ABSTRACT

Although many wage theories have been proposed to explain the process whereby some agreement is reached about who is to receive what salary, none seems adequate to explain all wages in general. Even indepth studies attempting to establish a ranking of jobs for compensation purposes have not found general acceptance by school systems. Instead, a school corporation is more likely to study the salary structure of other similar corporations and make comparisons and adjustments on this basis. Such studies usually result in the establishment of a base salary, which then may be adjusted by factors relating to experience, size of school, level of education, and responsibility. Organizations of local school administrators have a role to play, but this role should be determined by professional people acting in a professional way. (Author)
CONSTRUCTING DIFFERENT SALARY SCHEDULES
FOR ADMINISTRATORS
Wayne H. Kincaid

Most of us as high school principals would agree that "anything paid a good teacher is not enough, and anything paid a poor one is too much." Likewise, most of us probably would agree that "anything paid a good school administrator is not enough, and anything paid a poor one is too much." It is only when we get down to the vital issue of deciding who is good, and who is bad, and by whose criteria, that honest disagreement and perhaps violent differences split our already sorely divided profession. Certainly, the basis on which decisions are made, that determines who gets how much of the inflation-shrunk education dollar, is of paramount interest to those of us charged with the responsibility of being the top administrative officials of an operating unit in society's educational enterprise.

Probably, you are grateful that major modifications to the extent of nearly complete eradication have occurred in the oldest theory of wages. This theory, which was widely accepted during the middle ages, was called the just-price theory and explained wages on the basis of maintaining whatever status of life the worker or employee happened to find himself at birth. A just wage then was one that conformed with the class or status a person held in society - the higher the status or class, the higher wages a person earned. This concept preserved relationships regarded "as right" and did in fact guarantee the maintenance of the society of that period of history, although little in a positive vein can be said for individual motivation of the worker. One may
WELL SUSPECT THAT DEMANDS FOR A "FAIR DAY'S PAY" HAVE ROOTS IN THE JUST-PRICE THEORY. LEASTWAYS, THOSE OF US BORN INTO LARGE FAMILIES OF THE AGRARIAN SOCIETY OF THE GREAT DEPRESSION OF THE 1930'S CAN FIND COMFORT IN THE FACT THAT THIS THEORY IS NOT WIDELY ACCEPTED TODAY.¹

OF COURSE, ANY REALISTIC WAGE THEORY - AT LEAST WITH REFERENCE TO AN INDUSTRIAL SOCIETY - MUST HAVE ITS ROOTS GROUNDED DEEPLY IN ECONOMIC CONSIDERATIONS. INTERESTINGLY ENOUGH, THE FIRST ECONOMIC WAGE THEORY GREW OUT OF THOMAS R. MALTHUS' THEORY OF POPULATION, WHICH HOLDS THAT POPULATION WITH ITS TENDENCY TO INCREASE GEOMETRICALLY IS LIMITED BY WHATEVER MEANS MAY EXIST FOR SUBSISTENCE WHICH INCREASES ARITHMETICALLY. THE SUBSISTENCE WAGE THEORY ATTEMPTS TO EXPLAIN THE LEVEL OF WAGES IN TERMS OF THE SUPPLY OF LABOR WHICH IN TURN IS GOVERNED BY THE PRINCIPLES OF POPULATION DESCRIBED BY MALTHUS. ANY INCREASE IN WAGES ABOVE THE SUBSISTENCE LEVEL WOULD TEND TO INCREASE THE BIRTH RATE AND SO THE SUPPLY OF LABOR. THIS EVENTUAL OVER-SUPPLY OF LABOR WOULD FORCE THE WAGE RATE BACK TO THE SUBSISTENCE LEVEL. IF THE WAGE RATE IS REDUCED BELOW THE SUBSISTENCE LEVEL, STARVATION RESULTS WHICH IN TURN REDUCES THE SUPPLY OF LABOR AND SO FINALLY FORCES THE WAGE RATE BACK UP TO THAT LEVEL.

