

ABSTRACT

Patrick C. Miller, THE COLLABORATIVE PROJECT: PRINCIPALS' PERCEPTIONS RELATED TO THE DEVELOPMENT AND IMPLEMENTATION OF A TEACHER PERFORMANCE INCENTIVE INITIATIVE (Under the direction of Dr. William Grobe). Department of Educational Leadership, February 2011.

The Collaborative Project (CP) began as a pilot project in five low-wealth, rural school districts in North Carolina in August, 2007. The Project included a performance incentive initiative for teachers and administrators along with a professional development component and a set of after-school programs for underachieving students. The pilot phase continued for three years. The objective of this study was to document and examine principals' perceptions of the performance incentive initiative to determine the challenges and successes encountered during the development and implementation of the program

The researcher utilized a qualitative interview process to collect data. The participants in the study were principals from the participating districts who had served in their positions for two or more years of the performance incentive program. Every eligible principal consented to be interviewed for this study with the exception of the principals in the researcher's district, who were excluded from the study because of the researcher's role as superintendent of the district.

The principals' responses were analyzed and tables were constructed to show the main types of responses for each question, the number of principals who voiced each type of response, and short quotes illustrating each type of response. For triangulation purposes, the results were compared with survey data from a June, 2009 evaluation completed by the Carolina Institute for Public Policy.

Overall, the majority of the principals interviewed believed the student achievement, professional development, and principal's evaluation components of the teacher performance incentive criteria helped their schools. The results of the study provided insight into some of the anomalies encountered by the CP leadership during the development and implementation of this performance incentive program. For example, some principals noted instances of teachers of non-tested grades/subjects receiving more performance incentive for student achievement than some teachers of tested grades/subjects. The interview process revealed some unanticipated results not mentioned in the review of the literature, such as a quid pro quo between some principals and teachers. Therefore, this study may provide a significant contribution to the literature on the development and implementation of performance incentive programs.

THE COLLABORATIVE PROJECT:
PRINCIPALS' PERCEPTIONS RELATED TO THE DEVELOPMENT AND
IMPLEMENTATION OF A TEACHER PERFORMANCE INCENTIVE INITIATIVE

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IMPLEMENTATION OF A TEACHER PERFORMANCE INCENTIVE INITIATIVE

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DEDICATION

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CHAPTER ONE: INTRODUCTION

Teacher compensation has been and remains an issue of debate in most areas of the United States (Odden & Kelley, 2002). Most stakeholders have an opinion on teacher pay – some think teachers are not paid enough, some think teachers are adequately compensated, and some think teachers are overpaid (Odden & Kelley, 2002). Regardless, there have been many efforts across the country in the past to pay teachers more (Martin, 2007; Odden & Kelley, 2002).

Some researchers argue the reasons for the increased efforts to raise teacher pay have grown out of the desire to recruit and retain teachers (Odden & Kelley, 2002; Wallis, 2008). Others believe the drive to increase teacher pay has resulted from the increased emphasis on accountability for student performance (Kauffmann, 2007; Martin, 2007; Podgursky & Springer, 2007). Others debate the need for performance pay because the results of standardized tests across the nation have shown the United States is lagging behind many other countries educationally (Gratz, 2010).

Traditionally, teachers in the United States have been compensated using a single salary schedule based solely on the number of years of experience and/or the attainment of advanced degrees (Odden & Kelley, 2002; Palumbo, 2007). Many of the past efforts to reform teacher pay and move away from the traditional salary schedule have incorporated some type of performance-based incentives to reward teachers for student achievement and/or the successful completion of professional development modules (Odden & Kelley, 2002). Other efforts to reform teacher pay incorporated subjective teacher evaluations completed by school administrators as a method of determining whether or not a teacher earned a bonus (Baber, 2007; Palumbo, 2007).

Until recently, nearly all attempts to change the way teachers are compensated have failed to produce any lasting results (LeFevre, 2001; Perkins-Gough, 2007). Therefore, the traditional teacher salary schedule continues to serve as the basic structure for teacher compensation nationwide (Koppich, 2010; Podgursky & Springer, 2007).

William J. Slotnik, a technical advisor to a number of districts implementing performance pay programs, recently said, “We’re really at a very critical juncture because we’re now 25 years beyond the failed merit-pay experiments of the early 1980s. And if we replicate the same mistakes that burdened that movement, we’re going to lose a generation of compensation reform” (Olson, 2007, p. 2).

In their book “Paying Teachers for What They Know and Do,” authors Allan Odden and Carolyn Kelley (2002) argue it is possible to create successful teacher performance pay initiatives based on lessons learned from earlier failed attempts at teacher performance pay. In a recent article, William J. Slotnik also postulated that performance-based compensation can serve as a catalyst for educational change, but only if educators manage to avoid repeating mistakes made in the past (Slotnik, 2010). There is some agreement in the body of literature on specific components of a performance pay system in education that increase the likelihood of a success (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007). Among the generally agreed upon components of a performance pay system are: providing additional pay for individuals who participate in additional and relevant professional development, encouraging collaboration, and including stakeholders in the planning and implementation of new performance pay programs (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007).

Even with the studies reported in this dissertation, the number of research-based evaluative studies on performance pay initiatives is small; therefore, more studies are needed to illuminate issues surrounding performance pay initiatives (Hulleman & Barron, 2010; Olson, 2007; Ritter & Jensen, 2010).

Need for the Study

The need for research studies on the development, implementation, and effectiveness of teacher performance pay initiatives is increasing. There is growing national interest in performance pay initiatives in the K-12 education system (Podgursky & Springer, 2007). Groups like the federally-funded National Center of Performance Initiatives (NCPI) at Vanderbilt University's Peabody College, the Education Commission of the States (ECS), Mathematica Policy Research, Inc., and the Center for Educator Compensation Reform have begun tracking teacher and administrator compensation reforms, issues, and research opportunities (Podgursky & Springer, 2007). Consequently, the United States Department of Education has placed performance incentives/pay for teachers at the top of its reform efforts by allotting the largest portion of the 500-point Race to the Top rubric for performance pay (Springer & Gardner, 2010; U.S. Department of Education, 2010). Because the interest in performance pay programs is growing, along with the number of performance pay programs under development and in various phases of implementation throughout the country, the need for research studies to illuminate potential issues surrounding these performance pay initiatives is increasing.

Statement of the Problem

This study will document and examine principals' perceptions and opinions of the Collaborative Project (CP), a teacher performance incentive initiative, to determine the successes, challenges, and dilemmas associated with the design and implementation of the initiative that may not have been fully revealed during a more quantitative analysis of the CP performed by the Carolina Institute for Public Policy (CIPP). Research on performance pay initiatives is limited; therefore, the Collaborative Project presents an opportunity for research on performance incentives at a time when interest in these initiatives is high (Hulleman & Barron, 2010; Olson, 2007; Ritter & Jensen, 2010).

Purpose of the Study

The purpose of this study is to determine, through an interview process with principals involved in the Collaborative Project, successes, challenges, and dilemmas faced within five North Carolina school districts during the development and implementation of a performance incentive program. The information that these principals may provide regarding the performance incentives associated with the Collaborative Project may provide clarification for school leaders wishing to design and implement a similar program in the future. The information may also help school leaders decide whether or not they want to pursue a performance incentive program at all.

Significance of the Study

This study may be a significant addition to the limited number of studies in existence on the design and implementation of performance incentive programs for individual teachers.

The breadth of existing studies on the evaluation of performance pay initiatives in K-12 education are very diverse in terms of the design of the incentive plans, the type of incentive (knowledge- and skills-based or merit-based), and the duration of the incentive program (Odden & Kelley, 2002; Podgursky & Springer, 2007). However, one shortcoming in the literature is the lack of a research-based prescription describing how performance pay initiatives should be designed (Podgursky & Springer, 2007; Ritter & Jensen, 2010). For example, do the size of the incentives and/or the mixture of knowledge- and skills-based incentives with merit-based incentives make any difference in the design? Further experimentation at the district and state level is needed to generate more conclusive evaluation results.

Research Questions

This study was guided by the following questions:

1. What are the major challenges and dilemmas for school leaders in designing a performance incentive system for individual teachers?
2. How did the leadership of the Collaborative Project address the challenges and dilemmas that arose during the implementation of the performance incentive system?
3. How did principals, teachers, and others involved in the implementation respond to the design of the Collaborative Project?
 - a. To what degree were the responses positive?
 - b. To what degree were the responses negative?
 - c. What unforeseen challenges or dilemmas emerged during implementation?

4. What are the implications for school leaders of the Collaborative Project's experience in designing and implementing a performance incentive system for individual teachers for future efforts to create performance incentive systems designed to improve student achievement?

Overview of Methodology

The researcher utilized a qualitative approach for this study. Specifically, an interview process was employed to determine the perceptions and opinions of principals within the five districts of the Collaborative Project (CP) as they relate to the design and implementation of the performance incentive component.

The interview process utilized what Patton (2002) calls the "Standardized Open-Ended Interview". There are four main reasons for using this type of interview format (Patton, 2002). They are:

1. The exact instrument used in the interview is available for inspection by those who may use the findings.
2. Variation among interviewers can be minimized.
3. The interview is more focused so interviewee time is used more efficiently.
4. Analysis is facilitated by making responses easier to find and compare

(Patton, 2002).

Through an interview process with principals from participating districts in the CP, this researcher documented and examined the perceptions and opinions of principals to determine whether there were successes, challenges, and/or dilemmas associated with the design and implementation of the CP that may not have been fully revealed during a

more quantitative analysis of the project performed by the Carolina Institute for Public Policy (CIPP).

As mentioned previously, the standardized open-ended interview format was utilized for the principal interviews. The interview instrument developed by the researcher is presented in Appendix A. The CP principals who consented to be interviewed were asked a series of eight questions. The questions included in the interview were comprised of two different types: opinion and values questions and knowledge questions (Patton, 2002).

The interviews were recorded and used as a basis for the creation of *field notes* by the researcher. All of the principals' responses to each question were reviewed, question by question. For each question, the main types of responses were identified. A table was constructed showing the main types of responses for each question, the number of principals who spoke to or voiced each type of response, and two or three short quotes illustrating each type of response. During the analysis for each question, the findings were compared with the survey data from the June, 2009 program evaluation completed by CIPP for triangulation purposes. Finally, a summary of the findings was written.

Definition of Terms

Prior to examining the relationship between performance pay initiatives for teachers and students achievement, several terms require definition.

1. *North Carolina End-of-Grade Tests of Reading Comprehension and Math:*

EOG Tests are North Carolina's state-developed standardized tests in reading and math designed to assess the competencies defined by the North

Carolina Standard Course of Study in grades 3-8 (North Carolina Department of Public Instruction website: Retrieved from

<http://www.ncpublicschools.org/accountability/testing/eog/>).

2. *Achievement levels*: Proficiency levels, also known as achievement levels, refer to student achievement on North Carolina's end-of-grade tests and end-of-course tests, which is reported by four achievement levels: Level I, insufficient mastery; Level II, inconsistent mastery; Level III, mastery; and Level IV, superior. Level III is considered to be at grade level and Level IV is considered above grade level (NCDPI website: Retrieved from <http://www.ncpublicschools.org/accountability/testing/shared/achievelevel/>).
3. *Knowledge- and Skills-based pay*: The provision of additional pay for participating in additional and relevant professional development is a component of knowledge- and skills-based pay (Goldhaber, 2006; Odden & Kelley, 2002; Podgursky & Springer, 2007). According to Odden, knowledge- and skills-based pay provides extrinsic rewards to educators for the continued development of professional expertise (Kellor, Milanowski, Odden & Gallagher, 2001; Odden & Kellor, 2000). Another researcher, Milanowski, asserted that knowledge- and skills-based pay programs have the potential to positively affect student achievement indirectly by changing teacher instruction for the better (Kellor et al., 2001). According to Milanowski, there are three ways knowledge- and skills-based pay makes this possible: by providing stipends or other incentives for educators to develop specific knowledge and skills, granting higher pay to educators who possess the

necessary knowledge and skills to stay in the profession, and creating a “model of competence” that can be used for professional development and the evaluation of personnel (Kellor et al., 2001). The first knowledge- and skills-based pay component was certification by the National Board for Professional Teaching Standards (Goldhaber, 2006; Odden & Kelley, 2002). Other components of a knowledge- and skills-based compensation program (KSBP) include the acquisition and development of new skills and knowledge related to content, curriculum, and instruction (Goldhaber, 2006; Odden & Kelley, 2002; Podgursky & Springer, 2007).

4. *Merit-based performance awards for individual teachers:* Merit-based performance awards reward individual teachers for any number of factors, including student performance and classroom evaluation results (Odden & Kelley, 2002; Podgursky & Springer, 2007).
5. *Merit-based performance awards for groups of teachers or entire schools:* Merit-based performance awards of this type reward groups of teachers or entire faculties/schools for any number of factors, including student performance and classroom evaluation results (Odden & Kelley, 2002; Podgursky & Springer, 2007).
6. *The Collaborative Project:* The Collaborative Project (CP) is a three-year pilot project that began in August, 2007 in five North Carolina counties: Caswell, Greene, Mitchell, Warren, and Washington (About the collaborative, n.d.). Funded by the North Carolina General Assembly as an experiment in the recruitment and retention of teachers, the \$7 million project is administered

jointly by the Public School Forum of North Carolina and the North Carolina Science, Mathematics, and Technology Education Center (About the collaborative, n.d.). The CP features three main components: professional development, performance incentives, and after-school programs. Teachers participating in the project may earn up to \$2,000 in performance incentives per year based on the following components: teacher evaluation, professional development, student achievement, and parental contacts (About the collaborative, n.d.). A more detailed description of the CP may be found in Chapter three.

Limitations of the Study

The Collaborative Project (CP) districts and schools are not chosen randomly from the larger population of schools in North Carolina. Thus, the researcher was not able to generalize findings in any rigorous way to other schools and districts. However, placing findings from the study in the context of existing research on the topic should enable the researcher to suggest what some of the wider implications may be.

The researcher is a participant in the CP; therefore, this study represents a type of participant observation. Also, the researcher's role as superintendent of a participating district presents unique problems for the study.

In an effort to overcome problems associated with reliance upon one method of data collection, the researcher will use the findings from the June, 2009 CIPP teacher survey to complement and cross-check results of the interviews with the principals.

Research Organization

This research study is organized into five chapters. Chapter one is an introduction to the study; Chapter two consists of a thorough review of literature relating to performance pay for teachers and relevant subtopics; in Chapter three, a description of the methodology used for this study is detailed; Chapter four is a review of the results in relation to the research questions and hypotheses of the study; finally, Chapter five includes a thorough discussion of the results of the study, conclusions reached, implications of the study, and recommendations for further research.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

This study investigated principals' perceptions of teacher performance pay initiatives as well as their perceptions of the relationship that performance pay for teachers has on student achievement as measured by North Carolina End-of-Grade Tests of Reading Comprehension and Math. This literature review addresses the following related topics:

- A brief history of performance pay initiatives.
- Reasons for an increase in performance pay initiatives.
- Types of performance pay.
- Performance pay evaluative studies: past and present.
- Teacher unions and performance pay initiatives
- Effective educational leadership.
- Relationship of educational leadership to a performance pay initiative (The Collaborative Project).

Brief History of Performance Pay Initiatives

Traditionally, teachers in the United States have been compensated using a single salary schedule based solely on the number of years of experience and/or the attainment of advanced degrees, regardless of race, gender, and/or grade level taught (Odden & Kelley, 2002; Palumbo, 2007). The single salary schedule was first introduced to teachers in 1921 in Denver, Colorado and Des Moines, Iowa (Sharpes, 1987). In America, the single salary schedule had been adopted by 97% of schools by 1950 (Sharpes, 1987). The advantages of the single salary schedule, including predictability and ease of administration, have made this method of compensation

durable and difficult to change (Odden & Kelley, 2002). Also, the single salary schedule was championed by teacher unions as the only structure that provided equality for all teachers (Kerchner, Koppich, & Weeres, 1997).

