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ABSTRACT

Salary systems of nine member schools of the National Association of Independent Schools, chosen for their diversity of approach and for their strong commitment to high faculty salaries, are analyzed and compared according to six themes: description of structure, performance pay, compensation for nonteaching responsibilities, the decision-making process, teaching as a career, and resource base for instructional salaries. The case studies are presented in order from the least to the most structured salary systems. A comparative statistical analysis follows, from which general observations are drawn about the relative efficacy of different policy options. (TE)

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Faculty Salary Systems in Independent Schools

John C. Littleford and Valerie Lee

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Faculty Salary Systems

in

Independent Schools

by

John C. Littleford and Valerie Lee

National Association of Independent Schools
18 Tremont Street, Boston, Massachusetts 02108

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We thank the National Association of Independent Schools for sponsoring this study and for publishing its findings. NAIS has a strong interest in seeking ways to disseminate information about faculty salaries and compensation among teachers, administrators, and trustees.

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Roland S. Barth, senior lecturer in the Harvard Graduate School of Education and director of the Principals' Center at Harvard, helped us as teacher, adviser, and friend to gain many of the skills and insights needed to bring our project from possibility to reality.

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John K. Shank, financial consultant to independent schools, and professor of accounting at The Ohio State University, convinced us to use the case study method for the study. He has prompted us to wonder whether faculty salaries demand a high enough priority in our schools.

Particular appreciation goes to the trustees of Breck School for permitting and encouraging John Littleford to take the time for reflection and for researching the effect of salary systems on schools. We also wish to thank Joy Miller, who has tirelessly typed drafts and redrafts of chapters with unwavering good humor.

This project has afforded both of us an invaluable way to translate our academic training and professional experience into a study that we hope will be of use to the independent school community.

John C. Littleford
Valerie Lee

June 9, 1983

Introduction

Little published information exists about how teachers are compensated in independent schools, even though median faculty salary figures are available. Yet for school heads, boards of trustees, and faculty committees considering some modification of existing compensation, how teachers are paid is as important as the dollar amounts involved. What we call the "structure" of faculty salary systems is the major focus of this report.

This study came about as the result of our own interest and of the growing interest in salary issues expressed by heads of schools and NAIS. Intense interest in our preliminary findings, presented at the 1983 NAIS annual conference, in Anaheim, confirmed our earlier assessment of the need for such information.

Why are so few data available on faculty salary systems? Perhaps simple inertia has prevented greater exploration and sharing of information among and within schools about salary systems. Embarrassment about lack of resources or past inattention to this subject might have prompted reluctance to share the information that is available.

Initially, we considered two approaches to the compensation issue: (1) a survey of a large number of NAIS member schools to determine basic salary structures and levels, with a summary statistical compilation of the survey results; and (2) a deeper investigation of a much smaller sample of NAIS schools, involving a more detailed and qualitative description of fewer salary systems and using a case study approach. The choice narrowed to covering a larger number of schools more superficially or describing fewer schools more thoroughly.

Once NAIS reached the decision to sponsor the study, regional meetings among more than 100 interested school heads were called for the express purpose of answering several questions.

What uses would be made of a study of faculty compensation systems, and who would the audience be?

Which of the two proposed formats would be preferred by those who used the study?

What types of issues around the central theme of faculty compensation would be most useful to explore?

Should schools included in the study be specifically identified, or should they remain anonymous in the final report?

Would most schools, if selected, be willing to participate as subjects for such a study, considering the close scrutiny and faculty participation involved?

As a result of information gained from these meetings with school heads as well as consultation with state and regional association executives and guidance from NAIS vice president John Bachman, independent school financial consultant John Shank, and Harvard professors Roland Barth, Tony Bryk, and Jerome Murphy, we reached several decisions about the character of the study.

We decided that the report would concentrate on a case study approach, with fewer schools to be studied in greater detail. Further, issues to be covered in the report would include salary structure, performance pay, differing treatment of extracurricular responsibilities, the decision-making process surrounding salaries, faculty perception of and satisfaction with the salary system, and available financial resources of schools to meet salary obligations.

We believed that school heads would be enthusiastic about participating in the study if their schools were selected. Schools finally chosen

for the study would remain anonymous in the final report, but a thorough description of each school's characteristics would be included. Finally, readers might use the report by adapting characteristics of the models described to their own schools as a guide to modifying their existing salary systems.

Sample selection

The decision to use the case study approach meant careful attention to selecting a sample. To select nine schools from the universe of over 900 NAIS members required specific criteria for diversity as well as for commonality. These criteria consisted of regional distribution and diversity of school size, school type, grade levels, and financial resources. We felt, however, that all schools finally selected should have one characteristic in common: commitment to a high level of faculty compensation. To meet this criterion, a school had to be in the top 50 per cent of NAIS norms for its region and type in median teacher salaries. We felt that the final sample should include schools representing a wide range of salary structures, each adapted to its school's unique characteristics.

We constructed a preliminary list of about 100 schools based on recommendations from school heads, association executives, and consultants. We asked each of these schools for permission to review confidential financial and descriptive information in the NAIS data bank. Using the criteria named above, we made our final selection, with diversity of approach and strong commitment to high faculty salaries as our paramount considerations.

Thematic Overview

To compare and contrast the various methods of salary distribution and

decision making in the schools described, we have organized our report around several major issues. Besides the obvious similarities and differences among the sample schools--size, type, location, grade level, philosophy, leadership, history--the schools also differ in a number of ways that are highly relevant to the issue of faculty compensation. By describing the sample schools in detail under selected thematic headings, given below, we hope to focus attention on the issues central to any faculty compensation system.

Description of structure

Most schools in the sample have some sort of base salary schedule. We have asked whether this schedule is available in printed form for examination by teachers, whether the base scale is adjusted annually or indexed to inflation, and whether salary step differentials are of even size, either in percentage or in absolute amount. We have included the criteria for computing the base--age, experience in teaching, level of education, compensation for dormitory duty.

The salary systems are typified by their location along a continuum that ranges from informal and unstructured to highly structured and explicit salary systems. A major issue in this section is the difference among methods of determining a faculty member's base salary upon entry into the system and the subsequent determination of annual increases. The range and variety of the salary structures (from least to most explicit) of all the schools' salary plans was a major reason for their inclusion in the study; this characteristic would enable us to cover the spectrum of approaches as broadly and specifically as possible.

Performance pay

Whether people should be paid for the quality, not just the quantity, of the work they perform is a controversial issue among independent school teachers as well as those who teach in public schools. We have selected schools representing diverse philosophical approaches to this issue. Many schools label this aspect of their compensation package "merit pay." We prefer to call it "performance pay." Ranges of performance pay are presented both in dollar amounts and as a percentage of a teacher's total salary. We have assessed the effect of performance pay on recruiting, retaining, and rewarding teachers by asking faculty members for their attitudes on the subject.

How decisions concerning performance pay are made emerges from answers to a series of questions: By whom is performance pay determined? On what criteria is the decision made? Are those criteria specific and written? Are performance pay decisions retractable the following year? Is the performance of teachers formally evaluated? Are teachers aware of the process by which performance pay decisions are made? Are they aware how much performance pay they actually receive? Are teachers apprised of how they perform in comparison to other faculty members? Does performance pay actually inspire better teaching? How does performance pay affect relations among faculty members? How closely do teachers' personal philosophical commitments to the concept of performance pay coincide with their schools' philosophies on this issue?

Compensation for nonteaching responsibilities

Discussion of this issue focuses on the answer to a simple question: Does a school offer additional compensation for required or expected extra-

curricular responsibilities? If the answer to this question is yes, then how that pay is determined becomes another question of interest. Is this area of responsibility part of performance pay? Are those who take on more extracurricular work paid more, or does some difference in the nature or quality of the activities themselves determine differing compensation levels? Philosophically, do schools consider these responsibilities to be in some sense peripheral to the major activity of teaching, or are they so integral to school life that in no way are they to be looked upon as extra? If considered above and beyond the major activity of teaching, which non-teaching activities are really extras--dorm supervision in boarding schools? intramural sports for the coaching staff? field trips? school newspaper advising for the English teacher? school plays for the drama teacher? A great diversity of opinion on these issues exists among the sample schools.

The decision-making process

How the salary system in each school has developed seems to offer insight into the role of teachers--individually or as committee members--the head of the school and/or other administrators, and the board of trustees in determining salary levels for teachers. How do faculty compensation committees formulate their recommendations, and how are these received by higher-level decision makers? How closely are their recommendations followed? Do faculty members have some influence over how salary increases are distributed, or do they merely recommend an overall dollar or percentage increase? Does the strength of faculty influence depend on the personality of a few key teachers, or is that influence due to the "institutional" nature of a faculty salary committee?

The role of the faculty in salary decisions depends in large part on the nature of the salary system itself; but it also depends on the role of the head of the school. How long has the head served in his or her post? Is faculty influence related to the explicitness of the salary system? What is the relation between the board of trustees and the faculty on this issue? To the extent that such questions may be answered in an interview, rather than by more extended observational study, they are explored in this report.

Teaching as a career

Can independent schools continue to attract and retain the best teachers? Society's support for education has declined, both financially and philosophically. Independent schools perhaps represent a contrast to this decline. Since parents may be willing to pay burgeoning tuitions for high-quality education for their children, independent school teachers may not feel the same societal distrust for their profession as their public school colleagues do.

The generally inadequate salary levels for highly trained and committed professionals in independent schools do, however, give teachers reason to question teaching as a career-long profession. A lifetime of financial worry, of the need for a working spouse, of soaring college tuitions for one's children, of high housing costs that sometimes make it impossible to live close to work, give teachers reason to wonder about the teaching profession. To consider a career in teaching involves far more than just salary. We discuss the broader questions of career primarily as they touch on the issue of compensation.

Resource base for instructional salaries

In most independent schools, the relation between tuition and salary levels is strong and direct. Nevertheless, some schools have other sources of income that relate, directly or indirectly, to faculty salaries: endowment; annual giving, summer programs, specific fund-raising events. Does a school need to be highly endowed to pay high salaries? What is the relation between the financial resource base of a school and its instructional salary level and/or salary system?

Nonsalary benefits add considerably to the instructional budgets of schools. What unusual benefits do schools offer that are important to faculty members? What percentage of the instructional budget do nonsalary benefits represent, and how has this changed over the years? Do schools offer automatic tuition remission for all faculty children? Given inadequate salaries, do teachers consider the nonsalary benefit packages in their schools to be an important factor in deciding whether to join the faculty of a particular school and whether or not to renew their contracts from year to year?

We realize that nonsalary benefits have more than a peripheral impact on faculty salaries. For the purpose of this study, we have included information about nonsalary benefits only as it affects issues of salary or teachers' decisions to remain on the staffs of their schools.

Research Methodology

Because we selected the final sample of nine schools on the basis of each school's distinctiveness in the single dimension of faculty salary structures, and thus not randomly, it would be inappropriate for us to generalize beyond those schools to all NAIS member schools. Readers may find that

characteristics of several of the case studies apply to their own schools. In this way, some degree of comparison among schools may be possible,

Within each school, however, generalizing about the entire faculty's experience, attitudes, and opinions is highly desirable. Therefore, our sampling methods for selecting teachers to participate in the study were quite different from those we used in selecting schools. Teachers were selected at random, under a general guideline of choosing one teacher for every eight full-time-equivalent faculty members in the school. In smaller schools, we employed some degree of oversampling, so that in no school did we interview fewer than five teachers. If initial selection did not result in an accurate reflection of subject areas, experience levels, and grade levels, we used stratified random sampling techniques. As closely as possible, generalizations about teachers' attitudes drawn from those teachers actually interviewed should accurately reflect the attitudes of the entire faculty of each of the schools in the study.

One or both of us visited the schools for one or two days in all cases. Our visits usually involved two sessions with the head of the school and interviews with the business manager, a trustee, at least one other school administrator, sometimes a parents' committee member, a faculty compensation committee member--if such a committee existed in the school--and interviews with the random sample of teachers. Interviews ranged from 40 minutes to more than an hour in length. We developed two interview instruments--one for administrators, another for teachers. These two instruments, combined with open-ended, in-depth interviewing, were our major data-gathering techniques. We studied documentation of each school's faculty compensation system, financial resources, and other relevant materials thoroughly before making our visits.

The final size of the teacher sample was 78. Since our selection methods also allowed for a degree of generalization about all the teachers in the nine schools, it was possible for us to assess responses from the faculties by means of computerized data analysis. The results of this analysis appear in the final section of this report. The bulk of the report consists of detailed descriptions of the salary structure of each school in the sample and how the structure functions in that particular school.

The sequence of case studies is based on the salary structure of the schools along a continuum ranging from least to most explicit. We advise readers to read the "Description of structure" section for all nine schools first in order to appreciate the diversity of approaches employed in NAIS schools.

Many more issues surround the question of faculty compensation than we can treat here. We have attempted to select the more significant themes that surfaced from our interviews with administrators and teachers and to organize our report around these themes. In this way, we try to demonstrate similarities and contrasts within and between schools centering on what we hope are the issues of greatest interest to independent schools.

Hilltop School

Hilltop School, a relatively new coeducational day school enrolling 400 students in grades K-8, is surrounded by expensive houses in a suburban metropolitan area in the western part of the United States.

Over the past 16 years, the head of Hilltop has helped the school achieve its current prosperity. In many ways, he has served as its founder, even though the school had been in existence several years prior to his arrival. The faculty salary system is no "system" at all, except that it operates within guideline that the head has developed for himself.

Hilltop's faculty is well paid in comparison with teachers in all other NAIS member schools. Faculty salaries fall within the top 10 per cent of similar NAIS schools in the region and are actually higher at some levels than salaries paid in most of the nearby public school districts. The head's own standards are clearly reflected in the approach he uses in determining salaries. These standards include paying teachers as well as the school can possibly afford to do while at the same time ensuring that job performance is the most significant factor in the head's decision about the salary the teacher earns.

The median faculty salary in 1982-83 was \$22,500, and in 1983-84 it exceeded \$23,600, not including performance pay increases provided by the school in the form of a year-end bonus paid in June. The range of faculty salaries in 1983-84 was \$17,300-\$32,900.

Description of structure

Salaries for entering teachers are primarily determined by the number

of years of teaching experience brought to Hilltop. Teachers believe that they can sometimes improve on the initial salary offered by articulate negotiation with the head. The head, however, states that he makes his best offer and does not engage in further salary negotiations. He makes every effort to ensure that incoming faculty members are paid salaries that in terms of past experience are comparable to those paid teachers already on the staff. If a teacher has a background in mathematics or science, that may further increase the entry-level salary offered.

Before 1981-82, annual salary readjustments reflected across-the-board increases based on inflation as measured by the Consumer Price Index. Additional compensation reflected performance pay based on teaching performance. In 1981-82, performance pay was excluded from base salary, and instead a one-time bonus was paid in a separate check at the end of June. For example, a teacher earning \$22,000 in 1981-82 received an increase of 10 per cent for the 1982-83 school year plus a performance pay bonus between \$500 and \$2,500. This was the first time the school used a bonus approach to compensation. The bonus system depends on endowment and other interest income earned each year. In 1982-83, the head explained to the faculty that, although all teachers had received a bonus at the end of the previous year, in the future performance pay bonuses would not necessarily be awarded to the entire faculty.

Over a 10-year period, the head has struggled to make Hilltop's salaries more competitive with those of the public schools. Every three or four years, he compares the salaries of Hilltop's teachers with those of teachers having similar experience at area public schools to ensure that Hilltop's salaries remain competitive. In his opinion, all the teachers Hilltop hires should be excellent and contribute as needed to the welfare

of the community. In return, he will ensure that Hilltop's teachers are competitively paid. It is the school's goal to offer the highest salaries of any independent elementary school in the country. In return, the school expects commitment and a high level of performance and enthusiasm from the faculty. From our interviews with teachers, it is apparent that the faculty feels considerable enthusiasm for and commitment to the school.

The faculty trusts the head. Most teachers, however, realize that the particular approach to salaries that this head uses could be misused by another head having less concern for teachers' salaries. Seventy per cent of the faculty like and support the current salary approach, provided the present head remains. Another 30 per cent would prefer a different approach. These teachers would prefer a more systematic, criteria-based decision-making process to be used in awarding performance pay and in establishing entry-level salaries. According to one teacher, some teachers think the salary system is unfair, particularly for those who are neither willing nor able to negotiate successfully for higher salaries when they enter the school.

Although no formal performance evaluation system or any formal plan for class visits and observation exists at Hilltop, most teachers do believe that the head develops an understanding of the pulse of the school from conversations with parents and students, informal discussions with teachers, and periodic walks through the hallways. The head believes he has a good sense of the teaching effectiveness of each faculty member that he can translate into appropriate and fair salary decisions.

The school's support for high faculty salaries is based on the rationale that each teacher carries a significant load. Faculty members teach 1,600 minutes a week in addition to other responsibilities, and in

grades 4-8 teachers see 90 or more students a day. At Hilltop, greater workload--and fewer teachers--translates into higher salaries. The faculty is not aware, however, that the school supports higher pay partially as a direct consequence of greater workload.

Performance pay

Performance pay is a major part of the salary system at Hilltop School. No specific written criteria or standards measure performance pay, but all teachers are aware that it exists. Formerly, performance pay was added to base salary. Now it comes in the form of a once-a-year annual bonus paid in June. Both head and faculty believe that the most important criteria for performance pay are classroom effectiveness, professional relations among faculty members, and quality of relations with parents.

All teachers received bonuses ranging from \$500 to \$2,500 at the end of the 1981-82 academic year. The school's position on performance pay is that, while all teachers received it in the first year (1981-82), in the future it will be awarded only to those teachers who best meet the three criteria mentioned above.

Compensation for nonteaching responsibilities

Very few extracurricular activities exist at Hilltop, and the school provides few opportunities for extra compensation. Exceptions to this practice are rare but include admission testing, for which two teachers are paid \$100 for each session they conduct, and parent seminars, for which the coordinator is paid \$75 per meeting.

Comparative information on three typical but hypothetical teachers' salaries demonstrates how Hilltop's salary system operated in 1982-83.

	Experience		
	<u>Beginner</u>	<u>Middle-range</u>	<u>Long-term</u>
Age	25	37	50
Years of experience	2	12	26
Degree	B.A.	M.A.	M.A.
Base pay	\$17,000	\$25,000	\$31,000
Extracurricular activities	Coaching	Testing--\$100 per session	---
Performance pay: bonus based on '81-82 ranges	0-\$2,500	0-\$2,500	0-\$2,500
Total salary	\$17,000-\$19,500	\$25,000-\$27,500	\$31,000-\$33,500

The decision-making process

The faculty is not involved in salary deliberations at the Hilltop School. Until recently, the head of the school did not share his thoughts or solicit advice from any members of the staff. However, the lower and upper school directors (positions recently created) now give the head information on teachers' performance, which he uses when making salary decisions. The teachers interviewed did not express interest in being more involved in decisions about compensation. The faculty believes it is well paid, and by independent school norms that is true. Teachers realize that the head believes in providing a significant salary and benefits package.

The one area about which the head does ask for teachers' opinions is benefits. Some teachers wanted dental insurance, and others were concerned about having a better retirement insurance program as well as life insurance. The school has made improvements in these areas. Faculty representatives on the board's Faculty Support Committee provide board and head with information about faculty attitudes toward benefits.

Teaching as a career

All teachers interviewed at the Hilltop School believe they are better compensated than they could be at any other school. If they decide to remain in teaching, they will probably stay at Hilltop. Hilltop teachers are concerned about the low status and relatively low salaries of the teaching profession as a whole.

The teachers are ambivalent about financial pressure to move into administration. Several express interest in administration for both financial and professional reasons. Others wish to remain in teaching and have no interest in administration. Part of the pressure to consider an administrative position is the cost of housing in this part of the country. Houses near the school that once sold for \$70,000 are now selling for \$250,000-\$1,000,000 and more. Teachers can no longer afford to live near the school and must commute half an hour or longer from apartments and houses they can afford--a matter that is of as much concern to the head and the board as it is to the faculty. As yet, no specific actions have been taken to alleviate the problem.

Resource base for instructional salaries

The Hilltop School, only sixteen years old, has already built an endowment of \$1.6 million. The budget is balanced primarily through tuition income. An annual fund drive raises money that goes directly into endowment rather than operations. This has helped to increase the endowment fund, the income from which is dedicated to increasing faculty salaries.

The school's administrative overhead is low. The head and the director of development are the only full-time administrators. The heads of the lower and upper schools teach 60 per cent of the time, and the

head's secretary also serves as the school's business manager. The plant is inexpensive to maintain. The head states that administrative overhead is purposely kept low to release more money for faculty salaries, which increased by 15 per cent in 1983-84, in addition to a 3 per cent increase in benefits. Because Hilltop still charges relatively modest tuition--\$3,500-\$3,800 in 1983-84--it appears that salary growth is fueled primarily by low overhead, high workload, and endowment income.

Summary

The possibility for major inequities exists in a salary system like Hilltop's, and faculty members know it. Teachers entering the school with similar degrees and experience may find themselves starting at different salaries, depending on what skills they bring, on how the head evaluates their previous record, and, in the opinion of some teachers, on how effective they are in negotiating their starting salary.

Hilltop's approach to salaries is neither structured nor explicit. Teachers are expected to work hard and to be committed to the school. In turn, they are compensated competitively. They may earn a performance pay bonus, but it does not become part of their base salary and may not be repeated from year to year. Teachers seem pleased with their salaries and view them as high when compared with those of other schools.

The lack of a formal salary structure gives the head considerable discretion in setting salaries for entering teachers and in determining performance pay. The teachers generally accept this concept, but with some reservations about the potential for inconsistency.

The Leslie School

The Leslie School is a girls' K-12 day school of approximately 600 students located in a major metropolitan area in the eastern United States. The present head has served in her position for over 20 years.

Leslie does not have a highly structured or explicit salary system. Although the head's practice of distributing salaries follows a salary scale that she developed, the scale is neither published nor available to the faculty. Most teachers are unaware that a scale exists and is the basis for determining their salaries. For a number of years, higher faculty salaries have been a major priority for The Leslie School's administration and board. Between 1979 and 1984, faculty salaries increased 61 per cent, which now places Leslie in the top 10 per cent of NAIS schools in the East. Leslie's median salary was \$21,500 in 1982-83 and \$23,500 in 1983-84.

The head believes that the current salary system encourages senior, more experienced faculty members to remain at the school and that it attracts and holds excellent new teachers, thus rewarding both experience and performance. The system rewards teaching experience gained at Leslie over outside experience--a policy designed to retain the staff. The largest portion of each year's salary increase is due either to a year of experience added or to inflation.

Faculty members believe that experience is the most important factor in their annual salary increases, but they vary greatly in their perceptions of additional objectives in the salary structure. Some believe that the system is designed primarily to attract qualified teachers, while

longer teachers remain at Leslie the farther ahead they move in comparison with new teachers having similar experience. The unpublished schedule employed at Leslie moves the faculty up through 26 steps, representing 26 years, to a top salary of \$30,000 in 1983-84. However, these steps correspond exactly to years of experience only for those teachers who have been at Leslie in all of the intervening years.

In 1982-83, the head developed a two-column approach to Leslie's salary schedule that makes it possible to narrow differentials in pay between newcomers and more senior faculty members as a result of outstanding performance and extensive involvement in the school's extracurricular life.

The first column, with the 26 steps just mentioned, is the basic scale. The second column begins at the same entry level--\$14,500 in 1983-84--but after the first three years the steps increase at a faster rate than those in the first column. Whether and when a teacher advances to column 2 is based on the head's evaluation of his or her contribution to the life of the school, the amount of time given, activities undertaken, and the quality of the teacher's classroom performance.

The step increases in column 2 provide approximately \$900 for every additional year of experience at Leslie, while those in column 1 average \$600. A ninth-year teacher in column 1 of the salary schedule was earning \$20,000 in 1983-84, whereas a ninth-year teacher in column 2 was earning \$21,000.

Two types of increases occurred in 1983-84: the step increase--\$600 in column 1, \$900 in column 2--and an overall increase in the entire salary base. The increase in the salary base added from \$300 to \$800, depending on one's step placement. From 1979 to 1984, overall faculty salary

increases have ranged from a low of 6 per cent to a high of 17 per cent. The top salary earned in 1983-84 in the year 26 of column 1 was \$30,000 and in column 2 was \$33,000.

In theory, the head has total discretion in determining salaries. Because of the lack of any published salary schedule, and because the teachers are not privy to the salary guideline described above, some confusion exists about how salary decisions are reached. The faculty reflects uneasiness about not knowing what criteria are used to determine salaries.

Although teachers are reluctant to discuss actual dollars earned, they often share information about the percentage increases they receive. The head is concerned about this. For 1983-84, individual teachers' salary increases ranged from 6 to 16 per cent, with the larger increases often occurring at the lower end of the pay scale, where salary growth in dollars is lower but where the school makes a concerted effort to move teachers quickly to a living wage. Discussion of this kind of information has caused some morale problems when those receiving the higher percentage increases announce their raises to those who receive lower ones.

Although most teachers interviewed agree that the salaries and the salary system work well in recruiting and retaining faculty members, a few are quite concerned about the salaries of younger teachers at Leslie, because the cost of living in the metropolitan area makes it difficult for a young single teacher or major breadwinner to exist on what Leslie pays.