THERE ARE OF COURSE VARIOUS OTHER THEORIES IN ADDITION TO THE TWO MENTIONED HERE THAT ATTEMPT TO DESCRIBE THE LEVEL OF WAGES IN A SOCIETY, BUT NONE OF THEM HAS GAINED GENERAL ACCEPTANCE. IN ALL PROBABILITY DIFFERENT WAGE QUESTIONS REQUIRE DIFFERENT THEORIES. PERHAPS DIFFERENT VARIABLES MUST BE CONSIDERED WHEN ATTEMPTS ARE MADE TO EXPLAIN WAGES IN THE LONG RUN AS OPPOSED TO THE SHORT RUN. SIMILARLY, QUESTIONS ABOUT WAGE STRUCTURE MAY VERY WELL BE DIFFERENT
FROM THOSE ABOUT WAGE LEVELS ACROSS AN INDUSTRY.

WHAT THEN CAN ONE DO WHEN FACED WITH THE PROBLEM OF CREATING A SALARY SCHEDULE WITHIN A TRADITIONAL SETTING LIKE A SCHOOL SYSTEM?

LOGIC WOULD SUGGEST THAT SOME SORT OF COMPREHENSIVE STUDY SHOULD BE UNDERTAKEN SO THAT OBJECTIVE DATA MIGHT BE COLLECTED AND IN TURN DECISIONS MADE. IN GENERAL THIS ACTIVITY IS CALLED JOB EVALUATION AND HAS AS ITS GOAL THE DETERMINATION OF WHAT WAGE IS TO BE PAID TO AN EMPLOYEE AS A RESULT OF HIS JOB PERFORMANCE OVER A SPECIFIED PERIOD OF TIME OR IN ACHIEVING A STANDARD UNIT OF PRODUCTION. USUALLY, AND ESPECIALLY SO IN LARGE ORGANIZATIONS, THE STUDY PRODUCES A SERIES OF JOB CLUSTERS OR JOB FAMILIES TO WHICH A WAGE STRUCTURE THEN MAY BE ASSIGNED.

ONE METHOD OF JOB EVALUATION, CALLED THE FACTOR-COMPARISON METHOD, COMPARES JOBS BY MAKING JUDGMENTS CONCERNING WHICH JOBS HAVE MORE OF CERTAIN COMPENSABLE FACTORS THAN OTHERS. THE COMPENSABLE FACTORS USUALLY CONSIDERED IN THIS TECHNIQUE INCLUDE MENTAL REQUIREMENTS, PHYSICAL REQUIREMENTS, RESPONSIBILITY, WORKING CONDITIONS, AND/OR COMBINATIONS OF THESE FACTORS. JUDGMENTS ON THESE BASES ARE MADE ABOUT VARIOUS JOBS AND A QUANTITATIVE VALUE ASSIGNED TO KEY JOBS. OTHER JOBS THEN MAY BE RELATED TO THESE KEY JOBS AND A PRIORITY RANKING ESTABLISHED WHICH FREQUENTLY IDENTIFIES JOB CLUSTERS. IN ANY EVENT A SALARY SCALE IS ATTACHED TO THE PRIORITY RANKING SO IDENTIFIED.

SUCH A PROCEDURE IS AN EXACTING, TIME-CONSUMING ENDEAVOR AND ONE IN WHICH MOST SCHOOL CORPORATIONS ARE NOT LIKELY TO BECOME ENGAGED. INSTEAD MOST SCHOOL CORPORATIONS WOULD PROBABLY STUDY THE WAGE STRUCTURE IN OTHER SIMILAR CORPORATIONS AND REFER TO
AVAILABLE DATA COLLECTED FOR THE PURPOSE OF DESCRIBING CURRENT TRENDS IN SALARY COMPENSATION FOR ADMINISTRATORS.

The National Association of Secondary School Principals Administrative Information Report issued in October, 1975 discusses current trends in salary schedules for principals and assistant principals. At one time nearly all such salary schedules were related to the schedules of the classroom teachers, but this report clearly indicates that professional negotiations on the part of classroom teachers are changing this practice. For all schools included in the study nearly two-thirds of the schedules were derived independently from schedules of classroom teachers and nearly three-fourths of large systems with enrollments of 25,000 or more were arrived at independently. Salaries tended to be higher in those school systems which derived a schedule independently from the classroom teachers' schedule. Most salary schedules also allowed for differentials for elementary school, junior high/middle school, and senior high school principals, although about one-tenth made no distinction by position, but did make salary differentials based on varying lengths of the work year. Schedules for principals within a school system differed frequently on the basis of various size factors, such as number of teachers to be supervised, building enrollment, number of classrooms, and number of certificated staff.