Despite its perceived advantages, the single salary schedule has its share of critics (Odden & Kelley, 2002). Many feel the single salary schedule is unfair for paying teachers equally with the same education and experience while neglecting effort, professional competencies, and/or student achievement (Odden & Kelley, 2002). In 1983, the National Commission on Excellence in Education released *A Nation at Risk*. After this report was published, Ronald Reagan's administration pressed for merit pay for educators (Sessions, 1996). One of the many recommendations outlined in this report addressed teacher salaries. Teacher salaries should be "professionally competitive, market-sensitive, and performance-based" (National Commission on Excellence in Education, 1983). In response to *A Nation at Risk*, school districts across the nation implemented a rash of incentive pay programs, including merit pay and career ladders (Cooper, 1991; Ianelli, 2002; Odden & Kelley, 2002; Sessions, 1996; Zhang, 2002). Most of these efforts to reform teacher compensation were short-lived and unsuccessful (Odden & Kelley, 2002).

Teacher compensation is an issue of debate in most areas of the United States (Odden & Kelley, 2002). Most stakeholders have an opinion on teacher pay – some think teachers are not paid enough, some think teachers are adequately compensated, and some think teachers are overpaid (Odden & Kelley, 2002). Research from the business sector provides a mixed picture of the effectiveness of performance pay in increasing productivity of workers (Hulleman & Barron, 2010). Regardless, there have

been many efforts across the country in the past to pay teachers more (Martin, 2007; Odden & Kelley, 2002).

The work of two prominent behavioral theorists addresses the issue of performance pay in education. Abraham Maslow and Frederick Herzberg both formulated behavioral theories that have withstood the test of time in the business world (Gawel, 1997). Herzberg, the psychologist, proposed a theory about factors in the workplace that motivate employees (Gawel, 1997; Herzberg, Mausner, & Snyderman, 1959). Herzberg's contemporary, Maslow, a behavioral scientist, formulated a hierarchy of needs and how people pursue these needs (Gawel, 1997; Maslow, 1970).

Abraham Maslow's research in the 1940s and early 1950s about how people satisfy various personal needs within the context of their work culminated in Maslow's 1954 book, *Motivation and Personality* (Gawel, 1997; Maslow, 1970). Maslow developed a theory, based on his observations, that people follow a pattern or hierarchy of needs recognition and satisfaction (Gawel, 1997; Maslow, 1970). In general people tend to follow this hierarchy of needs in the same sequence (Gawel, 1997; Maslow, 1970). Maslow also postulated as part of this theory that people could not pursue the next higher need in the hierarchy until the need currently recognized had been substantially satisfied (Gawel, 1997; Maslow, 1970). Maslow called this concept *prepotency* (Gawel, 1997; Maslow, 1970).

Maslow's hierarchy of needs is often illustrated as a pyramid with the most basic needs for survival at the bottom and the need for self-actualization at the top (Gawel, 1997; Maslow, 1970). According to Maslow (1970), the needs, from bottom to top, are listed in Table 1. In the business world, safety needs could include protection against

Table 1

Maslow's Hierarchy of Needs

Level	Type of Need	Example(s)
1	Physiological	Food, water, sleep
2	Safety	Security of: body, employment, resources
3	Love and Belonging	Friendship, family
4	Esteem	Self-esteem, confidence, achievement, respect of others
5	Self-actualization	Morality, creativity, acceptance of facts

unemployment and protection from the loss of income due to sickness (Maslow, 1970; Maslow, 2010). The need to belong may include the need for someone to identify with a particular group or department at work (Maslow, 1970; Maslow hierarchy of needs, 2010). Esteem needs may include the need for recognition for a job well done (Maslow, 1970; Maslow hierarchy of needs, 2010). Self-actualization may be affected by the amount of challenge or success at work (Maslow, 1970; Maslow hierarchy of needs, 2010). For example, according to a study conducted by Bellott and Tutor (1990), teachers were less satisfied with their personal achievement of esteem than with their achievement of self-actualization (Gawel, 1997). Therefore, based on the results of the study by Bellott and Tutor, self-actualization is a prepotent need for esteem (Bellott & Tutor, 1990; Gawel, 1997). While Maslow's hierarchy of needs may still have broad applicability in the business world, at least one aspect of Maslow's hierarchy of needs does not seem to hold up in the case of teachers (Bellott & Tutor, 1990; Gawel, 1997).

Research led by Frederick Herzberg in the business sector in the 1950s suggested that performance incentives did not motivate employees to work harder (Herzberg et al., 1959). Herzberg created a two-dimensional model of factors that affect peoples' attitudes about their work (Herzberg et al., 1959). Factors such as salary were classified within this model as hygiene factors rather than motivators (Herzberg et al., 1959). Herzberg et al. (1959) wrote that hygiene factors operate "to remove health hazards from the environment of man". According to Herzberg et al.'s (1959) theory, the absence of hygiene factors can create job dissatisfaction but their presence does not necessarily equate to job satisfaction (p. 113).

Research conducted by Bellott and Tutor (1990) suggested two problems with Herzberg's work: that the research occurred too long ago to be pertinent and that it did not pertain to teachers (Bellott & Tutor, 1990; Gawel, 1997). Bellott and Tutor referred to research completed by Tutor in 1986 on the Tennessee Career Ladder Program (TCLP) as a way of refuting Herzberg's research (Gawel, 1997). In Herzberg's model, achievement ranks as the most important of five motivation factors; however, Tutor's research on the TCLP found that salary was the single most important influence on the decision of teachers to participate in the TCLP (Gawel, 1997; Herzberg et al., 1959; Tutor, 1986). Therefore, Bellott and Tutor concluded that while Herzberg's model may still have applicability in the business world, the model does not seem to apply to teachers (Bellott & Tutor, 1990; Gawel, 1997).

Reasons for an Increase in Performance Pay Initiatives

Some researchers argue the reasons for the increased efforts to raise teacher pay have grown out of the desire to recruit and retain more teachers (Cooper, 1991; Kelley, 2000; McCaffrey, Han, & Lockwood, 2008; Odden & Kelley, 2002; Sessions, 1996; Wallis, 2008; Zhang, 2002). Others believe the drive to increase teacher pay has resulted from the increased emphasis on accountability/improving student achievement (Ianneli, 2002; Kauffmann, 2007; Kellor et al., 2001; Lewis & Springer, 2008; Martin, 2007; Odden & Kellor, 2000; Podgursky & Springer, 2007).

Many of the past efforts to reform teacher pay and move away from the traditional salary schedule have incorporated some type of performance-based incentives to reward teachers for student achievement and/or the successful completion of professional development modules (Odden & Kelley, 2002). Other initiatives

incorporated subjective teacher evaluations completed by school administrators as a method of determining whether or not a teacher earned additional pay (Baber, 2007; Palumbo, 2007). Until recently, nearly all attempts to change the way teachers are compensated have failed to produce any lasting results (Perkins-Gough, 2007; LeFevre, 2001). Therefore, the traditional teacher salary schedule continues to serve as the basic structure for teacher compensation nationwide (Podgursky & Springer, 2007).

In the past twenty-five years, there have been many short-lived and less than successful attempts to reform traditional teacher salary schedules based on years of experience and/or degrees attained with more performance-based pay systems (Olson, 2007). Currently, at least half a dozen states, including North Carolina, have statewide or pilot programs that provide teachers with performance incentives based on student achievement at the school or classroom level (Olson, 2007). On a smaller level, hundreds of districts are experimenting with performance incentive programs, although few have eliminated pay increases based on years of experience or degrees attained (Olson, 2007). According to Williams J. Slotnik, a technical advisor to a number of districts implementing performance pay programs, “we’re really at a very critical juncture because we’re now 25 years beyond the failed merit-pay experiments of the early 1980s. And if we replicate the same mistakes that burdened that movement, we’re going to lose a generation of compensation reform” (Olson, 2007, p. 2).

In their book “Paying Teachers for What They Know and Do,” authors Allan Odden and Carolyn Kelley (2002) argue it is possible to create successful teacher performance pay initiatives based on lessons learned from earlier failed attempts at teacher performance pay. There is some agreement in the body of literature on specific

components of a performance pay system in education that increase the likelihood of a successful performance pay program (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007). Among the generally agreed upon components of a performance pay system are: providing additional pay for individuals who participate in additional and relevant professional development, encouraging collaboration, and including teachers in the planning and implementation of new performance pay programs (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007).

Types of Performance Pay

The three most common types of performance pay structures in performance pay programs currently in existence are:

1. knowledge- and skills-based pay for individual teachers,
 2. merit-based performance awards for individual teachers, and
 3. merit-based performance awards for groups of teachers or entire schools
- (Odden & Kelley, 2002; Podgursky & Springer, 2007).

The provision of supplemental pay for participating in additional and relevant professional development is a component of knowledge- and skills-based pay (Goldhaber, 2006; Odden & Kelley, 2002; Podgursky & Springer, 2007). The first knowledge- and skills-based pay component was certification by the National Board for Professional Teaching Standards (Goldhaber, 2006; Odden & Kelley, 2002). Other components of a knowledge- and skills-based compensation program (KSBP) include the acquisition and development of new skills and knowledge related to content, curriculum, and instruction (Goldhaber, 2006; Odden & Kelley, 2002; Podgursky &

Springer, 2007). Merit-based performance awards reward individual teachers, groups of teachers, or entire schools on any number of factors, including student performance, completion of a project such as a portfolio, and classroom evaluation results (Odden & Kelley, 2002; Podgursky & Springer, 2007).

Performance Pay Evaluative Studies: Past and Present

Research linking performance pay for teachers to gains in student achievement is limited (Olson, 2007). However, some recent studies have identified a positive relationship between performance incentives for teachers and increased student achievement (Olson, 2007). Other studies have identified mixed results (Podgursky & Springer, 2007). There have also been studies that found negative relationships between performance incentives and student achievement (Eberts, Hollenbeck, & Stone, 2002; Greene & Winters, 2007; LeFevre, 2001; Olsen, 2001). This section of the review of literature will outline some of the studies that attempted to link performance pay to increases in student achievement.

Studies Yielding Positive Results

According to a recently released paper entitled “Do Individual Teacher Incentives Boost Student Performance?” by David Figlio and Lawrence Kenny, professors at the University of Florida, performance pay for teachers had more positive effects on student achievement than class size reduction initiatives or stricter attendance requirements (Goldhaber, 2006; Keen, 2007). According to Figlio, “This research provides the first systematic evidence of a relationship between individual teacher performance incentives and student achievement in the United States. We demonstrate that students learn more when teachers are given financial incentives to do more” as cited in

Keen (2007, p. 1). Figlio and Kenny collected data via surveys from 534 schools among the 1,319 participants in a national study sponsored by the United States Department of Education (Keen, 2007). Figlio and Kenny concluded that students at schools with performance pay initiatives scored an average of 1.3 to 2.1 points higher on standardized tests with a standard deviation of 33 than students at schools without performance pay initiatives (Goldhaber, 2006; Keen, 2007). The study suggested that performance pay initiatives, even when controlled for other factors, appeared to be effective at improving student achievement (Goldhaber, 2006; Keen, 2007). The study by Figlio and Kenny also found that the effects of performance pay initiatives were stronger in the poorest schools (Keen, 2007).

In a study by Helen Ladd of a performance pay initiative in Dallas, Texas from 1991-1995, student test scores in Dallas were compared with gains in other cities, with adjustments made for socioeconomic status and race (Lavy, 2007; Podgursky & Springer, 2007). Ladd found that proficiency rates increased more quickly in Dallas than in other cities; therefore, Ladd concluded the performance pay program was effective in increasing student achievement on math and reading test scores (Lavy, 2007; Podgursky & Springer, 2007).

Likewise, Cooper and Cohn (1997) discovered that teachers who received a performance bonus as part of a performance pay plan in South Carolina had higher classroom average student achievement.

One of the most widely implemented performance pay initiatives is the national Teacher Advancement Program (TAP). Begun in 1999 by the Milken Family Foundation, TAP provides monetary rewards to teachers who increase student

achievement and who receive favorable evaluations by multiple certified TAP evaluators four to six times per academic year (Holland, 2005; Olson, 2007). An evaluation of TAP was released in 2007, and it found that teachers in schools that participate in the program are more likely to significantly raise student achievement than similar teachers in public schools (Olson, 2007). According to the TAP website, www.talentedteachers.org, TAP has been implemented in 220 schools for the 2008-09 school year, affecting 6,200 teachers and 72,000 students.

In a 2005 study by Robert Holland, a performance pay initiative found in the Chattanooga, Tennessee public schools appeared to be producing significant improvements in student achievement in the traditionally low-performing, inner-city schools of the district (Holland, 2005). In Chattanooga's initiative, teachers who agreed to work in the traditionally low-performing, inner-city schools of the district and then realized gains in student achievement received \$5,000 annual bonuses along with other perks (Holland, 2005).

Several researchers noted a successful performance pay initiative found in Meadowcliff Elementary School and four other elementary schools in Little Rock, Arkansas (Holland, 2005; Viadero, 2007; National Center on Performance Incentives, 2008b). At Meadowcliff, teachers received bonuses based on the increase in each individual student's test scores (Holland, 2005; Viadero, 2007). Teachers received \$100 per student whose scores rise at least 4%, \$200 for each student who gains 5% to 9%, \$300 per students who gains in the range of 10% to 14%, and \$400 per student for gains exceeding 14% (Holland, 2005). The potential total bonus could be \$11,200 a year for a teacher – a substantial incentive (Viadero, 2007). In one year, Meadowcliff

Elementary School realized a gain of 17% on the Stanford Achievement Test (Holland, 2005). Viadero concluded that performance incentives for teachers significantly improved academic performance of students (Viadero, 2007). Studies on this and several other Arkansas elementary schools by Winters, Ritter, Barnett, and Greene in 2006 also found a positive correlation between the performance incentives and standardized math test scores of students in grades four and five (Podgursky & Springer, 2007; Winters, Ritter, Barnett, & Greene, 2006). In a 2008 study, researchers from the National Center on Performance Incentives discovered that students whose teachers were eligible for performance pay realized significantly larger test score gains in math and reading than did students taught by teachers ineligible for performance pay (2008b). These researchers also found that the greatest gains were associated with teachers who had historically proven less effective at producing growth in students (National Center on Performance Incentives, 2008b).

In his 2007 article, Lavy cited two studies of a South Carolina performance pay initiative. Both studies concluded that student achievement improved as a result of the performance pay program but offered a caveat: teachers could choose to apply for the bonuses (Lavy, 2007). It is highly likely that only the most effective teachers chose to apply which may have indicated teacher quality played a larger role than performance incentives in the South Carolina study (Lavy, 2007).

Podgursky and Springer (2007), discuss ten quantitative studies of the effect of performance pay programs on student achievement. Of the ten studies examined, eight demonstrated that performance pay resulted in positive gains in student achievement;

the remaining two studies revealed mixed results on student achievement (Podgursky & Springer, 2007).

Several of the studies examined by Podgursky and Springer were conducted in other countries. Podgursky and Springer included the results of these studies in their article due to the scarcity of quantitative evaluations of performance pay programs on student achievement here in the United States (Podgursky & Springer, 2007).

One of these studies took place in 500 rural Indian primary schools during 2004-2005 (Podgursky & Springer, 2007). The results, published in 2006 by Muralidaran and Sundararaman, showed positive increases in math and reading tests in schools with group and individual performance incentives in place (Podgursky & Springer, 2007).

Lavy, in two separate studies conducted in Israel from 1993-1997 and again from 1999-2001, found a positive correlation between performance incentives and test scores in low socioeconomic Israeli high schools (Podgursky & Springer, 2007). Lavy also concluded that performance incentives contributed to higher pass rates and lower dropout rates in the Israeli high schools during the time of his study (Podgursky & Springer, 2007).