Performance pay

Both the head and the faculty state that performance pay is part of every teacher's total pay package. No clear criteria exist for determining performance pay, however, and teachers have no idea what per cent of their

salary reflects performance pay. One teacher spoke of a recent curricular contribution she had made in addition to her normal teaching load. She did not know whether her salary for the following year reflected this work. She might have been moved to column 2 for her special performance, but she would have no way of knowing it.

Teachers support the concept of performance pay. They know that the head makes all faculty salary decisions personally, yet they believe that department heads are in the best position to know the quality of their teaching. The head of the school reports that only a very small per cent of each teacher's salary and annual increases reflects performance pay. Once a teacher's experience-based salary has been set according to the head's salary guideline, and once the effect of advanced degrees and involvement in extracurricular life have been figured into that base salary, very little money remains for performance pay for the quality of teaching. The faculty clearly is not aware of this reality, for teachers believe that performance pay makes up a larger share of their total salary than is actually the case.

A major decision the head makes about performance pay is whether and when a teacher moves from the first salary column to the faster-increasing column 2. The head tends to move a teacher any time after the third year at Leslie. As noted above, the pay differentials between columns 1 and 2 during years 5-15 of teaching can be as much as \$900 per year.

The head's stated criteria for moving a teacher from column 1 to column 2 include teaching effectiveness, rapport with students, interest in professional growth, and the ability to motivate and help students develop. The head considers workload a very important element of salary calculations and column placement. Workload includes average number of classes,

coaching, and other administrative and extracurricular activities, both volunteer and assigned. The head generally adds to the base salary an additional stipend of up to \$1,000 for head (home room) teachers, up to \$2,000 for department heads, and up to \$500 for specific coaching assignments. None of these specific stipends is stated in a teacher's contract, however, or otherwise known to the teacher.

Formal evaluation of teachers does not exist at The Leslie School. During his or her first year, a teacher may be visited by the department head at least once and may have regular weekly, biweekly, or monthly conferences with the department head about curriculum and other classroom-related issues. The head of the school receives a report from the department and/or division head about new teachers, but generally only if they stand out in some way, and such reporting is verbal. The teacher is not aware of what has been conveyed to the head concerning performance.

Division heads visit in hallways and make brief visits in classrooms during the year. Teachers do not view these as opportunities to be observed, and no conferences occur before or after these visits. Both teachers and administrators feel that the head of the school has a fair picture of each teacher's performance, gleaned from parents and teachers and from the reports she receives from division and department heads.

Despite the lack of structure of Leslie's salary system, the faculty expresses satisfaction with salary decisions. The teachers seem to respond favorably because salary levels at Leslie are relatively high and because the head has for many years been available and in close contact with teachers directly through personal and written communication. Both circumstances have contributed to faculty willingness to trust a system that is not explicit.

Faculty tolerance of this particular salary approach may also reflect Leslie's strong tradition of supporting teachers. After the fifth or sixth year of employment, teachers are rarely dismissed. Dismissals are infrequent during the first five or six years as well. The head makes every effort to help teachers who are having problems. The faculty is complimentary about the school, its administration, and its strong commitment to faculty salaries.

Compensation for nonteaching responsibilities

Teachers are not paid additional stipends for extracurricular activities. However, coaching a sport, supervising the yearbook or student newspaper, or carrying other extracurricular assignments is reflected in the basic salary offered by the head. Teachers are generally aware that this is so.

One teacher related a conversation with one of her colleagues in which they had shared salary information and found that, though both had similar backgrounds and experience, one was earning \$750 more than the other. Upon further examination, they remembered that one was engaged in after-school coaching commitments, which kept her at school until 5:30 each day, while the other could leave at 3:00 every afternoon. They assumed that the difference in compensation was a stipend for the coaching assignment.

Taking on home room, coaching, and other special assignments appears to be the most important criterion, other than experience, for earning additional pay--aside from adding one step for teaching each year. The faculty believes that excellent teaching alone will not be rewarded with additional pay. Several teachers stated that, as a result of a really fine teaching record, a teacher may be noticed and asked to take on additional

administrative, extracurricular, or curriculum leadership assignments, which will, in turn, raise one's salary.

The head confirms that, while performance pay for outstanding classroom teaching may result in modest additional compensation, the largest salary increases go to those having extra duties. Often these extra assignments involve providing guidance to other faculty members. The faculty workload at Leslie is varied but generally includes four 40-minute classes five days a week and a daily student load of less than 60 plus one or more nonteaching assignments. No teacher interviewed mentioned any concern about inequities in the assignment of extracurricular commitments or expressed the desire to have extracurricular activities more specifically or explicitly compensated in contracts.

Comparative information on three typical but hypothetical teachers' salaries may provide additional insight into how The Leslie School's salary system operated in 1982-83. The following scale and salaries are based on the assumption that all teaching experience shown took place at Leslie.

	Experience		
	<u>Beginner</u>	<u>Middle-range</u>	<u>Long-term</u>
Age	25	37	50
Years of experience	2	12	26
Degree	B.A.	M.A./\$500	M.A./\$500
Base pay	\$14,500	\$22,300- \$25,000	\$30,000- \$32,000
Performance pay	0-\$1,000	0-\$1,000	0-\$1,000
Extracurricular activities	0-\$2,000	0-\$2,000	0-\$2,000
Total salary	\$14,500- \$17,500	\$22,300- \$28,000	\$30,000- \$35,000

The decision-making process

Faculty members are not involved in salary or system deliberations at The Leslie School. The head does not share her thoughts on salaries with either department or division heads. Periodically she does ask division heads about the performance of particular teachers, but in most cases in making a salary decision she operates on her own knowledge of a teacher's performance.

The head is concerned about the lack of faculty participation in the discussion of salary issues and has expressed interest in involving department heads more closely in such salary discussions in the future. She is also considering the possibility of describing the range of salaries paid. At the present time, however, the school has no faculty salary committee or a published salary schedule.

Most teachers feel that little purpose is served by trying to negotiate their salaries. The general apprehension about discussing such a sensitive issue may stem from a feeling that negotiation is fruitless in any case. One teacher said that, if she thought individual negotiation with the head would bear results, she would prefer to have a published salary schedule. This teacher believes that the head allocates salaries consistently and fairly. Were it possible to put pressure on the head of the school and negotiate increases, she said, her trust in the entire system and its fairness would be undermined.

A number of the teachers we interviewed expressed a desire to have the process by which salary decisions are made become more open. Senior faculty members reflected a strong reluctance to discuss salaries with colleagues. Among the younger teachers, however, specific salary information is frequently exchanged.

Teaching as a career

All teachers interviewed at Leslie know that they are being paid competitively in comparison with teachers at other NAIS girls' schools. Even so, they express concern about their long-term earning capacity and their ability to remain in teaching. The Leslie School, in an expensive metropolitan area, serves a generally upper middle class clientele. A number of the women teachers are second wage earners whose spouses have high incomes. A growing number of younger women teachers, however, rely on their teaching salaries and find it difficult to support a family, even in a two-income household. The extremely high cost of housing is a major factor in the discouragement and frustration many faculty members feel about their profession and what it pays.

In interviews with a number of younger teachers, it emerged that alternative career options are open to them that were not open to their older colleagues. Some of the younger teachers are bitter because they would like to remain in teaching yet know that they must leave the profession for more lucrative careers to support their families. Teachers are generally unaware what administrators are paid and express no desire to move into administration for either professional or financial reasons.

Resource base for instructional salaries

The Leslie School has fueled its sizable increase in faculty salaries over the past five years primarily through a \$5 million fund drive whose major purpose was to endow faculty salaries.

In addition to income from endowment, tuitions have recently been raised substantially to help support salary increases. Following is a comparison of salary and tuition increases from 1979 to 1984.

<u>Year</u>	<u>Salary increase</u>	<u>Tuition increase</u>
1979-80	6%	7%
1980-81	17%	15%
1981-82	16%	12%
1982-83	13%	18%
1983-84	9%	9%

During this same period, faculty benefits have also risen rather dramatically:

1979-80	10%
1980-81	16%
1981-82	27%
1982-83	27%
1983-84	17%

It should be noted that these increases in benefits reflect an effort to improve what was initially a modest program.

Median salary levels at Leslie have risen even though the median length of service has Leslie has dropped to six years because many senior faculty members have retired in recent years. The workload at Leslie is modest--four classes a day five days a week--and the faculty-student ratio is 1:7, with a class size of less than 12. Finally, the administration has continued to make simultaneous commitments to several areas valued in the school's philosophy, all of which demand major expenditures.

Summary

The Leslie School's faculty salary system is highly unstructured, although the head has moved toward a more explicit approach by developing

an unpublished salary schedule as a guideline in determining salaries. Some faculty members know a scale exists, but most are not familiar with how salaries are determined.

Faculty support for the current system seems to be based on four factors: the relatively high level of compensation, the school's conscious effort to build a sense of job security, trust and respect for the current head, and overall reluctance to discuss individual salaries and the issue of salaries in general.

Some faculty members express disappointment over the lack of clarity of the present salary system. The head, however, is committed to continued elevation of faculty salaries and to refining a system that recognizes and rewards experience, advanced degrees, extracurricular assignments, and, to a lesser extent, performance.

Seaforth Academy

Seaforth Academy is a K-12 coeducational day school in the Southwest having an enrollment of almost 1,000 students. The campus, two thirds of it built in the past eight years, provides an impressive array of physical space for academic and athletic programs. The school seems to be a healthy, vibrant place.

Prior to the present head's arrival nine years ago, faculty salaries were determined solely by his predecessor without reference to a published salary schedule. Salaries at that time were not competitive with either the local public schools or area independent schools. The new head established salaries as a high priority for the school. This resulted in an effort to eliminate sex discrimination in salaries, which had existed to a limited extent, particularly between the women in the lower school and the men in the middle and upper schools. Working closely with the school's Faculty Salary and Benefits Committee and an outside consultant, the head developed a salary system intended to reward performance both in and out of the classroom, to compensate teachers primarily according to job description and workload, and to make salaries competitive with those in area public schools and the highest salaries of nearby independent schools.

The committee worked with the consultant and the head for six months to develop the current salary system. The head kept the board and teachers well informed of the committee's work. All of the teachers interviewed expressed support for the resulting salary structure and clearly understand the system's three major goals, stated above.

Description of structure

The salary system at Seaforth Academy is based on job categories defined by the Salary and Benefits Committee. These categories define minimum and maximum salaries. A teacher is placed in a salary category according to the nature of the job he or she holds. The consultant, a salary administration expert with a nationally known public accounting firm, worked with the committee and head to build a "corporate" salary structure, including job classifications that provide a wide range of salary options. Actual salary decisions, as they were earlier, are based on the judgment of the employer.

During meetings with the consultant, teachers expressed concern about the definition of the job categories and how they would be determined. Figure 1 describes the five salary categories. Most faculty members in the school who are not involved in major administrative tasks fall in category 2. It appears that category 3 is a "swing" category that encourages a teacher to become involved in administrative assignments or to take on additional extracurricular activities. These responsibilities in turn generate additional income for teachers. For example, a teacher new to Seaforth but having five years' previous teaching experience who accepts a full-time teaching position would be placed in category 2. Exactly what salary the teacher earns--between \$15,394 and \$24,630--is entirely up to the head. The assumption is that the teacher will coach two sports or take on two extracurricular assignments (if teaching grades 7-12) and receive annual salary increases ranging between 6 and 20 per cent, depending on performance.

It is apparent that this salary system permits a wide range of minimum and maximum salaries within each of the five categories. The range is over

Figure 1
Seaford Academy: Salary Administration Program, 1982-83

The salary budget approved by the board will be allocated among Faculty members in accordance with (1) the salary category to which each individual's position has been assigned and (2) the individual's placement or position in the assigned salary category based upon both experience and merit consideration as described below.

The following salary categories have been established for faculty positions.

<u>Category</u>	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
1	\$13,309	\$17,313	\$21,295
2	\$15,394	\$20,025	\$24,630
3	\$17,626	\$22,929	\$28,202
4	\$20,094	\$26,139	\$32,151
5	\$22,807	\$29,798	\$36,652

These salary ranges will be reviewed annually.

Criteria for category assignment

Positions held by faculty members are evaluated and assigned to the established salary categories using the following criteria.

1. Faculty positions in this category involve no special non-teaching or administrative responsibilities. The category includes full-time faculty new to teaching or part-time positions which carry a normal teaching load.
2. Faculty positions in grades 7-12 with two or more non-classroom assignments or faculty positions in Pre-6 with teaching responsibilities which require an intensive degree of teacher-student interaction.
3. Faculty positions which involve either major administrative responsibility within one division, or full-time teaching positions with significant nonclassroom responsibility (e.g., teaching primary school and working with admissions or a faculty position requiring skills which are in short supply).
4. Faculty positions with added year-round responsibility for administering schoolwide programs (e.g., Director of Admissions, Director of Development, Director of Athletics).
5. Full-time, year-round administrative positions (e.g., Division heads and Business Manager).

This system requires the head to develop with the individual faculty or staff member key job elements (in rank order) for that staff member's position, followed by objectives for the year in each key job element. In addition, the appraisal system includes standard performance elements expected of all faculty or staff members. Progress in performance is reviewed periodically during the school year, with a final assessment occurring near the end of the school year.

Figure 1 (continued).

The results of the appraisals are then submitted to the head for use in determining performance pay increases for the year after the next contract expires. If between the formal appraisal and the date for renewing faculty contracts (on or before March 1) the supervisor detects a change in the faculty member's performance, the performance pay increase may be altered for that succeeding contract year.

Those conducting evaluations use the following standard performance elements in evaluating faculty members: (1) academic planning and preparation, (2) presentation and instruction skills, (3) interpersonal skills (nonstudent), (4) development of students (through leadership, guidance, and counseling), (5) self-development/professional growth, (6) management and supervision (student control, budget control, care of property), and (7) involvement in extracurricular activities.

This system of evaluation is not consistently employed in all three divisions.

* * * * *

\$9,000 in category 2. The system itself is not explicit; the actual decision about what a teacher earns within each category, once the category is determined by job description and overall extracurricular load, is made by the head alone, after consultation with the division heads. Only the head and the business manager know what each teacher is paid. The teachers themselves do not know one another's salaries, and the ethos of the school discourages asking.

Seaforth's salary system provides a significant incentive for teachers to take on greater workloads. It also provides incentive to perform well, as reflected in the pay differentials that the head can offer within each pay category. The basic job-related category system, backed up by performance pay, has been improved in that salaries have risen dramatically over the last five years. Salaries increased 47 per cent from 1980 to 1983, a pace that may not continue in the immediate future.

The only financial incentive that Seaforth Academy offers for earning advanced degrees is its willingness to help pay for such study. It is un-

clear how experience in teaching fits into the category system. The lack of an explicit method for making these placement decisions does not seem to concern the teachers interviewed. Generally, more senior teachers are paid more, though they may occupy the same salary category as teachers in their earliest years of teaching. While some teachers believe that scarce skills do affect salary decisions, they are convinced that performance is the major factor in determining salaries. They agree that the number of assignments a teacher carries and how well he or she carries them out are major elements of performance.

Almost all teachers interviewed perceive the head as having enormous discretion in setting salaries for new teachers and in determining annual salary increases for returning teachers. This feeling may stem from the fact that the salary ranges in each category are wide and only the head can place teachers within a category. There seems to be a high degree of trust in the head's judgment and knowledge of teachers' performance. Some express concern whether this particular salary system, and the trust essential to its acceptance, would work with a different head. Almost all teachers interviewed state that the salary system is fair. Most interviewed agree that the system works well in recruiting new faculty members. It appears that the teachers are responding to their trust in the current head and the significant salary increases of the past three to five years, rather than to the salary system itself.

Seaforth Academy's salaries for 1983-84 placed the school in the top 10 per cent of its independent school competition and met the median of the area public schools, partly because salaries there were frozen due to constraints on the state budget. In 1983-84, the actual salary range for full-time teachers at Seaforth was \$14,000-\$32,000, and the median was

\$24,300. The faculty in 1982-83 had a median teaching experience of 13.8 years and a median of 7.3 years at Seaforth. The median weekly teaching load was 1,620 minutes in the lower school, 924 in the middle school, and 880 in the upper school.

Performance pay

According to our interviews with faculty members, trustees, and the head, performance pay is the main philosophical basis of the current faculty salary system. Almost all teachers interviewed support performance pay and agree that it effectively rewards performance at Seaforth. While a number of teachers indicated that the need to find a more equitable approach to salaries lay behind the development of the new system, it is clear that the perceived fairness of this system is more a by-product of faculty trust in the administration of the system than it is the result of this particular approach.

The faculty clearly understands that performance pay is the primary basis for the new system. The head emphasizes that making the system competitive with the highest-paying independent schools and area public schools is one of his major goals. His ability to achieve faculty support for this particular system may have been greatly aided by the 47 per cent increase in salaries over the past three years.

Approximately 80 per cent of the teachers receive performance pay but do not know exactly how such pay is determined, because the criteria stated do not include specific details about how amounts are actually determined. Those receiving performance pay are informed by a section in their contract stating that their salary reflects "merit," but teachers do not know what portion of their salary is determined by inflation, experience, advanced degrees, and/or performance.

In making salary decisions, the head places teachers in one of four groups. These group ratings, which are not shared with teachers, are distinct from the salary category system. For example, four teachers who are in the same salary category may each be performing differently. The terms the head uses to describe performance are "marginal," "competent," "superior," and "outstanding." Each of these is further subdivided into quartiles. Thus a teacher in category 2 who is considered a "marginal" performer might be paid at the very bottom of that category. A truly marginal teacher might receive no increase in salary. A teacher ranked as "outstanding" and at the top of the quartile for the "outstanding" performer group--still in category 2--might receive an increase of 18-22 per cent. For 1982-83, the school raised salaries by an average of 12 per cent; actual increases for teachers ranged from 6 to 20 per cent. For 1983-84, the average salary increase was 14.5 percent, with a range of 8-24 per cent. These differentials are based on the perception of teachers' performance by division heads and the head of the school.

According to the head, performance pay ranges from \$300 to \$1,500. It would appear, however, that performance pay can be much higher, for the gap between minimum and maximum salaries in each job category is considerable. In category 2, it is over \$9,000. Performance is one of the two major placement criteria used by the head, and the other is experience. All performance pay increases are added to base salary and carried forward from year to year.

Every teacher interviewed had received a contract stating that the bottom-line salary "includes merit pay." When asked what per cent of the faculty received performance pay, one teacher replied, "I suspect more than 95 per cent." The teacher was not bothered by this assumption, because he

assumed that all teachers at the school, with the exception of a very few, were excellent and therefore should receive performance pay. It was stated earlier, about 80 per cent did receive performance pay in 1982-83.

Almost all of those interviewed agree that the school's salary system is effective in attracting and retaining good teachers and in rewarding performance.

Compensation for nonteaching responsibilities

There is no pay for extracurricular assignments except as a teacher's salary category reflects total workload and assignments. As indicated above, a full-time assignment at Seaforth includes two coaching assignments or similar load for teachers of grades 7-12.

An unusual aspect of Seaforth's view of what constitutes full-time employment is the assumption that lower school teachers have a full-time workload without extracurricular assignments. The school seeks to balance extracurricular assignments as much as possible, but, as the school's faculty handbook states, "Faculty heavily involved in nonacademic activities often express concern that they are investing more time than other full-time faculty, a factor which they contend should be considered when salaries are set. It is. However, it must be stressed that time is not the only criterion for evaluating how hard a person works."

The vast majority of teachers at Seaforth are in category 2 and take on significant extracurricular responsibilities. A teacher having five classes a day--the normal number--is considered part-time unless he or she also takes on an extracurricular assignment. Because of lack of interest or time, a teacher may decide not to take on any after-school commitments. In that case, the teacher's salary remains within category 1 regardless of

years of teaching experience. The head sees this as a fair exchange between the school's philosophy and the teacher's needs.

The school does take into consideration realities of the marketplace in hiring new teachers and retaining present ones. The school may, for example, assign a teacher having a scarce skill to category 3 rather than category 2. From interviews with the faculty, it is evident that the philosophy of extracurricular commitment and hiring according to market conditions when necessary is understood by most and appreciated by the mathematics and science teachers.

Comparative information on three typical but hypothetical teachers' salaries, given on the next page, may provide additional insight into how Seaforth Academy's salary system operated in 1982-83.

The decision-making process

The head has taken an unknown salary decision-making process and made it somewhat more explicit by creating and publishing salary categories. The faculty is very aware how salaries at Seaforth compare with those in neighboring public and "peer" independent schools because these comparisons are published annually. Everyone knows that Seaforth's goal is to match the median salaries of the public schools and be in the top 10 per cent of the peer independent schools.

Faculty involvement in formulating the category system has led to greater understanding of how salary decisions are made and of the commitment of the board and the head to making Seaforth's salaries more competitive. The Faculty Salary and Benefits Committee continues to meet annually to recommend adjustments to the system and to study benefit changes. The committee's mandate comes directly from the head and not from the faculty

	Experience		
	<u>Beginner</u>	<u>Middle-range</u>	<u>Long-term</u>
Age	25	37	50
Years of experience	2	12	26
Degree	B.A.	M.A.	M.A.
Base pay	\$15,394- \$24,630	\$17,626- \$28,202	\$15,394- \$24,630
Performance pay	Included in above	Included in above	Included in above
Extracurricular activities	Coach two sports	Coach and athletic dir.	Primary schl. tchr.
Salary category	2	3	2
Total salary	\$15,394- \$24,630	\$17,626 \$28,202	\$15,394- \$24,630

or board. The committee seems less well known and influential now than it was when the new system was being devised.

The board of trustees, and especially its Personnel Committee, played an active role in developing a salary policy. The head wanted the board to be more aware of the former system and its inequities. Trustees became knowledgeable and concerned about the low salaries earned by teachers in general and by Seaforth's faculty in particular. The consultant employed by the school had a close relationship with members of the board's Finance and Personnel committees, which helped to ensure support for adoption of the salary system and increases proposed by the head. Trustee awareness has been crucial to the success of these recent salary development efforts.

Teaching as a career

Almost half of the teachers interviewed agree that the current salary system provides for significant salary advancement. All teachers inter-

viewed believe that the current system and corresponding benefits contribute to the professional growth and development of the faculty. Most believe they need to move into full-time administration to advance their careers financially, particularly under the present system, which has the effect of encouraging upward mobility, that is, toward more administration.

Most teachers feel that teaching as a career is possible in the long run. It is important, however, to note the qualified replies. For most teachers, a long-term independent school teaching career, even at Seaforth, requires a spouse who also works, some other source of income, or a readiness to move into administration.

Resource base for instructional salaries

In the past seven years, Seaforth's endowment has increased substantially. The endowment in 1983 was in the top 10 per cent of NAIS day schools. Part of the recent endowment effort was earmarked for improving faculty salaries, and 8 per cent of the 16 per cent salary budget increase in 1983-84 came from interest income from the "Endowment for Excellence," a fund earmarked for faculty salaries. Seaforth now ranks as one of the top schools in the country in endowment per student, while its tuition remains modest and in the middle ranks of independent day schools in the Southwest.

Tuition in 1983-84 went up 8 per cent, while the salary budget went up 16 per cent. The board gave much thought to that decision. The trustees are still involved in a five-year effort to improve Seaforth's salaries. The head warns that the faculty cannot continue to expect such increases. However, teachers are very aware that in two of the last three years they have received midyear salary adjustments and that, with the 16 per cent

increase in 1983-84, they are making significant progress in real salary growth.

It is interesting, in this respect, to compare salary increases with tuition increases from 1979 to 1984.

<u>Year</u>	<u>Salary increase</u>	<u>Tuition increase</u>
1979-80	8%	9%
1980-81	16%	15%
1981-82	16%	12%
1982-83	12%	9%
1983-84	16%	8%

Summary

Seaforth has developed a "corporate" salary system that offers the head considerable discretion in placement and in determining annual salary increases. The system thus enables the head to recruit and to reward effective teaching and commitment to the school's extracurricular life. Faculty trust seems to have more to do with the head's personal leadership and relation to the faculty than to anything inherent in the salary system. Much of the good feeling about the system may be due to impressive salary gains in the last five years.

The salary system, although not as unclear as the one it replaced, is still quite ambiguous. Teachers do not understand how experience and performance specifically affect their salaries. The system also encourages upward mobility, in that salary categories and movement upward through them require one to take on more in the way of administrative or extracurricular assignments to progress beyond a certain level. Because so much ambiguity

exists about how performance pay is determined, the only visible target that teachers can shoot for is to move up from category 2 to category 3, and so on. The system is somewhat misleading, however, for nearly all full-time teachers are in category 2 or 3, and opportunities for moving into categories 4 and 5 are minimal. Thus some of the upward-mobility aspect of the system is illusory and draws attention away from the wide ranges between minimum and maximum salaries in each category.

Neville School

The Neville School is a coeducational day school of 600 students in grades 5-12 located in a major metropolitan area in the northwestern part of the United States. The philosophy and structure of the school strongly reflect the personal style and leadership of the current head, who has been in his position for 14 years and who taught at Neville several years before returning as head.

The Neville School faculty has had a strong influence on salary decisions since the 1960's, when the Faculty Salary Committee worked with the former head in proposing to the board specific improvements in faculty salaries and benefits as well as specific modifications in the salary system. The salary system in place throughout the 1960's provided a scale that based each entering teacher's salary on degree and years of experience. Every year thereafter, each teacher received the same dollar increment, regardless of performance. In the system's final years, a teacher was eligible every other year for a double increment, based on performance. Teachers received additional increments for master's and doctoral degrees and for a few administrative tasks. This earlier system provided no additional compensation for extracurricular or administrative responsibilities.

