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Included in this annotated bibliography of 11 publications on merit pay are reports covering various approaches to merit increases and the successes of a merit pay program in California's Round Valley School District, an Educational Research Service review of current research and practice on merit and incentive pay for teachers, an ERIC Clearinghouse on Educational Management review of research on discrepancies between the idea of merit pay and its actual implementation, a study of the reward system for excellent teaching developed in Tuscon, Arizona's Catalina Foothills School District, and an exposition of some of the real difficulties of and possible solutions for merit pay program implementation. Additional publications reviewed concern Tennessee's "Master Teacher Program," the "Second Mile Plan" created by the Houston (Texas) Independent School District in 1979 with provisions for incentive pay for teachers, the urgency of implementing merit pay programs in order to save the teaching profession, and the importance of choosing merit pay implementation programs wisely. The bibliography concludes with a review of a synthesis of research on teacher motivation. (JBM)
Merit Pay for Teachers

Although Brinks says nothing specifically about teaching, educators as part of the American labor force will find his arguments relevant to the development of a merit pay system.


This brief article recounts the means by which the Round Valley School District (northern California) may be achieving success in its merit pay program for teachers. The program is based on the teacher's achievement—individually or in a group—of merit pay points. These points may be achieved through teacher initiatives, group teaching efforts, or the principal's evaluation, with a maximum level possible for each dimension. Thus, "the district awards four of the possible 10 merit points for . . . projects or activities that the teachers themselves choose to carry out."

Up to 2 1/2 points may be earned in those "efforts in which teachers join forces on a common goal. Junior high school teachers, for example, have united to create a consistent disciplinary program." Other cooperative goals have included contests, extracurricular activities, and the establishment of a writing program in the curriculum.

The principals' evaluation has been effective because they may award no more than 3 1/2 possible merit points. "Because they are less apprehensive about controlling teachers' fates, they are more willing to be discerning in their judgments."

The merit awards can be substantial, amounting to 15 percent to 20 percent of a teacher's annual salary. Because the plan rewards extraordinary competence with a definite schedule of higher pay, the Round Valley experiment continues to be popular among the teachers. Since teachers, administrators, and the school board have been involved in creating the merit pay program, there is ample opportunity for discussion, tolerance, and ongoing improvement.


In this information-packed volume, the Educational Research Service, Inc. reviews current research and practice on merit and incentive pay for teachers in the nation's schools. Divided into five chapters, the report begins by offering an overview of current
research, followed by individual case summaries of school districts attempting some form of merit pay program. A chapter on state-level action with regard to merit pay notes the recent developments in such states as Virginia, Tennessee, and California. More than half of the volume is devoted to appendices of document abstracts of (1) local school district merit pay plans and regulations and (2) state-level laws and commission reports.

In contrast to many publications that present general arguments for or against the concept, this ERS report describes various types of merit pay plans for teachers that are actually in use across the country. To obtain data, ERS sent questionnaires to 115 districts listed in its 1979 report Merit Pay for Teachers. Forty-seven districts submitted sufficient data for comparison. Of these, 10 found no major difficulties with their merit pay programs, whereas 37 reported problems in implementation. The most common criteria used to assess teachers are input criteria such as knowledge of subject and preparation, followed by results-oriented criteria including student attendance and behavior. Student test scores are used by only a handful of districts.

Districts attributed the success of their programs to a variety of elements, "making it difficult to devise a formula for success for any merit pay plans. At best one can say only that success seems to rely on individualized combinations of administrators, teachers, school boards, and the community at large."

About 20 districts listed in the earlier report discontinued their merit pay programs, referring to "unsatisfactory evaluation procedures, administrative problems, staff dissatisfaction, and lack of funds."

As an idea, merit pay is attractive. In reality, it usually fails. This Research Action Brief focuses essentially on a review of studies on merit pay as it relates to teachers.

Mindful of the remarkable complexity of this subject, the report brings together several of the issues that continue to dominate the debate over merit pay: evaluation, dollar motivation, priority of intrinsic rewards, and the effect on self-esteem.

It is frequently noted that the issue of objectivity in merit evaluation is a dominant problem. Further confirmation that "performance ratings are not always fair, objective, or consistent" suggests that there should be several evaluators. They should be very specific, this Brief advises, and they should focus on the same criteria, using multitaced guidelines.

Because teachers are usually motivated by the rewards intrinsic to the profession, money is likely not to be a primary factor for motivation. Indeed, an extrinsic reward such as money may hinder intrinsic motivation. Consequently, no matter how well intended, any money-based merit program may meet only with failure. A possible alternative might be the adoption of a merit "praise" plan.