A group of researchers from the National Center on Performance Incentives (2008a) concluded that Missouri's Career Ladder Program had a limited but positive effect on student achievement. Their research uncovered a positive correlation between the performance pay program and student achievement, but the results were small for math and not statistically significant for reading in the three grade levels studied (National Center on Performance Incentives, 2008a).

Studies Yielding Mixed Results

In a 2004 study by Glewwe and his colleagues, 100 primary schools in rural Kenya were studied with 50 schools randomly chosen to receive performance incentives (Podgursky & Springer, 2007). Teachers could receive up to 43% of their monthly salary in performance pay based on test scores of students in grades 4 and 8 (Podgursky & Springer, 2007). The results of this study were mixed (Podgursky & Springer, 2007). Glewwe and his colleagues found that test scores increased during the two years of the program but in the third year, once the program ended, the increases dropped off which led the authors to believe the increases were the result of opportunistic behavior on the part of the teachers (Podgursky & Springer, 2007).

The other study examined by Podgursky and Springer that yielded mixed results took place in two alternative high schools in Michigan (1 treatment and 1 control). Teachers could receive up to 20% of their base pay in performance incentives based on student course completion rates, pass rates, daily attendance, and grade-point average (Podgursky & Springer, 2007). This performance pay program was implemented as a strategy to combat a high dropout problem (Podgursky & Springer, 2007). The incentive program raised the rate of course completions but the student pass rates and grade point averages dropped (Podgursky and Springer, 2007). Podgursky and Springer postulated that a better performance pay plan incorporating a larger number of performance indicators might have yielded more positive results in Michigan (Podgursky & Springer, 2007).

In an evaluation of the Collaborative Project (CP) in North Carolina released in June, 2010, researchers from the Carolina Institute for Public Policy (CIPP) noted that

the data collected from the participating districts indicated several areas of success. Among these successes were identifying and rewarding effective teachers and linking higher gains in student achievement to student achievement to certain types of professional development offered through The Collaborative Project (Carolina Institute for Public Policy [CIPP], 2010). Despite the successes associated with The Collaborative Project, the researchers concluded that the performance incentives associated with the project had not created a statistically significant effect on student achievement in any of the five participating districts (CIPP, 2010). To remind the reader, the CP is the performance incentive initiative upon which this study is based.

Additionally, researchers from the National Center on Performance Incentives in Nashville, TN released their findings from an evaluation of the Project on Incentives in Teaching (POINT) on September 21, 2010 (National Center on Performance Incentives, 2010). According to the report, POINT was a study of middle school math teachers conducted over a three-year period (2006-09) in the Metro-Nashville Public Schools (National Center on Performance Incentives, 2010). Middle school math teachers volunteered to participate in a controlled experiment to evaluate the effect of offering substantial performance incentives to teachers whose students achieved larger than expected gains on standardized tests (National Center on Performance Incentives, 2010). The researchers concluded that the performance incentives had no effect on student achievement in math overall across all grade levels studied and over the years of the study (National Center on Performance Incentives, 2010). However, the researchers did note a positive effect for incentives in the fifth grade during the second and third years of the experiment (National Center on Performance Incentives, 2010).

The researchers added that though robust, the finding was of limited policy significance because the effect did not carry over when the students left the fifth grade (National Center on Performance Incentives, 2010).

Studies Yielding Negative Results

Not all researchers believe there is a positive correlation between performance incentives and student achievement. According to Darcy Olsen (2001), director of education and child policy at the Cato Institute, teacher salaries show very little effect on student performance. Olsen stated the average teacher salary in Washington, DC tops those in forty-four other states, yet student achievement is among the worst in the nation (Olsen, 2001).

In 1985, a federal judge took control of the Kansas City, Missouri school district because, in his opinion, the district was unconstitutionally segregated (LeFevre, 2001). Numerous spending initiatives were implemented under judge's orders, including a forty percent raise in teacher pay as an incentive to increase student achievement (LeFevre, 2001). The district also received more money per pupil than any school district in the nation (LeFevre, 2001). After a twelve year period, a study conducted by the Cato Institute showed that student achievement did not increase as a result of increased teacher salaries (LeFevre, 2001).

A 2002 study conducted by Eberts, Hollenbeck, and Stone found that a performance pay plan implemented in a district in Pennsylvania increased teacher retention rates, had no effect on students' grade point averages, and the percentage of students who failed increased during the same period (Eberts et al., 2002).

In conclusion, the number of research studies on performance pay programs for teachers is small; therefore, more studies in this area are needed. However, most of the studies that have been conducted in recent history suggest positive results and make a strong case for further policy experimentation in the area of teacher compensation (Odden & Kelley, 2002; Podgursky & Springer, 2007). According to Podgursky and Springer (2007), even the studies showing mixed results suggest that teacher incentive programs change teacher behavior positively. The lesson for education policy-makers is this: design performance-pay programs for teachers carefully and expect to make improvements to the programs as more is learned about the teacher responses to the incentives (Podgursky & Springer, 2007).

Based on the body of available literature, it is safe to conclude that a performance incentive program can be created that is fair to all, effective, and supported by teachers. Including stakeholders, primarily teachers, in the planning and implementation of performance pay initiatives appears to be crucial; in most failed attempts, stakeholders were not included in the planning and implementation of the programs (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007).

This section of the review of literature encompassed evaluations of performance pay initiatives that found a positive correlation between performance pay programs and student achievement, evaluations of performance pay programs that revealed mixed results on student achievement, and evaluations of performance pay initiatives that found negative correlations between performance pay initiatives and student achievement.

Teacher Unions and Performance Pay Initiatives

Teacher unions historically have been very much opposed to any performance pay plan that moves teacher compensation away from the traditional salary schedule because the plans tend to expose the weaker teachers very quickly (Cooper, 1991; Goldhaber, 2006; Holland, 2005; Iannelli, 2002; Zhang, 2002). The unions favor the traditional salary scales because of the protection the older system affords mediocre teachers (Holland, 2005). Districts that have teacher unions and performance pay initiatives have had to work very hard and very closely with the union administration to put performance pay initiatives in place (Kelley, 2000; Odden & Kellor, 2000; Spiller, 2002). The unions fear that allowing for merit-based performance pay for individuals would weaken the collective bargaining power of the union (Holland, 2005). Many stakeholders who champion teacher pay reforms often point to the collective bargaining agreements negotiated with school districts by teachers' unions as a major obstacle to reform (Goldhaber, 2006).

There is a sharp contrast between the views of performance pay plans in the platforms of the two largest unions, the NEA and the AFT (Goldhaber, 2006)(see Table 2). In its *2006 NEA Handbook*, the NEA reiterates that it strongly supports the use of the traditional salary schedule based on degrees attained, professional growth, and professional service (Goldhaber, 2006; Koppich, 2010). Further, the handbook specifically opposes performance pay or any additional compensation intended to attract or retain teachers for hard-to-recruit positions (Goldhaber, 2006; Koppich, 2010). The AFT, on the other hand, recognizes problems within the traditional salary schedule.

Table 2

NEA and AFT on Performance Pay (Koppich, 2010, p. 24)

Extra compensation for...	NEA	AFT
Increased teacher knowledge and skill	Yes	Yes
Teaching in hard-to-staff schools	Yes	Yes
Teaching hard-to-staff subjects	No	Yes
Assuming added professional responsibilities, such as mentoring	Yes	Yes
Linking teacher pay to student test scores	No	No for individual teachers; Yes for group pay based on school-wide improvement as measured by student test scores

They suggest that the traditional salary schedule has severe drawbacks and “does not allow teachers to be compensated like other professionals in our society” (Goldhaber, 2006, p. 21). While not specifically endorsing performance pay initiatives, the AFT urges affiliates to explore alternative teacher evaluation and compensation systems (Goldhaber, 2006). Despite union opposition in the past to performance pay initiatives, many states and school districts are making headway in providing knowledge- and skills-based pay and/or merit-based pay for teachers, ending decades of basing teacher compensation strictly on seniority and the attainment of educational degrees (Goldhaber, 2006; Holland, 2005; Tomsho, 2006).

Unpublished studies researched noted strong opposition on the part of teachers’ unions as one of the primary deterrents for the creation and implementation of merit pay programs (Ianneli, 2002; Zhang, 2002). In his 2002 dissertation, Zhang suggested this opposition on the part of unions exists because teacher evaluation instruments can be subjective and arbitrary. Both the AFT and the National Education Association (NEA) have argued, according to Zhang (2002), that teacher effectiveness cannot be fairly rated due to the intangible nature of educational goals and ideals.

North Carolina has had a merit-based performance award system for entire schools, based on student growth, in place since the 1996-1997 school year (The ABCs of Public Education, n.d.). North Carolina also rewards teachers who achieve certification by the National Board for Professional Teaching Standards by paying them an additional twelve percent (12%) for ten years (National Board Certification, n.d.). Rewarding teachers for the acquisition of new skills and knowledge presumably related to better instruction, such as National Board certification, is an example of knowledge-

and skills-based performance pay (Podgursky & Springer, 2007). Definitions of knowledge- and skills-based performance pay and merit-based performance pay are provided in the introduction of this study. In 2007, North Carolina began yet another performance pay initiative – The Collaborative Project (About the collaborative, n.d.).

Effective Educational Leadership

In their 2005 book, *School Leadership That Works*, Robert J. Marzano, Timothy Waters, and Brian A. McNulty argue convincingly that leadership is vital to the effectiveness of a school. The American Heritage College Dictionary (2004, p. 787) defines the term *leadership* as “the capacity or ability to lead.” That same dictionary defines *lead* a number of ways, including “to guide the behavior or opinion of” and “to direct the performance or activities of” (American Heritage College Dictionary, 2004, p. 787). Evidence of discussions of leadership date back thousands of years and appear in the writings of ancient philosophers and statesmen such as Plato, Caesar, and Plutarch (Marzano, Waters, & McNulty, 2005).

Again, the supposition that leadership is crucial to the success of any organization dates back centuries (Marzano et al., 2005). Long-standing traditions and beliefs regarding leadership in other institutions, such as business, are no different than those in schools; therefore, if one considers those traditions and beliefs from other institutions, a case may be made that leadership is critical if a school is to be considered effective (Marzano et al., 2005).

In their 2005 book, Marzano et al. cite a breadth of research linking school leadership to:

- School climate and the climate in teachers' classrooms (Brookover, Beady, Flood, Schweitzer & Wisenbaker, 1979; Brookover et al., 1978; Brookover & Lezotte, 1979; Griffith, 2000; Marzano et al., 2005; Villani, 1996).
- Practices of teachers within their classrooms (Brookover et al., 1978; Brookover & Lezotte, 1979; Marzano et al., 2005; McDill, Rigsby, & Meyers, 1969; Miller & Sayre, 1986)
- The opportunity for students to learn (Duke & Canady, 1991; Dwyer, 1986; Marzano et al., 2005; Murphy & Hallinger, 1989).

Based on the research above, it can be inferred that an effective leader is necessary for a school to be considered effective. In 1977, a U.S. Senate Committee Report on Equal Educational Opportunity (1970) reported:

In many ways the school principal is the most important and influential individual in any school. He or she is the person responsible for all activities that occur in and around the school building. It is the principal's leadership that sets the tone of the school, the climate for teaching, the level of professionalism and morale of teachers, and the degree of concern for what the students may or may not become. (p. 56)

Research suggests principal leadership has an effect on student achievement (Cotton, 2003; Leithwood, Louis, Andersen, & Wahlstrom, 2004; Marzano et al., 2005). In a 2003 study, Cotton noted that principal leadership has an indirect effect on student achievement. She stated, "most of [the effect] is indirect, that is, mediated through teachers and others" (Cotton, 2003). One of the major conclusions from the 2004 study conducted by Leithwood et al. is that leadership ranks second only to classroom

instruction in determining what students learn in school. A synthesis of existing research conducted by Marzano et al. (2005) also suggests a strong correlation between educational leadership and student achievement.

Educational leadership also plays a major role in how well teachers support incentive pay, according to a 2007 study by Jacob and Springer. The results of that study found that certain characteristics of teachers are directly related to support of performance incentives (Jacob & Springer, 2007). According to the researchers, teachers who conveyed a positive view of the leadership abilities of their principal tended to be more supportive of performance incentives (Jacob & Springer, 2007).

Relationship of Educational Leadership to a Performance Pay Initiative (The Collaborative Project)

The Collaborative Project (CP) is a three-year pilot project that began in August, 2007 in five North Carolina counties: Caswell, Greene, Mitchell, Warren, and Washington (About the collaborative, n.d.). Funded by the North Carolina General Assembly as an experiment in the recruitment/retention of teachers, the \$7 million project is administered jointly by the Public School Forum of North Carolina and the North Carolina Science, Mathematics, and Technology Education Center (About the collaborative, n.d.).

The CP features three main components: professional development, performance incentives, and after-school programs. This researcher will be focusing on the performance incentive component for this study.

Teachers participating in the project may earn up to \$2,000 in performance incentives per year based on the following components: teacher evaluation,

professional development, student achievement, and parental contacts (About the collaborative, n.d.). The Collaborative Project incorporates a knowledge- and skills-based awards and merit-based performance awards for individual teachers as described in the first chapter.

The Collaborative Project also provides leadership development for educational leaders. Four times per academic year, superintendents, central office contacts, and principals of participating schools gather for three-day leadership institutes (About the collaborative, n.d.).

In August of 2008, the leadership of the CP contracted with the Carolina Institute of Public Policy (CIPP) to formally evaluate the project. To date, CIPP has released three reports on the Collaborative Project (CP).

The first, a preliminary report, was released in February of 2009. At that time in the implementation of the Collaborative Project and with limited data available, the researchers were unable to draw any conclusions regarding the impact of the performance incentives on teacher quality, teacher and administrator retention, or student achievement (CIPP, 2009a). The evaluators were able to assess the design of the Collaborative Project and its subsequent implementation through the study of existing data and from interviews with teachers and administrators from the participating districts (CIPP, 2009a). The evaluators reported that the strategies of the CP appeared well conceived to address goals and the challenges of the five participating districts as identified by the leadership of the districts (CIPP, 2009a). Further, the CP evaluators identified areas of uneven implementation and snags in the implementation of the CP (CIPP, 2009a). One potential dilemma identified by the CIPP evaluators was the

treatment of teachers of tested subjects versus teachers of subjects not tested. The researchers noted that the leadership of the CP ultimately decided to reward teachers of tested subjects for their own students' performance and teachers of non-tested subjects for the overall performance of the school (CIPP, 2009a).

While the evaluators noted that the CP leadership had worked to address challenges as they became apparent, they also warned that the report may identify new issues that would need to be addressed for the goals of the CP to be fully realized (CIPP, 2009a). Overall, the evaluators found that the CP seemed well-designed and on the road to a successful implementation (CIPP, 2009a).

The second report, issued in June 2009, focused on the first two years of the CP (CIPP, 2009b). For the second report, the evaluators from CIPP had more data from which to work, including data from the five participating districts, NCDPI, data from three rounds of interviews conducted with stakeholders from the participating districts, and the results of an online survey of teachers (CIPP, 2009b). The evaluators found the performance incentive component well designed, well implemented, and fully functional (CIPP, 2009b). They noted that the system could be applied in any rural school district across North Carolina (CIPP, 2009b). Further, the evaluators mentioned that the leadership of the CP had "demonstrated an ability to continue adapting and refining the systems, based on experience, feedback from participating districts, and external evaluation" (CIPP, 2009b, p. 35). However, they noted that, despite modestly encouraging test score data from the participating districts, there was still work to be done in the third year of the pilot (CIPP, 2009b). A substantial impact could not be

documented in two years; therefore, data from the third year of the CP was needed (CIPP, 2009b).