In 1970, the present head and Faculty Salary Committee together designed a system that provided some degree of monetary recognition for performance, for differences in total load, and for administrative responsibilities. The faculty voted to support the creation of a system that was something of a compromise between wide-open negotiation and the specific

scale used previously. With minor modifications, the system developed then is still in use today. It has the support of the board of trustees and the Faculty Salary Committee, which has continued to have an influence over changes in the salary system and increases in benefits and pay levels.

Description of structure

The salary structure at the Neville School is pictured in Figure 1. Solid lines show minimum and maximum levels; the dashed lines have been added for analysis (see below). The school offers competitive salaries at both beginning and more senior levels of teaching experience. The shape of the structure deliberately makes median salaries especially competitive. The school's level of compensation now ranks in the top 10 per cent of NAIS schools nationwide. Neville has recently achieved its long-sought goal of overall parity with the public schools in its metropolitan area.

As seen in Figure 1, a beginning teacher at Neville having no prior experience began at a salary between \$14,500 and \$15,000 in 1982-83. That teacher's salary then increases at a rapid annual rate, up to the twentieth year. A teacher beginning at Neville after 10 years' previous teaching experience and a master's degree begins at step (year) 10 in the schedule. Because a master's degree brings a jump of two additional steps, this teacher's beginning salary is found at step 12 (\$19,800 to \$25,200). The actual placement of the teacher within this range is decided by the head, together with the directors of the middle and upper schools.

The system most rapidly advances those faculty members in their fifth through twelfth years of teaching. After the tenth or twelfth year, the rate of increase slows. Most of the teachers we interviewed listed three objectives for the present salary system: to provide a fair and equitable

system; to combine a published salary schedule, with discretion for the head to reward performance and to recognize variations in total load; and to offer faculty members an approximate outline of future earning capacity on which they can base their financial plans.

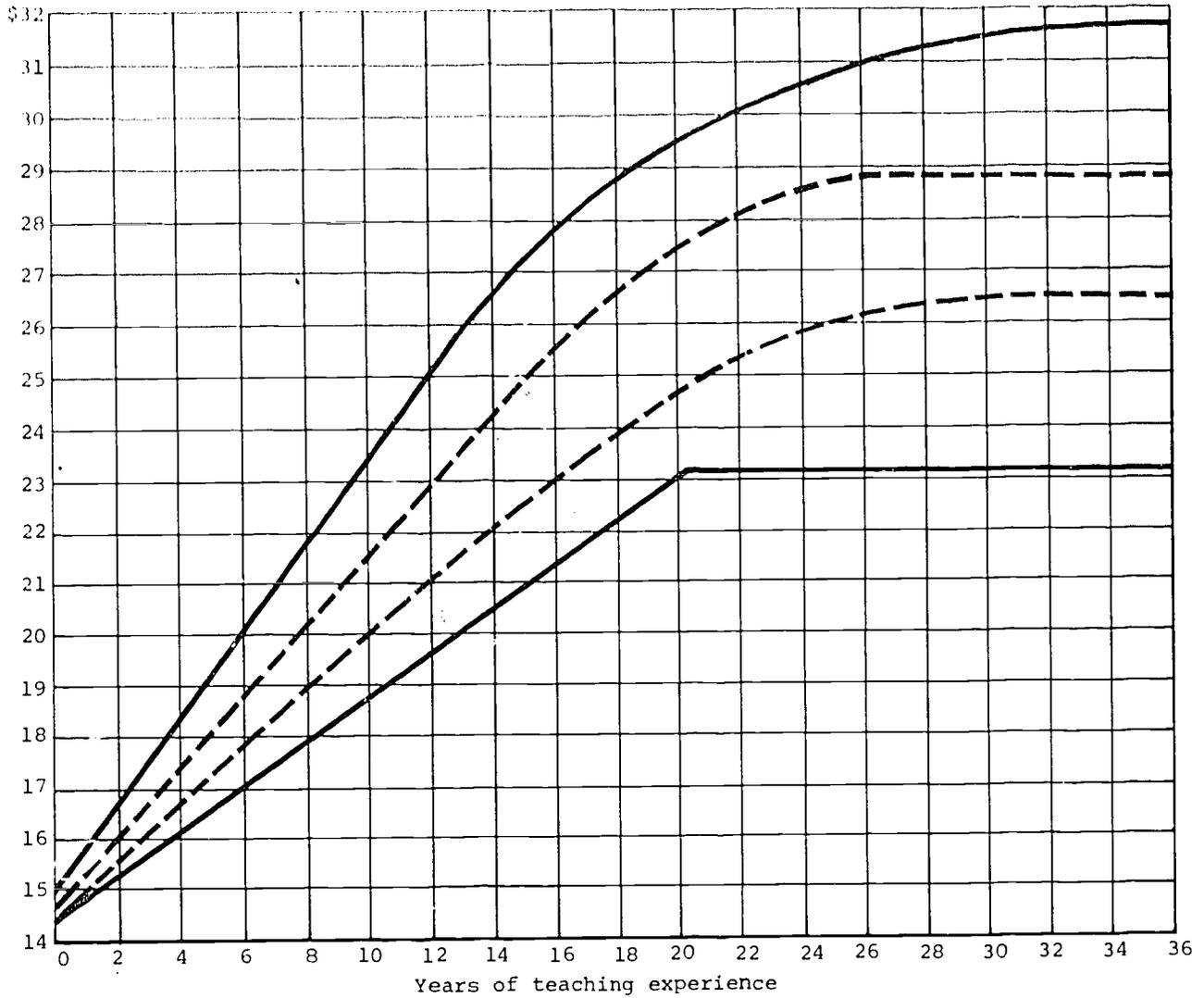
Most of the teachers interviewed are aware that teachers in their fifth through twelfth years of teaching advance most rapidly in this system. The head explains that the early part of the salary curve is quite steep, compared to the later part, based on his belief that in general a teacher between the fifth and twelfth year of teaching makes a proportionately greater contribution to the school than others. In addition, this approach moves young teachers to a decent living wage.

Each year, the Faculty Salary Committee, consisting of three teachers elected from the faculty as a whole, has recommended raising both the upper and lower lines of the salary curve so that the scale will continue to provide discretionary flexibility in proportion to changes in the local economy, inflation, and/or the school's financial resources.

For purposes of analysis, the salary curve shown in Figure 1 has been divided by the authors into three sections--bounded by maximum and minimum--denoted by the dashed lines. Forty-seven of the school's 80 teachers fall someplace in the middle third of the curve--between the dashed lines. This spread is not unlike a normal distribution. Seventeen teachers fall in the top third of the salary band, indicating that they are the school's top performers or are carrying the heaviest load. The remaining 16 teachers fall in the bottom third of the curve, which would seem to indicate that they are not performing well, by Neville's standards. Upon closer examination, however, it appears that most of these 16 teachers are either new to the school, work part time, or carry no extracurricular responsibil-

Figure 1
Neville School: Faculty Salary Structure, 1982-83

Dollars
in thousands



BA + 22½, add 1 BA + 45, add 1½ BA + 45 + MA, add 2 BA + 90 + MA, add 2½ Ph.D., add 3

(dashed lines added for illustration)

exactly \$23,000 is receiving a negative signal about performance. Most teachers having 20 years of experience and a Ph.D. would be placed in the middle of the range, that is, between \$23,000 and \$30,500.

Each spring, after a round of discussions with department heads, the head of the school and the two division heads sit down together, periodically joined by the dean of faculty as an observer, and determine where on the curve each teacher's salary should fall in the coming year. They discuss each teacher's strengths and weaknesses, workload, and performance. They also take into account whether or not the teacher is new to the faculty or works part time. All these factors influence the teacher's placement on the salary curve, which is so constructed that each teacher is seen in relation to every other teacher.

A scattergram--an array of anonymous dots showing all teachers' positions on the curve--has been used by the Faculty Salary Committee once or twice to help them analyze the system. Other faculty members have not seen this distribution diagram, but some are most interested in doing so. Some disagreement exists about who is privy to the scattergram. The Faculty Salary Committee mistakenly believed that the head had offered any teacher the right to see it (without names attached). The head states that he has shown the scattergram only to the Faculty Salary Committee. He believes it is wise for the school, in handling salary records, to be careful about confidentiality and does not wish to encourage speculation about who is represented by individual points on the scale.

The head of the school rates fairness the most important criterion of this particular salary system. Other administrators and faculty members agree. Some teachers interviewed reflect a disquiet about the wide range between maximum and minimum pay--what they call the "discretionary band"--

despite the care that the head and two division heads take in placing each teacher on the salary scale.

Performance pay

In talking about the discretionary band, teachers know that most fall within its middle range and that only a small number fall in the top or bottom third.

Several teachers interviewed describe two major problems they have with the discretionary band concept. First, the school has no formal evaluation system. Information given the head by the division and department heads concerning performance may be inaccurate, outdated, or incomplete.

Second, few teachers are aware which teachers are placed on the upper third of the salary curve. Some teachers state that the discretionary band is ineffective in recognizing and rewarding performance and doubt that it is much used. Seventeen teachers are located in the upper third of the salary curve and might therefore be considered to be earning "performance pay." But because teachers say almost nothing to one another about their own salaries, the lack of information about placement on the salary curve leaves them unclear about how the salary system works in actual practice.

Theoretically, performance pay differentials between the lowest- and highest-paid teachers having the same degrees and years of experience can be as wide as \$9,000. In fact, they rarely exceed \$3,000.

Almost half the teachers interviewed do not support the idea of different pay for different levels of quality in teaching. Having said that, however, the same teachers will state that they support the current salary system because of the judgment and fairness of the head. Several say that

they would prefer a flat salary system, with annual step increases but without "discretion." One teacher said, "All teachers on the faculty, regardless of experience or degrees earned, should be paid exactly the same salary because all faculty members at the school are hardworking, committed, and talented." Another said, "This system works because of the high salaries paid here and trust in the head. Without either of these elements, the faculty would have many questions and concerns about the present salary system."

The dean of faculty, who teaches three-quarter time, functions primarily as a communications liaison between the head and the faculty. The faculty petitioned the head to create this position so that the dean could speak for them on issues of faculty interest. The dean of faculty sits in on classes, informally observes teachers, and confers with them on how they might improve their performance; he also solicits teachers' opinions about the performance of the head and about how to improve communication between the administration and the faculty. By virtue of having sat through many salary decision sessions as an observer, the dean of faculty can convey to the teachers that the process is indeed difficult and that the head and division heads make every effort to be consistent and fair in placing individual teachers on the salary schedule.

Compensation for nonteaching responsibilities

Extracurricular compensation is not a part of Neville School's salary system. The average workload of an upper school teacher includes a class size of 15, four classes a day four days a week, and an extracurricular activity. Teachers are not required to take on extracurricular responsibility, but those who do not take on such assignments earn less by virtue

of where they are placed on the salary curve. All faculty members are encouraged to become involved in student life and to take on coaching or a comparable activity.

There may be some inconsistencies in practice surrounding payment for additional assignments. For example, one teacher said that during his second year at Neville he became heavily involved in extracurricular activities as well as in teaching and gave many hours beyond the normal teaching day. At contract time, in March, he was disappointed not to see any change indicating that his commitment had been recognized.

Teachers do not understand how extracurricular commitments are evaluated or compensated in the salary system, nor is it clear whether teachers work harder or take on additional assignments specifically in order to earn more money. At present, little discussion takes place among teachers or in the Faculty Salary Committee about whether or not to reward extracurricular commitments with extra pay. In the past, it was discussed, especially in relation to coaching. Since the early 1970's, the school has compensated coaches only for giving up vacation time to coach a sport.

Initially, administrators' salaries were based on the faculty salary curve, with added remuneration for summer months worked. Whereas Neville's teachers' salaries are in the top 10 per cent of NAIS schools nationwide, most Neville administrators' salaries are only in the top 25 per cent, or less. This has concerned the head, who believes he must pay salaries that are more competitive with NAIS norms to attract and retain a first-rate administrative staff.

The Neville faculty does not see any great financial advantage in moving to administration. On the contrary, teachers believe they can be rewarded financially by remaining in teaching and by earning recognition as

outstanding teachers. The ceiling on faculty salaries for 1983-84 exceeded \$33,000.

Comparative information on three typical but hypothetical teachers' salaries will demonstrate how the Neville School's salary system operated in 1982-83.

	Experience		
	Beginner	Middle-range	Long-term
Age	25	37	50
Years of experience	2	12	26
Degree	B.A. ---	M.A. \$1,000- \$2,000	M.A. \$1,000- \$2,000
Performance pay	0-\$1,600	0-\$5,500	\$0-9,000
Extracurricular activities	---	---	---
Total salary	\$15,300- \$16,900	\$20,000- \$26,300	\$24,000- \$32,000

The decision-making process

Faculty involvement in salary decisions at Neville began in the early 1960's, when teachers brought concerns about their salaries to the attention of the head. The Faculty Salary Committee apparently did not come into being as a result of controversy. All those interviewed see current relations between the head and the committee as cooperative and collaborative rather than adversarial.

The Faculty Salary Committee has three members, with one elected each year. The faculty is divided into three groups by age: a younger group, a midcareer group, and a senior group. When the younger member of the Faculty Salary Committee, who represents the interests of the younger

group, goes off the committee, another teacher from the younger group is elected by the entire faculty. The same holds true for committee members from the other two groups.

A very small number of teachers has represented the faculty on the committee over the past 17 years. About six teachers have served multiple terms, and two of the three present members also served in the 1960's and 1970's. It appears that a small subgroup of the Neville faculty speaks for colleagues on the issue of salaries.

The committee sees itself as an advisory group. It is recognized that the head of the school may suggest changes in the annual salary modification proposal from the Faculty Salary Committee. In some years, the head has recommended that the committee's financial request be lowered, in others that it be raised. In almost all cases, the board of trustees, through its Finance Committee, has adopted the proposal of the Faculty Salary Committee without major changes.

The committee occasionally invites the head to join its meetings. When the budget is being set, the committee sometimes meets with members of the board's Finance Committee, but usually the head relays their proposals in writing. The following figures show the changes the committee has recommended for five recent years.

<u>Year</u>	<u>Faculty salary increases</u>
1979-80	11.2%
1980-81	12.5%
1981-82	15.7%
1982-83	10.0%
1983-84	4.0%

The small increase requested for 1983-84 reflected the Faculty Salary Committee's recognition that inflation, as measured by the Consumer Price Index, had dropped dramatically. In addition, Neville's tuition was quite high, and the board appeared unwilling to boost both salaries and tuition at a rate similar to that of the past several years.

In the years since the present salary system was established, a major objective of the Faculty Salary Committee has been to improve benefits by adding dental insurance, increasing life insurance, and setting aside a certain per cent of the dollars available for faculty salaries each year in a "cafeteria" benefit selection plan. Now all teachers have a \$600 cafeteria package from which they can select various benefits. A younger faculty member with a family might wish to use all \$600 toward family and dependent medical insurance coverage, whereas a more senior teacher might wish to use the \$600 for an additional investment in the TIAA/CREF retirement plan.

The Faculty Salary Committee has also carefully monitored the median salary level of public schools in the area and of comparable NAIS schools to ensure that Neville's salaries remain competitive.

Teaching as a career

All teachers interviewed at Neville state that they are satisfied with a career in teaching, although they do express concern about the low value that society places on teaching as a profession. With the exception of one teacher going back to college to finish a master's degree, no teachers we interviewed had any plans to quit teaching or to leave Neville.

From a review of Faculty Salary Committee notes back to 1966, it appears that at one time up to 40 per cent of the Neville faculty had

independent sources of income. There is no indication that a significant number of the present teaching staff are concerned about salaries. It is clear from our interviews that salary as an issue has been addressed through the continuing efforts of the Faculty Salary Committee, the board, and the administration to improve salaries. Increasingly, with the achievements of the salary system, faculty interest in benefits has displaced concern over salaries per se.

Resource base for instructional salaries

Neville School has an endowment of slightly less than \$3 million. The school's annual giving in 1982-83 was approximately \$225,000. The tuition for a senior student in 1982-83 was \$5,570. Significant increases in tuition as well as endowment income have contributed to Neville's ability to raise faculty salaries. While faculty salaries in independent schools have dropped in real terms by more than 16 per cent over the past 10 years, faculty salaries at Neville have reflected a slight increase in real earning power between 1971 and 1982.

The following chart illustrates the yearly per cent increase in tuition at Neville between 1975 and 1984.

1975-76	12.1%
1976-77	11.5%
1977-78	7.7%
1978-79	11.0%
1979-80	9.8%
1980-81	13.8%
1981-82	14.7%

1982-83	8.9%
1983-84	4.0%

The 4 per cent tuition increase for 1983-84 was matched by a 4 per cent average faculty salary increase and reflected the board's conviction that Neville's salaries were now competitive. The board feels the school must temper the speed at which tuitions increase and pay greater attention to earning additional income through rental of facilities and endowment growth.

Salaries have not increased at the expense of financial aid, which in 1982-83 exceeded \$400,000, nor have they increased at the expense of average class size or average class load. Neville's goal has been achieved primarily by tuition increases. Endowment income, annual giving, and, to some extent, control of administrative overhead have helped. The school conveys the impression of being primarily concerned about teachers and the teaching process and much less concerned about administration and administrative resources.

Summary

Some of Neville's teachers express concern about a system that seems to place so much discretion for setting salaries in the hands of a school head. Philosophically, almost half of those interviewed would prefer a much more specific salary scale that reduced or eliminated the "discretionary band." Others on the faculty support the discretionary band, because they believe the system is administered fairly and because they are convinced that salaries at Neville are among the highest in the Northwest.

The philosophical commitment of the faculty to the performance pay

concept of the current salary system is not as strong as overall teacher satisfaction with salaries would seem to imply. Teachers believe they are part of a "faculty" school, where the administration often solicits faculty opinion. This overall acceptance of the school's governance practices clouds perceptions of the salary system itself. Teachers are not aware of who earns performance pay or why. They believe that the current state of performance evaluation is unreliable. Many faculty members believe that the performance pay element is more apparent than real. The modest actual range of performance pay differentials would seem to support this belief.

The Neville School faculty is reasonably satisfied with the current salary system and with present levels of compensation. Teachers express respect for the head and rely heavily on his sense of fairness in determining salaries, although it is difficult for many teachers to separate their feelings for the current salary system from their attitudes toward the head. The one heavily colors the other. Faculty members do not wish to move into administration. They feel that the school places a high value on teachers and teaching, and salaries are not a major issue at this time.

Frazier School

Overlooking a large river on a ridge above a southeastern city lies the Frazier School, a boys' school enrolling 600 day and boarding students in grades 7-12. The physical plant combines original design and modern buildings and elaborate sports facilities. The boys are neatly dressed in coats and ties. A polite, congenial atmosphere pervades this school.

Leadership of the school has remained in the Frazier family since its founding at the turn of the century. Ownership passed from family hands to a nonprofit board of trustees during the depression, but the trustees have continued to entrust the school's direction to the third generation of Fraziers. The present head has served in his post for nine years.

Family tradition permeates the school, from the portraits on the walls of the faculty lounge to street signs reading "Frazier Drive" in front of the school. The current head was selected, however, only after a diligent search by trustees for the best leadership for Frazier. When the present Frazier took over, he found that the salary system used by his father was no system at all. Salaries were decided between the head and each teacher, with no scale, no knowledge among faculty members of one another's salaries, and no automatic yearly increases. As for faculty members who lived on campus or in dormitories, some paid rent and some did not. Nothing was codified.

Description of structure

At this writing, the current salary system at Frazier was not yet completely in effect. It has been in the works for several years, with

most of the initiative being taken by the head. The system is based on a point scale, which was developed cooperatively by the head and a committee of faculty volunteers. The scale is based generally on data supplied by faculty members in a survey asking them to indicate what per cent of their professional energy they spend in particular assignments. Points are assigned for teaching, extracurricular activities, and coaching.

A normal teaching load is assigned a value of 80 points. "Normal" is interpreted differently for different disciplines. For example, three classes of chemistry or physics plus one laboratory a week is normal, whereas four sections constitute a normal load in mathematics and English. Class sizes of 15-16 are considered normal; extra sections or additional students warrant additional points. Department chairmanships can bring between five and 20 additional points.

Extracurricular activities have an elaborate point system, ranging from 30 points for supervising the yearbook or dramatic productions to two or three points for language clubs and fire drill supervision. Coaching also has a highly elaborate point system, and points are also awarded for seasons of sports. Varsity coaches receive many more points than assistant coaches, and high school coaching positions are more highly rewarded than those in the junior school. Timekeeping, tickets, and sport film supervision all bring points. Points are not awarded for supervising or living in dormitories.

Points are also awarded for experience: two points a year for years 1-20, one point per year to year 25, and half a point per year for service beyond 25 years. Advanced degrees are rewarded by up to four points for a master's degree and up to seven for a Ph.D., provided the degree is in a discipline relevant to the faculty member's teaching specialty.

Figure 1
Frazier School: Point Schedule for Teaching Activities

<u>Junior school:</u>	5 classes, 15-16 boys in each class normal		80 points
<u>High school</u>			
<u>Math</u>	4 sections, 15-16 students normal	2 preps 3 preps normal if taught before	80 points
	Overload: 5 classes, 3 preps, more than 70 students		Plus % of points
<u>English</u>	4 sections, 15 or less normal	2 preps 3 preps normal if taught before	80 points
	Overload: 5 classes, 3 preps, more than 65 students		Plus % of points
<u>History</u>	4 sections, 15-16 normal	2 preps 3 preps normal if taught before	80 points
	Overload: see English		Plus % of points
<u>Language</u>	4 sections, 15-16 normal	2-3 preps normal 4 normal if specialty of teacher	80 points
	Overload: extra sections and/or 4-5 preps		Plus % of points
<u>Bible</u>	4 sections, 15-16 normal	2 preps normal 3 preps normal if taught before	80 points
	Overload: extra sections		Plus % of points
<u>Science</u>	4 Quantum Physical Science, 60-70 students		80 points
	2 QPS, 2 Biology, 60+ students		80 points
	3 Biology (1 lab/wk)		75 points
	3 Chemistry or Physics (1 lab/wk)		75 points
	Additional courses with labs + 25% load		
<u>Others</u>	Art, typing, music, pottery as separate contracts		
<u>Chairman</u>			Negotiable between 5 and 20 points
<u>Study hall</u>			2 points

Definition: "Plus % of points" means taking the standards (preps, size, number of sections) and adding or subtracting a percentage of the point value. The academic dean would have to assume value of load for the following year to the headmaster, after which only additions to percentages could be considered.

Figure 2
Prazier School: Point Schedule for Extracurricular Activities

<u>Proposed Athletic Points</u>		<u>Tentative List of Activity Points</u>	
<u>Baseball</u>		ARGONAUT	5
Varsity head	26	ASTRONOMY CLUB	R
Varsity asst. (1)	18	ATHENEUM	6
Coach head	16	AWARDS & CEREMONIES	3
Coach asst.	8	BOOKSTORE	15
Jr. schl. head	12	CHEERLEADING	16
Jr. schl. asst. (1)	8	CLOCK & BELLS	2
<u>Soccer</u>		CORE GROUP, CHMN. (3 CORE MBR.)	30
Varsity head	24	CUM LAUDE CHMN.	3
Varsity asst. (2)	10	D.C., BOARDING (Fac. Rep.)	5
B Team head	12	D.C., DAY	3
B Team asst.	8	DRAMATICS	30
Jr. schl. head	10	F.C.A.	R
Jr. schl. asst. (1)	8	FIRE DRILLS	2
<u>Swimming</u>		FRENCH CLUB	3
Varsity head	24 (incl. 2 wks Chrstms)	HISTORY TEAM	R
Varsity asst. (2)	10	HOP COMMITTEE	6, 3
<u>Tennis</u>		INTERNAT'L. CLUB	3
Varsity head	20+ (8/fall, 8 winter)	JR. SCHL. SENATE	3
Varsity asst. (1)	10	KEO-KIO	8, 6
Jr. schl. head	12	R = "Recognized with appreciation." R's are translated into a few points at contract time.	
Jr. schl. asst. (1)	8		
<u>Track</u>			
Varsity head	24		
Varsity asst. (4)	15		
1st at	13		
2nd at	9		
Jr. high head	14		
Jr. High asst. (1)	8		
<u>Wrestling</u>			
Varsity head	28		
Varsity asst. (2)	18		
Jr. high head	18		
<u>Other</u>			
Trainer	28		
Equipment room	9/season (+ Aug.)		
Intramurals (4)	5/season		
Weight trng.	8/season		
Films	5		
Clock ops	4		
Chain gang	4		
Tickets	4		
Track officials	3		
<u>Baseball</u>		MATH TEAM	R
Varsity head	26	MISSIONARY CMTEE	10
Varsity asst. (1)	18	OUTDOOR PROGRAM	3/season
Coach head	16	PENNANT	35
Coach asst.	8	RESOURCE CENTER (shop: boat- building, etc.)	5/season
Jr. schl. head	12	S.P.I.R.I.T.U.A.L.S. R	
Jr. schl. asst. (1)	8	SPANISH CLUB	3
<u>Basketball</u>		SPANISH TEAM	R
Varsity head	30	SPEAKER SERIES	24
Varsity asst. (2)	22	STUDENT COUNCIL, BOARDING	4
Coach head	16	STUDENT COUNCIL, DAY	4
Coach asst. (1)	8	SUMMER SCHOOL HEAD	20
Coach head	12	TEPS	8, 6
Coach asst. (1)	8	TORNADO	30
Coach head	12	TUTORING	R
Coach asst. (1)	8	VANN LECTURE	2
<u>Cross country</u>		YMCA	R
Varsity head	20+ (Aug. 1.5 wks)	ZEROX	2
Varsity asst. (1)	15+ (")		
Jr. high head	15		
Jr. high asst. (1)	8		
<u>Football</u>			
Varsity head	30+ (Aug. 4 wks)		
Varsity asst. (5)	20+ (Aug. 4 wks)		
Coach head	18+ (Aug. 2 wks)		
Coach asst. (2)	9		
Coach head	14		
Coach asst. (2)	8		
Coach head	16		
Coach asst. (2)	8		
<u>Golf</u>			
Varsity head	12+ (8/fall)		
Varsity asst. (1)	6+ (6/fall)		
Jr. high head	8		
Jr. high asst. (1)	5		



Mr. Frazier, primarily responsible for bringing the point system into being, stated frankly that he had become "tired of playing God" at salary time. He felt he had inherited a very inequitable salary distribution system under which some teachers were highly paid simply because the previous head had favored them. Mr. Frazier believed that many jobs needed to be done in the school and that the energy to do these jobs was being unequally expended. He wanted to bring the compensation system more closely into line with the work that was actually being done at Frazier.