The trend then seems to be clear. Salary schedules for administrators are with increasing frequency arrived at independently from those for classroom teachers.

The problem of determining such a salary schedule seems to be most frequently attacked by first determining a base or a floor for the schedule. The base may be related to the superintendent's salary, the average salary paid to superintendents of surrounding...
DISTRICTS OR SOME ARBITRARY SALARY IN A DESIGNATED SCHEDULE. OF COURSE, THE BASE MAY BE ARRIVED AT INDEPENDENTLY FROM ANY OTHER SCHEDULE, OR IT MAY BE DETERMINED ON AN INDIVIDUAL BASIS AFTER A SUBJECTIVE DECISION BY THE SUPERINTENDENT OR SCHOOL BOARD.

AFTER ESTABLISHING SUCH A BASE, MOST SCHOOL SYSTEMS PREPARE A COMPLETE STRUCTURE OF COMPENSATION FOR PRINCIPALS AND ASSISTANT (OR VICE) PRINCIPALS BY CONSIDERING SELECTED ADDITIVE COMPENSABLE FACTORS. SOME EXAMPLES OF FACTORS FREQUENTLY CONSIDERED INCLUDE THE INSTRUCTIONAL LEVEL SUPERVISED (ELEMENTARY, JUNIOR HIGH/MIDDLE SCHOOL OR SENIOR HIGH), SCOPE OF RESPONSIBILITY (SUCH AS ENROLLMENT AND TOTAL BUILDING STAFF), NUMBER OF CONTRACT DAYS, ACADEMIC PREPARATION, AND YEARS OF EXPERIENCE.

THE OCTOBER, 1975 ISSUE OF THE NASSP ADMINISTRATIVE INFORMATION REPORT ALSO DESCRIBES IN DETAIL VARIOUS APPROACHES TO ESTABLISHING ADMINISTRATIVE SALARY STRUCTURES. I SHALL DISCUSS THESE BRIEFLY, AND I REFER YOU TO THIS REPORT FOR A MORE DETAILED DESCRIPTION OF EACH OF THESE APPROACHES.

POSITION LEVEL APPROACH

Employee is to be placed for his compensation. In cases where the position requires employment for less than fifty-two weeks per year, the salary is adjusted proportionately by applying a percentage factor.

Senior High School Principal's Salary as a Base

Another approach establishes the salary of a senior high school principal with a doctor's degree as a base. Salaries for administrators with other degrees or who hold other positions are then arrived at by applying a percentage to the base salary.

Formula Approach - Superintendents' Salary as a Base

Using an arbitrary superintendent's salary and pre-determined formula is an alternate approach. The formula, \( C = B \times (R + T) \times (P + L) \), produces the specified salary by multiplying the base salary by two factors: one representing the sum of a ratio derived from consideration of the job requirements and working conditions and a ratio representing the length of the contractual commitment and one resulting from the sum of two indices concerning performance assessment and length of service. It is interesting to note that performance assessment in this approach is based on a rating of satisfactory, good, or excellent with no weight assigned to satisfactory.

Elementary Assistant Principal's Salary as a Base

Another approach to establishing a salary schedule uses the elementary assistant principal's salary as the base and is applied to all personnel on a 205-day assignment. The base salary is modified by indices determined by experience, school size, level of education achieved, and responsibility.
AVERAGE OF SUPERINTENDENTS' SALARIES IN NEIGHBORING DISTRICTS AS A BASE

In perhaps an attempt to "spread the heat over a large area" and so reduce the "temperature" in the home school district, a system has been derived from using the average salary of superintendents in neighboring districts as a base. This base then is modified by percentages and for the number of pupils served and the amount of experience of the person involved.