In June, 2010, the evaluators from CIPP released an assessment of the impact of the first two years of the CIPP (CIPP, 2010). The data analyzed by the CIPP suggested that the components of the CP had not exerted a statistically significant overall effect on student achievement in the five participating districts (CIPP, 2010). The CIPP evaluators did note that there were “significant and sometimes striking links between participation in certain types of professional development and student achievement and between incentive awards and student achievement” over the first two years of the project (CIPP, 2010, p. i). Specifically, the data suggested that there were two ways that the performance incentives might affect the behavior and motivation of the teachers in the participating districts (CIPP, 2010). The first way the incentives might motivate teachers was named the *anticipatory effect* by the CIPP evaluators (CIPP, 2010). Teachers affected by the anticipatory effect may be more motivated to improve during a given year in anticipation of a bonus paid in the fall of the following year (CIPP, 2010). The other effect was named the *post-award effect* by the researchers (CIPP, 2010). Teachers motivated by the post-award effect would have received a bonus and then may be motivated to improve even more during the following year (CIPP, 2010). The evaluators from CIPP analyzed the CP performance incentive impacts for both types of effect (CIPP, 2010). In June of 2010 when the third report was released by CIPP, two rounds of payment had been made to teachers in the participating districts: the first in the fall of 2008 based on work from the 2007-08 school year and in the fall of 2009 based on work from the 2008-09 school year (CIPP, 2010).

Therefore, the anticipatory effect could have affected teachers twice (2007-08 and 2008-09) while the post-award effect could only have affected teachers once after the payment in fall of 2008 (CIPP, 2010). In short, the CIPP evaluators found that in both the anticipatory and the post-award analyses, students taught by teachers who earned higher performance incentive bonuses achieved larger gains on the EOG in mathematics than did students taught by teachers who earned lower performance incentive bonuses or no bonus at all (CIPP, 2010).

Anticipatory Effects

Student Performance

Students taught by teachers who earned the maximum performance incentive of \$500 for student performance made significantly more progress on End of Grade (EOG) tests in both reading and math than those taught by teachers who earned no performance incentive (CIPP, 2010). Therefore, the evaluators concluded that the performance incentive component of the CP did reward teachers who facilitated the most student learning (CIPP, 2010). The evaluators further noted they could not be certain the teachers achieved this result because of the anticipated incentive; these teachers may have produced these results without the performance incentives (CIPP, 2010)(see Table 3).

Principal Evaluations

On the EOG in math, students whose teachers earned the maximum performance incentive of \$500 for the principal evaluation component made more gains than those students of teachers who earned a lesser or no performance incentive (CIPP, 2010)(see Table 3).

Table 3

Anticipatory Effects of Performance Incentive Awards (CIPP, 2010, p. 15)

Criteria	Mathematics	Reading
Student Performance	Highest payments associated with higher test scores	Highest payments associated with higher test scores
Principal Evaluation	Highest payments associated with higher test scores	No relationship between higher payments and test scores
Parent/Community Contacts	No relationship with test scores	No relationship with test scores
Professional Development	No relationship between lower payments and test scores	No relationship with test scores

Parent and Community Contacts

The CIPP evaluators found no association between the level of award in this area and student achievement (CIPP, 2010)(see Table 3).

Professional Development

As was the case with parent and community contacts, the CIPP evaluators found no association between the level of award in this area and student achievement (CIPP, 2010)(see Table 3).

Post-Award Effects

Student Performance

Students taught by teachers who earned larger performance incentive bonuses in the fall of 2008 made more progress on the 2008-09 EOGs in reading and math than did students of teachers who earned smaller performance incentive bonuses (CIPP, 2010). The evaluators noted they could not be certain the teachers achieved this result because of the performance incentive; these teachers may have produced these results without the performance incentives (CIPP, 2010)(see Table 4).

Principal Evaluations

On the EOG in math and reading, students whose teachers earned the maximum performance incentive of \$500 for the principal evaluation component earned better scores than those students of teachers who earned a lesser or no performance incentive (CIPP, 2010)(see Table 4).

Parent and Community Contacts

The CIPP evaluators found no association between the level of award in this area and student achievement (CIPP, 2010)(see Table 4).

Table 4

Post-Award Effects: Motivating Future Performance (CIPP, 2010, p. 16)

Criteria	Mathematics	Reading
Student Performance	Higher payments associated with higher test scores	Higher payments associated with higher test scores
Principal Evaluation	Higher payments associated with higher test scores	Higher payments associated with higher test scores
Parent and Community Contacts	No relationship between higher payments and test scores	No relationship with test scores
Professional Development	Higher payments associated with higher test scores	No relationship with test scores

Professional Development

Students taught by teachers who earned the maximum performance incentive of \$500 for participation in professional development scored better on the EOG in mathematics than students taught by teachers who earned no performance incentive in this area (CIPP, 2010).

Based on the results of the analyses of both effects into account, the evaluators suggest there is evidence that the performance incentives for student performance did reward the teachers who students made higher gains on their EOG tests (CIPP, 2010). The principals' evaluations also rewarded effective math teachers but the researchers noted that the evidence on reading was mixed (CIPP, 2010). In neither analysis were the performance incentives for parent and community contacts associated with higher student test scores (CIPP, 2010). Finally, the CIPP evaluators noted that higher performance incentive payments in the area of professional development may have contributed to higher test scores in math but not in reading (CIPP, 2010)(see Table 4).

CHAPTER THREE: METHODOLOGY

Introduction

To remind the reader, the research questions guiding the present study include:

1. What are the major challenges and dilemmas for school leaders in designing a performance incentive system for individual teachers?
2. How did the leadership of the Collaborative Project address the challenges and dilemmas that arose during the implementation of the performance incentive system?
3. How did principals, teachers, and others involved in the implementation respond to the design of the Collaborative Project?
 - a. To what degree were the responses positive?
 - b. To what degree were the responses negative?
 - c. What unforeseen challenges or dilemmas emerged during implementation?
4. What are the implications for school leaders of the Collaborative Project's experience in designing and implementing a performance incentive system for individual teachers for future efforts to create performance incentive systems designed to improve student achievement?

This chapter explains how these questions will be addressed, beginning with some background on the Collaborative Project. The focus will then turn to the research design, including the choice of qualitative approach, main data collection approach, participants, interview design, interview protocol, data analysis and interpretation, and a discussion of the limitations and special challenges of this particular study.

Background on the Collaborative Project

In early 2007, the leadership of the North Carolina Senate approached the Public School Forum of North Carolina (Forum) with a request to create an “out-of-the-box” pilot program focused on the recruitment and retention of teachers in small, rural, and low-wealth school districts. From these conversations, the idea of the Collaborative Project (CP) germinated. During the formative early discussions, a decision was made to provide high-quality professional development in math and science to the teachers in the participating districts as a recruitment and retention strategy; therefore, the leadership of the Forum invited the North Carolina, Science, Mathematics, and Technology Education Center (SMT) to serve as joint administrator. The first official meeting of the CP took place in Raleigh on August 10, 2007. Because of the focus on high school reform created by Judge Howard Manning, there was already a great deal of reform activity at that level across the state. Therefore, the CP leadership made the decision to limit the scope of the CP to grades K-8 (CIPP, 2009a). In September 2007, superintendents and principals from the five participating districts (Caswell, Greene, Mitchell, Warren and Washington Counties) met in Raleigh to begin designing the Collaborative Project. During that meeting and another in Asheville in November, the leadership from the Forum, the SMT, and the five districts created the framework of the performance incentive component of the CP. To remind the reader, the inclusion of stakeholders in the planning and implementation of performance incentive programs is a component that increases the likelihood of a successful program (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007).

The pilot phase of the Collaborative Project was slated to last three years, beginning with the 2007-08 school year and ending with the close of the 2009-10 school year. The General Assembly extended the life of the CP by providing a fourth year; therefore, the CP ceased existence as a pilot and became a program for the 2010-11 school year.

According to its website, the CP has three main goals:

1. A positive impact on student performance
2. A positive impact on recruitment and retention
3. Access by participating school systems to quality professional development resources

Although the performance incentive component is the particular focus of the present study, it does not represent the entire CP approach to achieving these goals. The Project features three main components: intensive, high-quality professional development for teachers, principals, and central office administrators; the aforementioned performance incentives for teachers, principals, and central office administrators; and enrichment-based after school programs for two schools per participating district (CIPP, 2010). Five school systems defined by the state as small, rural, and low wealth are participants in the Collaborative Project: Caswell County, Greene County, Mitchell County, Warren County, and Washington County (CIPP, 2010).

The performance incentive component was created to improve student achievement as measured by North Carolina End-of-Grade (EOG) tests in grades 3-8 and to reduce teacher turnover by providing opportunities for teachers to earn additional

compensation for extra effort and high performance (CIPP, 2010). Teachers in participating districts could earn performance incentive bonuses of up to \$2,000 for meeting criteria in four areas: days of participation in professional development, the percent of students at or above proficiency within their classrooms, the number of documented parent contact hours in a school year, and for a certain designation on the principal's evaluation combined with the decision to return to the district to teach another year (CIPP, 2010). Teachers could earn \$0, \$300, \$400, or \$500 based on criteria in each of the four areas (CIPP, 2010). The teachers in the five CP districts began working to earn the performance incentives in January of 2008. Principals were eligible for deferred compensation of \$22,500 plus interest (\$7,500 per year for three years) based on four areas: student performance, building a learning community, creating a positive workforce environment, and the superintendent's evaluation (CIPP, 2010). Like teachers, assistant principals were eligible for a performance incentive bonus of up to \$2,000 annually based on criteria very similar to those of principals. The individual in each district designated as the central office contact is eligible for an annual performance incentive bonus of up to \$2,000 based on an evaluation by the CP leadership and the superintendent as well as for their contribution toward building a learning community in their district (CIPP, 2010). The central office contact is an assistant/associate superintendent or director at the district level designated to serve as the contact person for CP activities and communications. Superintendents were eligible for deferred compensation of up to \$30,000 plus interest (\$10,000 per year for three years) based on five areas of criteria: student performance, building a learning

community, leadership/support of school principals, leadership in the Collaborative Project, and teacher/principal retention (CIPP, 2010).

The Collaborative Project presents an opportunity for research on performance incentives at a time when interest in these initiatives is high. As this researcher shows in the next section, an evaluation of the CP by the Carolina Institute of Public Policy has already exploited this opportunity to some degree, but important questions about the CP still remain.

Brief Review of Prior Findings from CIPP Evaluation

In August of 2008, the leadership of the CP contracted with the Carolina Institute of Public Policy (CIPP) to formally evaluate the project. To date, CIPP has released three reports on the Collaborative Project.

The first, a preliminary report, was released in February, 2009. At that point in the implementation of the Collaborative Project and with limited data available, the researchers were unable to draw any conclusions regarding the impact of the performance incentives on teacher quality, teacher and administrator retention, or student achievement (CIPP, 2009a). The evaluators were able to assess the design of the Collaborative Project and its subsequent implementation through the study of existing data and from interviews with teachers and administrators from the participating districts (CIPP, 2009a). The evaluators reported that the strategies of the CP appeared well conceived to address goals and the challenges of the five participating districts as identified by the leadership of the districts (CIPP, 2009a). Further, the evaluators identified areas of uneven implementation and snags in the implementation of the CP (CIPP, 2009a). While the evaluators noted that the CP leadership had worked to

address challenges as they became apparent, they also warned that the report may identify new issues that would need to be addressed for the goals of the CP to be fully realized (CIPP, 2009a). Overall, the evaluators found that the CP seemed well-designed and on the road to a successful implementation (CIPP, 2009a).

The second report, issued in June 2009, focused on the first two years of the CP (CIPP, 2009b). For the second report, the evaluators from CIPP had more data from which to work, including data from the five participating districts, NCDPI, data from three rounds of interviews conducted with stakeholders from the participating districts, and the results of an online survey of teachers (CIPP, 2009b). The evaluators found the performance incentive component well designed, well implemented, and fully functional (CIPP, 2009b). They noted that the system could be applied in any rural school district across the state (CIPP, 2009b). Further, the evaluators mentioned that the leadership of the CP had “demonstrated an ability to continue adapting and refining the systems, based on experience, feedback from participating districts, and external evaluation” (CIPP, 2009b). However, they noted that, despite modestly encouraging test score data from the participating districts, there was still work to be done in the third year of the pilot (CIPP, 2009b). A substantial impact could not be documented in two years; therefore, data from the third year of the CP was needed (CIPP, 2009b).

In June, 2010, the evaluators from CIPP released an assessment of the impact of the first two years of the CP (CIPP, 2009b). As mentioned previously in the literature review, the data analyzed by the CIPP suggested that the components of the CP had not exerted a statistically significant overall effect on student achievement in the five participating districts (CIPP, 2010). The CIPP evaluators did note that there were

“significant and sometimes quite striking links between participation in certain types of professional development and student achievement and between incentive awards and student achievement” over the first two years of the project (CIPP, 2010, p. i). In short, the CIPP evaluators found that students taught by teachers who earned higher performance incentive bonuses achieved larger gains on the EOG in mathematics than did students taught by teachers who earned lower performance incentive bonuses or no bonus at all (CIPP, 2010). Specifically, students taught by teachers who earned the maximum performance incentive (\$500) in the student achievement component of the CP made significantly more progress on End-of-Grade (EOG) examinations than did students taught by teachers who earned no incentive award (CIPP, 2010). The researchers also noted that students whose teachers received the maximum award (\$500) for the principal evaluation component made more progress on the EOG tests in mathematics than did students whose teachers received a smaller amount or no incentive award at all (CIPP 2010). However, the maximum performance incentive award earned on the principal evaluation component was not associated with greater student achievement in the reading (CIPP, 2010). Finally, the researchers noted that, in general, the level of incentive award for the parent and community contact component and the level of incentive award for participation in professional development were not associated with student achievement (CIPP, 2010).

As indicated earlier, the CIPP evaluation of the Collaborative Project has contributed to our knowledge about the effects of performance incentives on student achievement and other school outcomes, but it leaves other important questions unanswered or only partially answered – including those presented at the beginning of

this chapter. Through interviews with principals from participating districts in the CP, this researcher will document and examine the perceptions and opinions of principals to determine the challenges/dilemmas associated with the design and implementation of the CP from their point of view. In the next section, this researcher explains why qualitative methods – interviews, specifically, are appropriate in addressing the research questions.

Research Design

Choice of Qualitative Approach

Qualitative methods are appropriate to the research questions because they provide a way to create understanding of the stories of programs and participants (Patton, 2002). Understanding these stories is useful because they can shed light on processes and outcomes for those who must make decisions about the programs (Patton, 2002). For the purposes of this study, the stories of the participants' experiences with the design and implementation of the performance incentive component of the Collaborative Project may help school administrators in the future make more informed decisions when designing and implementing performance incentive systems. The information the participants provide may also help school leaders decide whether or not they want to pursue a performance incentive program at all.

According to Patton (2002), qualitative findings grow out of three types of data collection: in-depth, open-ended interviews; direct observation; and written documents (2002). Researchers interview subjects to learn those things that cannot be observed. The interview, which will be utilized in this study, is an appropriate method of qualitative

research because feelings, thoughts, and intentions cannot be observed by the researcher (Patton, 2002). Interviews, according to Patton (2002), endeavor to capture perspectives of participants associated with the program. Because of the open-ended nature of the research questions guiding this study of the challenges associated with the design and implementation of the performance incentives component of the CP, the interview is the most appropriate way to illuminate the participants' (principals') views. Through the interview, the researcher will document the perceptions of the principals related to the challenges associated with the design and implementation of the Collaborative Project.

Main Data Collection Approach

This study utilized the "Standardized Open-Ended Interview" (Patton, 2002). According to Patton, there are four main reasons for using this type of interview format (2002). They are:

1. The exact instrument used in the interview is available for inspection by those who may use the findings.
2. Variation among interviewers can be minimized.
3. The interview is more focused so interviewee time is used more efficiently.
4. Analysis is facilitated by making responses easier to find and compare (Patton, 2002).

Based on the above reasons, the interview is the most appropriate method for data collection for this study. The interview instrument, presented in Appendix A, may be accessed by those wishing to use the instrument from this study in the future. Following a standardized format will allow for minimal variation among the interviewers

and will focus the interview for purposes of efficiency. The standardized interview approach will also facilitate the analysis of the interviews.