After the initial survey of teachers on the expenditure of their energies, Mr. Frazier and the volunteer committee hammered out the point system shown in Figure 1, which has been altered only slightly since it was first devised. He states that one of the advantages of the point system is that it is flexible, so that if a particular position seems to require either more or less energy than its current point value would reflect, this value can be readjusted up or down, quite easily, the following year. It is assumed that the total number of points assigned for the entire faculty will remain approximately constant. Mr. Frazier would consider adjustments to the overall point system to be a joint administrative-faculty undertaking.

To determine a teacher's salary, points are calculated for each of his or her responsibilities. A quality percentage is assigned to the points for both teaching and coaching--explained more fully below, in the section on performance pay. After each teacher's point total is determined, total points for the whole faculty are calculated. Before the annual renewal of contracts, the board of trustees determines the total dollar amount it will expend on salaries in the coming year. Assuming total points remain about the same each year, the value of a point is calculated simply by dividing the total salary budget by the total number of points. For 1983-84, the

value of a point was about \$130. Teachers' point totals range from 103 to 186, with an average of 148 points. That results in an average salary of about \$19,250. Present salaries are not yet entirely in line with point equivalents.

An unusual feature of the Frazier School's salary system is that salaries are calculated for a 12-month year. The school operates an active academic and athletic summer program and a summer camp for younger children. Of the 46 teachers on the staff, only four are on 10-month contracts. These teachers' point totals reflect that difference. In making comparisons between Frazier and other schools in the sample in this study, Frazier's salary figures should therefore be discounted by a factor of 8.5 per cent.

Performance pay

At Frazier, performance pay is an integral part of the point system. A point value of 80 is assigned for a full classroom teaching load. This value is multiplied by a performance factor to determine the actual number of points to be assigned for teaching responsibilities. A new teacher's points might be multiplied by a factor as low as 80 per cent, resulting in a total of 64 points. An experienced, well-seasoned teacher, on the other hand, could expect 100 per cent, or 80 points. A few teachers, known by colleagues and students to be truly outstanding, could be awarded up to 120 per cent, or 96 points, for their teaching. Very few receive this rating.

These percentage ratings are determined by department chairmen, who visit teachers' classrooms for purposes of evaluation three times a year. Conferences between the teacher and department chairman are held after each visit, and before salaries are determined each department chairman reports

percentage valuations of each teacher to the academic dean and to the head. These judgments are rarely overturned. Teachers are generally not told explicitly what percentage rating they have received. They would be told if they asked, but no one asks. According to Mr. Frazier, department chairmen have resisted evaluating the teachers in their departments. The point system has encouraged them to be more explicit in their evaluations.

Teachers' coaching performances are also evaluated on a percentage basis, so that the total number of points theoretically assigned to a coaching responsibility may be factored from 80 to 120 per cent, just as teaching points are. In practice, coaching ratings range from 100 per cent up. The evaluator of coaching responsibility is usually the head coach for each sport; the director of athletics evaluates the head coaches. Dormitory service is generally compensated by not having to pay rent or utility bills. Only head dormitory supervisors receive points for this duty.

Teachers at Frazier are generally very positive about the performance pay concept. When asked to differentiate between quantity and quality of performance, however, they have a more difficult time distinguishing these two aspects of performance pay, even though the Frazier point system possesses a mechanism for assessing both quantity and quality. Some teachers feel that the new system encourages them to take on additional duties to increase their compensation. Mr. Frazier himself is quite clear that this is one of the primary goals of the system. He feels that those who take on more of the jobs that need to be done in a day-boarding school should be justly compensated for doing so. He is anxious for the point system to encourage teachers to undertake added responsibility.

Some teachers, however, expressed concern about the limit of their ability to increase workload in order to increase their salaries. This

writing tuition for graduate education, and the other half for a separate, growing faculty professional development fund. Money for faculty salaries comes from three main sources: tuition, annual giving, and endowment income.

A member of the board of trustees pointed out an anomaly: whereas Hawthorne's salaries are generally in the top 10 per cent of NAIS schools, tuition is not in that range. Tuition in the upper school is in the top 30 per cent nationally, and lower school tuition is in the 40-50 per cent range. Tuitions have generally gone up whenever salaries have been raised. New tuition raises will be aimed at rectifying the imbalance between salaries and tuitions. Enrollment conditions are strong, but the school does not want to set tuitions so high that only the most affluent families can afford the school.

Annual salary increases have been substantial. The following figures indicate both adjustments to base salaries and to performance pay. The column headed "% total budget to benefits" indicates what percentage of the salary section of the budget, additionally, goes for faculty benefits.

<u>Year</u>	<u>% salary increase</u>	<u>% total budget to benefits</u>	<u>Increase % to benefits</u>	<u>% total increase</u>
1978-79	8.5	15.3	N/A	8.5
1979-80	7.6	15.8	0.5	8.1
1980-81	11.0	18.4	2.6	13.6
1981-82	14.0	20.6	2.2	16.2
1982-83	11.0	21.2	0.6	11.6
1983-84	8.0	22.0	0.8	8.8

Nonsalary benefits include a health plan totally financed by the school, which also provides dental insurance for all family members. Tuition remission is a point of some disagreement between faculty and administration. Prior to 1976, teachers could send their children to Hawthorne tuition-free. This is still true for teachers who joined the faculty before that time. Those who have come more recently must apply and qualify for financial aid.

Teachers appreciate the school's generous support for professional enrichment, whether through conferences, in-service training, or formal tuition assistance for graduate school. The school pays tuition as well as offering a substantial salary benefit for advanced degrees. The school presently has no sabbatical leave policy.

Teaching loads are slightly higher in the lower than the upper school, with average class sizes of 17 and 15, respectively. The average faculty-student ratio is 1:11. Average teaching time in the lower school is slightly higher, however--200 as compared with 180 minutes per day.

Summary

Both of the top administrators interviewed agree that the primary aim of the Hawthorne faculty salary system is to retain excellent teachers, which seems manifested in Hawthorne's position among schools in the top 10 per cent range of NAIS faculty salaries nationwide. Rewarding performance is considered the next most important goal. This is exemplified by an explicit, sizable performance pay system. Teachers know exactly how much performance pay they receive, both annually and cumulatively, and are quite clear about how such decisions are made.

A strong philosophical commitment to the concept of performance

pay means that discretion in salary decisions is important to Hawthorne administrators. The relatively high agreement of the faculty with the concept of performance pay--almost 75 per cent support it--indicates that teachers feel they are being appreciated and evaluated fairly. Although some teachers indicate that being paid specifically for extracurricular work would be a good idea, most consider the inclusion of the "fifth dimension" in the contract a fair way of dealing with extracurricular responsibilities. This would indicate, additionally, that the distribution of these duties across the faculty is equitable.

Overall, both administrators and teachers at Hawthorne Country Day School seem highly satisfied with the current salary system. A combination of the generally high level of compensation and explicit performance criteria contribute to that satisfaction.

Westmore

Westmore is a coeducational PS-12 day school affiliated with the Society of Friends. Enrolling approximately 900 students in a major metropolitan area in the Middle Atlantic region, it is one of the oldest schools in the eastern part of the country.

The school's religious affiliation is evident in the responses of the teachers we interviewed, most of whom mentioned the influence of Quaker philosophy on the consensus approach that faculty and administration try to use in dealing with major issues.

Salaries at Westmore once were determined according to a system known only to the head of the school. Inequities, including different salaries paid to men and to women holding similar positions, permeated the system. When the present head took office, in the early 1960's, he confronted a number of the guidelines employed by his predecessor. Beyond decisions involving their own contracts, teachers were generally unaware of salary practices--and inequities. Only when younger teachers began to compare notes did obvious inequities begin to emerge.

When the present head arrived, he began to consolidate the various informal salary practices he found and eliminated most of the inequities in the salary system. The administration invited a group of faculty members to join discussions about developing a more systematic approach to salary decisions. Their involvement later became institutionalized through the creation of the Faculty, Administration, and Board Personnel Committee, which continues to meet today, with eight elected faculty representatives--two from each of four divisions--two administrators, and two trustees.

Teachers, generally unaware of the existence of this committee, are far more conscious of another organization within the school that exists outside the established structure: the Faculty Meeting on Business, which operates in the interest of teachers without administrative or board membership, mandate, or approval.

The first event that precipitated the formation of the Faculty Meeting on Business was the decision to abolish tenure, which had existed since the 1930's. Although the word "tenure" did not have the formal and specific meaning then that it has today, it did connote the idea that, having been employed for a number of years in successful teaching, a teacher could reasonably expect continued employment until retirement. In the late 1960's, concerned about the changed meaning and impact of tenure, the board abolished the system for all teachers but those who already had tenure.

The second decision that caused considerable concern among the faculty was the requirement that all teachers demonstrate need, through the School Scholarship Service, in order to receive financial aid for their children attending Westmore. Up to this point, all teachers had automatically received tuition remission for their children.

Thus teachers had come to Westmore, often at lower salaries than they had earned elsewhere, expecting to earn tenure and be automatically eligible for tuition remission. The decisions to eliminate both benefits occurred without significant faculty discussion or participation. The result was the creation of the Faculty Meeting on Business. The meeting brought the faculty's displeasure over the tenure and tuition remission decisions to the attention of the head and the board. The meeting also expressed concern about the inequities and lack of clarity and specificity of the salary system.

Figure 1
Westmore: Salary Guidelines, 1983-84

<u>Step</u>	<u>Level I</u>	<u>Level II</u> .	<u>Level III</u>
15	\$20,602	\$24,626	\$32,550
14	20,100	23,793	
13	19,610	22,989	
12	19,132	22,225	
11	18,757	21,370	
10	18,390	20,548	
9	17,942	19,865	
8	17,505	19,101	
7	17,078	18,366	
6	16,662	17,660	
5	16,256	16,670	
4	15,860		
3	15,105		
2	14,385		
1	13,700		

In determining the placement of a faculty member on level II, the head reviews with the appropriate staff members their recommendations and suggestions. Consideration is given to individual contributions to the life of the school, weight of duties and responsibilities, educational background, and experience.

Contributions to the school include (not in order of priority)

1. Attendance at school functions
2. Additional curricular responsibilities
3. Cooperation with students, faculty members, and parents
4. Religious influence
5. Attitude in public about school, students, and faculty
6. Effectiveness as a teacher
7. Actively and continually pursues professional growth
8. Creativity
9. Common sense and judgment
10. Supports school philosophy and objectives
11. Sensitive use of sense of humor
12. Unique skills, gifts, or qualities that enrich the school
13. Cooperation with the administration
14. Additional remarks

The new salary system, designed by the present head with some faculty advice, consists of two levels, as shown in Figure 1. The administration describes the current salary system, a by-product of the early efforts just described, as an approach that simplifies salary decision making and removes from it the shroud of mystery that had characterized it in the past. It allows faculty members to plan ahead by enabling them to estimate approximate future earnings and gives clear signals to teachers that commitment to the school's philosophy, and performance according to specific school criteria, are essential components of long-term employment at Westmore. The system has raised faculty salaries so that over a period of time they have become competitive with area public schools and at the top of area independent schools. Over the period 1982-1986 salaries are expected to increase 3.7 per cent a year over the projected rate of inflation as measured by the Consumer Price Index.

The faculty sees the system as providing a structure that clearly outlines annual salary increments and values incremental teaching experience. Teachers note with satisfaction that the school pays for and rewards earning a master's degree and indeed requires teachers to do so to move from level I to level II. They believe the system has removed past salary inequities.

All teachers interviewed support the current system and believe it achieves the goals outlined by the original committee. They also believe that the system provides some degree of discretion for the head in deciding where to place teachers new to the school. Teachers believe that the head's greatest discretion lies in his power to determine whether and when a teacher may move from level I--the probationary track--to level II.

Description of structure

As can be seen in Figure 1, the salary schedule for Westmore in 1983-84 begins with step 1, level I, at \$13,700 and moves up to \$32,500. All teachers new to the teaching profession start at step 1, level I. Moving from level I to level II has a psychological impact on teachers that is more significant than its financial impact on their earning power. Advancement from level I to level II is analogous to being promoted from instructor or assistant professor to associate professor at a university. A teacher who does not shift levels within three to five years has little opportunity for a long-term career at Westmore.

A teacher joining Westmore with five years' previous experience and a master's degree would be at step 5, level I, after one or more years at Westmore. If the head and division head view the teacher as a high performer, they may place him or her at step 5, level II. Because the level change and scale increase (the scale goes up every year) together constitute a significant increase in pay, the teacher would probably move to step 5.

Since all teachers must earn a master's degree to shift levels, Westmore expects that after two years of service every teacher will begin a master's program and complete it by the fourth or fifth year at the school. Teachers new to teaching can expect to move to level II within three to four years after arriving at Westmore, providing they have earned a master's degree by that time. Of the 57 full-time faculty members in 1982-83, 22 (39%) were at level I; of those, 10 were at steps 6-15. Among those 10, some were at level I because they had yet to complete a master's degree; others were at level I because they had not satisfactorily met the criteria set out for advancement to level II. A third group consisted of

senior faculty members not holding master's degrees. Criteria for shifting from level I to level II are given in Figure 1.

Incoming teachers having previous teaching experience are placed on level I at a step corresponding to that experience. The head has the option of allowing one step for each year of outside teaching and one step for every two years of nonteaching experience. A teacher new to the school having a master's degree and considerable outside experience may move to level II after teaching at least one year at Westmore.

Thirty teachers (53%) were at level II in 1982-83, and an additional five (8%) were above step 15, level II, at what the administration calls "level III." The highest-paid teacher in 1983-84--at \$32,550--was at the ceiling. The five teachers at level III in 1982-83 were those regarded by the head and the division heads as extremely high performers and master teachers. Their increases also reflected the effects of inflation on the scale. In all cases, they were highly experienced, long-term employees of the school.

In theory, the head may exercise a great deal of discretion in implementing salary policies. He has the authority to place experienced teachers new to the school at whatever step he feels is appropriate as long as that step matches their previous experience. He has some latitude in interpreting what constitutes "past experience." Additionally, the head has the authority to hold a teacher at a particular step for lack of adequate teaching; to move a teacher more than one step to reflect outstanding performance; to move experienced teachers new to the school from level I to level II at the end of their first year; to hold a teacher who begins a teaching career at Westmore at level I beyond the fourth year or advance the teacher to level II; and to place a very limited number of teachers who

have given the school "rare and unusual leadership" at level III, beyond the salary guidelines of either level I or level II.

In practice, the head seldom exercises these discretionary powers. All of the teachers interviewed believe that he does not exceed the salary guidelines and seldom uses his discretion within those guidelines. The head in turn confirmed that he follows the step system literally. The teachers indicate that they would be most unhappy should the head begin to exercise the prerogatives and discretion that the salary guidelines provide him.

All teachers interviewed are satisfied with the clarity of the system and with the fact that the salary schedule is published each year. Every teacher is given a copy at contract time. The salary base moves up each year by decision of the board of trustees.

Performance pay

Officially, Westmore offers no performance pay. Evaluation of performance, however, is crucial to whether and when a teacher moves from level I to level II, an advancement that provides not only job security but significant increases in earning power as well. A second opportunity for rewarding performance comes for senior faculty members whose salaries are set beyond step 15, level II. The exact salary in such cases is determined by the head, based on the teacher's performance and inflation.

The head, with the advice of some faculty members, designed the current system to reduce the anxieties and frustrations of teachers, who were unaware of how salaries were determined. Even the current salary approach contains one source of anxiety for the teaching staff: whether and when a teacher moves from level I to level II. On this subject rumors

abound, particularly among the younger teachers, who view the first four years at Westmore as a "probationary period." Once teachers advance from level I to level II, their anxiety diminishes and they sense that their career at Westmore is secure. Future salary advancements are clearly visible on the step schedule of level II.

It is unclear how explicit the head and division heads are in discussing performance with faculty members. Teachers with master's degrees who, after the prescribed minimum waiting period, have not moved from level I to level II know that they should begin thinking about moving to another school. The only criticism of this change of levels centers on concern that certain teachers may not receive the right kind of counsel to help them overcome weaknesses that inhibit their promotion.

The administration's response to faculty concern about discontinuing tenure in the late 1960's was to develop a multi-year contract. Normally, contracts are awarded for one year only. After the fourth year, the head may offer a one-year contract with a one-year guaranteed renewal. After the eighth year, the head may extend a one-year contract with two additional guaranteed renewals--in other words, a three-year contract. Multi-year contracts are not guaranteed. In fact, one division head discourages teachers from accepting such multi-year contract offers from the head.

In 1982-83, 35 teachers had one-year contracts, nine had two-year contracts, and six had three-year contracts. Seven teachers were still tenured, even though tenure had been abolished in the late 1960's.

Compensation for nonteaching responsibilities

No compensation of any kind exists for extracurricular activities at Westmore. Salary guidelines make it clear that everyone is expected to

take part in and support school life and activities. Extracurricular activities, an expected part of the job in the middle and upper schools, will soon be expected in the lower school as well. Teachers state that they willingly take on extracurricular responsibilities.

Teachers do not unanimously or uniformly agree that extracurricular assignments should go without compensation. In fact, this is one of the most significant issues under consideration by the Faculty Meeting on Business. Some teachers interviewed agree that coaches and other teachers who give up vacation time to work with students in sports or drama should be compensated for vacation days. The administration opposes any effort to initiate compensation for additional activities. The head believes that the school might then be obliged to compensate teachers who work on weekends or on special projects for the school.

Comparative information on three typical but hypothetical teachers' salaries will demonstrate how Westmore's salary system operated in 1983-84.

	Experience		
	<u>Beginner</u>	<u>Middle-range</u>	<u>Long-term</u>
Age	25	37	50
Years of experience	2	11	26
Degree	B.A.	M.A.	M.A.
Base pay	\$14,385	\$19,132- \$22,225	\$24,626- \$32,550
Performance pay	---	\$0-\$3,093	\$0-\$7,924
Extracurricular activities	---	---	---
Total salary	\$14,385	\$19,132- \$22,225	\$24,626- \$32,550

The decision-making process

Westmore's current salary system evolved primarily as a result of pressure from the faculty and concern on the part of the administration. The Faculty Meeting on Business had no hand in creating the original salary scale but has since been actively engaged in discussing other salary issues. The meeting has a clerk but no other officers.

In the early stages, considerable tension existed between the meeting and the head. The meeting was very concerned about the lack of a published salary scale having specific steps that reflect years of experience. As the system developed, the frequency of meetings and level of attendance diminished. Faculty interest in such a committee seems to have been directly proportional to the intensity of feeling about specific issues in the school, including salaries. Because that issue was addressed fairly successfully at Westmore, the Faculty Meeting on Business became less an adversarial group and more a sounding board for faculty suggestions and opinions. The meeting is now characterized by a cooperative working relationship with the school's administration.

All teachers are very much aware of the Faculty Meeting on Business. Many have attended sessions to listen to their colleagues and to state their own opinions. The meeting's more recent topics of discussion have been extra pay for extra work; whether part-time teachers, now paid on an hourly basis, should be paid a percentage of a full-time professional's salary; whether teachers should be able to take unpaid leave of absence in addition to the current paid personal leave; and whether the school should have a paternity and maternity leave policy.

The Faculty Meeting on Business has no direct liaison to the board of trustees, although it may take its concerns directly to the Faculty, Administration, and Board Personnel Committee.

Teaching as a career

All teachers at Westmore expressed satisfaction with their teaching assignments and the salaries they were earning. In general, the level of satisfaction is high with compensation received and the process by which that compensation is determined.

The school has an informal faculty evaluation system that attempts to separate evaluation for purposes of salary determination and contract renewal from evaluation to encourage staff growth and improvement. One facet of evaluation for growth and improvement is an annual meeting between each teacher and the head of the division at the beginning of the academic year to outline job targets. In February, they meet again to assess how effectively those targets are being met. This practice is not followed uniformly in all three divisions. Evaluation for contract renewal and salary determination takes place in the middle of the year, when division heads consult department heads about the performance of each teacher. Division heads then put evaluations in writing and send them to the head to use in setting salaries and renewing contracts. Copies of these letters are sent to each teacher evaluated.

Senior teachers do not know one another's salaries, nor do they discuss them, even at contract time. Younger teachers do not talk much about salaries or share information about what they earn. Younger teachers who are still on level I do express anxieties about their status, however, and ask their colleagues for clarification about the criteria for moving to level II.

Most teachers interviewed indicate no desire or financial motive for moving into administration and express satisfaction with having chosen teaching as a career. Nearly all of them state that they believe the

current salary system rewards years of teaching experience at Westmore and uses experience as the primary basis for moving a teacher from step to step, particularly in level II. The teachers as a group like teaching and teaching at Westmore in particular. However, they worry that, if their spouses were not working or if they were the major family breadwinners, they could not remain in teaching. All acknowledge that the teaching profession is underpaid in comparison to other professions, but most believe that Westmore is doing everything possible to raise salaries.

Resource base for instructional salaries

Westmore has a small endowment, \$600,000. Its tuition falls within the middle range of schools with which it competes. Tuition might be considered low in comparison with similar schools in other parts of the country. On the other hand, Westmore's salaries rank it in the top 10 per cent of NAIS schools in the Middle Atlantic area.

Salaries have increased by the following percentages in the last several years.

	<u>Salary increase</u>	<u>Tuition increase</u>
1978-79	7.0%	5.4%
1979-80	10.7%	5.7%
1980-81	9.2%	11.7%
1981-82	13.0%	13.0%
1982-83	13.2%	13.8%
1983-84	11.0%	10.0%

Westmore's median salary, \$17,600, is now higher than salaries of

other independent schools in the metropolitan area in which it is located. The faculty is very aware of this. The school has a commitment to increase salaries 3.7 per cent above projected inflation for four years. Because Westmore does not have a large endowment, it may need to increase tuition by at least 3.7 per cent above inflation, if not more. The overall salary increase for 1983-84 was 11 per cent, and the tuition increase was 10 per cent.

The school has other sources of funds for increasing faculty salaries: annual giving and auxiliary enterprises. Half of all funds raised through annual giving go specifically into the faculty salary budget. Westmore knows exactly how much money it will have available from annual giving every year because it works one year ahead, adding money raised to the following year's operating budget. Westmore is seeking to increase the income it obtains from auxiliary enterprises such as summer school and rental of school facilities so that it may use some or all of that income for faculty salaries.

An additional source of income for increasing faculty salaries over the last several years has been the gradual rise in the school's enrollment, which has grown by some 50 students over five years, while administrative overhead has remained fairly constant. An average class size of 19 and a fairly young faculty also contribute to the school's ability to pay competitive salaries.

Summary

The faculty salary system at Westmore seems to meet many of the faculty's expectations for clarity and future planning while providing the administration with a degree of flexibility. This flexibility is rather

limited, however, and finds its expression primarily in the decision whether and when to move a teacher from level I to level II.

Greater flexibility appears to exist more in theory than in practice, for the head seldom uses the options open to him. He has no great desire to exercise the discretion that the salary guidelines provide. Teachers are so accustomed to present practice that they would now be concerned if he were to use some of his legitimate discretionary powers, beyond the recognized right to decide whether and when to shift someone from level I to level II. The Quaker tradition of the school appears to be at work here, forging an unspoken agreement about the degree of discretion the head will employ.

Wetherly Academy

Wetherly Academy is a large coeducational boarding-day school in New England. Its students range in age from fourteen to eighteen. A school with a rich history and tradition, its graduates have occupied important positions in the private and public sectors for over a century.

During the early and middle 1970's, several of Wetherly's traditions began to change. Among these changes were a move to coeducation and introduction of a faculty salary system, both of which coincided with a change in leadership. From a traditional head who had ruled the school by "executive order" for over 25 years, leadership passed to a school head having a background in university administration who was interested in involving the school's faculty--and even its students--in important decisions about the school's future.