SUPERINTENDENT'S SALARY AS A BASE WITH INCREASES DEPENDENT ON PERFORMANCE ASSESSMENT

There is an additional method that depends on the superintendent's salary as a base with increases dependent on performance assessment. Ranges are established for the various positions. Once the salary for someone in his first year in a position is established, the difference between this salary and top of the range becomes available for distribution over the next three years. For example, forty per cent of the difference could be available at the end of the first year, thirty-five per cent at the end of the second year, and twenty-five per cent at the end of the third year.

SALARIES OF PRINCIPALS IN NEIGHBORING DISTRICTS AS A BASE

One additional approach, which also has some promise of "spreading the heat and reducing the temperature," involves determining median minimum and maximum salaries of principals in neighboring districts. A schedule of six steps may then be prepared.

CONSUMER INDEX APPROACH

Finally, there is the possibility of modifying the salary schedule on the basis of the consumer price index at six-month intervals or at other appropriate times.
In the Indianapolis Public Schools the teachers are represented by the Indianapolis Education Association, a National Education Association-Indiana State Teachers Association oriented organization, and engage in formal negotiations. Those certificated employees who are excluded by the agreement with the teachers union have formed an organization called the Indianapolis Association of Administrators, Supervisors, and Consultants, Incorporated. Although this organization does not engage in a formal negotiations procedure with the School Commissioners, it does carry on informal discussions with Board representatives and a salary resolution is adopted following such discussions.

Some of the complexities of the employer-employee relationships for middle administrators can be seen in the Indianapolis Association of Administrators, Supervisors, and Consultants, Incorporated. First of all, the some five hundred employees who are eligible for membership have a wide distribution of responsibilities and functions in the Indianapolis Public Schools. Included in the eligible membership are high school department heads, high school deans, high school assistant deans, athletic directors, directors of guidance, evening school directors, elementary school coordinators, personnel coordinators, consultants, supervisors, directors of instruction, elementary school assistant principals, elementary school principals, high school vice-principals, high school principals, and administrative assistants.
You will note that in many cases the employee and that person's supervisors are both included in the membership. There is also a wide range of interests on the part of the various groups. All of which creates some problems, since what may be a good situation for one group may not be good for another or what may be an acceptable working condition for a supervisor may not be nearly as acceptable for the one supervised.

One alternative would be to create small homogeneous groups which would then carry on whatever kind of discussion deemed proper and appropriate with the Board's representatives relating to salary and wage related benefits. However, this becomes rapidly redundant due to the number of groups involved.

The final alternative and the one that seems to me to be the most professional would be to maintain the overall umbrella organization whose function would be that of a watch guard until some action seemed necessary. There can be little to gain in any given situation beyond that achieved by the negotiation process of the teachers' union. What better situation then than that in which those in various levels of the management team take the position that whatever salary and wage related fringe benefits are achieved by the major bargaining unit in the school system should be also granted to administrators? Any kind of a process that would have any likelihood of achieving more (and this is quite unlikely) is hardly worth the effort.
I would like to suggest that the desire to plunge into a complete modification of an existing administrative salary schedule should be scrutinized carefully and delayed until it has been clearly established that inequities are in fact present. Any changes finally produced mean that some group of administrators receives a lesser increase in salary than another group. The final result of which is a disgruntled group who will be prone to point out the now existing inequities in the new schedule.

You might also wish to look to the recently created Jefferson County Schools system for guidance in dealing with the problems of administrative salary schedules. This system was created by the court out of the Louisville, Kentucky system and its surrounding districts. As a result the new school district now has two hundred eighty-five central office personnel bearing such titles as deputy superintendent, staff specialists, directors, assistant directors, supervisors, consultants, and coordinators. Bear in mind, if you will, that this staff was retained from all of those school corporations that existed last year and now make up the Jefferson County Schools District. Certainly, this district has the problem of deriving one salary schedule out of many without adding to its already monumental administrative problems. Perhaps a workable solution in this situation would be applicable to other school districts.

Whatever may be said about administrators' salary schedules, it is safe to say that the problems involved in creating workable ones in today's complex society are far different from those faced by a school superintendent in dealing with his teachers' salary problems in 1872. He simply decreed that:
"The teacher who performs his labors faithfully and without fault for five years will be given an increase of twenty-five cents per week in his pay, providing the Board of Education approves."

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