The open-ended format is useful when the researcher is aiming for clarification and interpretation from respondents who are knowledgeable about an experience or an issue (Patton, 2002). Because of the open-ended nature of the research questions guiding this study of the challenges associated with the design and implementation of the performance incentives component of the CP, the interview is the most appropriate way to illuminate the participants' (principals') views. Through an interview process with principals from participating districts in the CP, this researcher will document and examine the perceptions and opinions of principals to determine whether there were successes associated with the design and implementation of the CP that may not have been fully revealed during the quantitative analysis of the project performed by the Carolina Institute for Public Policy (CIPP). The information that these principals may provide regarding the performance incentive component of the Collaborative Project may provide clarification and interpretation on a deeper level than the evaluation performed by the Carolina Institute for Public Policy – and the qualitative data collection method described above is best suited to that (Patton, 2002).

Participants

The participants in the study will be principals from four of the five participating districts in the CP who served as principal of their school for at least two years of the three-year pilot. The three principals from the fifth participating district, Greene County, will not be interviewed because of the researcher's role as superintendent of the aforementioned district and the unique problems that role presents for the study. To

remind the reader, there were twenty-four schools from five districts involved in the pilot; therefore, there are 24 total principals eligible to be interviewed. With the removal of Greene County principals from the study, the number of potentially eligible principals is twenty-one (Greene County had three eligible principals).

Principals will be selected from the 2009-2010 North Carolina Public Schools Education Directory. This publication is a listing of all the school systems and schools in North Carolina that the North Carolina Department of Public Instruction updates annually. In this directory, the school districts of the state are listed in alphabetical order. Further, the schools within those districts are listed alphabetically. The name of the current principal at each school listed is a part of the information available in the directory. Using this alphabetized directory, the researcher will invite the first four principals of eligible K-8 schools listed in each of the four participating districts to participate in the study. If four principals from each of the four participating districts consent to participate, sixteen of the twenty-one eligible principals will have been interviewed (76% of the pool). A number of principals who worked at one of the CP schools during the pilot years have vacated their positions for various reasons, including at least one retirement. The researcher will endeavor to reach these principals to obtain his/her consent to be interviewed. If one of the principals in the first four schools listed in the directory is no longer in place or does not consent to participate, the researcher will move to one of the remaining eligible CP principals listed alphabetically for that district. As mentioned above, the total pool of potential participants (CP principals serving at least two years at a CP school during the three-year pilot) is twenty-one (21).

If it is not possible to locate a particular principal who served a CP school for more two or more years during the pilot, the total number of principals in the pool will be reduced.

Using the set of twenty-one CP schools, the sample will be stratified based on the level of school (elementary or middle) and then the sample will be randomly selected within each level using the method described above. Therefore, the sampling approach for this study could be characterized as stratified random sampling (Patton, 2002).

Interview Design

As mentioned previously, the standardized open-ended interview format will be utilized for the principal interviews. Each of the principals who consented to be interviewed were asked a series of eight questions. The questions included in the interview are comprised of two different types: opinion and values questions and knowledge questions (Patton, 2002). The eight questions regarding the performance incentives associated with the Collaborative Project used in the interviews are listed in Appendix A.

According to Patton (2002), opinion and values questions are questions aimed at understanding the cognitive and interpretative processes of people ask about opinions, judgments, and values as opposed to actions and behaviors. Answers to these questions tell us what some people think about an experience or issue (Patton, 2002). Knowledge questions inquire about the respondent's factual information – what the respondent knows about an experience or issue (Patton, 2002).

The interviews with the principals from Caswell, Mitchell, Warren, and Washington Counties will be conducted over the telephone during a single call lasting

no more than one hour. The interviews will be recorded and then used as a basis for the creation of field notes by the researcher. To remind the reader, the three principals from Greene County will not be interviewed because of the researcher's role as superintendent of that district and the unique problems that role presents for the study.

Data Analysis and Interpretation

Each of the interviews will be recorded by the researcher and used as a basis for writing up *field notes*. All of the principals' responses to each question will be reviewed, question by question. For each question, the main types of responses will be identified. A table will be constructed showing the main types of responses for each question, the number of principals who spoke to or voiced each type of response, and two or three short quotes illustrating each type of response. During the analysis for each question, the findings will be compared with the survey data from the June, 2009 program evaluation completed by CIPP for triangulation purposes. Finally, a summary table will be created to identify more general patterns in the responses overall. A summary of the findings will then be written.

Limitations

The Collaborative Project districts and schools are not chosen randomly from the larger population of schools in North Carolina. Thus, the researcher will not be able to generalize findings in any rigorous way to other school and districts. But placing findings from the study in the context of existing research on the topic should enable the researcher to suggest what some of the wider implications may be.

The researcher is a participant in the Collaborative Project; therefore, this study represents a type of participant observation. Also, the researcher's role as

superintendent of a participating district presents unique problems for the study. To accommodate any issues, the principals from Greene County will not be interviewed.

In an effort to overcome problems associated with reliance upon one method of data collection, the researcher will use the findings from the June 2009 CIPP teacher survey to complement and cross-check results of the interviews with the principals.

Conclusion

In this chapter, the researcher has restated the research questions, provided some background on the Collaborative Project, showed how the present study will build on and complement the evaluation being conducted by the Carolina Institute for Public Policy, and elaborated on the research design, including the main data collection approach, participants, interview design and protocol, and data analysis and interpretation. The researcher also discussed the limitations and special challenges of this particular study. In the next chapter, the findings will be presented.

CHAPTER FOUR: DATA ANALYSIS

The objective of this study, as stated in Chapter one, was to determine, through an interview process with principals involved in the Collaborative Project, successes, challenges, and dilemmas faced within five North Carolina school districts during the development and implementation of a performance incentive program.

As stated in Chapter three, the participants in the study were principals from four of the five participating districts in the CP who served as principal of their school for at least two years of the three-year pilot. The three eligible principals from the fifth participating district, Greene County, were not interviewed because of the researcher's role as superintendent of the aforementioned district and the unique problems that role presented for the study. To remind the reader, there were twenty-four schools from five districts involved in the pilot; therefore, there are 24 total principals eligible to be interviewed. With the removal of Greene County principals from the study, the number of potentially eligible principals is twenty-one (Greene County had three eligible principals). Of the twenty-one potentially eligible principals, 17 served as principal of their school for at least two years of the three-year pilot; therefore, 17 principals were interviewed.

This chapter presents the analysis of the data collected by the researcher from the interviews with the CP principals. The interviews were recorded and used as a basis for the creation of *field notes* by the researcher. All of the principals' responses to each question were reviewed, question by question. For each question, the main types of responses were identified. A table was constructed showing the main types of responses for each question, the number of principals who spoke to or voiced each type

of response, and two or three short quotes illustrating each type of response. During the analysis for each applicable question, the findings were compared with the survey data from the June, 2009 program evaluation completed by CIPP for triangulation purposes.

Interview Question #1

The first question of the eight posed to the principals during the interview process sought to determine whether principals felt the student achievement component of the performance incentive system helped, hurt, or had no effect on the school in which the interviewee was principal. Thirteen of the seventeen (76%) felt the student achievement component helped his/her school, 2 principals (12%) believed the component had no effect on his/her schools, and 2 principals (12%) opined that the component hurt his/her school (see Table 5).

The principals who believed that the student achievement component helped the school gave varying answers for why he/she responded in that way. Most believed the component encouraged teachers to make more and better use of student testing data and motivated teachers to take a serious look at their instructional practice. Several principals attributed an increase in collaboration among teachers to the student achievement component. For example, across multiple schools and districts, principals noted that teachers of non-tested subjects/grades voluntarily tutored students during school hours and/or after school. Before the implementation of this component, these teachers had not volunteered to assist struggling students. Other principals believed the student achievement component of the performance incentive system was responsible for the school meeting state and national proficiency targets.

Table 5

Principals' Responses to Question 1

Response	No. of Principals	Pct. of Principals	Reasons/Supporting Quotes
Helped school	13	76%	<p>“It gave the teachers a little added bonus for going forward as far as trying to make sure that students did hit those marks.”</p> <p>“Even those teachers who did not teach a tested grade were inspired to do all that they can do as far as helping out.” “It made my teachers look at what they are doing differently.” “It pushed my teachers to do better and get those kids where they were supposed to be.”</p>
No effect on school	2	12%	<p>“My staff gives all they’ve got anyway and that area didn’t change that.” “The amount of money for that component was not enough to motivate teachers to improve their practice.”</p>
Hurt school	2	12%	<p>One principal stated that, because of a high population of students with disabilities, it was difficult for the school to reach AYP targets; therefore, this component hurt the school. Another mentioned that the component harmed morale in the school because teachers in non-tested grades/areas received more incentive than some teachers of tested subjects/grades.</p>

The two principals who indicated the student achievement component of the CP had no effect on his/her school gave two different reasons for why he/she responded that way. The first principal indicated that he had a staff that puts forth maximum effort all the time, and the student achievement component did not change that. The second principal indicated that \$500 was not enough of a financial incentive to motivate his/her teachers to improve their instructional practice.

Two principals felt that the student achievement component of the performance incentive system hurt his/her school, and both provided different reasons. The first principal pointed out that his/her school housed a higher population of students with disabilities than others. Because of that, the principal believed it was more difficult for the school to meet national proficiency targets; therefore, his teachers could not receive the maximum performance incentive in that component. Although not explicitly stated by the principal, the principal's statements appeared to indicate that teachers in this principal's school were rankled by being offered an incentive to do something they felt they could not do. The second principal cited a morale issue stemming from an anomaly with the student achievement component mentioned by the Carolina Institute for Public Policy on pp. 25-26 in the June, 2009 report. The principal indicated morale was harmed in the school because teachers in non-tested grades/areas received more performance incentive than some teachers of tested subjects/grades. This anomaly was directly addressed in the interview with all principals in questions 5 and 6.

Interview Question #2

The second question posed to the principals sought to determine whether principals felt the principal's evaluation component of the CP helped, hurt, or had no

effect on the school in which the interviewee was principal. Slightly more than half of the 17 principals (53%) felt the principal's evaluation component helped his/her school and 8 principals (47%) believed the component had no effect on his/her schools. None of the principals interviewed believed that the component hurt his/her school (see Table 6).

The principals who believed that the principal's evaluation component helped the school gave several answers for why he/she responded in that way. Several principals believed the principal's evaluation component motivated the teachers to go "the extra mile" and work harder to get the performance incentive. At least one principal mentioned that teachers did not want to be "the one" not to get the bonus. Others mentioned the personal effect the component had on them. For example, at least two principals admitted the component forced them to take the evaluations more seriously than they had before and to be more thoughtful with them. Yet another principal mentioned that he/she spent more time with teachers to be sure everyone he/she evaluated knew what he/she saw as satisfactory versus above average performance.

The principals who felt that the principal's evaluation component had no effect on the school also gave several reasons for why he/she responded that way. Multiple principals in this category indicated that the teachers' priority was the student achievement component, not the principal's evaluation component; therefore, very little emphasis was placed on the principal's evaluation. Many also responded that they did not change the way they evaluated their teachers as a result of the CP.

Table 6

Principals' Responses to Question 2

Response	No. of Principals	Pct. of Principals	Reasons/Supporting Quotes
Helped school	9	53%	<p>“As a principal, it really made me look thoroughly into, you know, assessing the teachers – really looking into what was satisfactory.” “I found myself working with teachers more to let them know what I saw as expected, what I saw as above average. I think I did more of that during the Collaborative because it forced me to.”</p> <p>“Teachers started to realize that their observations meant something, that it wasn’t just a procedure that they went through every so often. That what they got on that really counted.”</p>
No effect on school	8	47%	<p>“The teachers in my school were going to get rated however they got rated anyway.”</p> <p>“I didn’t change the way I was evaluating my teachers from the way I done it in the past. If they do their job, they do their job...I don’t know any other way to say it.”</p> <p>“I was always one who probably gave teachers higher than they deserve anyway so it really didn’t change my thinking.”</p> <p>“Principals always strive for improvement. There were several other things more important for our success than the principal’s evaluation.”</p>
Hurt school	0	0%	

Interview Question #3

The third question of the eight posed to the principals during the interview process dealt with inflated ratings of teachers on the principal's evaluations. Despite serving in schools with serious student achievement challenges, almost all principals continued to assign teachers inflated ratings. The reasons provided by the principals for this phenomenon were varied and interesting (see Table 7).

The first of the six reasons principals primarily gave for inflating ratings to teachers dealt with the teacher evaluation form itself. The form, issued by the Department of Public Instruction (DPI), did not address student achievement in any of the elements. Therefore, a teacher could satisfactorily meet all the requirements listed on the form and have less than satisfactory student achievement outcomes. The June, 2009 CIPP report addresses this very issue (p. 27) and mentions that the new evaluation instrument, mandatory for use in North Carolina in the 2010-11 school year, does indeed address student achievement. However, for the first three years of the CP, the older evaluation instrument that did not address student achievement was used to evaluate teachers in the CP school districts.

The second reason provided suggests that principals gave inflated ratings to keep morale of the faculty high. At least two of the principals interviewed suggested this as a reason, but both principals claimed to be describing other principals in the district and not themselves.

The third reason principals gave for continuing to assign teachers with inflated ratings was to reward teachers for hard work rather than test results. Multiple principals

Table 7

Principals' Responses to Question 3

Reason	Supporting Quotes
<p>The DPI-issued teacher evaluation form did not include student achievement – it looked at other variables.</p>	<p>“I think you’re looking at factors other than performance scores. Growth doesn’t always show in numbers.” “I think a lot of it has to do with the totality of understanding what the principal has versus others who may see things somewhat in isolation such as data.” “To me, there’s a lot more than teaching to the test if you want to call it that. There’s a lot more to a teacher’s role than whether a kid makes a 3 or a 4.”</p>
<p>Principals gave inflated ratings to maintain high staff morale.</p>	<p>“Principals used it as a self-esteem type thing.” “Some principals gave inflated ratings so the staff could feel good about themselves.”</p>
<p>Principals rewarded teachers for hard work rather than results.</p>	<p>“Our teachers work their butts off here.” “I rated my teachers high because, darn it, I felt like they deserved it regardless of how the scores fell.”</p>
<p>The principals and the teachers knew that money was attached to the evaluations – pressure on the principals.</p>	<p>“The teachers see poor ratings as me taking money out of their pockets.”</p>
<p>The principals viewed the ratings as an opportunity to get some more money for his/her teachers.</p>	<p>“I did anything I could to help the teachers get more money because of the economy.” “We’re taking everything else in the world from them so here’s a chance to give something back.”</p>
<p>Principals gave inflated ratings in turn for good Teacher Working Conditions Survey results.</p>	<p>“I think it was a situation where we’re going to help you, we need you to help us. I’ll scratch your back, you scratch mine.” “I think he thought if I do this, they’re going to do this for me.” “I think initially we probably all thought that if we helped them that in turn that would help us in the long run, you know, if we over-inflated their evaluations in the long run it would help us, I think.”</p>

mentioned that his/her staff worked very hard and deserved high ratings based on effort alone.

The fourth reason principals used to defend high ratings assigned to teachers was pressure from teachers. The principal who gave this reason indicated that both principals and teachers knew there was money attached to the evaluations and that teachers in his/her school saw a poor rating as “taking money out of my pocket.” The principal hinted that the pressure to inflate teacher ratings was too much to bear.

Several principals viewed the principal’s evaluation component as a way to help provide extra money for his/her teachers at a time when teachers had not seen a raise in several years, the economy had taken a downturn, and the state cut bonuses for student growth. There was no quid pro quo evidenced from these principals – just a genuine attempt to secure more money for the teachers in the school.

