assumes, the higher the job grade and pay.

• SKILL-AND-KNOWLEDGE-BASED PAY: Skill-and-knowledge-based pay represents salary systems that provide pay increases or bonuses for individual teachers based on his or her professional career development plans and the mastery of skills targeted by the school district.

• GROUP PERFORMANCE AWARDS: Group performance awards are salary bonuses which generally reward teachers in a school for the meeting of school or district student performance goals. They are intended to boost student achievement through motivating teachers in a collaborative fashion.
SECTION I PRINCIPAL OPINIONS

Please indicate to what extent you agree with the following statements regarding evaluation systems, merit pay, career ladders, and alternative compensation strategies for teachers. Please respond to each item, circling one response per item.

<table>
<thead>
<tr>
<th>Key: Strongly Disagree: 1 Disagree: 2 Neutral: 3 Agree: 4 Strongly Agree: 5</th>
</tr>
</thead>
</table>

A. CURRENT EVALUATION/TEACHER COMPENSATION PRACTICES

1. The current teacher evaluation system in my school is appropriate for the purposes of teacher growth and development. 1 2 3 4 5

2. The current teacher evaluation system in my school is appropriate for the purposes of contract renewal decisions. 1 2 3 4 5

3. The current teacher evaluation system in my school is generally viewed by teachers as being helpful to their professional improvement. 1 2 3 4 5

4. Teachers are satisfied with traditional education and experience based teacher salary schedules. 1 2 3 4 5

5. I am satisfied with traditional education and experience based salary schedules. 1 2 3 4 5

6. Traditional education and experience based teacher salary schedules are fair criteria for determining the compensation of educators. 1 2 3 4 5

7. The criteria of our current teacher evaluation system are clear and appropriate indicators of teaching performance. 1 2 3 4 5

8. I have been adequately trained in teacher evaluation practices. 1 2 3 4 5

9. My school district places strong emphasis on the teacher evaluation process. 1 2 3 4 5

10. I feel confident in my ability to appropriately and fairly evaluate teachers in my school. 1 2 3 4 5
B. MERIT PAY

11. Merit pay is a better system of compensation for teachers than traditional salary schedules.  
   1  2  3  4  5

12. Merit pay plans do not place undue emphasis on money.  
   1  2  3  4  5

13. Merit pay plans are easy to administer.  
   1  2  3  4  5

14. Merit pay plans enhance teacher accountability.  
   1  2  3  4  5

15. Merit pay plans increase teacher motivation.  
   1  2  3  4  5

   1  2  3  4  5

17. Merit pay plans do not create tension and competition among teachers.  
   1  2  3  4  5

18. Teachers in general support the idea of merit pay.  
   1  2  3  4  5

19. Teachers in my school support the idea of merit pay.  
   1  2  3  4  5

20. Principals should be the primary evaluators in merit pay programs.  
   1  2  3  4  5

21. Teachers' peers should be the primary evaluators in merit pay programs.  
   1  2  3  4  5

22. Teachers' peers should play a formal evaluative role in merit pay programs.  
   1  2  3  4  5

23. Teachers in my building would feel confident in my ability to make merit pay decisions.  
   1  2  3  4  5

24. The current evaluation system in my school supports the compensation decisions required in a merit pay program.  
   1  2  3  4  5

25. I am in favor of introducing merit pay in my school.  
   1  2  3  4  5

26. If our current evaluation system was improved, I would be in favor of introducing merit pay in my school.  
   1  2  3  4  5