"In such a program, superior teachers could be rewarded with various types of praise and recognition, given in ways that do not damage the self-esteem of other teachers. Evaluators should be descriptive rather than judgmental, focusing on what teachers do rather than on how one teacher’s performance compares with that of another."

The report states the implication of the research without equivocation: "The theory behind merit pay—that money is the way to motivate teachers to improve—is simply not supported by the research."

Thus, the report sensibly concludes that the prospective rewards of merit pay are uncertain: "It should be adopted, if at all, with a good deal of care. The procedures, goals, and objectives of the program must be clearly defined, widely accepted, and universally understood."

The Program for Excellence is a reward system for excellent teaching developed by the Catalina Foothills School District (Tucson). Employing Frederick Herzberg’s motivation-hygiene theory as the foundation for developing this system, the program’s planners have been able to distinguish those factors that promote job satisfaction and those that impede it.

Motivating factors include “achievement, recognition for such achievement, intrinsic interest in the work, and growth and advancement.” Factors extrinsic to work content include salary, job security, supervision, and the like.

The Program for Excellence accords principals the power to evaluate teachers’ performances and to recommend to the superintendent those candidates worthy of participation. “Each recipient and his or her principal confer to identify an experience or reward that the teacher values highly and that conforms to Herzberg’s theory.” Most rewards, varying in value from $80 to $1,000, have taken the form of classroom equipment (thus encouraging an even richer instructional setting) or attendance at out-of-state conferences.

The first annual review of the program’s effectiveness (conducted at the end of the 1980-81 school year) included both teachers who received awards and those who did not. A strong majority of the recipients affirmed that their rewards were valued, were a form of “special recognition,” and encouraged continual excellent teaching.

However, a majority also admitted that the program had caused some dissent among teachers. Opinions were mixed regarding the general nature and purpose of the program. Some thought motivation unnecessary; others thought the rewards justified. Many expressed reserve about the program’s participants receiving too much publicity.

In the second year’s evaluation, more than two-thirds of the teachers felt that their efforts had been valued because of participation in the program. Beyond motivation and recognition, the “Program for Excellence provided opportunities for achievement, professional growth, and advancement. Participating teachers were excited enough about their opportunities to take the initiative in sharing their new skills and knowledge with others.”

In closing the essay, the authors observe that sources of job satisfaction must be removed before one can successfully implement a reward system for excellent teaching.

We are attracted to merit pay for teachers for worthy reasons, but we should not let sound intentions obscure the very real difficulties merit pay presents. McIntyre’s caution expressed in this essay stems from his observation that merit pay for public school teachers gives every appearance of not working. The reason: "The big problem at present lies in the measurement of merit."

To bring his discussion into clear focus, McIntyre begins by defining "merit salary increases" as "different raises based solely on the quality of a person’s performance." The problem then becomes one of accurately rating performance, a task susceptible to inhouse politics, and teachers’ ill-feeling toward compulsory student ratings.

High salaries, in the long run, would certainly draw and keep quality teachers in the profession. The realistic problem is that "most merit pay proposals . . . would be woefully inadequate," since they "usually involve adding a few dollars to a ridiculously low salary base."
The numbers below correspond with the numbers of entries in the text and give ordering information for those items. Addresses for ordering items from the publishers are given. For documents, specify author and title; for journal articles specify journal, volume, issue, and date. Single copy price is quoted.

1. American Society for Personnel Administration, 30 Park Drive, Berwyn, OH 44107.
2. Phi Delta Kappa, Inc., Eighth and Union, P.O. Box 789, Bloomington, IN 47402, $2.50.
3. ERS, Inc., 1800 North Kent Street, Arlington, VA 22209, $28.00.
4. ERI/CEM, University of Oregon, 1787 Agate Street, Eugene, OR. Free.
5. Same as No. 2.
6. NASSP, 1904 Association Dr., Reston, VA 22091, $4.00.
7. Same as No. 2.
8. Same as No. 2.
9. Subscription Dept., 1255 Portland Place, Boulder, CO 80321, $2.00.
10. Same as No. 6.
11. Association for Supervision and Curriculum Development, 225 N. Washington St., Alexandria, VA 22314. $3.00.

The Second Mile Plan was created by the Houston Independent School District (HISD) in 1979 to meet several imminent crises: teacher shortages in crucial areas, high teacher absenteeism and turnover, and the need for improvement in instruction. Funds were designated for an incentive pay plan for those teachers who had gone "the second mile" in their efforts to remain in the district and to improve instruction. Say and Miller here discuss the main elements of the plan.