Previously, salaries had been decided by the head of the school, with no salary schedule, no negotiation, and no discussion. Coincident with the change in leadership, the faculty formed the Faculty Compensation Committee, whose purpose was to develop an explicit faculty compensation schedule. Teachers had found themselves uncomfortable with the lack of specific guidelines and criteria upon which their salaries were calculated. Over a decade later, the words "structured," "explicit," and "specific" appropriately describe Wetherly's current faculty salary system.

Description of structure

Wetherly Academy is the only school in the sample that bases its salary schedule on age. This feature of its system seems to differentiate

Wetherly's from the usual experienced-base scale. The scale runs from twenty-one to sixty-plus years of age. The jumps by years seem to be considerably greater in the mid-thirties range. This age-based scale is adjusted annually for inflation.

In addition to base salary determined by a person's age, a small increment is given for advanced degrees--\$300 for a master's, \$500 for a Ph.D. A few teachers interviewed who had advanced degrees indicated that they consider these increments somewhat meager.

Since Wetherly is primarily a boarding school, with less than 20 per cent day students, teachers are generally expected to live in dormitories and to supervise students. Housing for these faculty members is provided free of charge, and they receive additional compensation for dormitory service. The dormitory increment, like the base salary, is based on age. After a faculty member has accumulated 15 years of dormitory service--at Wetherly or at another boarding school--he or she is allowed to live in other school housing while continuing to have the maximum increment for dormitory service added to salary. This increment amounted to \$1,600 in 1982-83. If a teacher decides to live outside a dormitory before accumulating 15 years of dormitory service, but still remains in on-campus housing, the dormitory increment retained as part of salary is adjusted for years of dormitory service actually performed.

The fourth component in calculating a teacher's salary is years of teaching experience. Since many other schools use experience as the foundation of basic salary schedules, the contrast of Wetherly's limited experience compensation with most other independent schools' methods for compensating experience in teaching is striking. Years-of-experience increments range from an additional \$400 for one year to a high of \$2,600

for eight years of experience. Teaching experience beyond the eighth year is not additionally rewarded. On rare occasions, nonteaching experience, such as computer programming or work as a professional economist, is counted. One administrator at Wetherly, indicating that the school's philosophy is to provide its major rewards to teachers through the age-based schedule, performance pay, and extra pay for additional duties and responsibilities, questions whether teaching skill actually improves enough beyond the eighth year to warrant additional compensation on that basis. For teachers whose lifelong careers are at stake, this attitude might seem discouraging.

Of the four criteria governing calculation of base salary for a Wetherly teacher--age, advanced degrees, dormitory service, and teaching experience--age, without question, is the major one. Figure 1 documents these scales for 1982-83.

Performance pay

During the 1970's, in an effort to "rationalize" the faculty compensation system, the Faculty Compensation Committee, together with Wetherly's administration, developed a system for rewarding performance based on what they called "quality points." The board of trustees was very much in favor of the idea, which assumed that the quality of a teacher's performance could be quantified for the purpose of calculating his or her salary. But the method of calculating quality points was never thoroughly explored, and the quality point system rather quickly developed into the more informal performance pay system that exists today.

Performance pay is determined on an annual basis, taking into consideration a teacher's total contribution to the school. Teachers are

Figure 1
Wetherly Academy: Faculty Salary Schedule, 1982-83

1. <u>Age scale</u>		Age	Amount	4. <u>Increments for dormitory service</u>	
		52	16,900	Age	Amount
Age	Amount	53	17,000	21	500
21	7,500	54	17,100	22	500
22	7,600	55	17,200	23	600
23	7,700	56	17,300	24	600
24	7,800	57	17,400	25	600
25	8,000	58	17,500	26	700
26	8,300	59	17,600	27	700
27	8,500	60+	17,700	28	800
28	8,800			29	800
29	9,100	2. <u>Increments for experience</u>		30	900
30	9,500	Years of	Amount	31	900
31	10,100	experience		32	1,000
32	10,700	0	0	33	1,000
33	11,300	1	400	34	1,100
34	11,900	2	700	35	1,100
35	12,400	3	1,000	36	1,200
36	12,800	4	1,300	37	1,200
37	13,300	5	1,600	38	1,300
38	13,700	6	2,000	39	1,300
39	14,100	7	2,300	40	1,400
40	14,400	8+	2,600	41	1,400
41	14,700	3. <u>Increments for advanced degrees</u>		42	1,500
42	15,000	Degree	Amount	43	1,500
43	15,300	Master's	300	44+	1,600
44	15,500	M.Phil.	400		
45	15,700	Ph.D.	500		
46	15,900				
47	16,100				
48	16,300				
49	16,500				
50	16,700				
51	16,800				

evaluated, usually by department chairmen, and occasionally by a senior administrator, who make classroom visits. Two periods of a faculty member's life at Wetherly are singled out for special attention: after the second year, which marks passage from probationary to regular faculty status, and after the fifth year.

Wetherly has no formal tenure system, and all contracts are subject to annual review. An informal tenure system does exist, however. After the fifth year, if a teacher is performing up to the standards the school has defined for itself, he or she is encouraged to consider a permanent posi-

tion on the faculty. Evaluation after that point is sporadic, and even the earlier evaluation visits are not formally documented. The median number of years of overall teaching experience for Wetherly teachers is 11, with an average of six spent at Wetherly.

The range for performance pay is broad. Some teachers, mostly those who are new to teaching and to the Wetherly faculty, receive no performance pay. Other teachers receive up to \$3,800 a year in additional compensation for outstanding performance. Both extremes are rare, however. The average teacher receives under \$1,000 a year as a performance increment. This is added to base pay, experience, dormitory service, and advanced degree increments to produce a final annual salary, which is the only figure that appears in a teacher's annual contract letter. Thus teachers are not told specifically how much pay they are receiving for outstanding performance. Teachers also have considerable opportunity to earn more money through extracurricular activities, described in detail below.

Most teachers interviewed assumed that they received some performance pay, but few had performed the relatively simple calculation--total salary minus the sum of increments for age, experience, degrees, and dormitory service--that would let them know how much it is. Even those teachers at the absolute top of the performance category seemed unaware of being compensated for performance at such a high level.

In discussing actual philosophical commitment to the concept of differing pay for quality of performance, the Wetherly faculty members interviewed appeared sharply divided. Some teachers were strongly or moderately committed to the idea, while for others evaluating quality of performance was so difficult as to make them believe it almost impossible to put the concept into action. Administrators believe that awarding

performance pay is just that--a reward for outstanding performance, rather than an incentive for future performance. Others might find this distinction difficult to make. Separating the aims of salary levels into reward and motivation as two distinct concepts is not easy to accomplish in practice, even though it is appealing in theory. The fact that Wetherly teachers were generally unaware of the amount of performance pay in their salary checks indicates that they really do not know whether the school deems their performance outstanding, at least in financial terms.

Generally feeling that the salary system works better in retaining high-quality teachers than it does in attracting new ones, faculty members cite relatively low beginning salaries as the reason. Teachers do not generally believe that the salary system provides a strong incentive for performance. Because the performance pay component of teachers' salaries is not made explicit, this may explain the lack of perceived incentive. The performance component as a percentage of overall faculty compensation is relatively modest.

Some teachers interviewed, having been members of the faculty for 10 or 20 years, could point to a definite improvement in interfaculty relations resulting from the introduction of the present system. These teachers mention the relatively detrimental effect of the earlier quality point system on faculty relations. They perceive that the present system, with its explicit schedules and very specific pay for extracurricular activities, has been beneficial in reducing discomfort over salaries.

Compensation for nonteaching responsibilities

In a boarding school, teachers are expected to undertake many non-academic duties. Wetherly's faculty compensation system is noteworthy for

its elaborate schedule of extracurricular compensation as well as for its age-based salary scale.

As part of their obligations, Wetherly teachers are expected to take on assignments beyond teaching so as to function in at least two ways, referred to as a "bimodal system." Under this system, in addition to teaching four classes--reduced if other academic or administrative duties are assigned--a teacher is expected to take responsibility for at least one of the following activities: teaching an extra section, acting as a resident dormitory adviser, coaching, supervising recognized nonathletic activities, or providing administrative assistance.

Most teachers actually engage in at least two of these activities, usually dormitory service and coaching. Each of these responsibilities is compensated in specific amounts. Activities that qualify for additional compensation are varied: form dean, coaching varsity football, supervising the school's literary magazine, and even timing soccer games. The elaborateness of these figures speaks for itself, as Figure 2 shows. Wetherly operates on a trimester system; thus the actual dollar amounts shown in Figure 2 are often from a term's service.

Teachers seem highly positive about this system. They consider the nonacademic activities in a residential school a major part of the job but seem to believe that specific compensation is the most equitable method for rewarding teachers for these extra duties. Teachers may choose to take on several, and many do. Faculty members generally perceive that administrators look favorably on those who are active in the nonacademic aspects of school life. Administrators frankly admit that performance pay is dispensed more readily to teachers who, besides evidencing high-quality classroom performance, are also involved with activities "in other modes."

Wethersby Academy: Extracurricular and Athletic Compensation Scales, 1987-88

Extracurricular Compensation Scale

<u>Administrative positions</u>	
Department chairman	\$1,500
Section heads--Fr., Span., bio., chem., phys., music, art, drama	600
Form dean	2,500
Assistant in college placement (writing 100 college recommendations)	1,000
Coordinator of Parents' Weekend and Commencement functions	1,350--both
Chairman, Faculty Committee	750
Admissions interviews (5/week for 9 weeks)	650
Counseling team member	450-200/term
Mini-Term coordinator	500
Mentor of beginning teacher	300
Exhibitions in Arts Center	500
Adjunct/spouse house adviser	500/term or 100/head/year

Academic duties

Teaching an extra section	600-675/term
Supervisor of all testing programs	500/term

Advisers/supervisors of student activities

Society for Minority Awareness	600
ABC students and liaison with national office	500/term
Yearbook	1,050
School paper	1,050
Literary magazine	50/issue
Press Club*	1,200
Community service	1,200
Adviser to Student Council	600
Faculty representative to Judicial Committee	200/term
Debate Council/Team	900
Math lab coordinator	900
Afternoon computer duty	600
Math Team coach	600
Senior projects coordinator	400
Radio station	500
Outing Club	900 (\$15/day, \$50/weekend)
Dodge Shops	1,200
Foreign language play direction	300
Drama pool (major-minor directing roles by those in department as if coaching)	5,700

Athletic Compensation Scale

Sport	Vari.	V. asst.	J.V.	J.V./J.C./J.H.	Club
Baseball	\$800	\$600	\$450	\$600	\$350
Basketball	800	600	650	600	350
Crew (spring)	800	600	650	600	350
Field hockey	800	600	650	600	350
Ice hockey	800	600	650	600	350
Football	800	600	650	600	350
Lacrosse	800	600	650	600	350
Soccer	800	600	650	600	350
Squash	800	600	650	600	350
Swimming	800	600	650	600	350
Tennis	800	600	650	600	350
Track	800	600	650	600	350
Wrestling	800	600	650	600	350
Cross country	700	500	550	---	350
Gymnastics	700	500	550	---	350
Skiing	700	500	550	---	350
Softball	700	500	550	---	350
Volleyball	700	500	550	---	350
Riflery	700	500	550	---	350
Archery (spring)	600	400	---	---	---
Golf	600	400	---	---	---

Off-season or noncompetitive sports

Archery (fall)	\$450
Ballet	400
Bicycling	400
Crew (fall)	500 (coordinator) (X-350) 450
Figure skating	400
Forestry	400
Gymnastics (fall)	450
Mountaineering	450
Swimming	500 (coordinator) 500
Tennis (fall)	500 (coordinator) (X-400 club) 350
Weight training	450
Yoga	400

Specials

Lifeguards: "Club" rate (\$350/term) if 5 days/week; otherwise, volunteers
 Timing soccer and basketball games: Pool of \$600 per year
 Officiating basketball, etc.: Pool of \$200 per year
 Judging at track meets: Pool of \$270 in 1980-81.

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others think it is aimed at retaining capable faculty members. Still others say that the main purpose of the system is to leave control over all salary decisions in the hands of the head.

Most teachers interviewed are aware of Leslie's high salary levels and appear to be satisfied with the current means of distribution. They see no relation, however, between the operation of the salary system and rewarding teachers for outstanding performance, even though this is one of the head's purposes. The faculty appears apprehensive about discussing the issue of salaries but would like the system to be more explicit or at least would like to understand better the criteria by which annual salary decisions are made.

Descr of structure

A teacher joining the Leslie faculty in 1983-84 received a base salary of \$14,500, with another \$500 for a master's degree, \$1,000 for a Ph.D., and \$400 for each year of previous experience. Thus a teacher coming to Leslie with a master's degree and five years' previous experience would begin at a salary of about \$17,000. The faculty salary schedule at Leslie rewards faculty members for longevity. For example, a teacher who began teaching at Leslie and entered his or her fifth year there in 1983-84 was paid \$17,600 plus \$500 more for a master's degree.

The head makes a conscious effort to avoid paying new teachers more than those with comparable experience who are already on the staff. Continuing faculty members have a financial advantage through preferential differentiation in pay. For example, in 1983-84 a teacher having 10 years' previous experience elsewhere started at a salary of \$18,500, whereas a teacher entering his or her tenth year at Leslie earned \$21,100. The

The only lack of satisfaction we found with the system was over the cash differences between the sports--varsity versus minor versus noncompetitive sports.

The amounts shown in Figure 2 are mostly per term sums, and teachers may change most activities each term. Payment for engaging in these extracurricular activities is made in one lump sum at the end of each term. Like annual readjustments of base pay scales, these extracurricular amounts are also adjusted every year. A jump of 15 per cent in the coaching scale was planned for 1983-84, some 8 per cent more than the 7 per cent proposed for increases in the base scales.

In some boarding schools, recruiting teachers to live in dormitories can be difficult. Wetherly Academy, on the other hand, has a waiting list of people wanting to do so. The reason seems clear: living in a dormitory costs nothing--even utilities are free--and carries an extra increment for dormitory service. Most teachers who do not live in dormitories live on the school's vast campus. They may live in these school-owned residences, which are assigned according to family size and seniority, rent-free, but they must pay two thirds of their own utility bills. New England winters make these bills substantial. Payment for service and free utilities are powerful incentives for living in a dormitory.

Comparative information on three typical but hypothetical teachers' salaries for 1982-83, shown on the next page, will help explain how the Wetherly salary system operates.

The decision-making process

Initiation, formulation, adjustment, and refinement of the faculty compensation system at Wetherly Academy has traditionally been influenced

	Experience					
	Beginner		Middle-range		Long-range	
	Item	Amount	Item	Amount	Item	Amount
Age	25	\$8,000	37	\$13,300	50	\$16,700
Yrs. experience	2	700	12	2,600	26	2,600
Degree	B.A.	0	M.A.	300	M.A.	300
Dormitory	Yes	600	Yes	1,200	No (15 yrs.)	1,600
Performance pay	A little	250	High perf.	2,500	Moderate	1,200
Total on contract		\$9,550		\$19,900		\$22,400
Activities						
Term 1	Riflery- V. asst.	500	Mentor for new tchr. Tch. section	300 650	Form dean	2,500
Term 2	Hockey-Club	300	Mentor (see above) Adm. interv. w.	650	Form dean (see above)	
Term 3	Crew-J.V.	650	Baseball-V.	800	Form dean (see above)	
Total salary		\$11,000		\$22,300		\$24,900

by the faculty through its strong Faculty Compensation Committee. Originally, the committee was formed by a group of teachers particularly interested in the issue of salary distribution. When the current head arrived, he gave this committee his strong support.

During the development of the present system, the original Faculty Compensation Committee became interested in adjusting the inequities of the system in place at that time. Now members of the committee are elected. The faculty at large, members of the committee, and administrators consider its impact to be strong.

Final decisions on salaries as part of the budget are made by the board of trustees, but the board and the administration take very seriously recommendations from the Faculty Compensation Committee. One teacher interviewed, a key figure in instigating and refining the current system, stated that the committee now has less impact than it once did. This teacher also conceded that the system presently needs little refinement. Clearly, teachers consider Wetherly's administration open to faculty suggestions. The degree of satisfaction among faculty members over involvement in salary issues is high. Relations between top administrators and the Faculty Compensation Committee seem very congenial.

Teaching as a career

Many of the teachers interviewed would like to move into administrative positions because of the financial advantage of doing so. Many mention such posts as department chairman and form dean, rather than purely administrative slots, as their goal.

A more difficult question, whether the teaching profession is viable in the long run, brought introspective responses. A clear majority of teachers interviewed do not consider teaching a practical long-term career. Although personally satisfied with teaching, many of these highly trained, well-qualified professionals express discouragement that the profession is so little valued by society. A few teachers are candid in expressing their feelings about the enormous difference in income between themselves and the parents of their students.

Resource base for instructional salaries

For a boarding school, Wetherly pays its teachers well. It is one of

a rather small group of schools having a high endowment. This financial security is reflected in the school's salary levels. Approximately 20 per cent of endowment income is designated specifically for faculty salaries, plus another 14 per cent for fringe benefits. Annual giving is high, but this income goes directly into the operations budget. Whether it is used specifically for faculty salaries is a reflection of the proportion of the total budget devoted to instruction.

The exceptional thing about Wetherly Academy--and the reason for including it in this study--is not that its resource base is relatively comfortable. That is conceded. The aspects of Wetherly's faculty compensation system that make it interesting are two: the very explicit nature of the entire system, and the extracurricular and age-based factors used in calculating a teacher's base salary.

Wetherly may be able to devote considerably more of its resources to faculty compensation in a few years. The development staff is now engaged in a multi-year capital campaign whose specific purpose is to raise endowment for faculty salaries.

On the average, faculty salaries have risen over the past several years. Annual increases in base salaries, calculated on age, have grown during those years, as shown on the next page. Of course, performance pay and extracurricular increments--not included here--would make an average faculty salary increase look quite different from these figures.

As part of its benefits program, Wetherly offers standard health and pension plans. Qualified children of faculty members may attend the school tuition-free as day students. The school offers a modest subsidy for college tuitions of faculty children. For faculty members having at least 10 years of service, the school has a mortgage interest subsidy plan. The

<u>Year</u>	<u>Average salary % increase</u>	<u>Average base faculty salary</u>	<u>Benefits as % of salary</u>	<u>Tuition % increase</u>
1978-79	---	\$12,700	17.6	6.2
1979-80	7.2	13,100	17.1	7.1
1980-81	11.4	15,200	18.9	12.9
1981-82	13.1	16,000	19.3	12.5
1982-83	11.8	17,500	19.3	12.4
1983-84	8.9	17,450	20.2	6.0

school subsidizes half of mortgage rates over a fixed value (5 per cent in 1982-83) in mortgages up to \$50,000. For example, a mortgage of \$45,000 at 12.8 per cent annual interest rate would have the school paying \$1,755 each year: $\$45,000 \times (.128 - .05) / 2 = \$1,755$. The school offers generous sabbatical leaves--one term plus a summer, generally--and summer study grants are very accessible. Many of the teachers interviewed have taken advantage of these grants. Room, board, and laundry service are also available to all faculty members.

A nonfinancial benefit of some importance to teachers is the concept of the "free day," each week, when they have no scheduled classes or extra-curricular activities. Classes meet on alternate Saturdays. The average teaching load is 170 minutes a day. The faculty-student ratio at Wetherly is 1:10, with average class size varying among subjects, from about 15 in mathematics and economics to about seven in foreign languages like Russian and Chinese.

Summary

Although the criteria for judging high-quality performance of teachers are stated by the chief administrator charged with faculty affairs as the

most important part of Wetherly's faculty compensation system, in fact teachers are largely uninformed about performance pay. The general level of faculty satisfaction with this particular system is high. Being paid specifically for the work one does is perceived as almost the definition of fairness.

Such a system would, however, appear to reward the quantity of work more explicitly than the quality of work. Quality criteria are subjective, and the award of additional performance pay based on quality of work is not well understood by the faculty. Nevertheless, teachers report a high degree of satisfaction with salaries, and most acknowledge a professional commitment to remain in teaching.

Bristol School

Bristol School is a 7-12 boys' school of under 300 students located in a metropolitan area of New England. The campus is modest, low-key, and understated, like many other aspects of this rigorously academic and traditional school. The students are gifted and come from families of widely ranging social and economic backgrounds. The school is one of the oldest in the country, and its salaries for teachers rank in the top 10 per cent of NAIS schools nationwide.

The former salary system was one where the head's judgment was the primary criterion for decisions about salaries. No published salary scale existed, and faculty members were concerned about the differences in salaries paid. The teachers met with the head to present their concerns. From this faculty initiative came suggestions for the highly structured and explicit salary scale that, with minor modifications over the years, is still in place.

The first efforts to develop a faculty salary scale resulted from a 1972 study of several local public school salary systems. The newly formed Faculty Salary Committee, unable to find any area independent schools that used published salary scales, turned to the public schools for comparison. The final product was an amalgam of the scales employed by three of the higher-paying public school systems, minus \$1,000. The Faculty Salary Committee conceded that the atmosphere for teaching and learning at Bristol was excellent and that the "\$1,000 less" concept was an acceptable trade-off for what was seen as the intangible benefits of an independent school setting.

The current faculty salary system, first developed by faculty initiative and pressed on the head by a faculty committee, is modified each year to correct inequities. For example, the scale was changed to add--and later remove--an increase in the middle of the salary scale for midcareer teachers.

The present system is primarily a product of faculty effort. All interested teachers are invited to meet with the head each November as he prepares a recommendation for the trustees. These teachers constitute the Faculty Salary Committee. Although the head inherited the system when he arrived several years ago, he strongly supports its automatic pay raises based on experience and no performance or discretionary pay.

Description of structure

The underlying philosophical premise at Bristol is that a published, automatic step salary scale, removed from the traditional approach--salary negotiated by head and teacher--is the only fair and equitable system, with equity and clarity as its principal goals.

The head operates under the following principles. First, a good school has teachers who work hard and are committed. If individual teachers are not carrying their fair share of the load and doing the kind of job that is expected, they should be "counseled out" or asked to leave. Money should not be used to send negative signals. Second, teachers should have a clear idea of what they will earn in the future and be able to plan accordingly. Third, a good salary system reduces the tension and paranoia that can come from a system in which everyone wonders what everyone else is making. Finally, the salary system in effect removes the head from making value judgments about the quality of a teacher's performance as it relates

to salary, which in turn reduces the potential for tensions between head and faculty.

In listing his own priorities for the present salary system, the head states that an equitable system is his first priority. At the bottom of the list he puts "rewarding experience." The faculty supports the head's conviction about equity, but they place a higher value than he does on rewarding experience. The system clearly rewards it, for experience is the only basis for moving up the steps of the salary scale.

The present system employs a scale whose base rises every year--11.1 per cent for 1982-83, and 5.0 per cent for 1983-84. Scale increases are recommended by the Faculty Salary Committee to the head, who then makes recommendations to the board of trustees. Between 1973 and 1983, the board never turned down either the committee's proposed modifications to the scale or the amounts recommended as increases.

Negotiation does not exist under the present system, except when a teacher first joins the faculty. At that point, some negotiation takes place over the step assignment for the first year. Normally, for every year of full-time teaching experience, at Bristol or elsewhere, a teacher advances one step on the salary scale. For example, a teacher coming to Bristol with five years of previous teaching experience begins at step 6.

The head retains discretion to set the entry level for a new teacher at a point higher or lower than the actual number of years of previous teaching experience, although this rarely happens. Teachers know and accept this fact, but they also know that, if much step jumping occurred, the very purpose of the system would be undermined.

In theory, the head also retains the right to move a teacher two steps to adjust for past inequity or to reward performance. This has happened

only once during the present head's tenure. The salary change was noticed by a teacher who was studying a computer printout of all salaries. The resulting tension was considerable. The head has not moved another teacher two steps since, even though he retains the right to do so. That unspoken standoff was accepted, and so the issue is not a source of concern at this time.

Every teacher automatically moves up one step each year. The teacher in the earlier example, who brings five years' teaching experience and is placed on step 6 when entering Bristol, might also have two years of Peace Corps experience. That could, at the head's discretion, count as credit toward an additional step or two. Having a master's degree and extra graduate credits does not influence either placement or promotion, although an earned degree can enhance the teacher's negotiating position upon entry. Thus a particular teacher might start at step 7, including one year's credit for the Peace Corps, at a salary of \$20,445. Only one case has been reported of a teacher not advancing to the next step in an ensuing year, and that was to signal strong dissatisfaction with the teacher's performance. That teacher has since left the school, and the head no longer uses this method to relay his concern about a teacher's performance.

Experience is the sole basis for advancement on Bristol's salary scale. With a median salary of over \$26,000 for 1983-84, Bristol had one of the highest-paid faculties of any independent school in the country. Because of the number of senior faculty members--11 out of 25--all of whom are bunched at step 15 (the top of the scale) a persistent concern over the past several years has centered around the differing needs of younger and more senior teachers. At first, major increases went to the upper end of the scale. Since then, the lower end of the scale has risen more dramati-

cally than the upper end. This reflects the concern of senior faculty members about the earning power of younger colleagues. They urged, through the Faculty Salary Committee, that the lower end of the scale be raised.

