INTRODUCTION

In recent years, academic quality concerns and coinciding fiscal pressures have resulted in increased public scrutiny for community colleges to improve their efficiency of public funds usage (Dowd & Taing Shieh, 2013). Put another way, community colleges face growing calls to be accountable. Accountability is a term increasingly used in the vocabulary of community college administrators, policy makers, and the general public to describe this phenomenon. While there are many forms of accountability, accountability for student outcomes and accountability for responsible spending are two major areas that community colleges are increasingly being publicly evaluated on.

Performance accountability systems are one mechanism state legislatures are increasingly adopting to hold community colleges more accountable for student outcomes and responsible spending through the linking of state funding to specific outputs. Through these actions, it is reasonable expect an emphasis on institutional performance to permeate into a community colleges' operations, decisions, and spending. Specifically, full-time faculty salaries are the largest and most significant expenditure. Salaries are determined by the selection of a labor market whereby employers compete for employees through competitive compensation. The purpose of this paper is to explore the feasibility of determining full-time community college faculty salaries using a performance based labor market. A multivariate analysis of variance (MANOVA) was conducted to compare beginning and average faculty salaries as determined from both the performance based labor market and the actual negotiated labor market used by community college districts. The findings of our research are discussed as they relate to employees and employers and the principles of distributive and procedural justice within a performance accountability framework.

ABSTRACT

Performance accountability systems are increasingly utilized by state legislatures to hold community colleges more accountable for student outcomes and responsible spending through the linking of state funding to specific outputs. Through these actions, it is reasonable expect an emphasis on institutional performance to permeate into a community colleges' operations, decisions, and spending. Specifically, full-time faculty salaries are the largest and most significant expenditure. Salaries are determined by the selection of a labor market whereby employers compete for employees through competitive compensation. The purpose of this paper is to explore the feasibility of determining full-time community college faculty salaries using a performance based labor market. A multivariate analysis of variance (MANOVA) was conducted to compare beginning and average faculty salaries as determined from both the performance based labor market and the actual negotiated labor market used by community college districts. The findings of our research are discussed as they relate to employees and employers and the principles of distributive and procedural justice within a performance accountability framework.
Similarly, performance budgeting "allows governors, legis-
lators, and higher education boards to consider campus achievement on performance indicators as one factor in determining allocations for public colleges and universi-
ties" (Burke, 2005, p. 219). Performance budgeting is fo-
cused on decision makers' consideration of organizational outcome measures during the budget development phase. In particular, community colleges may wish to consider how performance budgeting strategy creates opportuni-
ties for decision makers, at their discretion, to budget ad-
ditional funding based on accomplishment or progress towards prioritized outcomes.

As more state legislatures adopt performance account-
ability systems to allocate funds to higher education in-
isitutions, it is reasonable to assume that community colleges may seek to respond in a way that incorporates performance in their policies, procedures, and operations. In particular, community colleges may wish to consider how performance could be incorporated into budgetary decisions to closer align their institution with the growing external performance accountability pressures.

Of the multitude of community college expenditures, instructional faculty costs represent the largest and most significant expense (Cohen, Braver, & Kiker, 2014) and the primary source of instructional faculty costs is sala-
daries. Performance accountability has become a dominat-
ing force in community college discussions at the state level. However, neglected from the conversation is mention of performance accountability’s ability to in-
fluence or improve the performance of the individual community college accountability network (Harbour, Davies, & Gon-
zales-Walker, 2010) and specifically the largest and most significant expenditure—faculty salaries.

The purpose of this paper is to explore the feasibility of determining full-time community college faculty salaries using a performance based labor market. Through this, we expand the discussion of performance accountability to a broader scope to consider its potential to influence institutional performance and processes. To form our discussion, we first provide a brief literature review establishing the principles of distributive justice and pro-
cedural justice as a framework to better understand community college discussions at the state level. Then, we discuss the rationale here is that high performing districts should be rewarded for their accomplishments and there should be a link between inputs like salaries (i.e., cost) and outputs like student performance (i.e., benefit).

METHODS

In this paper, we seek to extend the work conducted by Tran and Smith (2015) on comparing salaries determined by the performance based labor market to those deter-
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sampled community college districts and compared that to the information generated from the empirically defined performance based labor market for those same five community college districts. The MANOVA results showed an insignificant multivariate effect, Wilk’s lambda F(6, 1718) = .67, p = .68, which suggests that results do not support the hypothesis that the two labor markets differed statistically from one another for either beginning or average faculty salaries.