The final, and perhaps most interesting, reason given by principals for inflating teacher ratings was the exchange of inflated teacher evaluation ratings for inflated ratings on the Teacher Working Conditions Survey (TWC), which affected the performance incentives available to the principals themselves. Four principals (24%) of the 17 interviewed either explicitly acknowledged a quid pro quo between teacher evaluation ratings and the TWC or mentioned it indirectly. Even more interesting is the fact that the two principals who mentioned the quid pro quo directly are in the same district. Two others acknowledged that they knew of the arrangement – one of those is in the same district as the two who acknowledged the quid pro quo directly.

Interview Question #4

The fourth question posed to the principals sought to determine whether principals felt the professional development component of the CP helped, hurt, or had no effect on the school in which the interviewee was principal. Falling in line with the enthusiasm with which teachers responded to this component in the June, 2009 CIPP report (p. 26), 15 principals (88%) responded that he/she felt the professional development component helped their schools. Only one principal (6%) responded that the component had no effect on the school and one (6%) responded that the component hurt the school (see Table 8).

The principals who believed the professional development component of the CP helped his/her school were very enthusiastic in their reasoning, and the high number of principals who felt the professional development component helped his/her school are supported by the research. As mentioned in Chapter two, it appears to be *best practice* to include a component in a performance incentive initiative that rewards teachers for attending/completing professional development that is relevant to school and district goals (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007). The inclusion of such in a performance incentive system for teachers is one of the generally agreed upon components of a successful performance incentive system (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007).

Almost all principals mentioned the high level of quality of the professional development. More than one principal noted that teachers originally attended the sessions for the money but stayed for the quality. Most believed the professional

Table 8

Principals' Responses to Question 4

Response	No. of Principals	Pct. of Principals	Reasons/Supporting Quotes
Helped school	15	88%	"I absolutely think it was the best piece of the Collaborative Project." "For many teachers, it was job and subject specific and applicable." "We were all looking at the same page, doing the same thing, talking the same vocabulary with the same kinds of motivations to get things done. First time I've ever seen that." "The topics that were covered were directly related to what we were trying to do in our schools."
No effect on school	1	6%	"Most of my teachers live 30 to 40 miles from here. They weren't up for the weekend classes but they tried to get as many days in the summer as they could."
Hurt school	1	6%	"The teachers did not participate as they should have. The ones who did, did well."

development offered through the CP gave them access to training to which they would not otherwise have had access or been able to afford to have on their own. Other principals mentioned the timeliness of the training in light of the elimination of professional development funding by the state. A few principals addressed an issue with the distance; specifically, some rural locations had too far to travel to cities for professional development. The CP allowed the professional development to come to the teachers. Specific professional development offerings mentioned by principals included Thinking Maps, Seven Habits of Highly Effective Teachers, and Lenses on Learning.

The single principal that indicated the professional development component had no effect on his/her school answered that way only because of the lack of participation of his teachers in the Saturday professional development offerings. The principal mentioned the distance most of the faculty had to drive to get to the school as the main reason for this phenomenon, but he/she noted that participation picked up for the summer offerings.

The lack of participation by teachers also seemed to be the reason why a principal answered that the professional development component hurt his/her school. He/she indicated that only approximately a quarter of his/her staff participated in the offerings, but the principal did indicate that those teachers who did participate did well.

Interview Question #5

The fifth question of the interview protocol for the CP principals addressed an anomaly discovered by the CIPP pertaining to the student achievement component of the performance incentive system. The anomaly revolves around the few teachers of

tested subjects/grades who received less student achievement performance incentive than did some teachers of non-tested subjects/grades. The issue is addressed in the June, 2009 report issued by the CIPP (pp. 25-26). The question asked principals if any teachers complained about this anomaly in his/her school. Only six of the seventeen principals indicated that teachers had complained to them regarding this phenomenon (35% of the principals). The remaining eleven principals (65%) did not receive any complaints of this nature (see Table 9).

For the principals who indicated this was an issue in their schools, there were follow-up questions. The first asked the principals if the issue was widespread. None of the principals felt the issue was widespread. One principal had two of twenty teachers (10%) complain to him about the anomaly. No other principal had more than two teachers complain.

The second follow-up question asked the principals to explain how he/she addressed the issue with the disgruntled teacher. Each of the six principals indicated that they sat down with the teachers in question and went over the criteria using the teacher's individual results. By doing so, they were able to reach a level of equilibrium amongst the faculty once again.

At first glance, this finding that 35% of principals reported teacher complaints regarding the student achievement component rebuts the June, 2009 CIPP finding that only 13% of teachers found the incentive payments to be a source of irritation (p. 24). However, if one takes into account the total number of teachers that complained (9 teachers) versus the total number of teachers in CP schools, the CIPP finding appears to be validated.

Table 9

Principals' Responses to Question 5

Response	No. of Principals	Pct. of Principals	Supporting Quotes/Reasons
Yes	6	35%	"The teacher felt if the school received \$300 or \$400, then she should have received at least that much." "I won't say they so much complained as just said they didn't think it was fair that somebody wasn't even teaching a tested subject was receiving the funding."
No	11	65%	One principal mentioned the problem was not within the school at the teacher level - it was a school-to-school problem within the district.

One interesting finding did arise when a principal mentioned that the problem he/she experienced was not teacher-to-teacher but rather school-to-school within a district. There was some conflict when one CP school outperformed another in one district. In that instance, teachers who did not teach tested subjects/grades at the better performing school received more incentive pay than the other school, which led to some grumbling that the principal felt obligated to address.

Interview Question #6

The sixth question posed to principals was a follow-up to the fifth question. The principals were asked whether the exclusion of teachers of non-tested subjects/grades from the student achievement component would have helped or hurt his/her school. Not surprisingly, 16 of the 17 principals (94%) felt the exclusion of teachers of non-tested subjects/grades would have hurt the school. One principal (6%) responded that it would have had no effect on his/her school (see Table 10).

In addressing this issue, most principals acknowledged that all teachers contribute to the success of the school. Many principals noted that teachers of non-tested subjects/grades tutored and worked after school to help ensure the school met its goals. Many principals also admitted such an arrangement would likely have caused major morale problems within their schools. This admission supports the June, 2009 CIPP finding that 69% of the teacher polled indicated that the CP performance incentives boost school morale (p. 24).

The one principal who felt the move would have had no effect on the school admitted there would be some discontent initially, but that as long as the teachers had the access to the professional development, they would “have been fine with that.”

Table 10

Principals' Responses to Question 6

Response	No. of Principals	Pct. of Principals	Supporting Quotes/Reasons
Hurt school	16	94%	"I think it would have caused some dissension among the ranks." "Our staff is a family. The same team with the same dream." "Teamwork makes the dream work." "Not only were they expected to make a contribution, they were willing to find ways to contribute to the success of the overall school."
No effect on school	1	6%	"I think there would have been some grumbling. If they had been able to take the staff development, but not got paid for the student achievement, I think 90% of my guys would have been fine with that."
Helped school	0	0%	

One interesting finding did arise from this question. In at least one school, the grade levels pooled their money for student achievement and split it equally amongst all in that grade level so that each teacher in that particular grade level received the same amount.

Interview Question #7

The penultimate question asked of the principals had two distinct parts. The first part asked principals if they agreed with a statement made in the June, 2009 CIPP report that indicated that superintendents, central office contacts, and principals from all five participating districts confirmed that they had been “fully involved” (p. 23) in the process for determining the performance incentive criteria. Seven principals answered positively (41%), four principals responded negatively (24%), and the other six principals (35%) were indecisive and provided a qualified response (see Table 11).

There appeared to be a significant amount of overlap in the responses of the principals regardless of how they answered the question. All of the principals who were part of the CP for the first two Leadership Institutes agreed that they participated fully in the development of the criteria. It is after the first two Leadership Institutes that opinions began to change. Two of the principals who answered positively noted that their answers covered the first two Leadership Institutes only. Likewise, all of the 6 principals who would not choose either answer agreed they were involved for the first two Leadership Institutes. After those first two Leadership Institutes, the principals felt less involved or not involved at all. One principal mentioned that the CP leadership “guided things the way they wanted it to go.” Of the four principals who responded to the question negatively, two did so because they joined the CP in Year 2 and were not a

Table 11

Principals' Responses to Question 7 – Part 1

Response	No. of Principals	Pct. of Principals	Supporting Quotes/Reasons
Yes	7	41%	"I didn't expect all of my personal feelings about it to necessarily be what the end result yielded but I do think just the fact that I had a chance to share and be able to throw it out made me feel like I had participated." "We tossed that thing around quite a bit and in the end someone had to make a call based on all those conversations."
No	4	24%	"We didn't attend those executive meetings and stuff like that. A lot of decisions were made that we weren't a part of." "The principals weren't...we had some input early on." "I don't know if the principals were ever in another meeting after the first two where it was discussed at length."
Other	6	35%	"The principals were involved with doing it for the teachers – that's all I can say about it." "I'm sure there were more discussions in your meetings that we weren't a part of."

part of the first two Leadership Institutes. The other two noted mixed feelings after the first two Leadership Institutes.

The significant finding here is that all principals who participated in the first two Leadership Institutes felt fully involved in the process for determining the performance incentive criteria no matter how they answered the question. The feelings are mixed, if not negative, for their level of participation after those first two Leadership Institutes when the Advisory Committee, made up of CP leadership, the superintendent and central office contact from each district, took over the tweaking of the criteria. In Chapter Two, the researcher noted that there is agreement in the body of reviewed literature on specific components of a performance incentive system in education that increase the likelihood of a successful program (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007). Among these are including stakeholders in the planning and implementation of new performance incentive programs (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007). Further, the inclusion of these stakeholders in the planning and implementation of performance incentive initiatives appears to be crucial; in most failed attempts, stakeholders were not included in the planning and implementation of the programs (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007).

The second part of the seventh question asked principals if they thought the stakeholders of the CP had created performance incentive criteria that successfully blended high standards with achievability. Eleven principals answered positively (65%) and six principals responded negatively (35%)(see Table 12).

Table 12

Principals' Responses to Question 7 – Part 2

Response	No. of Principals	Pct. of Principals	Supporting Quotes/Reasons
Yes	11	65%	“We gave them something to shoot for that they knew they could reach.” “If I were a teacher and I looked at those four areas that I could receive a bonus in, I don’t think there’s a single one...even if the whole school didn’t make growth, if I remember correctly, if my classroom made 80% I still could get my money whether anybody else did nor not.”
No	6	35%	“The all or none was not achievable in the Building a Learning Community category.” “The percentage of teachers participating in the professional development was not achievable and we had no leverage to make them attend, yet we were held accountable for that number.”

Overall, the principals felt that the stakeholders in the CP created a set of performance incentive criteria that balanced high standards with achievability. Most of the dissension came from the criteria for principals and superintendents regarding the percentage of teachers attending professional development. Another principal noted that the parent contact component, while valuable, was not a high standard.

CIPP, in its June, 2009 report, noted that 72% of teachers polled felt that the incentive criteria are well designed and linked to criteria that make sense (p. 24). That finding supports the above finding suggesting that 65% of principals agreed that CP stakeholders created criteria that blended high standards with achievability.

Two interesting findings came out of this interview question. The first deals again with the issue of quid pro quo in education. One principal, in a discussion of the percentage of teachers attending professional development, noted that her teachers began to attend sessions once they found out she was paid based on the number of teachers who attended professional development. The principal said, “Now a lot of mine eventually did because they knew it would help me...I mean I don’t know if you’re going to put that in your report or not but a lot of them said I’m gonna go because I know it would help you.”

The second interesting finding came from a principal who answered the question positively but noted that, “we set high average standards as opposed to high categorical standards.” The principal further explained that high average standards lump all students together while high categorical standards look specifically at one category of students (students with disabilities, gifted students, etc.). The principal did admit that categorical standards were not realistic for this project.

Interview Question #8

The final question asked principals whether they observed instances of teachers using the performance incentives associated with the CP to drive up their final average salary for retirement in his/her school. Four principals (24%) of the seventeen noted they had observed this phenomenon. Table 13 outlines the responses of the four principals who responded positively (see Table 13).

While nearly a quarter of the CP principals interviewed observed this phenomenon, the total number of teachers who used the CP to drive up their final average salary for retirement is very small. None of the four principals who reported observing the phenomenon reported that his/her teacher retention rate was negatively affected. It is interesting to note that principal #4 above lost three teachers to this phenomenon out of 15 total teachers, which equates to 20% of the teaching staff. The principal responded that he/she was unsure whether or not the teacher retention rate was negatively affected. However, it almost certainly had to be with 20% of the faculty retiring after using the CP to drive up their final average salary. The teacher retention rate for a particular school is based on the number of teachers who leave during the school year for any reason. If 20% of the teachers of a school leave for any reason, the retention rate would be negatively impacted.

Summary of Findings

Questions one, two, and four asked principals about three of the four components (student achievement, principal's evaluation, and professional development) of the performance incentive criteria for teachers associated with the CP and whether they felt the component helped, hurt, or had no effect on their school.

Table 13

Principals' Responses to Question 8

Principal	Phenomenon Observed	Number of Teachers	Better Teachers?	Phenomenon Affect Retention Rate?
#1	Yes	1	No	No
#2	Yes	1	No	No
#3	Yes	1	Yes	No
#4	Yes	3	Yes	Not sure

Overall, the majority of principals (37/51 principals or 73%) interviewed believed the components helped his/her school. The fourth and final component of the performance incentive criteria for teachers, parental contacts, was not a part of the interview protocol.

The third question asked principals why he/she felt principals participating in the CP continued to assign inflated ratings to teachers in schools that had, and continue to have, issues with poor student achievement on state-mandated testing. Among the reasons provided by principals were:

- The teacher evaluation form issued by DPI did not address student achievement
- The need to keep faculty morale high.
- A desire to reward teachers for hard work rather than the test results of his/her students.
- Pressure from teachers to relate to the funding attached to the evaluation.
- A desire to provide extra money to his/her teachers.
- A quid pro quo – principals assigned overly inflated teacher evaluation ratings in exchange for favorable ratings on the Teacher Working Conditions Survey.

Questions 5 and 6 were related to the issue noted by CIPP evaluators regarding teachers complaining about teachers of non-tested subjects receiving more financial reward than teachers of tested subjects in some cases. While six principals (35%) reported receiving teacher complaints in this area, the total number of teachers complaining about the issue (9) was still very small compared to the total number of CP teachers in the five districts. However, the finding from this study related to the tested

teachers versus non-tested teachers issue is supported by the findings of CIPP in its June, 2009 report.

Question 6 was a follow-up question that asked principals if the decision to exclusion of teachers of non-tested subjects from the performance incentive for student achievement would have helped or hurt the school. All but one of the principals (94%) agreed that excluding teachers on non-tested subjects/grades would have hurt the school.

The seventh question contained two parts. The first part of the question asked principals about his/her level of participation in the determination of the performance incentive criteria for the various CP stakeholders. This question featured the most mixed results of any of the eight questions. Seven principals (41%) believed they participated fully, four principals (24%) felt they were not fully involved, and six others (35%) did not answer “yes” or “no” but qualified his/her response with an explanation. Most principals believed they were fully involved in the process to determine the performance incentive criteria for the first two Leadership Institutes. After that point, the CP leadership began to use an Advisory Committee made up of the CP leadership, and the superintendent and central office contact from each of the five districts. Because of the Advisory Committee, the principals felt his/her full involvement diminished significantly.

The second part of the seventh question asked principals if they believed the performance criteria created by the stakeholders of the CP balanced high standards with achievability. Most of the principals interviewed (65%) believed the criteria successfully blended high standards with achievability.

The final question dealt with the phenomenon of teachers using the performance incentives associated with the CP to drive up their final average salary for retirement. Only four principals (24%) noted that they had observed this phenomenon in their schools.

The fifth and final chapter of this study includes a thorough discussion of the conclusions related to the guiding questions, the implications of the findings, recommendations for further research and a summary of the chapter.