C. CAREER LADDERS

27. Career ladder programs provide a positive alternative to the "flat career paths" of teachers.  
   1  2  3  4  5

28. Career ladder programs expand leadership potential among teachers.  
   1  2  3  4  5

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<th>Statement</th>
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<tr>
<td>29</td>
<td>Career ladder programs do not negatively interfere with traditional administrative roles.</td>
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<td>30</td>
<td>Career ladder programs are easy to administer.</td>
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<td>31</td>
<td>Career ladder programs increase teacher accountability.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>32</td>
<td>Career ladder programs satisfy teacher needs for self-esteem and recognition.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>33</td>
<td>Career ladder programs do not create tension and competition among teachers.</td>
<td>1</td>
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<tr>
<td>34</td>
<td>Teachers in general support the idea of career ladders.</td>
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<td>2</td>
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<tr>
<td>35</td>
<td>Teachers in my school support the idea of career ladders.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>36</td>
<td>Principals should be the primary evaluators in career ladder programs.</td>
<td>1</td>
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<tr>
<td>37</td>
<td>Teacher peers should be the primary evaluators in career ladder programs.</td>
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<tr>
<td>38</td>
<td>Teacher peers should play a formal evaluative role in career ladder decisions.</td>
<td>1</td>
<td>2</td>
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<td>5</td>
</tr>
<tr>
<td>39</td>
<td>The current evaluation system in my school supports the job advancement decisions required in a career ladder program.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>40</td>
<td>Teachers in my building would be confident in my ability to make career ladder promotion decisions.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>41</td>
<td>I am in favor of introducing a career ladder program in my school.</td>
<td>1</td>
<td>2</td>
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<tr>
<td>42</td>
<td>If our current evaluation system were improved, I would be in favor of introducing a career ladder program in my school.</td>
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**D. ALTERNATIVE STRATEGIES**

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<tr>
<td>43</td>
<td>Teachers' pay should be increased as they receive advanced certification either from a state teaching standards board or the National Board for Professional Teaching Standards.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>44</td>
<td>Teachers' individual professional development plans should be linked to their salaries.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
45. Teachers should be given salary increases based on their mastery of knowledge and skills valued by their school districts.  

46. All teachers in a school should be given salary bonuses when school-wide achievement goals are met. 

47. School-based performance salary bonuses would foster a collaborative as opposed to competitive culture among teachers. 

48. School-based performance salary bonuses would motivate teachers to change teaching practices. 

SECTION II 
EVALUATION PROCESS COMPONENTS 

In the following section, please circle either “yes” or “no.” 

1. I am the primary evaluator of teachers in my school. 
   Yes/No 

2. Other administrators play a role in teacher evaluations in my school. 
   Yes/No 

3. There are peer evaluation components of the teacher evaluation system in my school. 
   Yes/No 

4. A portfolio review is part of the teacher evaluation system in my school. 
   Yes/No 

5. There is a self-evaluation component in the teacher evaluation system in my school. 
   Yes/No 

6. There is an individual goal-setting process in the teacher evaluation system in my school. 
   Yes/No 

7. Pre-conferences and post-conferences are part of the formal observation process in the teacher evaluation system in my school. 
   Yes/No 

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8. I conduct routine formal observations of teachers in my school.
   Yes/No

9. I conduct routine informal observations of teachers in my school.
   Yes/No

SECTION III
COMPENSATION SYSTEM STATUS AND FEATURES

In this section, please circle either “yes” or “no.”

1. Is your district now under a merit-pay or any type of “pay for performance” system for teachers?
   Yes/No

2. Has your district discontinued the use of a merit pay or any type of “pay for performance” system for teachers within the last ten years?
   Yes/No

3. Is your district planning to implement a merit pay or “pay for performance” system in the near future?
   Yes/No

4. Is there any type of career ladder system in effect for teachers in your district?
   Yes/No

5. Has your district discontinued the use of a career ladder system for teachers within the last ten years?
   Yes/No

6. Is your district planning to implement a career ladder program?
   Yes/No

7. Is your district currently operating on a traditional experience and education based salary schedule for teachers?
   Yes/No
Section IV DEMOGRAPHIC DATA