As can be seen in Figure 1, the Bristol salary scale started at \$14,280 for a first-year teacher. There is a \$985 step-to-step increase in between steps 1 and 8, \$955 between steps 8 and 9, and \$925 per step from step 9 to step 14. The increase from step 14 to step 15, the highest possible step, is \$1,225, a small concession to senior faculty members, in recognition of the fact that after 15 years of service the only increases possible under the current system are those that occur as a result of the entire scale being raised due to inflation. The base system increase was \$1,028 for every step level in 1983-84, and the step increase ranged from \$985 to \$1,225. For most teachers, 1983-84 brought an increase of about \$2,000.

The system seems to have achieved its goal of fairness. Among the teachers interviewed, no one is opposed to the school's automatic step salary system. Several teachers perceive that both the quantity and quality of work, even among so small a faculty, is uneven. However, while some teachers toy in their own minds with the idea of a performance pay system, the idea has little support.

Teachers view the system as fair both for their colleagues and for themselves. They also see it as highly effective in recruiting and retaining good teachers. Bristol has no problem recruiting new faculty members, even those with mathematics and science skills, because of its highly competitive salaries and its location. The only teachers who leave are those who seek administrative assignments in other schools or change careers.

Figure 1
Bristol School: Salary Proposal for 1983-84

Step	1982-83 salary	Step level increase	1983-84 proposal	Base salary increase	No. at step	% over previous salary
			\$14,280		0	
1	\$13,600	\$985	15,308	\$1,028	1	12.6
2	14,585	985	16,335	1,028	2	12.0
3	15,570	985	17,363	1,028	1	11.5
4	16,555	985	18,390	1,028	0	11.1
5	17,450	985	19,418	1,028	0	10.7
6	18,525	985	20,445	1,028	1	10.4
7	19,510	985	21,473	1,028	1	10.1
8	20,495	955	22,500	1,028	1	9.8
9	21,450	925	23,528	1,028	3	9.7
10	22,375	925	24,555	1,028	1	9.7
11	23,360	925	25,583	1,028	1	9.8
12	24,225	925	26,610	1,028	2	9.8
13	25,150	925	27,638	1,028	0	9.9
14	26,075	1,225		1,028		
15	27,300		28,665		11	9.9
					Those already at maximum	5

The median length of service of the faculty at Bristol is seven years. There are no recent examples of a teacher having left the school to teach elsewhere. The school seems unconcerned about the low turnover in staff over the years or about the possible implications of low turnover for faculty growth and school health.

Performance pay

Performance pay does not exist in Bristol's salary system. This reflects the purpose of the system, as originally designed, to remove all discretion from the decision-making process, except for the head's discretion in placing new teachers. A few faculty members believe that teachers should be paid differently, according to different quality or quantity of work, but they do not know any way to achieve a "fair" performance pay system. Few of the teachers interviewed believe that Bristol's salary system rewards performance.

A number of faculty members believe that the school employs top-notch teachers whose professionalism is recognized by high salaries. Knowing this, a teacher can plan his or her financial future. An informal tenure system exists at Bristol. After the first two or three years of service, teachers are rarely asked to leave. Because there is no established system of faculty evaluation, and no performance pay, the only tool the head has for signaling quality or lack of quality of performance, is direct discussion with individual teachers, providing praise and criticism in whatever measure is appropriate.

All the teachers interviewed knew that the present system, with its explicit step scale, came about as a reaction to the time when the former head negotiated with each teacher. In one teacher's words, "Under that

system, if you were aggressive you came out better in the negotiation process. If you were shy, you lost out."

From interviews with teachers, it appears that some interest in performance pay has been shown in informal discussions among faculty members, but the issue has not yet become strong enough to demand the attention of the Faculty Salary Committee or the head. All the teachers interviewed state that any vote on performance pay would be soundly defeated at this time.

Most teachers know one another's salaries or can figure them out simply by knowing how many years someone has taught. But the faculty is not preoccupied with salaries. The old issue of feeling inequitably paid has disappeared. One teacher said, "With salaries as high as they are here, the issue of performance pay is not very important. If salaries were lower, the issue might be on the front burner, because the current scale provides little incentive to the top performer."

Compensation for non-teaching responsibilities

Bristol does not pay for extracurricular activities. Every faculty member is expected to teach four classes and to coach two seasons or do comparable work. In general, the head makes every effort to assign workloads equitably; teachers recognize this. To some of the staff, especially those who coach the long seasons or varsity sports, their workloads, as compared with those of others, seem unfair. Many teachers do not know what duties other teachers perform, which may add to a feeling of unfairness in the assignment of extracurricular responsibilities. On the whole, however, teachers are satisfied with their assignments and pleased with the attempt to make them as equitable as possible.

Comparative information on three typical but hypothetical teachers' salaries will demonstrate how the Bristol School's salary system operated in 1982-83.

	Experience		
	<u>Beginner</u>	<u>Middle-range</u>	<u>Long-term</u>
Age	25	37	50
Years of experience	2	12	26
Degree	B.A.	M.A.	M.A.
Base pay	\$14,585	\$24,225	\$27,300
Extracurricular activities	Two	Two	Two
Performance pay	---	---	---
Total salary	\$14,585	\$24,225	\$27,300

The decision-making process

The Bristol faculty credits itself with having raised the issue of salary inequities and with having developed the present salary system. Teachers report that the Faculty Salary Committee continues to exercise some influence, though less than it did when salary equity was a burning issue. The faculty convened on its own initiative, without specific license from the head or the board. In initial sessions, they met with the head, and, during an interregnum, with the board. Now the Faculty Salary Committee meets only with the head.

As indicated earlier, every November the head invites all teachers who are interested to re-form the Faculty Salary Committee and meet with him to review the salary structure. Certain faculty members have voluntarily joined the committee every year, thus giving it some continuity of membership. New teachers also join each year. One member, who played a

major part in formulating the original salary system 10 years ago and still sits on the committee, runs a computer program that shows what effect tentative committee decisions would have on the bottom line of the faculty salary budget and on the specifics of the step system.

Every year, the Faculty Salary Committee devises a formal written proposal, which the board of trustees receives through the head. For 10 years, the board has approved suggested modifications to the scale and accepted recommendations concerning the specific percentage increase for the faculty as a whole. Several teachers pointed out that the Faculty Salary Committee does not bargain with the board. Moreover, the board apparently does not see its role as one of cutting the committee's request. Teachers state that the committee never proposes a salary increase that seems exorbitant or unfair. In making its proposal, the committee always takes into consideration the Consumer Price Index and similar factors. For 1982-83, the committee asked for an 11 per cent increase and received it. For 1983-84, the committee requested an increase of 5 per cent in the base of the scale, and that too was granted by the board.

A high degree of trust seems to exist among the Faculty Salary Committee, the teachers, and the head. Because the head believes strongly in the salary system and supports it fully, the teachers believe he operates fairly and consistently within it. Some members of the Faculty Salary Committee worry that large salary increases every year may lead to significant tuition increases despite the school's endowment income. Thus teachers seem cognizant of the need to balance salaries with other needs of the school.

Teaching as a career

According to Bristol's head, teachers believe they are adequately compensated on a fair and equitable basis. Judging from the response of teachers interviewed, all of whom are enthusiastic about teaching there, he is correct. Several indicate they chose teaching knowing full well that the basic rewards would not be financial and that they could remain in teaching only as long as their spouses also worked.

Two distinctive characteristics of the school are its commitment to low administrative overhead and strong emphasis on high faculty salaries. All administrators teach or take on other major assignments. The head and the assistant head each teach two courses. The dean teaches three classes, as does the director of studies. The head's secretary is a member of the faculty and serves as the college placement officer. Bristol has two and a half full time equivalent administrators and three and three quarters full time equivalent secretaries.

The entire atmosphere of the school is one of high commitment to teaching and low commitment to the demands of administration. This does not seem to hurt the school's management or efficiency of operation. The salaries of administrators, with the exception of the head and one other person, are based on the teaching scale. Some extra income is available for administrators who work during the summer. It is definitely not advantageous for teachers to move into full-time administration. Asked whether they need to move into the administrative ranks to earn enough money to stay in education, most teachers said they did not.

Resource base for instructional salaries

Bristol has an endowment nearing \$10 million. For a such a small

school--less than 300 students--that represents substantial endowment income per student. The endowment helps to subsidize tuition, provide generous financial aid grants, and pay competitive faculty salaries. The school shows every indication of saving rather than squandering money and gives little evidence of waste or extravagance. The physical plant is neither elaborate nor modern. The desire to conserve resources is clear.

The jump in median salaries between 1979 and 1984 demonstrates Bristol's commitment to faculty salaries.

1979-80	\$17,107
1980-81	\$19,000
1981-82	\$22,317
1982-83	\$24,225
1983-84	\$26,248

Bristol's classes are small, and the faculty-student ratio of 1:8 is low. Because of the school's small size and large endowment, it would appear easy to achieve high salaries, modest tuition, high financial aid, and small classes. Yet Bristol gives strong philosophical signals in its daily operation, physical plant, and faculty policies of a no-nonsense approach to school management.

Summary

It is not entirely clear that Bristol has confronted the long-term implications of the rigid step nature of its salary system. Some teachers are concerned about "equal pay for unequal work." The number of senior teachers is growing and, in the absence of performance pay or explicit

evaluation of teaching, and given a de facto tenure system--in effect after three or four years at the school--the head will increasingly need to rely on his own intuition and informal information system to ensure the quality of teaching in the future.

Bristol's teachers are well paid and highly motivated. They operate within an explicit step salary system that has no place for performance pay or discretionary judgments in the salary decisions about teachers. The system is open and is perceived as fair, in that teachers can estimate their approximate salaries from year to year. They have little interest in discussing or comparing notes on salaries. High value is placed on teaching, and no financial incentive exists for moving into administration. The attitude seems to be one of "Now that we have decided the salary issue, let's get on with the business of educating kids."

Summary and Conclusions

The case studies describing the salary systems of the nine sample schools in this study are presented in order from least to most structured systems. We mean to convey no preference of any sort by this order; rather, we hope readers will develop a sense of what the explicitness of salary structure means in the context of this study.

To draw any conclusions or comparisons among the schools described, some summary statistics are in order. The schools in these summaries are presented in the same order they appear in the study. Readers should take care not to generalize from these nine schools to the universe of NAIS member schools because the sample schools were not selected randomly.

Numerical synthesis

In general, all nine schools pay their teachers well, no matter how their salary systems are structured. The mean salary for all nine schools in 1982-83 was \$20,501 (not including the cash value of other forms of remuneration, such as housing), whereas the NAIS mean salary for that year was \$15,390.

Figure 1 presents a series of summary statistics on the schools. The number of full-time teachers varies substantially, both in proportion to the enrollments of individual schools and also as a function of the workload of each teacher. Two of the schools, Hilltop and Westmore, use increased workload per teacher as one way to increase teachers' salaries. Three others--Leslie, Wetherly, and Bristol--have low faculty-student ratios.

Figure 1
General Salary Summary¹

<u>School</u>	<u>Number full-time teachers</u>	<u>Mean teacher's salary</u>	<u>Median teacher's salary⁴</u>	<u>Lowest salary</u>	<u>Highest salary</u>	<u>Standard deviation⁵</u>
Hilltop	24	\$24,232	\$22,475	\$16,500	\$31,350	\$3,941
Leslie	66	21,100	21,300	14,500	32,000	3,721
Seaforth	80	22,141	21,350	13,400	36,600	4,777
Neville	46	24,451	25,150	16,000	36,000	4,667
Frazier ²	56	19,064	18,876	13,004	27,324	3,186
Hawthorne	83	21,749	21,951	10,169	31,480	5,958
Westmore	56	19,032	17,843	12,900	31,000	4,140
Wetherly ³	122	16,742	17,050	8,100	25,700	4,915
Bristol	25	23,535	25,150	14,585	27,300	4,286

¹This summary is based on 1982-83 salaries, using only full-time faculty salary figures.

²Calculated on a 12-month year.

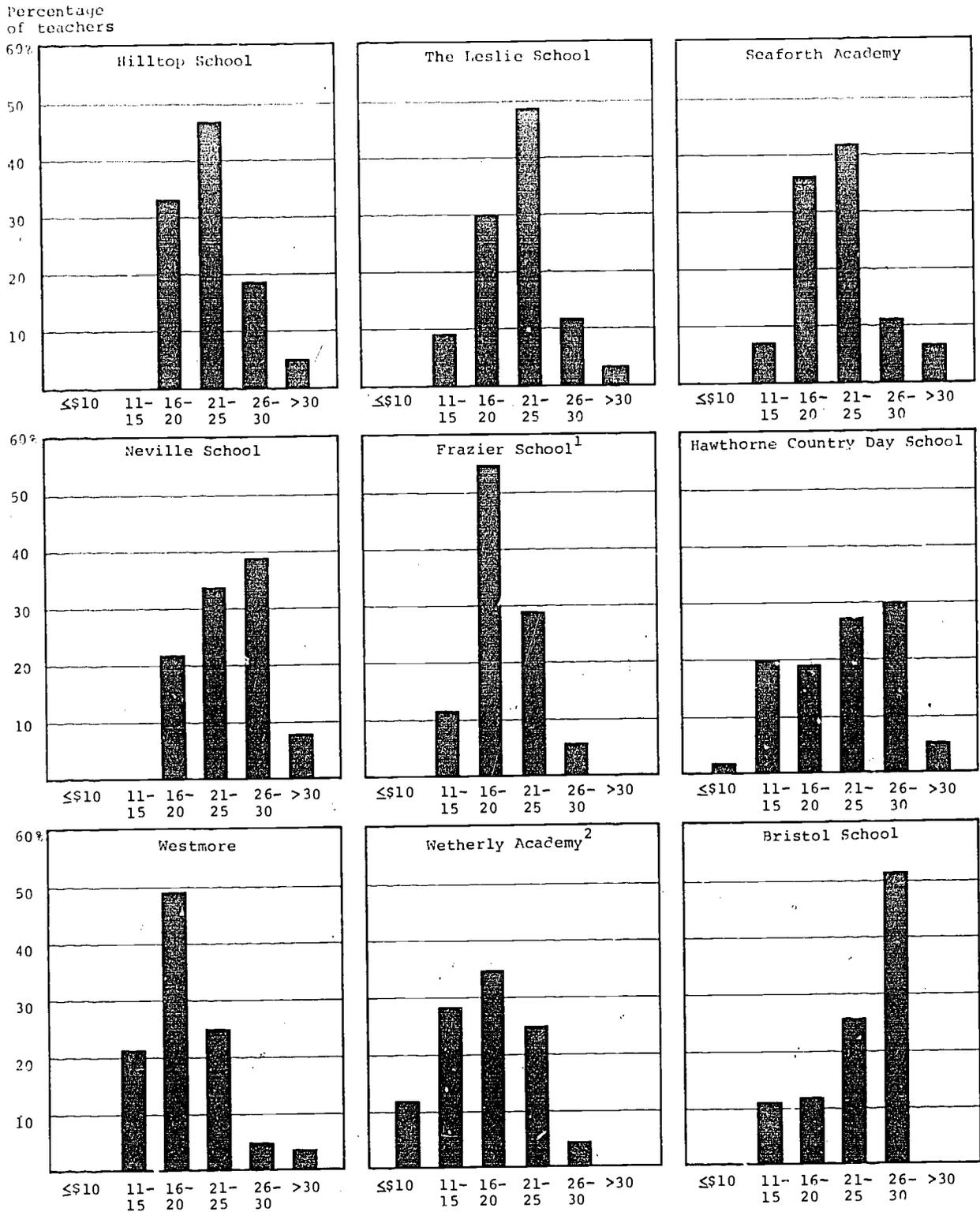
³Housing and extracurricular compensation are not included in figures.

⁴Median salary is the point at which 50 per cent of salaries fall above, and 50 per cent of salaries fall below, this figure.

⁵The standard deviation is a measure of the variability among salaries. Assuming a normal (bell-shaped) distribution, two thirds of all salaries should fall plus or minus one standard deviation from the mean; 95 per cent of all cases fall within two standard deviations.

Figure 2 is a graphic school-by-school representation of the distribution of salary dollars among teachers. The taller bars represent a large proportion of teachers in a particular salary category. For instance, over 50 per cent of Frazier's faculty is in the \$16,000-\$20,000 category, whereas most of the teachers at Bristol are in the highest range, \$26,000-\$30,000. A flatter distribution, such as that at Hawthorne, indicates that salary dollars are distributed widely across the faculty, with no one range predominating. Three schools--Frazier, Wetherly, Bristol--have no faculty salaries over \$30,000, and only two schools--Hawthorne and Wetherly--have

Figure 2
Frequency Distribution of Salaries by Percentage of Teachers
 (salaries in \$1,000's)



¹ These are 12-month salary figures, with summer work expected of teachers. A few teachers receive housing, since Frazier is a day-boarding school.

² These figures include neither extracurricular pay nor housing compensation. All teachers at Wetherly are provided with housing, and all receive some pay for additional duties.

any teachers paid salaries of \$10,000 or less. As indicated in Figure 2, only full-time salaries are included.

Figure 3 summarizes annual percentage increases in salaries from 1978-79 through 1983-84. Given performance pay and differential pay for activities, not all teachers receive the "average" raise. It may be interesting, however, to compare these increases to Consumer Price Index figures for each of those years. Although administrators and teachers alike may think salary increases are substantial, when looked at in terms of their purchasing power they become less so.

In addition to the scale increase these percentages represent, each teacher would also normally receive a step increase for experience (or for age, in the case of Wetherly Academy) that might not be reflected in average figures, since teachers retiring and being replaced by younger teachers change the average faculty age from year to year. It is easiest to assume that the average level of experience remains approximately constant, with as many teachers leaving or retiring as joining the faculty. On average, this is probably true, but for each school it certainly is not.

Readers will recall that Seaforth Academy's endowment increased substantially over the salary period described in Figure 3. Seaforth's salary increase reflects the fact that income from the increased endowment was definitely applied to teachers' salaries. Most schools' salaries increased more than the Consumer Price Index, but not by much.

Until recently, it was difficult to make use of median or mean salary figures available across NAIS schools, even using regional standards. Since years of teaching experience vary considerably from school to school, one cannot be sure whether an individual school really has a higher salary schedule for its teachers or whether the high figures reflect a more

Figure 3
Average Annual Percentage Rise in Salaries

<u>Year</u>	<u>Consumer Price Index¹</u>	<u>Hilltop</u>	<u>Leslie</u>	<u>Seaforth</u>	<u>Neville</u>	<u>Frazier</u>	<u>Hawthorne</u>	<u>Westmore</u>	<u>Westerly</u>	<u>Bristol</u>
1978-79	6.1	8.0	---	---	---	---	8.5	7.0	---	---
1979-80	7.1	9.0	6.0	8.0	11.2	---	7.6	10.7	7.2	---
1980-81	10.1	10.5	17.0	16.0	12.5	10.0	11.0	9.2	11.4	10.0
1981-82	11.9	10.0	16.0	16.0	15.7	11.9	14.0	13.0	13.1	14.9
1982-83	9.4	10.0	13.0	12.0	10.0	12.8	11.0	13.2	11.8	7.9
1983-84	5.8	5.0	9.0	16.0	4.0	8.0	8.0	11.0	8.9	7.7
Compound- ed total, 1981- 1984 ²	42.6	40.4	67.2	74.8	48.9	50.0	51.7	54.8	53.4	46.9

¹From the U.S. Department Labor, Bureau of Labor Statistics: Consumer Price Index: U.S. City Average, 4/22/83. Region V (Midwest).

²Totals are compounded over the number of years shown on this table. The base of 100 is assumed for 1980-81, 111.9 per cent for 1981-82, and so on, for the CPI. Other figures are calculated in a similar fashion. The period 1981-1984 was chosen because complete data were available for all schools for those years.

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experienced faculty. That is, do schools actually pay higher salaries to teachers at equivalent experience or age levels, or is there a disproportion of individual teachers farther along on the schedule that accounts for the higher median salary figures? Bristol School, with 11 of its 25 faculty members at the highest step, is an example of this phenomenon. We would assume that it is the case, in virtually all schools, that as teachers gain experience in teaching, either at a given school or in the profession generally, their salaries reflect that increased experience.

But how much of a school's increase, on average, is due to a real increase in base, and how much is due to the fact that more experienced teachers make up the faculty? Figure 4 attempts to assess that condition. However, the ratio of net salary to years of experience is also clouded by a few other factors that are not explicit. For example, which schools "top off" on salary schedules, and where does that "top" appear? One school, Wetherly Academy, pays for experience only through the eighth year but continues to reward age. Another, Bristol, has an experience scale that caps at 15 years, a point almost half of the teachers in that school have reached. Others, such as Hawthorne Country Day School, have recently removed the cap from the 20-year mark.

To compute comparison ratios between schools, it was necessary to adjust median salaries approximately for differing base salary figures. Therefore, a proxy for the salary base--that is, the lowest 1982-83 salary on each school's scale--has been subtracted from the median to arrive at a "net median salary" figure. This figure has no substantive meaning. The ratios computed from these net figures are useful chiefly for purposes of comparison.

Therefore, the ratios are only very rough approximations of what a

Figure 4
Salary/Net Experience Ratio

<u>School</u>	<u>1982-83 median full-time salary</u>	<u>Median salary net of lowest salary on scale</u>	<u>Median years teaching experience</u>	<u>Ratio, net salary/years experience</u>
Hilltop	\$22,475	\$5,975	12	\$498
Leslie	21,300	7,975	14	570
Seaforth	21,350	7,950	14	576
Neville	25,150	9,150	13	704
Frazier ¹	18,876	5,872	13	452
Hawthorne	21,951	5,451	12	454
Westmore	17,843	3,458	9	384
Westerly ²	17,050	8,950	11	814
Bristol	25,150	10,656	12	880

¹ Calculated on a 12-month salary.

² Housing and extracurricular compensation are not included.

year's teaching experience at each of the schools is "worth." Westmore, due to the skew of its salary distribution toward lower salaries (see Figure 2), has a lower ratio despite its lower median figure. Even though Wetherly Academy's median salary is low, its starting salary is also low, and so its "net median" is higher, and therefore its ratio is relatively high. Recall that Wetherly's figures do not include compensation for housing or extracurricular activities. Bristol School, due to bunching of teachers at the high end of the scale, is also in the high-ratio category. Its very general nature notwithstanding, this sort of calculation may give a more nearly accurate picture of salary distribution throughout our sample schools than the NAIS mean salary figures commonly used for

comparison purposes. The purpose of this type of analysis is to compute median salaries "net" of experience differences.

Another type of numerical synthesis possible from data gathered in this study comes from the responses of teachers who were interviewed. Our total sample of teachers interviewed was 78. Teachers were selected randomly from the faculties of the sample schools in a ratio of approximately 1:8. Three types of statistical descriptions are given here: a description of these teachers' level of experience (Figure 5); a description of the schools in which they teach (Figure 6); and a numerical compilation of their attitudes, opinions, and perceptions about the general issues of salary and how the salary systems in their schools affect them (Figure 7). Readers should note that all figures are drawn on the 78-teacher sample and that they only apply to entire school faculties on the basis of generalization.

Figure 5
Teaching Experience

<u>Years in teaching</u>		<u>Total time in teaching</u>	
<u>Mean</u>	<u>Std. deviation</u>	<u>Years</u>	<u>% in category</u>
13.7 ¹	8.1 ¹	0-4	18
8.6 ²	7.0 ²	5-10	22
¹ Total teaching		10-15	21
² Teaching at that school		15-20	20
		20+	19

Teachers in the sample have been teaching for a long time. The figures from the random sample of teachers within the nine schools agree quite closely with the median years by school that are shown in Figure 4, which is a test of how well random selection has worked. Teaching experience as shown in the right-hand table in Figure 5 seems evenly distributed

ities, either by preference or because none are available for assignment.

The median full-time teaching salary at Neville in 1982-83 was \$25,000, the lowest was \$16,000, and the highest was \$30,000. Between 1973 and 1983, sizable salary increases were funded primarily by sizable increases in tuition. The faculty is very aware of Neville's high salary levels, both as they compare with NAIS schools and with area public schools.

The median years of teaching experience of the Neville faculty is 13, and the median years at the school is nine. This reflects a midcareer faculty, most of whom are in the middle range of the salary curve. Growing total salary costs for the school are therefore a reflection, at least partially, of an increased number of years of teaching experience among the school's faculty. In recent years, the base of the salary system has increased 6-8 per cent annually.

Figure 1 (without the dashed lines) is given to teachers with their annual salary contracts in March or April. A teacher's contract shows the specific salary offered for the next academic year but gives no explanation of how the total was actually arrived at. In setting salaries, no attempt is made to determine how much is for teaching quality, for coaching, or for serving as a department head. Instead, a teacher's workload as a whole is compared with the contributions of the faculty as a group.

Teachers look at the salary schedule to calculate where on the graph their particular salary may fall. Years of teaching experience, together with graduate work completed, determine approximate placement. For example, a teacher having 20 years of experience and a Ph.D. is at step 23, because the Ph.D. brings a three-step jump. The minimum salary at step 23 is \$23,000 and the maximum is \$30,500. A teacher at step 23 earning

Figure 6
Teacher Distribution by School Type, Size, Grade Levels, and Salary System

<u>Type of school</u>		<u>Grade levels</u>	
<u>Day or boarding</u>	<u>% in category</u>	<u>Grades</u>	<u>% in category</u>
Day	74	K-8	6.5
Boarding	16	7-12	27.3
Day/boarding, boarding/day	10	9-12	27.3
		PS-12	39.0

<u>Size of school</u>		<u>Degree of structure of salary system</u>	
<u>Enrollment</u>	<u>% in category</u>	<u>Degree</u>	<u>% in category</u>
200-300	7.8	Most informal	6.5
300-400	6.5	Very informal	24.7
600-700	32.5	Semi-structured	19.5
700-800	14.3	Quite structured	41.6
800-900	11.7	Highly structured	7.8

throughout the five-year groupings. This would generally validate the often-cited fact that teaching is an "aging" profession. One could surmise that these figures were much lower 10 or 20 years ago.