CHAPTER FIVE: CONCLUSIONS

The purpose of this chapter is to highlight the study's main findings and their implications for school leaders wishing to design and implement performance incentive programs in schools. To remind the reader, one shortcoming in the literature is the lack of a research-based prescription describing how performance pay initiatives should be designed (Podgursky & Springer, 2007; Ritter & Jensen, 2010). Understanding the perceptions of the principals associated with the Collaborative Project (CP) about the design and implementation of the performance incentives may be extremely beneficial to educational researchers and policymakers alike. The findings from this study may also help school leaders decide whether they want to pursue a performance incentive program at all.

This chapter is organized into four sections, beginning with the conclusions related to the guiding questions. The implications of the findings are provided in the second section of this chapter. The third section offers recommendations for further research, and the final section summarizes the chapter.

Conclusions Related to Guiding Questions

In order to understand the implications of the findings of this study for school leaders, one must begin with the questions used to guide the study:

1. What are the major challenges and dilemmas for school leaders in designing a performance incentive system for individual teachers?
2. How did the leadership of the Collaborative Project address the challenges and dilemmas that arose during the implementation of the performance incentive system?

3. How did principals, teachers, and others involved in the implementation respond to the design of the Collaborative Project?
 - a. To what degree were the responses positive?
 - b. To what degree were the responses negative?
 - c. What unforeseen challenges or dilemmas emerged during implementation?
4. What are the implications for school leaders of the Collaborative Project's experience in designing and implementing a performance incentive system for individual teachers for future efforts to create performance incentive systems designed to improve student achievement?

The first guiding question addresses the major challenges and dilemmas for school leaders in designing a performance incentive system for individual teachers. One major challenge for school leaders is the creation of performance incentive criteria that may avoid opportunities for quid pro quos amongst the stakeholders. A surprising finding arose from the principals' answers to the third interview question dealing with reasons why they continued to assign teachers inflated evaluation ratings. Several principals admitted to a quid pro quo during the interview process; in other words, the principal exchanged inflated ratings on a teacher evaluation, which provided a performance incentive for teachers, in return for favorable ratings from the teacher on the Teacher Working Conditions Survey, which offered an opportunity for an incentive award for the principal. At least two principals admitted to this type of a quid pro quo. There may have been other principals who engaged in this type of quid pro quo; however, no others admitted to such during the interview. This finding presents an

ethical dilemma as well. How prevalent were quid pro quos in schools before the CP? Is this type of quid pro quo a breach of professional ethics? Is this type of quid pro quo illegal? If it is illegal, where is the line between legal and illegal and is it clearly defined? Are quid pro quos such as this common in the private sector? These questions and perhaps others regarding quid pro quos in education are certainly areas that are ripe for future study.

A second challenge that was first identified during a more formal evaluation released by the Carolina Institute for Public Policy (CIPP) in June, 2009 and validated by this study found that there were instances of teachers of tested subjects/grades receiving less performance incentive for student achievement than some teachers of non-tested subjects/grades. Six of the 17 principals (35%) reported at least one teacher complaining about this phenomenon during the interviews. While six principals (35%) reported receiving teacher complaints in this area, the total number of teachers complaining about the issue (9) was still very small compared to the total number of CP teachers in the five districts; therefore, the phenomenon did not appear to be widespread. Another interesting aspect of this finding relates to how the principals addressed the issue with the teachers. Each of the six principals who reported a teacher complaint in this area indicated that he/she sat down with the teacher making the complaint and went over the criteria with the teacher individually. All of the principals noted that sitting down the teacher individually appeared to resolve the issue. Interestingly enough, despite the few complaints, almost all of the principals (94%) felt that designing the student achievement component of the teacher performance incentive criteria would have harmed the school. One principal who received

complaints from teachers stated very succinctly that, “I think the way they did it was the only fair way.” Thirteen of the seventeen principals (76%) interviewed believed the student achievement component of the teacher performance incentive criteria helped the school; therefore, the implication for school leaders is to include the student achievement component for all teachers in future iterations of performance incentive programs. The caveat is for the stakeholders of the performance incentive programs to develop very clear criteria so that when anomalies occur, school leaders may fall back on the criteria.

The final challenge for school leaders attempting to design a performance incentive program for teachers is that, despite the teacher recruitment and/or retention focus of many performance incentive programs, leaders must understand that some teachers will use the incentives for other purposes. In other words, nearly a quarter of the principals interviewed noted that at least one teacher in the building used the incentives associated with the CP to drive up his/her final average salary for retirement. In about half of the recorded instances, these teachers were better teachers within the school. However, the principals reported that teacher retention rates were not greatly impacted by this phenomenon.

The second guiding question asked how the leadership of the CP addressed challenges that arose during the implementation of the performance incentive program. The best example, already noted, was the way the principals who received complaints from teachers of tested subjects about the student achievement performance incentive handled the concerns. In each of the six incidents, the principals responded in the same manner. Each sat down with the individual teacher and the student achievement

criteria and went over the process for determining the student achievement performance incentives.

The third guiding question addressed how the principals and teachers responded to the design of the CP. Overwhelmingly, the responses of the principals were positive regarding the three areas of the performance incentive criteria for teachers. None of the eight questions asked during the interview had a majority of negative responses.

The final guiding question dealt with implications for school leaders wishing to design and implement a similar program in the future. This study has highlighted several implications for school leaders and policymakers.

Implications of the Findings

First, given what is now known from the CP principals regarding the principal's evaluation component of the teacher performance incentive criteria, this researcher suggests that future iterations either change the principal's evaluation component or not include principal's evaluations in the teacher performance incentive criteria at all. While 53% of principals felt the component helped his/her school, 47% believed the component had no effect on the school. There was also much discussion among the CP stakeholders regarding inflated teacher ratings despite most schools facing serious student achievement challenges. Based on the principals' responses, the belief of this researcher is that the ratings were inflated before the CP ever started and that the phenomenon was only highlighted as a result of the principal's evaluation component of the criteria for teachers. Also, the principals gave varied reasons for why the ratings were inflated, including:

- The teacher evaluation form issued by DPI did not address student achievement.
- The need to keep faculty morale high.
- A desire to reward teachers for hard work rather than the test results of his/her students.
- Pressure from teachers related to the funding attached to the evaluation.
- A desire to provide extra money to his/her teachers.
- A quid pro quo where principals assigned inflated teacher evaluation ratings in exchange for favorable ratings on the Teacher Working Conditions Survey.

There are several possibilities for altering this component into a more viable option or future performance incentive programs. For example, the stakeholders of a potential performance incentive program could meet, examine the current teacher evaluation data, and set baselines for the evaluations. Also, the leadership of the performance incentive program should establish expectations regarding the evaluations in the initial stages of the performance incentive system and communicate those expectations clearly to the evaluators. Perhaps the CP leadership did not spend enough time in early 2007 stressing that the principal's evaluation was designed to give principals more leverage to motivate teachers to perform better. At least one principal directly addressed this issue when he/she said, "It wasn't emphasized enough to us in the beginning. I didn't realize the impact...I just don't think it was emphasized enough." Therefore, again, the recommendation of this researcher is to either modify the principal's evaluation component or exclude the principal's evaluation component from any future attempts at performance pay initiatives for teachers.

Including the student achievement and professional development components of the teacher performance incentive criteria are another implication of this study for school leaders and policymakers. There is support in the literature and in the findings of this study for the inclusion of these two areas in future performance incentive programs. Odden & Kelley, in their 2002 book, wrote that many performance incentive programs reward teachers for student achievement and/or the successful completion of professional development modules. There is also agreement in the body of reviewed literature on specific components of performance incentive programs (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007). Included among these are the provision of additional pay for individuals who participate in additional and relevant professional development (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007). The principals interviewed for this study supported the aforementioned research. Of the principals interviewed, 76% believed the student achievement component helped the school and 88% believed the professional development component helped the school.

Yet another implication for school leaders wishing to develop a performance incentive program grew out of the challenge regarding the few teachers of tested subjects who received less student achievement performance incentive than some teachers of non-tested subjects. Despite receiving some complaints, the principals interviewed overwhelmingly responded that excluding the teachers of non-tested subjects would harm their schools. Only one principal (6%) responded in any other way to the question. Nearly all of the principals mentioned the increased collaboration and

contributions from all teachers as a result of the student achievement performance incentives.

There appeared to be a large amount of confusion amongst the principals regarding their level of involvement in the process for determining the performance incentive criteria after the first two Leadership Institutes. Beginning with the third Leadership Institute, an Advisory Committee was formed. The committee was made up of the CP leadership, the superintendent of each of the five districts, and the central office contact from each of the five districts. Making minor adjustments to the performance incentive criteria and dealing with challenges as they arose were the primary tasks of the committee. Based on conversations with the CO leadership, they were aware that the creation of the Advisory Committee would exclude principals from the final decision-making process. However, the interview results would suggest confusion regarding the role of the Advisory Committee.

There are perhaps two questions at stake. How much of the confusion surrounding the Advisory Committee is legitimate? How clearly was the transition to the Advisory Committee communicated to the principals? Research indicates that including stakeholders in the development and implementation of performance pay programs increases the likelihood of a successful program (Center for Teaching Quality, 2007; Harris, 2007; Odden & Kelley, 2002; Perkins-Gough, 2007). The implication for school leaders and policymakers is to make a decision from the outset as to the inclusion of all stakeholders in the decision-making process versus a committee and to communicate that decision clearly to all stakeholders.

The final implication for school leaders wishing to design a performance incentive initiative revolves around teacher retirement. Despite the teacher recruitment/retention focus of performance incentive programs, understand that some teachers will use the incentives for purposes other than for which they were designed. Nearly a quarter of the principals interviewed acknowledged that there were teachers in their schools who used the performance incentives associated with the CP over the three years of the pilot to drive up their final average salary for retirement. After the three years, they then retired with a higher monthly check than they would have without the incentives associated with the CP.

Recommendations for Further Research

The first recommendation for further research revolves around the discovery of a quid pro quo within the Collaborative Project (CP), perhaps the most surprising and significant finding of this study. The most immediate question arising from this study is whether or not a performance incentive program on any level can be developed that insulates against a quid pro quo. That question raises more questions regarding quid pro quos for further study on a much broader level than just education. How common are quid pro quos, not only in education, but in the fields of business, politics, or medicine? What is the ethical boundary for quid pro quos, if there is one? Are there varying degrees of legality or illegality surrounding quid pro quos? Are quid pro quos simply part of the human condition? This researcher believes there are opportunities for further study on quid pro quos in education, anthropology, and psychology.

A second recommendation for further study is stakeholder involvement in the decision-making processes of performance incentive initiatives. As reported in the

findings, there was some disagreement amongst the principals regarding their level of participation in the decision-making process of the CP. Therefore, what degree of stakeholder involvement in the decision-making processes of the development and implementation is optimal for a successful program?

The third recommendation for further study involves the principal's evaluation component of the performance incentive criteria for teachers. Is there a way to include subjective evaluations in a performance incentive program that insulates against opportunities for a quid pro quo? Is there a means for including the evaluations in a meaningful way that could help advance the goals of the school and/or the incentive program?

Another recommendation for further research treats the manner in which teachers regard the incentives themselves. Is there a way to create a performance incentive system for teachers that prevents opportunities for teachers to use the incentives in ways other than the developers of the program intended? Was it harmful to the CP for teachers to admit that they used the incentives to drive up his/her final average salary for retirement rather than to improve student achievement and teacher retention rates? This phenomenon affected both good teachers and bad, according to the principals.

One final question that this study has raised is why have incentives to motivate people to do the job for which they are contracted in the first place? Herzberg's research that was quoted in Chapter Two suggested that incentives in the private sector did not work as expected (Herzberg et al., 1959). Does this research stand up to

performance incentive programs in education? Should the federal government continue to encourage school leaders to move toward performance incentives in schools?

Summary

The findings generated from this study have highlighted several implications for school leaders and policymakers. Based on the principals' responses regarding the principal's evaluation component of the teacher performance incentive criteria, this researcher suggests that future iterations either modify the principal's evaluation component or not include principal's evaluations in the teacher performance incentive criteria at all.

A second implication for school leaders and policymakers is the inclusion of the student achievement and professional development components of the performance incentive system. Both the responses of the principals and the literature support the inclusion of these two components.

The third implication for school leaders involves the inclusion of teachers of non-tested subjects/grades in the student achievement component of the performance incentive system. Despite receiving some complaints, the principals interviewed overwhelmingly responded that excluding the teachers of non-tested subjects would harm their schools.

Yet another implication for school leaders and policymakers is to make a decision from the outset as to the inclusion of all stakeholders in the decision-making process versus an advisory committee and to communicate that decision clearly to all stakeholders.

The final implication for school leaders wishing to design a performance incentive initiative revolves around teacher retirement. Understand that some teachers will use the incentives for purposes other than for which they were designed. Nearly a quarter of the principals interviewed acknowledged that there were teachers in their schools who used the performance incentives associated with the CP over the three years of the pilot to drive up their final average salary for retirement.

Based on the findings and their implications for school leaders, this researcher has recommendations for future research. The first recommendation revolves around the discovery of a quid pro quo in the principal's evaluation component of the performance incentive system and the questions this raises. This researcher believes there are opportunities for further study on quid pro quos in education, anthropology, and psychology.

A second recommendation for further study is stakeholder involvement in the decision-making processes of performance incentive initiatives. What degree of stakeholder involvement in the decision-making processes of the development and implementation is optimal for a successful program?

The third recommendation for further study involves the principal's evaluation component of the performance incentive criteria for teachers. Is there a way to include subjective evaluations in a performance incentive program that insulates against opportunities for a quid pro quo? Is there a means for including the evaluations in a meaningful way that could help advance the goals of the school and/or the incentive program?

Another recommendation for further research treats the manner in which teachers regard the incentives themselves. Is there a way to create a performance incentive system for teachers that prevents opportunities for teachers to use the incentives in ways other than the developers of the program intended?

The final recommendation for further study involves research on performance incentives in the private sector. Herzberg's research suggests that performance incentives do not work as intended in the private sector (Herzberg et al., 1959). Does this research hold up in the field of education?

This chapter was organized into four sections, beginning with the conclusions related to the guiding questions. The implications of the findings are provided in the second section of this chapter. The third section offered recommendations for further research, and the final section summarized the chapter.

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**APPENDIX A: PRINCIPALS' PERCEPTIONS OF THE DESIGN
AND IMPLEMENTATION OF THE COLLABORATIVE
PROJECT SURVEY**

1. Did the student achievement component of the CP improve, hurt, or have no effect on your school? If it helped, in what way or ways? If it created problems or "hurt" your school, in what way or ways? If it had no real effect, why, in your opinion, was this?
2. Did the principal's evaluation component of the performance incentives improve, hurt, or have no effect on your school? If it helped, in what way or ways? If it created problems or "hurt" your school, in what way or ways? If it had not real effect, why, in your opinion, was this?
3. The principal's evaluation performance incentive was designed to give principals more leverage to motivate teachers to perform, but almost all principals continued to assign teachers overly inflated ratings. This occurred even in schools with serious student achievement challenges. In your opinion, why did this happen?
4. Did the professional development component of the CP improve, hurt, or have no effect on your school? If it helped, in what way or ways? If it created problems or "hurt" your school, in what way or ways? If it had no real effect, why, in your opinion, was this?
5. Evaluation reports on the Collaborative Project (CP) from the Carolina Institute for Public Policy indicate that a number of teachers complained that others who taught tested subjects received less performance incentive for student achievement than teachers of non-tested subjects (who were rewarded based on school-wide results). Did any teachers in your school complain about this? If so, how widespread were the complaints? How did you, as the leader of the school, address this issue?
6. If the decision had been made to exclude the teachers of non-tested subjects from the student achievement performance incentive, would this have helped your school or would it have caused problems? How?
7. Evaluators from the Carolina Institute for Public Policy noted that the superintendents, central office contacts, and principals from all five participating districts confirmed that they had been "fully involved" in the process for determining the performance incentive criteria. Do you think this is correct? The evaluators added that in order for the performance incentives to be effective, the incentives developed by the stakeholders had to balance high standards with the realization that the incentives had to be realistically achievable. In your opinion,

were the stakeholders in the CP successful in creating performance incentive criteria that blended high standards with achievability? If so, why do you think so? If not, why not?