GENDER:  
- Female  
- Male

AGE:  
- Under 25  
- 25-34  
- 35-44  
- 45-54  
- 55-64  
- 65+

NUMBER OF STUDENTS SERVED:  
- Under 251  
- 251-500  
- 501-1,000  
- 1,001-2,000  
- 2,001-3,000  
- 3,000+

LOCATION:  
- Rural  
- Suburban  
- Urban

STUDENT POPULATION SERVED:  
- Elementary  
- Middle/Junior High  
- High School

TOTAL YEARS AS PRINCIPAL AT CURRENT SCHOOL(S):  
- 0-1  
- 2-5  
- 6-10  
- 11-15  
- 16-20  
- 20+

TOTAL YEARS AS A PRINCIPAL (ALL SCHOOLS):  
- 0-1  
- 2-5  
- 6-10  
- 11-15  
- 16-20  
- 20+

TOTAL YEARS IN EDUCATION (ALL POSITIONS):  
- 0-1  
- 2-5  
- 6-10  
- 11-15  
- 16-20  
- 20+

NUMBER OF TEACHERS IN YOUR SCHOOL(S):  
- 1-15  
- 16-30  
- 31-45  
- 46-60  
- 61-75  
- 76-90  
- 91+

NUMBER OF TEACHERS YOU DIRECTLY EVALUATE:  
- 0  
- 1-10  
- 11-20  
- 21-30  
- 31-40  
- 41-50  
- 51+

OTHER PROFESSIONALS (BY TITLE) WHO FORMALY EVALUATE TEACHERS IN YOUR SCHOOL(S):  
- 143

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APPENDIX B

Letter to Expert Panel for Survey Validation
December 18, 1998

Dr. Ken Heuser  
Plymouth State College  
Education Department  
MSC 38  
Rounds Hall  
Plymouth, NH 03264

Dear Dr. Heuser,

As you know, I am in the process of developing a survey instrument as part of my doctoral dissertation study in alternative compensation plans for teachers. Thank you for agreeing to review the instrument.

The study is designed to discover the perceptions held by New Hampshire public school principals regarding current teacher evaluation and compensation models as well as alternative compensation plans such as merit pay, career ladders, skill-and-knowledge based pay, and group performance awards. The entire population of New Hampshire public school principals will be surveyed.

I would appreciate your opinion as to whether the enclosed survey will be adequate to do the job. Please pass on any suggestions that you have pertaining to the revision, addition, or deletion of any item(s), as well as any possible format revisions.

If you could forward any review comments by December 21, I would be most grateful. Please call me with any questions you have. Your assistance is greatly appreciated. Thanks!

Sincerely,

Bradford Craven  
Principal
APPENDIX C

Cover Letter for Questionnaire
January 8, 1999

Dear Fellow Principal,

As well as being the principal of Milford High School, I am a doctoral candidate at the University of New Hampshire. My dissertation topic is principal perceptions of alternative teacher compensation plans. I believe this research will be helpful to local policy makers considering alternatives to traditional experience and education based salary schedules for teachers. I am requesting your help, which is critical to my research.

The study, consisting of survey research, is designed to obtain your opinions and perceptions of current teacher evaluation and compensation models as well as alternative compensation plans such as merit pay, career ladders, skill-and-knowledge based pay, and group performance awards. The study is supported by the New Hampshire Association of School Principals.

The questionnaire is simply formatted and takes no more than 15 minutes to complete. All individual answers will be held in the strictest of confidence. Only totals of all responses will be reported. The number on the questionnaire is a code so that I may be able to identify those who have responded and reduce the cost and time of follow-up.

Please call me at 673-4201x228 if you have any questions about the survey. If you wish to receive a copy of the results, please indicate so at the end of the questionnaire. Your completion of the questionnaire and its return in the enclosed self-addressed and postage paid envelope by January 25, 1999 will be very helpful. Your participation in this study is greatly appreciated.

Sincerely,

Bradford Craven
Principal
APPENDIX D

First Reminder Letter
January 27, 1999

Dear Fellow Principal,

Two weeks ago you should have received a survey from me as a part of my dissertation study at the University of New Hampshire. This study focuses on principal perceptions of alternative compensation systems for teachers. As the study population includes all New Hampshire principals, your response is crucial.

If you have already responded, thank you very much for your help and please forgive this reminder. If you have not responded, I would appreciate the 15 minutes of your time that it will take to complete and return the survey.

I assure you that all responses will be kept confidential. Only totals of responses will be reported in the study.

If you did not get the survey or it has been misplaced, I will be happy to send you another immediately. Please call me at 603-673-4201x228 and leave your name and address.

I appreciate your valuable time. Thank You.

Sincerely,

Bradford Craven
Principal
APPENDIX E

Second Reminder Letter
February 5, 1999

Dear Fellow Principal,

In early January a questionnaire seeking your perceptions regarding alternative compensation systems for teachers was mailed to you. As of this date, I have not received your completed questionnaire. I have enclosed another in case your original has been lost. As the population for this study is all New Hampshire public school principals, it is essential that I be able to include your response.

If you have already responded to the previous reminder, thank you so much and forgive this letter. If you have not responded, please take a few minutes to complete and forward the enclosed questionnaire. It is important that questionnaires be mailed by Thursday, February 11, as the final day for data entry is February 13. I assure you that your individual answers shall remain confidential.

I appreciate your cooperation. I am well aware of the tremendous work load of principals! I look forward to hearing from you.

Sincerely,

Bradford Craven
Principal