If salaries based on a negotiated relevant labor markets exceed those based on the performance relevant labor market, then faculty salaries are comparable irrespective of geographic area, size, and wealth did not differ statistically from one another for either beginning or average faculty salaries. These results echo concerns expressed by others (e.g. Horne, Foley, & Flora, 2014) that faculty pay might not be as strong a motivator to improve student performance as some perceive them to be. However, because our findings suggest that performance based salaries do not vary much from the status quo, this may result in the potential of increased buy-in from faculty (or at least less opposition) for linking faculty salaries to institutional performance. From the employer perspective, selecting a labor market that pays based on institutional performance provides an opportunity to address increasing calls to be accountable for student outcomes and spending. This allows community colleges an opportunity to respond to stakeholders and demonstrate a responsiveness to these accountability demands. By linking faculty salaries to institutional performance through the salary determination process, community colleges may garner more public support. As it relates to procedural justice (i.e. the fairness of the process), the selection of a labor market based on empirical data supports and guides decision makers during the salary determination process. From an employees’ perspective, a fair process to determine pay practices and policies promotes transparency. From an employer’s perspective, a district can demonstrate rational decision-making based on empirical evidence. Like all studies, our work is not without its limitations. We recognize that institutional performance can be measured in a variety of ways that differ from the measurement used in our study. Our definition of institutional performance aligned with the states definition of performance. However, future research should look at alternative definitions of performance.

In addition, the main analysis conducted for this study was based on a smaller sample. One potential problem with this is that statistical procedures may not have been able to detect any existing disparities. However, we feel confident that this is not the case as examinations of the beginning and average salaries between labor market (as evident in table 1) suggests minimal differentiation. Also, there are only 72 community colleges in California. Because we only focus on California, results may also not be representative of community colleges across the nation. However, California is the state that operates with the most number of community colleges, which is a reason for its selection. Future studies should replicate this study in other states. Furthermore, we recognize that paying the lowest salaries to the lowest performing community colleges may be counter productive. Specifically, some may argue that underperforming community colleges should be offering higher wages to attract faculty that can improve institutional performance. However, these types of arguments are based on the assumption that offering higher pay is a viable mechanism for attracting faculty candidates who have the ability to improve community college outcomes. Future studies should examine whether the selection of a performance based labor market may serve as an incentive for subsequent institutional performance improvement. Our initial examination of a potential link between present faculty salaries and performance suggest a moderate relationship between district pay and performance, however this simple examination was exploratory and cross-sectional in nature. Future studies should consider examining the association between performance and salaries across time.

Lastly, we recognize that some community college districts may use more than one labor market to determine faculty salaries. Future research should explore commu-

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Table 1

<table>
<thead>
<tr>
<th>Table 1: Descriptive Statistics</th>
<th>Performance Labor Market</th>
<th>Negotiated Labor Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>Standard Deviation</td>
<td>Mean</td>
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<tr>
<td>Beginning Salary</td>
<td>$50,447.21</td>
<td>$7,229.47</td>
</tr>
<tr>
<td>Average Salary</td>
<td>$88,090.80</td>
<td>$7,915.61</td>
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Figure 1

Scatter plot of District’s Beginning Faculty Salaries on District Performance

Figure 2

Scatter plot of District’s Average Faculty Salaries on District Performance
Community colleges using multiple labor markets to determine faculty salaries. Specifically, future research should look at the application of a performance based labor market as one of multiple labor markets informing salary determination decisions.

Over the next decade, community colleges will face increased pressure to be accountable for student performance and spending. Performance accountability systems have been one way in which community colleges have been encouraged by state legislatures to meet these demands. State funding linked to institutional performance is inherently a motivator for community colleges to focus on student outcomes and other state defined measures of performance. The next step for community colleges operating within performance accountability systems is integrating performance into local policies, procedures, and operations. Specifically, faculty salaries are one of the largest expenditures in a community college budget.

The findings of our research suggest that community colleges can integrate institutional performance into the faculty salary determination process by selecting institutional performance as a labor market. Our findings suggest that faculty salaries based on an institutional performance labor market do not differ from the negotiated markets currently in place. Accordingly, given the benefits, and lack of financial harm, to the employee and the employer from a distributive justice and procedural justice perspective, community colleges may wish to consider selecting institutional performance as a labor market in the faculty salary determination process.

REFERENCES