The schools in which these teachers practice their profession are profiled in Figure 6 by type, size, grade level, and degree of structure of salary system. That more teachers come from larger schools is an artifact of the 1:8 faculty sample selection ratio employed, that is, more faculty members were interviewed in larger schools. The distribution by type of salary structure would indicate that more of the schools in the sample are found in the middle than at the extremes. It is also true that the two smallest schools in the sample--Hilltop and Bristol--are also those having the most extreme salary structures, according to our continuum of degree of explicitness.

Most teachers teach in day schools, but then most students attend day schools. Very few teachers from small schools are represented, but that is because only two schools in the sample--again, Hilltop and Bristol--have enrollments of under 500 students. Only one school, Hilltop, is an elementary school. Two--Frazier and Bristol--enroll students in grades 7-12. The others enroll students in elementary, middle, and high school grades, with the exception of Wetherly, which contains grades 9-12 only.

We solicited teachers' attitudes and opinions on a number of questions relating to salaries at their schools. We were trying to find out whether teachers' opinions about such issues as performance pay coincided with the salary distribution methods in their schools; that is, would teachers in a school offering strong performance pay incentives be more likely to support that particular distribution method? We were also interested to see whether teachers' opinions about salary decisions and performance pay coincided with those of the heads of their schools. An overwhelming 90.9 per cent of the teachers felt that the salary systems in their schools were fair for them personally. When we asked the same question about the system's fairness for colleagues, only 75.7 per cent said it was fair. The discrepancy was mostly due to more experienced teachers' feeling that their colleagues who entered the faculty directly out of college were underpaid.

A number of questions about how the salary system actually worked were posed in the form of statements with which the teachers were asked to agree or disagree. The following table summarizes the percentage of teachers who agreed moderately or strongly with the statements that began "The salary system in this school works well in

<u>Statement</u>	<u>% agreeing</u>
. . . attracting new teachers"	66.2
. . . retaining good teachers"	82.4
. . . rewarding high performance"	70.1
. . . promoting monetary advancement"	58.7
. . . promoting professional growth"	92.1

This represents, in general, a group of teachers satisfied about their salary systems. Teachers felt that returning teachers are better paid than incoming teachers. Figure 7 shows that teachers were very positive about the concept of performance pay, and the above table confirms that they considered their own schools to be doing a good job in that respect. The schools in the sample are very generous in promoting professional growth of teachers, from tuition for graduate courses to attending conferences and workshops to in-service training.

The tables in Figure 7 represent teachers' opinions about such issues as performance pay, their future in teaching, evaluation, and whether they feel the need to move into administration for monetary advancement. Most appear to agree with the idea that teachers should be paid differing amounts for differing levels of performance. Frankly, we were surprised by this high level of agreement, having expected to find administrators highly favorable to the concept of performance pay and teachers more apprehensive about it.

What teachers are apprehensive about is the long-term prospect of a life in teaching. Most teachers were either ambivalent or negative about remaining in teaching. They were almost evenly divided about whether or not they felt the need to move into administration. We surmise that those

Figure 7
Teachers' Attitudes, Opinions, and Perceptions of Salary Issues

Do you favor the performance pay concept?

<u>Opinion</u>	<u>% in category</u>	<u>Like/Dislike</u>
Agree strongly	34.7	
Agree moderately	40.0	
		74.7%
Indifferent	2.7	
Disagree moderately	16.0	
Disagree strongly	6.7	
		25.4%

Is teaching viable in the long term?

<u>Opinion</u>	<u>% in category</u>	<u>Sure/Have doubts</u>
Yes	44.6	
		44.6%
Maybe	10.8	
No	39.2	
Don't know	5.4	
		55.4%

How are returning teachers' salaries decided?

<u>Opinion</u>	<u>% in category</u>	<u>Schedule/No schedule</u>
Schedule, automatic	9.0	
Schedule, part discretion	52.6	
		61.6%
No schedule, administrators	10.3	
No schedule, head only	23.1	
Don't know	5.1	
		38.5%

Who evaluates teachers?

<u>Evaluators</u>	<u>% in category</u>	<u>Head/Other</u>
Head only	10.4	
		10.4%
Department chairman	10.4	
Division head	10.4	
Combination of administrators	68.8	
		89.6%

Do you feel the need to move into administration?

<u>Opinion</u>	<u>% in category</u>
Yes	41.3
Maybe	4.0
No	54.7

Do you have a written contract?

<u>Reply</u>	<u>% in category</u>
Yes; one-year	92.3
Yes; multi-year	3.8
No contract	3.8

Figure 7 (continued)

What effect does the salary system have on faculty relations?

<u>Opinion</u>	<u>% in category</u>
Positive	22.7
No effect	56.0
Negative	21.3

Do you know other teachers' salaries?

<u>Reply</u>	<u>% in category</u>
Yes, all	7.0
Yes, some	23.9
No	69.1

schools that offer financial rewards for administrative duties assumed by teachers, or whose administrative pay scale is substantially higher than their faculty scale, encourage their teachers to feel the need to move "up."

Evaluation of teaching performance in the sample schools was unevenly accomplished. The majority of teachers felt they were evaluated by a combination of administrators. Just about all teachers had written contracts, mostly for one year; a small percentage had contracts for more than one year. Teachers in general did not know other teachers' salaries. Only a few knew everyone's salary, and a large number knew only their own.

We were interested in teachers' perceptions of the effect of their salary system on interfaculty relations. We had suspected that a salary system having a strong performance pay component might engender a certain degree of suspicion or uneasiness among faculty members. Most teachers felt the system had no effect on relations, and the remainder were about evenly divided between negative and positive effects. Given the generally positive attitude toward performance pay, however, it is not surprising to find that faculty relations are not greatly affected by it.

Conclusions

To present a picture of successful options for schools in the area of salary structure, we avoided choosing schools whose salary systems were unsuccessful. In fact, one of the criteria for selecting schools was that their systems be functioning well. It is therefore impossible, on the basis of the evidence we gathered, to recommend one type of salary system over another. A few characteristics of salary systems do, however, correlate with their degree of explicitness.

Within the sample, teachers in schools having more explicit salary systems--Westmore, Wetherly, and Bristol--appear to be more actively engaged in discussion of issues surrounding salary. For most of the schools that now have some degree of explicitness to their systems--Frazier (point system), Hawthorne (performance criteria), Wetherly (explicit pay for extracurricular duties), even Seaforth (corporate-style job descriptions)--a change in the salary system, usually in the direction of a more explicit structure, has coincided with a change in leadership.

We would not like to conclude that a change in leadership is a necessary precursor for a change in the salary structure, but change is probably much easier under those circumstances. Most salary system changes we observed in the recent history of the sample schools were toward a more explicit system, though the pendulum seems to be moving the other way again. Change toward greater explicitness would appear to be much more easily accepted by teachers than change toward more administrative discretion. We would not, however, conclude that all independent schools' salary systems are moving in the direction of highly explicit, step increase, base pay salary scales with no performance pay component. The rich diversity we found in this area of independent school management and the successful

operation of a wide variety of systems attest to the fact that movement is not all in the direction of explicit scales. Nevertheless, it would seem that moving in the direction of more discretion for administrators is more difficult for a faculty accustomed to explicitness to accept.

Teachers in several of the sample schools indicated that they might be more critical of the salary structure in use, particularly a system that was not very explicit, if they did not have a high degree of confidence that the head of their particular school would make reasonable decisions. We conclude, therefore, that a low-structure system is more successful in those schools where rapport between faculty and administration, particularly the head, is strong. But this is true of many other aspects of school life as well. The head's leadership style is vital in the matter of salaries. One wonders how the teachers at The Leslie School, for example, would accept the salary decisions made by the current head--in her position for over 20 years--if these were made by someone else in whom they had had no opportunity to feel confidence.

Issues surrounding performance pay comprise a major portion of this study. We conclude that administrators would like performance pay to play a dual role: to motivate faculty members to perform at high levels with the promise of reward if they do so, and tangibly to say "Thank you" to teachers who have done a good job. These two purposes certainly blend, but there is a distinction between reward for past performance and motivation for future performance.

We conclude that, if administrators want performance pay to serve a motivational purpose both to those who do not receive it and to those who do, the amount awarded must be specified to individual recipients. The faculty should then also know how much performance pay is possible and

perhaps even what percentage of the faculty receives it. Many negatives are associated with being candid: those not receiving merit pay might be hurt by what they perceive to be a negative judgment and might actually come to resent those teachers whom the administration singles out as high performers.

Most schools in the sample that award more than token amounts of performance pay do not make explicit to the faculty in general the amounts, recipients, or criteria for such awards. A few schools, Hawthorne being one, tell each faculty member each year how much performance pay he or she receives, both for that year and cumulatively, and what the possibility for performance pay actually is. Hawthorne is also quite explicit about the criteria for performance pay. Hilltop awards its performance pay in the form of a bonus at the end of the year, so it is certainly explicit. Frazier, which uses percentage of base pay in determining performance pay, makes its decisions quite explicit. However, Frazier teachers choose not to inquire specifically about their percentage evaluation. A simple calculation would tell them, even if they chose not to ask directly. We found, however, that Frazier teachers had not performed that calculation. This was also true of Wetherly's faculty. Most felt they were getting performance pay but had not stopped to figure out how much.

How can performance pay act as a motivating force if teachers do not know how much they are receiving, whether they are receiving it at all, or what the possible range is? Once they know those things, it follows that they should have some knowledge of how those decisions are made. How can teachers be motivated to earn more performance pay without being apprised both of the administration's criteria for performance and of their strengths and weaknesses as measured against those criteria?

It appears that making individual performance pay decisions known to the entire faculty would be detrimental to faculty-administration and interfaculty relations. Those teachers who indicated that the salary system in their particular school had a negative effect on faculty relations generally attributed that effect to publicly known performance pay differentials.

Another question in this vein is what percentage of the faculty should receive performance pay. We conjecture that the overall effect on faculty morale might be negative if only a few exceptional teachers were singled out for financial reward for excellent performance. In fact, we did not find any schools that did so.

For the schools in our sample that award performance pay, between 50 and 90 per cent of the faculty receive it. Administrators need the support of the faculty to maintain a successful school; singling out a small number of high performers would appear to engender some hostility on the part of the faculty as a whole. If almost everyone receives it, however, is it really performance-related? It is politically effective to state that "almost all of our teachers are high performers." When almost everyone receives performance pay, it becomes more a statement to the few who do not receive it than to the majority who do. One must distinguish between amounts of performance pay and the fact of actually receiving it. For us, it was evident that, unless performance awards were in the range of \$1,000 or more, they were not a vital issue to teachers and frequently were not even recognized.

We have therefore concluded that there are really three types of performance pay: the "pat on the back" type that almost everyone receives; the type that gives larger amounts to only a few people; and the one that

does both. The first type is more a reward or way of thanking a teacher, the second singles out high performers, and the third has a wide enough range and enough dollars to do both.

Although some schools stated that performance pay could in theory make up about 25 per cent of a teacher's entire salary, examination of actual salary figures within a single school turned up few teachers having the same advanced degrees and experience whose salaries differed by 25 per cent on the basis of performance alone. In the schools we visited, therefore, we conclude that the first type of performance pay, smaller amounts to more teachers, is more common than the second type, larger amounts to fewer people; but the third, or combination, approach is also prevalent.

When we undertook this study, the second type was what we had defined the concept to be. We have found that, at most of the schools studied, performance pay is more nearly typified by certain characteristics: it is not very explicit; teachers do not know who receives or does not receive performance pay; performance pay is generally awarded on the basis of little specific evaluation of performance; it is awarded to a large number of teachers; amounts of actual performance pay awarded annually are generally modest--under \$1,000; and the idea of performance pay typified here has a high degree of support from faculty members who receive it.

Since we specifically selected schools that have made a strong commitment to faculty salaries, these schools generally pay their teachers relatively well--in comparison to other independent schools. But teaching salaries are still markedly lower than those in industry and business, on the average, and independent school salary levels still lag behind those of comparable public schools. Seven of the schools are in the top 10 per cent of NAIS salary ranges in their regions: Hilltop, Leslie, Seaforth,

Neville, Frazier, Hawthorne, and Bristol. We are therefore unable to conclude that it is the particular salary system that accounts for the generally positive attitudes we found among teachers in all the sample schools. Perhaps it is simply the level of salaries, rather than the salary system, that determines teachers' opinions. We cannot discount this logic. It seemed important, however, to select as models schools that have made a high commitment to faculty salaries.

Where do schools find the money to increase faculty salaries? We have distinguished several sources of income and methods of distribution: tuition, endowment, workload variations, annual giving, auxiliary services and enterprises, the particular structure of a school's staffing patterns, and control over overhead expense. Seaforth, Hawthorne, Wetherly, and Bristol have all experienced considerable increases in endowment recently and have designated a portion of this new income specifically for faculty salaries. Westmore, on the other hand, has almost no endowment.

Tuition is the major source of income in all the sample schools. The faculty salary budgets at Neville, Frazier, and Westmore are based almost entirely on tuition, which means that salary increases there must move in tandem with tuition increases. In comparison to their regional independent school competitors, however, several of the schools--Frazier, Hawthorne, and Westmore--rank higher in salaries than they do in tuition levels.

A few schools have made a conscious decision to increase workloads as a means of raising salaries. In essence, this means that fewer teachers do more work and that each teacher receives a correspondingly larger portion of the funds available for salaries. Workloads may be increased in several ways: by adding extracurricular duties without paying extra for them and

by increasing the number of classes taught, the number of students in each class, and/or the total number of students seen per day or week. Hilltop, Frazier, and Westmore all appear to use workload as a means of increasing salaries. Their teachers seem to have more responsibilities than teachers in the other schools. Hawthorne does not pay extra for extracurricular duties, but teachers there take on such responsibilities in place of another class section.

All schools seem to be making a particular effort to increase annual giving, which generally comes either from parents of current students or from graduates of the school. This income goes directly into operations, whereas endowment income is often restricted to specified purposes. Schools in our sample that seem to be particularly successful in raising funds through annual giving are Neville, Frazier, and Westmore--none of which is very highly endowed.

Increasingly, schools are attempting to use their facilities for purposes other than purely academic ones. These auxiliary enterprises supply additional income for the schools. Westmore is successful in this area. Frazier operates its facilities 12 months a year and calculates teachers' salaries on that basis. Its summer activities combine an academic program and an extensive camp. Wetherly also operates both of these activities, except that teachers who participate in either or both are paid extra.

Differentiated staffing structures can account for increased salary income. At Leslie, teachers' aides are employed to help regular teachers, thus making it possible to have fewer full-time professionals on the faculty. The aides, college graduates and often parents of Leslie students who wish to help in the school, are paid hourly wages below faculty scale.

Westmore has a higher than average number of part-time teachers, who are also paid by the hour. Because they are paid a flat rate, they do not benefit to the same degree as regular teachers do from the operation of the salary system. They also receive no benefits. Frazier's 12-month year is an integral part of the staffing structure. Teachers who choose to leave for the summer to pursue academic interests or just to take some time off have their pay reduced accordingly.

We found a few schools that seem to operate at lower than usual overhead. Smaller schools--Hilltop and Bristol--followed this pattern. At Seaforth, Neville, and, again, Bristol, administrators, including the head, teach classes, which seems to reduce overhead as well as accomplish the more obvious aim of involving all staff members in the pedagogical aspects of school life. Hawthorne is a large school having only three full-time nonteaching administrators. Many other schools have teachers performing many administrative duties, from admission and college counseling to fund raising and academic leadership. Frazier has a mathematics teacher who doubles as the comptroller.

Generally, lower absolute overhead expense is easier to accomplish in small schools and day schools than it is in large schools and boarding schools. As enrollment increases, administrative duties such as admission, college counseling, guidance, and even the business manager's work must be undertaken by full-time staff members. Many small schools distribute these duties among faculty members. In a few schools low overhead seems to leave more money for salaries.

Responsibility for extracurricular activities seems to be treated at two extremes: either a school pays nothing, treating compensation for such activities as part of base salary, or pays extra for everything. A third

type of treatment is to pay nothing extra, but, instead of having it be part of base pay, compensation for involvement in extracurricular activities is considered part of performance pay and the basis of decisions about performance. Schools using this method--Leslie, Seaforth, and Neville--treat extra activities as an integral part of a teacher's responsibility. Participation is expected. At the other extreme, schools such as Frazier and Wetherly have a highly elaborate scheme of compensation for extra activities. Hilltop has very few such activities, but a good number of those that do exist provide extra pay to the teachers who undertake them.

In the schools that offer no extra pay for extra activities, we found some teachers who would prefer to be paid for these. Coaches who feel they give longer hours and summers, like those at Hawthorne, would like to be paid for this time. We predict that there might be a movement toward explicit compensation for these activities, particularly if a school is having difficulty staffing them. It may be no accident that the two schools in our sample that have boarders--Frazier and Wetherly--also pay teachers for the very necessary after-school and weekend activities that take place in boarding schools. Active faculty-compensation committees have mentioned that this issue may gain importance in the near future.

We have not attempted to treat the issue of nonsalary compensation in detail in this report. A few comments by the teachers interviewed are important to mention, however: Neville's cafeteria-style benefit plan, Wetherly's mortgage subsidy plan for long-term teachers, its free day, and its concept of treating a first-year teacher differently by giving him or her a lighter load and by assigning an experienced teacher as mentor who is considered outstanding in the new teacher's field. The mentor is paid for this added responsibility. The mentor system is a creative and

fruitful way to recognize the respective roles of new and senior teachers.

Tuition remission was mentioned by many teachers as being relevant to the question of salary and has been considered at length by some faculty salary committees. Some schools in the study once offered this benefit as a courtesy to faculty members, and several still do. The schools that do offer it find teachers often mentioning it as a benefit. Teachers who have no children cite tuition remission as a differential benefit that is available only to those faculty members who have children. At Hawthorne, which requires only those teachers hired since 1976 to demonstrate financial need for their children to receive tuition remission, faculty compensation committee members mentioned that some teachers resent tuition remission, while others resent having to apply for it formally. In single-sex schools-- Leslie, Frazier, Bristol--where do faculty children of the other sex go to school? The issues surrounding tuition remission for faculty children are of interest in most of the schools surveyed.

How does the salary structure help administrators pay more to that group of teachers they wish to reward most highly? Most heads indicated that they would like especially to favor teachers who have been at their schools five to 10 years. Several salary systems specifically single out that group. Wetherly stops rewarding experience beyond the eighth year. Many schools consider years 5-10 to be the most productive ones for teachers. But what message should schools send to faculty members beyond that point? Figure 5, above, shows a fairly even distribution over the range of five-year intervals of the teachers interviewed, yet the mean number of years of teaching is almost 14. If heads wish to reward and encourage a particular age or experience group, what message should people who have taught longer take from that feature of the salary structure? Many

teachers would like to leave teaching if they had other opportunities, but they do not see other options.

This complicated issue cannot be addressed through the data gathered in this study beyond the conjectural stage. But the issue is vexing. For example, how does Bristol, whose salary structure does not give step increases beyond year 15, deal with a faculty distribution that finds 11 out of 25 teachers at that point? Since these teachers are well paid, will they take the subtle message of no more increases, beyond inflation increases, as a cue to move on? If so, where would they go? Other schools have "experience caps," too. With so many years in teaching, the option of moving to other professions is reduced. Should salary systems encourage teachers to leave after a certain number of years in order to bring in a younger crop of teachers?

An issue only hinted at in this study is differential compensation for teaching in fields in short supply. The nation--independent schools included--is experiencing a severe shortage of qualified mathematics and science teachers. Salary levels in independent schools are generally lower than those in public schools, but the salary structures of many independent schools have a degree of flexibility that those of public schools do not possess. The question is therefore "Do you pay extra for math and science teachers?" not "Can you?" A few schools--Hawthorne, Wetherly, and Bristol--stated that they are unwilling to do so. The heads of other schools--Belle, Neville, and Frazier--say they might be willing to do so if the school needed qualified teachers that it could not find, but they have not had to do this. Still others--Hilltop, Seaforth, and Westmore--state openly that they are now paying mathematics and science teachers more but do not say how much extra salary is paid. All of the heads admit that if this is not now a problem it might be in the future.

We tried to find out from some of the mathematics and science teachers we interviewed whether they were being paid extra. Only a few felt they were. Most did not know--another reflection of the fact that most teachers do not know one another's salaries.

Very little has been written about faculty salaries in independent schools. It is a complicated issue that touches on the essential independence of these institutions. Independent schools are in a strong position; as society becomes more disenchanted with public schools, more families will turn to independent schools as an alternative. Operating an independent school requires a delicate balance that includes attracting qualified students, attracting and keeping outstanding teachers, and making ends meet. There is a direct and spiraling relation between faculty salaries and tuition, but with severe limitations on both. The salary structure forms an important part of a school's ability to provide money for faculty salaries in a way that is consistent with the philosophical aims of trustees, parents, students, and administrators.

In this study, we have attempted to offer differing options for faculty salary structures. We have attempted to classify these structures according to the degree of explicitness they exhibit and to describe how they operate in the schools we selected as being particularly good examples of each type. The message from any series of case studies lies mostly in the characteristics of each case.

We hope the schools we selected for study and the presentation of cases around particular themes prove useful to readers. Most of the conclusions--the important ones about how each of these structures might operate in any given school--are left to the reader.

issue is discussed more fully below in the section on teaching as a career.

Very few teachers evidenced discomfort over being evaluated by their department heads, but not one teacher we interviewed had asked his or her specific percentage rating. Several teachers expressed interest in serving as department heads, if asked to do so. They mentioned the extra compensation involved, but considered the added prestige and responsibility the main attraction of that job.

Performance pay, ranging up to 30 per cent of teachers' salaries, could be as much as \$6,000 a year. It is impossible to remain on the Frazier faculty for long with a performance rating of 80 per cent. After a probationary period of about three years, teachers who are not performing in the 100 per cent range are in danger of losing their jobs.

On the next page is a profile for 1982-83 of three hypothetical but typical Frazier teachers of varying ages, experience, and educational background, having differing performance ratings and performing differing extracurricular duties. The points and salaries accorded these conditions are taken from Figures 1 and 2 rather than from actual salary figures.

Compensation for nonteaching responsibilities

The point system incorporates teaching and nonteaching responsibilities. Extra pay is awarded for nonteaching responsibilities, and everyone is expected to assume some of these extra duties. Heads of dormitories receive additional points for their duties. A few teachers have no coaching responsibilities, but they supervise other activities. It is hard to find a teacher on the Frazier staff who does not have some responsibility beyond teaching.

An interesting aspect of the Frazier system is that teaching,

	Experience		
	<u>Beginner</u>	<u>Middle-range</u>	<u>Long-term</u>
Age	25	37	50
Years of experience (<u>points</u>)	2 (4)	12 (24)	26 (45.5)
Degree	B.A. (0)	M.A. (4)	M.A. (4)
Teaching base	80	80	80
Performance %	90% (72)	115% (92)	105% (84)
Extracurricular activities	Coach 3 seas. jr. schl. (16 +12 + 8 at 110% = 40) Study hall (2)	Coach V. base-ball (26 at 110% = 29) Asst. V. wrestling (18) Dept. chmn. (16) Dorm head (6)	Yrbk. (35) Internat. Club (3)
Point total	<u>118</u>	<u>189</u>	<u>171.5</u>
Salary (\$130/point)	\$15,340	\$24,570	\$22,295

coaching, and extracurricular responsibilities are all treated similarly under the point system. There are no "extras" at Frazier; all responsibilities are treated equally. It is recognized that mathematics and science teachers are difficult to attract, particularly to a school in the Southeast. Mr. Frazier admits that he pays these teachers at slightly higher rates.

Since immediate implementation of the system would cause some large salary adjustments, both up and down, Frazier has been moving in that direction for several years. At the time we visited the school, some faculty members--those who had served on the committees that helped to determine the point value of various jobs--had been aware of the point system for a year or more. Most faculty members had learned of it more recently. While salary decisions for 1983-84 were to be made mostly on the basis of the

point system, final adjustments where the total number of points would mean either a large jump or a large decrease in a teacher's salary were to be achieved more gradually. Therefore, as of this writing, it is impossible to comment on the effectiveness of the point scale system in operation.

The decision-making process

Most decisions at Frazier School are made by Mr. Frazier. Every teacher speaks of him and the school as being one and the same. Faculty members have served on committees to help him determine the new system's dimensions, but the impetus for that system's development and adoption have come from the head's office. Mr. Frazier is comfortable with computers. Microcomputers are visible in Frazier classrooms, and Mr. Frazier has an Apple II computer right at his side in his office. The entire point system has been computerized, with the aid of a VisiCalc program. Mr. Frazier himself finally determines each teacher's point total, point value, and salary. The floppy disks containing this information are his personal property, which he locks away when he leaves the office.