Designers of the plan insisted that criteria for awarding funds be as far removed from subjective judgment as possible. Full-time teachers eligible for stipends must meet several criteria, including a valid teaching certificate, an undergraduate and/or graduate degree, minimum absences (all excused) during the current school year, and an "acceptable rating on the most recent evaluation." Teachers may apply for stipends in any of six categories. These include teaching in a high-priority school (where the highest stipends are awarded) and taking assignments in specialties in short supply (such as secondary math and science teachers). Other categories include professional growth ("a grade of B or better in college courses or in inservice training appropriate to the current teaching assignment") and impressive educational progress (the most controversial category).

Say and Miller discuss the outcomes, after the plan has been in effect for three years: classroom vacancies for those specialties in short supply decreased tremendously; teacher attendance has hit an all-time high; and staff stability has increased (a crucial factor for the inner-city schools). Teacher participation is noteworthy: "During the first year of implementation, approximately two-thirds of all HISD teachers collected stipends totaling some $11 million. The average stipend was $936; the range was $300 to $3,500.

Modification provided by feedback from teachers ensures continued flexibility and survival of the Second Mile Plan.

The stages of advancement from apprentice to master teacher would not, of course, be automatic. Standards must be met at each stage before progress to the next higher level: "A professional teacher is expected to be better qualified than an appointment teacher."

Pate-Bain's main concern is that this plan challenges tenure and collective bargaining. Tennessee tenure law presently provides means both for identifying and removing poor teachers and for terminating the employment of teachers who also demurs because in her view more time and careful planning should be given to the teacher evaluation process of the plan. She argues that the K-12 teaching system should not reflect the kind of "merit rise to the top" that results in the "racial and social discrimination that we find in Tennessee higher education."
and would receive more money—say an additional $5,000—than the regular staff.

Those eligible for the five-year term status would need at least seven years' teaching experience. Candidates would be selected by other teachers (preferably from outside the district), with input from former students, parents, teachers, and administrators. Funds would come from the state.

"Who shouldn't we compensate our excellent and outstanding educators?" Within the next decade, argues Shaten, merit pay will become a reality. The form such a system takes depends on whether we will conceive of and objectively pursue a merit pay plan that makes education competitive with other claimants to the tax dollar. To realize this goal, education could become a growth industry, he suggests, "if we excite and reward our current professionals and if we attract and reward those individuals who thrive on growth and the challenge of tomorrow."

Shaten advances a merit pay scheme he believes would make education competitive with other professions. Based on recognition and reward of a teacher's performance, this plan would provide necessary motivation for continued growth in education.

Shaten's overall program would be justified by the success of the teacher's product—educated students. He charts a teachers' compensation plan consisting of several criteria, including three levels of base salary and bonuses for individual teachers ("for outstanding achievement/performance of each student`). He cites a wide variety of possible "general bonuses" that could be awarded by a district when a specific goal is reached; a noticeable increase in students entering academic competitions, say, or a significant reduction in the dropout rate, or an appreciable improvement on SAT scores from one year to the next.

Other segments of Shaten's plan include "professional growth and development" and extracurricular or "extra-duty" assignments, all detailed to be objectively accessible for evaluation and consequent compensation.

The choice, Shaten concludes, is not if merit pay should be adopted, but rather how it can be implemented, in order to "make our profession as exciting, innovative, challenging and rewarding as other growth industries."


"Can school administrators make much of a difference in motivating their teachers?" They certainly can, says Silver. She reviews in this article two kinds of staff motivation. The job factors approach stems from Herzberg's work on intrinsic motivation factors (such as achievement, recognition, responsibility) and hygiene factors (usually extrinsic to the work itself, such as salary, working conditions, administration). The second category of studies follows the expectations approach, first articulated by Vroom. These two theoretical frameworks, when synthesized, suggest that "the motivation to perform an action is affected by the expectancy that a particular outcome can be achieved and by the desirability of that outcome in terms of its indirect effects."

What this assessment means for school administrators, suggests Silver, is that they can have an important impact on teacher motivation. For example, "the more frequently teachers receive praise, interesting responsibilities, growth opportunities, and chances for advancement as results of excellent teaching, the more likely they will be to perceive good teaching as instrumental in attaining those desirable indirect outcomes."

Silver also notes several ways in which school administrators can encourage teachers' subjective expectancies. They can observe and frequently command good teaching, giving recognition to specific forms of behavior that contribute to excellent teaching. They can give feedback to teachers for students' learning achievements. Silver suggests that such insights and feedback offered by school leaders could also encourage undermotivated teachers to improve their efforts by adopting proven effective actions, thus increasing their expectations for rewarding teaching results.

Prior to publication, this manuscript was submitted to the National Association of Secondary School Principals for critical review and determination of professional competence. The publication has met such standards. Points of view or opinions, however, do not necessarily represent the official view or opinions of the National Association of Secondary School Principals.