8. The CP was originally described as a three-year pilot project with part of its emphasis being the recruitment/retention of teachers and administrators. All stakeholders initially thought the CP would end at the conclusion of the three years – at the end of the 2009-10 school year. During the 2008-09 legislative session, the CP was given a fourth year by the General Assembly. However, at least in one district, a large number of teachers retired at the end of the third year. They viewed the performance incentives as a way to significantly boost their salary so that their retirement payments would be higher using the 3 years of the CP. In other words, despite the teacher retention focus of the project, a certain population of teachers planned to retire at the conclusion of the original three years from the outset of the CP. Did you observe similar instances of teachers attempting to drive up their final average salary for retirement in your school? If so, were these teachers your better teachers? How will your retention rates be impacted by this phenomenon?

APPENDIX B: COLLECTIVE INCENTIVE

CRITERIA 2010

Criteria to Use When Determining Teacher Performance Incentive Rewards

The following performance incentive model establishes four criteria to use when determining eligibility for annual performance incentives of up to \$2,000. Each of the four criteria to determine eligibility for 25%, or up to \$500, of the performance incentive. Within each of the four criteria there are levels of attainment ranging from the full 25%, or \$500, to nothing, depending on performance.

Value	Professional Development (25%)	Student Performance (25%)	Parent and Community Contact (25%)	Principal's Assessment (25%)
\$500	Attended 9 or more CP PD days or 85% of days available to you	85% of students met composite performance proficiency or 10% more than the previous year	50 hours of direct parent contact (defined below in # 3). 25% of that contact may be superintendent designated community activity. <i>Must log.</i>	Above Standard performance (8 out of 8) and returning to the system
\$400	Attended 7 or more CP PD days or 70% of days available to you	75% of students met composite performance proficiency or 5% more than the previous year	40 hours of direct parent contact (defined below in # 3). 25% of that contact may be superintendent designated community activity. <i>Must log.</i>	At Standard performance (6 out of 8) and returning to the system
\$300	Attended 6 or more CP PD days or 55% of days available to you	65% of students met composite performance proficiency or 3% more than the previous year	30 hours of direct parent contact (defined below in # 3). 25% of that contact may be superintendent designated community activity. <i>Must log.</i>	Below Standard performance does not merit financial reward
\$0	If attended less than five CP PD days, not eligible for financial reward	If less than 65% of students met proficiency or less than 3% increase from previous year, not eligible for financial reward	If less than 30 hours of parent contact (defined below in # 3), not eligible for financial reward. <i>Must log.</i>	Unsatisfactory performance does not merit financial reward * See note #2

*Note: Below Standard for Principal's Assessment receives no reward in this category

Explanatory Notes: 1) Teachers whose students take ABC tests will be rated based on the performance outcomes of their students. Teachers who are in areas not tested for ABC accountability purposes will be rated based on the student performance outcomes of all of the children in their school. For instance, if a middle school meets its ABC growth target, all teachers in non-tested areas would be eligible for a \$500 incentive. 2) Changes may be required due to a new teacher evaluation instrument. 3) Parent contact is defined as, but not limited to, face-to-face parent-teacher conferences, parent-teacher phone conferences offered as a face-to-face alternative, home visitations, PEP and IEP meetings or other activities to be determined by the principal.

Criteria to Use When Determining Superintendents' Eligibility for Deferred Compensation Rewards

Superintendents' eligibility for receiving a one-time deferred compensation reward at the end of the three-year Collaborative Project will depend upon meeting five criteria.

Point Value	Student Performance (20%) Math Baseline 2008-07 Reading Baseline 2007-08	Building a Learning Community (20%) Baseline 2007-08	Leadership/Support of School Principals (20%) Baseline 2007-08	Leadership in Collaborative Project (20%) Baseline 2007-08	Teacher and Principal Retention (20%) Baseline 2007-08
4	Majority of elementary and middle schools met ABC and AYP targets	90% of eligible teachers participated in 90% of available CP professional development; 10% increase in teachers working toward NBCT. 90% of principals attended 26 or more CLI days (out of 30).	360 evaluation rating by evaluators found superintendent "excellent"	Attended 26 or more CLI days (out of 30); responsive to info requests; personally encourages teacher/principal project support	Retention rate of teachers has improved 5% since baseline year (2006-07). 90% of principals remained in the system since baseline year. (Excluding terminated and retiring teachers and principals.)
3	Majority of elementary and middle schools met Either ABC or AYP targets	85% of eligible teachers participated in 85% of available CP professional development; 8% increase in teachers working toward NBC. 85% of principals attended 25 or more CLI days (out of 30).	360 evaluation rating by evaluators found superintendent "above average"	Attended 25 or more CLI days (out of 30); responsive to info requests; personally encourages teacher/principal project support	Retention rate of teachers has improved 3% since baseline year (2006-07). 85% of principals remained in the system since baseline Year (Excluding terminated and retiring teachers and principals.)
2	Majority of elementary and middle schools registered measurable growth gains from baseline year	75% of eligible teachers participated in 75% of available CP professional development; 5% increase in teachers working toward NBC. 75% of principals attended 24 or more CLI days (out of 30).	360 evaluation rating by evaluators found superintendent "average"	Attended 24 or more CLI days (out of 30); responsive to info requests; personally encourages teacher/principal project support	Retention rate of teachers has not decreased since baseline year (2006-07). 75% of principals remained in the system since baseline year (Excluding terminated and retiring teachers and principals.)
0	If majority of elementary and middle schools did not meet AYP or ABC targets or registered measurable growth from baseline year, no points are earned	Less than 75% of eligible teachers participated in less than 75% of available CP professional development. Less than 5% increase in teachers working toward NBC. Less than 75% of principals attended 24 or more CLI days (out of 30).	360 evaluation rating by evaluators found superintendent "below average" no points are earned	Attended less than 24 CLI days (out of 30)	Retention rate of teachers has decreased since baseline year. Less than 75% of principals remained in the system since baseline year (2006-07).

* Over the course of the three-year Project, \$10,000 will be deposited annually for each superintendent. The amount rewarded at the end of the Project will be dependent upon the growth in the incentive criteria plus the interest accrued. This year (2007-08) will be the benchmark year.

Criteria for Principals' Performance Incentive Rewards

Principals' eligibility for receiving a one-time deferred compensation reward at the end of the three-year Collaborative Project will depend upon meeting four criteria.

Point Value	Student Performance (25%) Math Baseline 2005-07 Reading Baseline 2007-08	Building a Learning Community (25%) Baseline 2007-08	Superintendent's Evaluation (25%) Baseline 2007-08	Creating a Positive Workforce Environment (25%) Baseline 2007-08
4	School met ABC and AYP targets	80% of eligible teachers participated in 90% of available CP-sponsored professional development; 10% increase in teachers working toward NBC. Principal attended 26 or more CLI days (out of 30).	Superintendent rates principal as well above-average performer	Teacher Working Conditions Survey results (average of 5 domains) improved 10% or maintained high level (above state 3,444 average) since baseline year (2007-08). <i>Must have 85% response.</i>
3	School met either ABC or AYP targets	85% of eligible teachers participated in 85% of available CP-sponsored professional development; 8% increase in teachers working toward NBC. Principal attended 25 or more CLI days (out of 30).	Superintendent rates principal as above-average performer	Teacher Working Conditions Survey results (average of 5 domains) improved 5% since Baseline year (2007-08). <i>Must have 80% response.</i>
2	School missed both ABC and AYP targets, but made measurable growth from baseline year	75% of eligible teachers participated in 75% of available CP-sponsored professional development; 5% increase in teachers working toward NBC. Principal attended 24 or more CLI days (out of 30).	Superintendent rates principal as average performer	Teacher Working Conditions Survey results (average of 5 domains) have not declined since baseline year (2007-08)
0	School did not reach ABC or AYP targets and did not register measurable growth from baseline year	Less than 75% of teachers participated in less than 75% of available CP-sponsored professional development or less than 5% increase in teachers working toward NBC.	Superintendent rates principal as below-average performer	Teacher Working Conditions Survey results (average of 5 domains) declined since baseline year (2007-08)

- Over the course of the three-year project, \$7,500 will be deposited annually for each principal. The amount rewarded at the end of the Project will be dependent upon the growth in the incentive criteria plus the interest accrued. This year (2007-08) will be the benchmark year.

Criteria for Assistant Principals' Performance Incentive Rewards

The Assistant Principal supports the Principal in Collaborative Project initiatives.

Value	Student Performance (25%) Math Baseline 2006-07 Reading Baseline 2007-08	Building a Learning Community (25%) Baseline 2007-08	Value	Principals' Evaluation (50%) Baseline 2007-08
\$500	School met ABC and AYP targets	90% of teachers participated in 90% of available Project-sponsored professional development; 10% increase in teachers working toward NBC.	\$1,000	Principal rates assistant principal as well above-average performer; AP attended 5 CP teacher PD days (beginning 2009-10).
\$400	School met either ABC or AYP targets	85% of teachers participated in 85% of available Project-sponsored professional development; 8% increase in teachers working toward NBC.	\$800	Principal rates assistant principal as above-average performer; AP attended 4 CP teacher PD days (beginning 2009-10).
\$300	School missed both ABC and AYP targets, but made measurable growth from baseline year	75% of teachers participated in 75% of available Project-sponsored professional development; 5% increase in teachers working toward NBC.	\$600	Principal rates assistant principal as average performer; AP attended 3 CP teacher PD days (beginning 2009-10).
\$0	School did not reach ABC or AYP targets and did not register measurable growth from baseline year	Teachers participated in less than 75% of available Project-sponsored professional development or less than 5% increase in teachers working toward NBC.	\$0	Principal rates assistant principal as below-average performer; AP attended less than 3 CP teacher PD days (beginning 2009-10).

Criteria to Use When Determining Central Office Contact Incentive Rewards

The following performance incentive model establishes three criteria to use when determining eligibility for annual performance incentives of up to \$2,000. Within each of the three criteria there are levels of attainment ranging from 50% or \$1,000, to nothing, depending on performance.

Value	Building a Learning Community (25%)	Forum Staff's Evaluation (25%)	Value	Superintendent's Evaluation (50 %)
\$500	90% of eligible teachers participated in 90% of available CP professional development. 10% increase in teachers working toward NBCT. Central office contact attended 11 or more CLI days (out of 12).	Excellent support for CP including disseminating information regarding CP sponsored events; responding in a timely manner to all CP requests; providing accurate data; attending planning and ad hoc meetings related to CP; and providing logistical support for CP sponsored events held in the LEA	\$1,000	Excellent communication, coordination and facilitation of all CP professional development for the LEA. Central office contact (or his/her designee) attends 100% day-long professional development held in LEA; Encourages teacher/principal support for CP initiatives.
\$400	85% of eligible teachers participated in 85% of available CP professional development. 8% increase in teachers working toward NBC. Central office contact attended 10 or more CLI days (out of 12).	Effective support for CP including disseminating information regarding CP sponsored events; responding in a timely manner to all CP requests; providing accurate data; attending planning and ad hoc meetings related to CP; and providing logistical support for CP sponsored events held in the LEA	\$800	Effective communication, coordination and facilitation of CP professional development for the LEA; Central office contact (or his/her designee) attends 90% day-long professional development held in LEA; Encourages teacher/principal support for CP initiatives.
\$300	75% of eligible teachers participated in 75% of available CP professional development. 5% increase in teachers working toward NBC. Central office contact attended 9 or more CLI days (out of 12).	Average support for CP including disseminating information regarding CP sponsored events; responding in a timely manner to all CP requests; providing accurate data; attending planning and ad hoc meetings related to CP; and providing logistical support for CP sponsored events held in the LEA	\$600	Average communication, coordination and facilitation of CP professional development for the LEA; Central office contact (or his/her designee) attends 80% day-long professional development held in LEA; Encourages teacher/principal support for CP initiatives.
\$0	Less than 75% of eligible teachers participated in less than 75% of available CP professional development. Less than 5% increase in teachers working toward NBC. Central office contact attended less than 9 CLI days (out of 30).	Ineffective support for CP including disseminating information regarding CP sponsored events; responding in a timely manner to all CP requests; providing accurate data; attending planning and ad hoc meetings related to CP; and providing logistical support for CP sponsored events held in the LEA	\$0	Ineffective communication, coordination and facilitation of CP professional development for the LEA. Central office contact (or his/her designee) attends less than 80% day-long professional development held in LEA; Does not encourage teacher/principal support for CP initiatives

APPENDIX C: CONSENT SCRIPT

You are being invited to participate in a research study, “The Collaborative Project: Principals’ Perceptions Related to the Development and Implementation of a Teacher Performance Incentive Initiative,” being conducted by Patrick C. Miller, a student at East Carolina University in the Department of Educational Leadership. The goal is to conduct telephone interviews with 15 principals from the five participating districts of the Collaborative Project. The survey will take approximately 45 minutes to complete. It is hoped that this information will assist us to better understand potential issues surrounding the development and implementation of performance incentive programs for teachers. Your participation in the research is voluntary. You may choose not to answer any or all questions, and you may stop at any time.

There is no penalty for not taking part in this research study.

Please call the principal investigator, Patrick C. Miller, at (252) 747-3425 for any research related questions or the UMCIRB at 252-744-2914 for questions about your rights as a research participant.

APPENDIX D: INSTITUTIONAL REVIEW BOARD APPROVAL LETTER



EAST CAROLINA UNIVERSITY

University & Medical Center Institutional Review Board Office
11-09 Brody Medical Sciences Building • 600 Moye Boulevard • Greenville, NC 27834
Office 252-744-2914 • Fax 252-744-2284 • www.ecu.edu/irb

TO: Patrick C. Miller, EdD Candidate, 301 Kingold Boulevard, Snow Hill, NC 28580

FROM: UMCIRB *KWB*

DATE: December 2, 2010

RE: Expedited Category Research Study

TITLE: "The Collaborative Project: Principals' Perceptions Related to the Development and Implementation of a Teacher Performance Pay Initiative"

UMCIRB #10-0698

This research study has undergone review and approval using expedited review on 12/01/2010. This research study is eligible for review under an expedited category number six (6) and seven (7) which include collection of data from voice, video, digital, or image recordings made for research purposes and research on individual or group characteristics or behavior (including, but not limited to, research on perception, cognition, motivation, identity, language, communication, cultural beliefs or practices, and social behavior), or research employing survey, interview, oral history, focus groups, program evaluation, human factors evaluation, or quality assurance methodologies. (NOTE: some research in this category may be exempt from the HHS regulations for the protection of human subjects 45 CFR 46.101(b) (2) and (b) (3). This listing refers only to research that is not exempt. The Chairperson (or designee) deemed this unfunded study **no more than minimal risk** requiring a continuing review in **12 months**. Changes to this approved research may not be initiated without UMCIRB review except when necessary to eliminate an apparent immediate hazard to the participant. All unanticipated problems involving risks to participants and others must be promptly reported to the UMCIRB. The investigator must submit a continuing review/closure application to the UMCIRB prior to the date of study expiration. The investigator must adhere to all reporting requirements for this study.

The above referenced research study has been given approval for the period of **12/01/2010 to 11/30/2011**. The approval includes the following items:

- Internal Processing Form (dated 11/23/2010)
- Informed Consent Script (UMCIRB receipt date 11/23/2010)
- Survey Tool/Questions (UMCIRB receipt date 11/23/2010)

The Chairperson (or designee) does not have a potential for conflict of interest on this study.

The UMCIRB applies 45 CFR 46, Subparts A-D, to all research reviewed by the UMCIRB regardless of the funding source. 21 CFR 30 and 21 CFR 36 are applied to all research studies under the Food and Drug Administration regulation. The UMCIRB follows applicable International Conference on Harmonisation Good Clinical Practice guidelines.