Faculty members, especially those who have been at Frazier for a long time, have felt included in the development of the salary system. Those who served under the present head's father generally believe that this new system will be an improvement. A few exceptions to that opinion exist, however. Senior veteran teachers--a few--feel that the quantification of commitment, loyalty, and responsibility will rob teaching and boarding school life of its traditional aura. But these are teachers who felt well treated under the old regime. It is clear that, when one is paid for quantity of work, with age that quantity ultimately declines. The quantitative

versus the qualitative aspects of the new point scale system have not been clearly articulated. How this question will resolve itself as the system goes into operation is not yet clear. The issue of a salary system based on productivity and its impact on aging faculty members should be considered, however.

Teaching as a career

Some Frazier teachers are worried about not being able to assume the additional responsibilities necessary to increase their incomes. If they are already operating at the 100-120 per cent range in their teaching, it would appear that only two ways exist for them to increase their salaries: experience in teaching, points for which decline after 20 years of service, and the probability that the value of a point will go up each year.

Some teachers are anxious about the limits of their productivity. Many think they are already working very hard. Some worry that their teaching suffers because of their extra responsibilities. With a 12-month school year, some teachers feel that the psychic and physical renewal that teachers in other schools experience during the summer months is not possible at Frazier. Thus the conflict between quantity and quality of work is real for these teachers. Some worry about reaching the age when coaching will no longer be appealing, when they will no longer want to raise their families in a boys' dormitory (but will no longer be able to live rent-free), when their productivity declines. Although they seem not to fear losing their jobs, a decline in income seems to be a real possibility.

As a group, Frazier teachers are seasoned professionals. The average teacher has been in the profession for about 14 years. More than 10 of those years, as a rule, have been spent on the Frazier faculty. Neverthe-

less, about three quarters of the teachers interviewed felt that, in monetary terms, teaching was not a profession with a future. But with their level of experience, it becomes more difficult to leave the field of teaching, and most Frazier teachers plan to remain in the profession. Most cited love of teaching and the lack of credible alternatives as reasons for staying in a profession they consider to be inadequately compensated without a second family income, no-rent dormitory life, or some other source of additional income. More than half the teachers interviewed considered a move into administrative work desirable, both for the additional salary and for the prestige involved. Department chairmanships were the administrative slot most frequently cited. Teachers generally perceived important decisions for Frazier as emanating from the administrative building, mostly from the head's office. A few teachers do admission, development, or financial management work in place of some classroom assignments.

Less than 20 per cent of the Frazier faculty is female. Although most teachers agree that women are not paid any differently than men for the work they actually do, it was universally admitted that many jobs at Frazier are not open to female staff members. Coaching, dormitory supervision, and being "teacher in charge" (a higher-level supervisory responsibility) are not available to women faculty members as extracurricular responsibilities. Thus women do not have equal access to point-generating activities, and the actual level of compensation for them is therefore substantially lower. At least one department chairman admitted that, if a woman and a man were equally qualified for a teaching position, the man would be hired. He would be able to coach, supervise a dormitory, and "handle" potentially unruly adolescent boys. A courtly and genteel attitude toward women is evident at the Frazier School.

Resource base for instructional salaries

Frazier is financially sound without being wealthy. Its development staff is very active, and the head spends a considerable portion of his time in fund-raising activities. Annual giving is quite respectable, and the endowment is growing. Mr. Frazier is anxious to expand the school's teaching staff, since teachers generally seem to be working quite hard, but he is pledged to do this only if endowment is raised to cover the additional expense. He has managed to add one teacher a year for the last several years in this way without expanding enrollment. Tuition levels in southeastern independent schools are considerably lower, on the average, than in other areas of the country. Frazier is near the top of the tuition level for the region, and it is felt that tuition cannot continue to rise beyond inflation levels.

Most of the current endowment has been raised in the last few years for the express purpose of raising teachers' salaries. Mr. Frazier estimated that this specific endowment had made a 12 per cent difference in the median salary level for 1982-83.

From 1983-84 on, faculty salary increases are being accomplished in two ways: by the value of a point increasing (about 8 per cent in 1983-84), and by teachers increasing their total number of points through additional duties and/or increased percentage rating of teaching and coaching quality.

Recent average percentage increases in salaries are as follows.

<u>Year</u>	<u>Average annual % increase</u>
1980-81	10.0
1981-82	11.9
1982-83	12.8
1983-84	8.0

Summary

When asked to name the major objective of the school's salary system, Frazier felt that rewarding performance was primary. Retaining high-quality teachers and providing an equitable system were additional objectives cited for the system as it presently exists.

To Mr. Frazier, the point system represents a way to quantify both the quantity and the quality of performance at Frazier School. He sees such a system as a means for rewarding major faculty contributors to the life of the school and as motivation for future contributions. He finds the salary system in industry to offer some useful models for motivation by reward. He hopes that as the system goes into operation it will offer flexibility to adjust point ratings for particular jobs and equitably reward hard work in the classroom, on the athletic field, and in extracurricular advising. He sees future adjustments to the point value of particular responsibilities as a cooperative administrative-faculty undertaking. He is anxious to move what he has considered a set of subjective judgments about salaries out of his hands into the hands of department chairmen, who are better qualified to evaluate actual performance.

Hawthorne Country Day School

Hawthorne Country Day is a K-12 day school in the Midwest having a total enrollment of about 800 students. The school is physically divided into two campuses--the lower (K-8) and the upper (9-12) schools--both of which are located in affluent suburban areas outside a large city. Hawthorne Country Day's history spans 50 years. The school began as an elementary school for boys; the upper school has been in operation only two decades. Coeducation was introduced at Hawthorne about 10 years ago, and the present head has served in his post almost that long.

At an earlier point in its history, Hawthorne's salaries were decided exclusively by the head, with no published scale or criteria. Current teachers and administrators who served under the old salary system admit quite candidly that gross inequities existed, especially with respect to women and elementary school teachers.

In the early 1970's, mainly through the impetus of a few concerned faculty members, the faculty formed the Faculty Compensation Committee. The committee developed a new salary system, with the approval of two interim heads of school, and its introduction coincided with a change of leadership for the school--a new, permanent head.

The major purposes of the first system the new head inherited, according to one of the committee's original members, now a top administrator at Hawthorne, was adjustment of inequities. The first system was tied to an affluent, well-paying local public school system, with salaries for teachers having parallel qualifications pegged at \$1,000 less than the public school scale. When making these direct comparisons,

inequities within Hawthorne of up to \$5,000 annually were discovered. The first system attempted to adjust these discrepancies. Some teachers highly favored by the former salary method--mostly male upper school teachers--actually took substantial cuts in pay. This included members of the original Faculty Compensation Committee. All salary levels were openly set on the basis of years of experience and degrees, with no performance pay component in this first salary system.

Once the previous inequities had been rectified, the current system began to evolve. Even the original committee was committed to the idea of some sort of performance pay, yet its members felt that this sort of award had to be added to an objective minimum salary base. During the present head's tenure, the faculty salary system has passed through three phases: first, the system based on public school salaries minus \$1,000, which the head feels was destined to be short-lived because it had no relevance to independent school norms and financial realities; second, the development of an acceptable performance component to add to an annually changing minimum base, during which time the head felt they were all "annually reinventing the wheel"; and, finally, the current system, combining base salary levels indexed to inflation and performance pay, with total annual increases to consist of three quarters base salary and one quarter performance pay. Almost all teachers and administrators interviewed at Hawthorne Country Day express a high degree of satisfaction with the current system.

Description of structure

The minimum salary at Hawthorne is based on years of teaching experience. Step 0 is for faculty members new to teaching, step 10 for

10-year veterans, and so on. Experience at Hawthorne is not differentiated from experience at other schools. The original scale ratios were constructed so that a beginning teacher's salary would be more than doubled by step 20. (There are 1x/2x relationships between B.A. + 1 and B.A. + 20 and 1.125x/2.25x relationships between M.A. + 3 and M.A. + 20. The B.A. + 3 is the w in the minimum ratios.)

Examination of the 1982-83 and 1983-84 scales for base salaries as shown in Figure 1 indicates that the minimum ratios still hold. Experience, the determinant of base salary, continues to be rewarded throughout a teacher's career at Hawthorne. Previously, the experience scale topped off at 20 years. Recently, mostly through the efforts of the Faculty Compensation Committee, a twenty-first year has been added to the scale. Each of the next few years will see the addition of another year to the top (shown at the bottom of Figure 1) of the experience scale. Of course, 25-year veterans will have their salaries set on the year 21 position on the scale during the first year of the extension of the minimum beyond 20 years, and thus will not be fully compensated for their total experience.

Closer examination of these scales reveals three interesting features. First, year-to-year jumps are larger in the middle of the scale than they are at either end. For example, on the B.A. schedule, the difference in the minimum between years 7 and 8 is 5 per cent, whereas the difference between years 19 and 20 is 3 per cent--differentials built into the index regardless of the per cent of new money infused annually into minimum salaries. This is intentional. The head states candidly that the scale is meant to reward teachers in their second five years more favorably. Present data at Hawthorne show NATS comparisons far more favorable for more experienced teachers than for younger teachers.

Figure 1
Hawthorne Country Day School: Indexed Schedule, 1983-84

B.A. Schedule

Step	Base salary		Dollar increase	Per cent increase
	1982-83	1983-84		
0		\$11,650		
1	\$11,250	11,850	600	5.3
2	11,450	12,050	600	5.2
3	11,650	12,250	600	5.1
4	11,850	12,970	1,120	9.4
5	12,547	13,961	1,144	9.1
6	13,244	14,411	1,167	8.8
7	13,941	15,132	1,191	8.5
8	14,638	15,852	1,214	8.2
9	15,335	16,573	1,238	8.0
10	16,032	17,294	1,262	7.8
11	16,729	18,014	1,295	7.6
12	17,426	18,735	1,309	7.5
13	18,123	19,455	1,332	7.3
14	18,820	20,176	1,356	7.2
15	19,517	20,897	1,380	7.0
16	20,214	21,617	1,403	6.9
17	20,911	22,338	1,427	6.8
18	21,608	23,058	1,450	6.7
19	22,305	23,779	1,474	6.6
20	23,002	24,500	1,498	6.5
21	23,699	24,855	1,156	4.8

M.A. Schedule

0		13,181		
1	12,731	13,381	650	5.1
2	12,931	13,581	650	5.0
3	13,131	13,781	650	4.9
4	13,331	14,591	1,260	9.4
5	14,115	15,402	1,287	9.1
6	14,899	16,213	1,314	8.8
7	15,683	17,023	1,340	8.5
8	16,648	17,834	1,366	8.2
9	17,252	18,645	1,393	8.0
10	18,037	19,455	1,419	7.8
11	18,820	20,266	1,446	7.6
12	19,604	21,077	1,473	7.5
13	20,388	21,887	1,499	7.3
14	21,173	22,698	1,525	7.2
15	21,957	23,509	1,552	7.0
16	22,741	24,319	1,578	6.9
17	23,525	25,130	1,605	6.8
18	24,309	25,941	1,632	6.7
19	25,094	26,751	1,657	6.6
20	25,878	27,562	1,684	6.5
21	26,662	27,961	1,299	4.8

Second, additional education is rewarded generously. The difference between the B.A. and M.A. scales is quite large. For example, at step 8, the difference is about \$2,000 a year. Hawthorne also gives major tuition assistance to teachers pursuing advanced degrees.

Third, the "Per cent increase" column, on the right in Figure 1, indicates that, though the entire minimum salary scale was increased by 6 per cent from 1982-83 to 1983-84, the increases were not uniform. The major benefit of the increase was for teachers who had 10 years of experience or less.

Hawthorne pays its teachers well. Both the median teacher's salary and most experienced teacher's salary ranges fall into the top 10 per cent of salary levels on the national NAIS scale. These are figures that the head shares with the faculty and with which teachers are very familiar. When the present faculty salary system went into effect about five years ago, the beginning salary level at Hawthorne was in the 27th percentile range of NAIS figures.

A major emphasis of the current system has been to raise beginning salaries while rewarding all teachers fairly at the same time. The current level for beginning teachers is in the 50th percentile of NAIS figures, while the levels for middle-range and experienced teachers are over the 90th percentile. This has been accomplished mainly by devoting the entire increase of 11 per cent from 1981-82 to 1982-83 to the salary base; no performance pay increases were given that year, and increases were concentrated at the lower levels. Still, most teachers interviewed feel that, while the system does not work well to attract new teachers, it does succeed in retaining good faculty members.

When teachers first come to Hawthorne, their beginning salaries are

determined primarily by matching their experience and education with the base salary schedule shown in Figure 1. Experience in public and private school is valued equally. Many teachers come to Hawthorne from public schools. Although most incoming teachers are paid according to the scale, the head has also planned the budget to allow for "pre-Hawthorne merit" in recruiting and hiring new teachers. Frequently, to attract a particularly outstanding teacher who was well paid in his or her previous position, pre-Hawthorne performance pay is added to the minimum salary. The head states that "any experienced teacher coming to Hawthorne is, by definition, 'meritorious' from the evaluations that attracted us to him or her, but we have built in pre-Hawthorne merit controls that are fair to our own people."

Performance pay

Performance pay is an important part of Hawthorne's salary structure. Of the faculty members interviewed, a large majority agree with the concept of differing pay for differing levels of performance. Such pay is divided into two portions: accrued performance pay and the current year's performance award.

A teacher's contract states all three components of his or her salary explicitly: base salary, accrued performance pay, and current performance award. Accrued performance means that, as performance pay is awarded year by year to a teacher, these amounts are cumulative. It is therefore impossible for a teacher to receive a large performance award one year and to have that award withdrawn the following year, even if quality of performance deteriorates.

Accrued performance pay is simply the sum of all such awards since the system began in 1978. For the faculty, accrued performance awards range

from \$0 to \$5,000. This figure is added to a teacher's base pay before new performance awards are considered. Actual performance award decisions are made on very specific criteria, which are shown in Figure 2. These criteria, developed quite recently, are available for faculty examination. Teachers are evaluated primarily by their department chairmen, who visit each teacher's class at least twice a year. Visits are announced in advance. Principals of the upper and lower schools also visit classes. Department chairmen meet with teachers afterwards, and evaluations are recorded in writing.

The number of performance points awarded in each category is not spelled out specifically, but faculty members are aware of these criteria and their differential weightings. Teachers are not ranked, either by department or within the school. Lower school criteria are less specific and newer. Generally, teachers are interested in knowing the specific criteria on which performance pay decisions are made, and the introduction of these specific performance rating scales has been very favorably received. "Fifth dimension" is Hawthorne's term for extracurricular activities, which are discussed in the next section.

The proportion of a teacher's total salary that could be attributable to performance ranges up to 25 per cent. Top administrators consider that the quality of classroom instruction is the most important criterion for such an award, along with the ability to work with students. The performance criteria reflect this.

Are teachers uneasy about having such a high proportion of their salaries potentially depend on the value judgments of others? The head does not think so: teachers who are confident about their professional abilities are not afraid to risk external judgments about the quality of

Figure 2
Hawthorne Country Day School: Performance Criteria

Upper School

Some thoughts

1. There is a first effort at elaborating, for faculty perusal, a breakdown of the categories and criteria that serve as a basis for performance considerations. These categories and criteria will require refinement along the way to the point that they more nearly reflect those qualities and characteristics that the faculty and administration want to emphasize and reward.

2. Some faculty have job descriptions such that some, most, or all of their responsibilities will be of a nonteaching nature. In these cases, the criteria within the academic category will be adjusted as needed to numerically assess the individual contribution.

3. The highest number on a scale in any category is intended to represent the highest level of excellence in the category that is reasonable to expect. A "0" on a scale is intended to be the minimum level of excellence acceptable at Hawthorne Country Day School.

Performance considerations in the academic category are based on written and verbal contributions from department heads and from my accumulated perceptions of faculty performance. Performance considerations in the other categories are based on my accumulated perceptions and on conversations with the appropriate individuals in each area.

I frequently find that those faculty members who are in their first year at Hawthorne have had too little exposure to warrant more than minimal performance money.

Academic

Criteria

Has a flair for presenting material in a clear, challenging manner while instilling an appreciation for, and interest in, the subject matter of most students.

Has high academic expectations for all students; zeal is tempered by an approach that most students will find fair and reasonable.

Ability to relate academic material in a strong, convincing, genuine, and winning manner.

Makes an effort to maintain a previously demonstrated high level of teaching skill or makes an effort to improve skills.

Ability to relate well with a wide range of students in and out of class.

Uses extra help to motivate, prod, guide, or assist students who require these.

Shows interest in helping students to achieve at an academic level equal to or above the students' presumed ability level.

Uses a flexible approach that takes into account the various ability levels in each class.

Handles student problems in a calm, constructive manner, attempting to be helpful to the student and the situation.

Handles an extra class to allow departmental flexibility or to solve a temporary staffing problem.

Works the full school day.

Fifth Dimension: Scale 0-3

Note: It seems only fair that an attempt be made to weigh the various sports and activities in this area according to such factors as skills and training required for involvement, time commitment, weekend commitment, and importance of the activity to the total program.

Criteria

Carries expected share of the load.

Has a flair that attracts students and causes them to want to be involved.

Has high expectation for development of skills or positive contribution to the activity; zeal is tempered by an approach that most students will find fair and reasonable.

Ability to relate well with students involved in the activity.

Ability to help students to learn and grow as a result of their experience in the activity.

Willingness to take on an extra burden when necessary and when asked to do so (if it does not detract from other responsibilities)

Handles organizational aspects of the activity in an effective manner.

Figure 2 (continued)

Advising: Scale 0-1

Criteria

Demonstrates an interest in working with advisees.

Demonstrates an ability to develop a constructive working relationship with kids.

Demonstrates a desire to improve abilities as an adviser.

School management: Scale 0-1

Criteria

Special assignments, academic, conference write-ups, etc.) are thorough and complete.

Contributes to the solution of school problems in a calm, constructive manner, attempting to be helpful and courteous to fellow faculty members, parents, administration, etc., while contributing to a positive problem-solving environment.

Attitude:

Accepts responsibility for advisee conduct during school meetings, assemblies, etc.

Individual's thinking, manner, and presence impact positively on colleagues as we attempt collectively to think through upper school policies and procedures.

Contributes to: Senate; Senate committees; board standing committees; upper school committees

Grade reporting is handled in an efficient and timely manner.

Special

Department heads

High expectation for departmental performance.

Effectiveness in carrying out those duties assigned to the department head in the faculty notebook.

Goes "above and beyond" without being asked.

Works closely with the head of the upper school to keep him informed of events taking place in the department.

Class advisers: Scale 0-2

Thorough and effective execution of those duties outlined in the faculty notebook.

Special responsibilities that can only be performed (by their nature) during vacations or breaks and for which one is not otherwise compensated: Scale 0 - 2 1/2 (The scale is based on the time and complexity of the assignment, the critical nature of the assignment, and the effectiveness with which the assignment is handled.)

Lower School

Criteria

1. Attains excellence in the classroom.
2. Supports education's need for commitment and professionalism and is turned on by the challenges of educating kids.
3. Has an active interest in pursuing professional growth.
4. Works to maintain a constructive attitude, general health, and good attendance.
5. Is responsive to direction, willing to pick up slack, to have team spirit.
6. Is committed to consistency and punctuality.
7. Is a role model for the school's mottoes, "Fair Play" and "That the Better Self Shall Prevail."

their performance. Another administrator states that, while teachers would like performance pay evaluations to be objective, to tell them explicitly how these decisions are made, point by point, might be damaging to some teachers' egos.

Since the inception of the present salary system, the target has been to devote 75 per cent of the money for salary increases each year to the salary base and 25 per cent to performance pay. In fact, in 1982-83, this was not done, in an effort to bring the starting salary from the 27th NAIS percentile to the 50th. The overall increase of 8 per cent for 1983-84 was, however, divided according to that formula, with the average increase to the scale being 6 per cent, or three fourths, and the remaining 2 per cent going to a performance pay pool, evenly divided between upper and lower school faculty members.

It is surprising to find that so many teachers are positive about a performance component that is as large as Hawthorne's, since it would seem that interfaculty relations might suffer as a result of large pay differences among teachers at the same level of education and experience. The explicitness of the criteria for performance pay decisions, confidence of teachers in their own abilities, and confidence in fair treatment by the administration might explain this positive attitude.

Compensation for nonteaching activities

Hawthorne is philosophically opposed to extra compensation for extra work. Faculty salary documentation includes mention of required nonteaching duties that are part of a teacher's contractual responsibility. To quote the head directly on the subject,

In addition to four classes or their equivalent, all full-time members of the faculty carry a "fifth dimension" of additional responsibilities. The aggregate of this fifth dimension represents instructional leadership (i.e., department chairmanship), extracurricular life, and advising assignments, which, together with the curriculums, comprise Hawthorne's formal education program. "Fifth dimension" assignments are made on the basis of mutually recognized talents, interests, and professional inclinations. The formal employment agreement of each faculty member calls for "such reasonable extra duties" as may be determined by the head of school--upper or lower school principal.

These "fifth dimension" responsibilities comprise the equivalent of teaching one class per day. Individual advising, coaching, school newspaper, dramatics, club sponsorship, and other such activities make up this list of duties. In addition, those responsibilities that might otherwise be called administration--admission work, department chairmanship, college counseling--are also considered fifth dimension.

Some administrators teach fewer classes because of their particular assignments. One teacher interviewed, who has been teaching over 20 years, also assumes major responsibility for admission. This teacher is paid on the teaching scale. That is to say, except for the three top administrators--head and upper and lower school heads--administrative and teaching duties Hawthorne are considered comparable, in salaries paid, to teaching. In other words, a move into administration is not a move "up." Some teachers, particularly those whose duties include long hours at school, Saturday responsibilities, and summer commitments at the school, indicate that they might like to be compensated for spending this extra time.

With a strong performance pay component, however, and no additional compensation for extracurricular duties, it is easy for teachers to perceive that performance awards from the school are for quality, not quantity, of performance. Whereas the performance criteria given in Figure

2 do give some flavor of high regard for quantity of work, teachers indicate they consider that their actual worth to Hawthorne is decided primarily on their classroom performance and its effect on students.

Comparative information on three typical but hypothetical teachers' salaries in 1982-83 will demonstrate how Hawthorne Country Day School's salary system operates.

	Experience		
	<u>Beginner</u>	<u>Middle-range</u>	<u>Long-term</u>
Age	25	37	50
Years of experience	2	12	26
Degree	B.A.	M.A.	M.A.
Base pay*	\$12,050	\$21,077	\$27,961
"Fifth Dimension"	Coaching, advising	Admission, advising	School paper, advising
Performance pay: current year*	\$250	\$800	\$500
Accrued performance pay*	\$250	\$2,600	\$3,200
Total salary*	\$12,550	\$24,477	\$31,661

*Shown on annual contract

The decision-making process

The head of Hawthorne Country Day School is open about decisions he is considering. The faculty appears well informed on the issue of faculty salaries and well acquainted with the figures published by NAIS. Teachers also know the salary levels of competitive independent schools in the area.

The initial impact of the original Faculty Compensation Committee, formed by faculty members themselves, was very powerful. It was the faculty who perceived inequities in the salary system and addressed the

issue directly. The parent committee is felt to have slightly less impact, but this may be due to the small area of conflict between faculty and administration at present. It was the Faculty Compensation Committee and the head who together pressed for expansion of the experience scale beyond the 20-year ceiling in the last year. It was the committee the year before that pressed for major adjustment of the beginning salary level, again with success.

As a matter of school policy, two members of the Faculty Compensation Committee serve ex officio on the Finance Committee of the board of trustees. The role of the Faculty Compensation Committee in actually determining salary levels is advisory only. The committee advises the head, who actively consults it in developing the budget. As he describes it, he "enfranchises" the committee into the planning process before making recommendations to the Finance Committee. The final decision about the actual percentage increase in total salaries is made by the board of trustees.

The exact process by which the Faculty Compensation Committee influences faculty salaries starts no later than early November, when the head conducts a series of meetings with the committee in which he shares the earliest drafts of the evolving budget for the coming year. He invites reaction to those parts of the budget that directly or indirectly affect the faculty. By early January the head hopes to have developed fiscal plans about which both he and the faculty committee feel satisfied.

The Finance Committee then receives the recommendations of the head on tuition, compensation, annual giving, and financial aid. The board makes decisions about the overall rise in compensation and the budget's other major determinants based on the Finance Committee's recommendations. The head of the school then presents these board-approved recommendations to

the entire faculty, at which point the faculty is able to assess directly the influence of its elected committee. At present, the faculty remains satisfied with the committee and its impact on salary levels.

Teaching as a career

Slightly less than half the teachers we interviewed are interested in moving to administrative responsibilities, and these moves would not be for financial reasons. A majority are unsure about the long-term prospects of a life in teaching, even though many of those interviewed are veteran teachers. The average teaching experience for a Hawthorne teacher is 12 years, with eight of those years at the school.

Ambivalence toward the teaching profession contrasts moderate pay levels with gratifying personal experiences, a supportive professional environment with the need for a working spouse. Despite this ambivalence, most of the teachers we interviewed have made a lifetime commitment to teaching.

Resource base for instructional salaries

Within the last five years, Hawthorne has doubled its endowment, earmarking most of the income from that new endowment for improving faculty salaries. The present level of endowment puts Hawthorne within the top 10 per cent of all NAIS coeducational day schools in endowment per student. Hawthorne has been able to maintain an active annual giving program, whose proceeds are devoted to general operations of the school despite the gain in endowment. Parents are active in an annual event devoted to faculty professional development that has raised over \$50,000 in each of the last two years. Half has been spent for workshops, conferences, and under-