

Running head: ADMINISTRATOR PERCEPTION OF MERIT PAY

SCHOOL ADMINISTRATOR PERCEPTION OF MERIT PAY ON MOTIVATION AND JOB  
PERFORMANCE: A DESCRIPTIVE CASE STUDY

by

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**DECLARATION OF ORIGINALITY**

I do hereby declare and attest that this is an original study based solely upon my own scholarly work in partial fulfillment of the degree requirements for the Doctor of Education at the University of Michigan-Flint and that I have not submitted it for any other college or university course or degree at the University of Michigan-Flint or elsewhere.

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## ABSTRACT

School districts in Michigan and across the nation must continue to meet federal and state mandates to compensate educators, including administrators, on the basis of performance. The traditional salary schedule is considered by many to be outdated and ineffective because it does not base administrator compensation on job performance. The purpose of this study was to analyze administrators' perception on how his or her motivation and job performance has been impacted by a merit pay program. This descriptive case study research analyzes survey data, focus group interviews, and personal interviews to provide an in-depth study of an administrator merit pay program in a suburban school district in Michigan. The major findings of this research revealed merit pay nor the amount of merit pay impacts motivation or job performance for a majority of administrators.

*Keywords:* administrator, extrinsic motivation, intrinsic motivation, merit pay, performance-based compensation

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## CHAPTER 1. INTRODUCTION

It is June 21, 2013 and I just left my end-of-the-year evaluation with my supervisor, the Assistant Superintendent of Elementary Instruction. Our meeting started with small talk-questions about my family, questions about a few members of my staff, etc. She then complimented me on the school year. I then shared my points of pride and my self-scoring on the matrix the district had adopted. I also presented the results of my student growth goal. My overall score of 3.65 equated to a highly effective rating. She then shared her scoring of the matrix. Her overall score of 3.42 equated to an effective rating. Her effective rating meant I was not eligible to earn the 3% merit pay incentive, which the Board of Education adopted earlier in the school year. I left the meeting with feelings of failure and disappointment. I had received effective ratings before but this felt different. I understood the source of my despair--because of this effective rating, I would not be awarded \$3,400, which I felt I earned based on my job performance. Why wasn't I awarded merit pay? Since I didn't earn merit pay, does that mean the district doesn't value me or my work? How can I continue to work for a district that does not value my work? What could I have done differently so I was awarded merit pay? Why am I being punished? Was I motivated to earn the merit pay? After a sleepless night, I emailed my supervisor to ask we could further discuss my evaluation. She agreed to meet with me again. The conversation seemed a bit more strained-lacking the friendly exchange from a few days earlier. I shared with her my disappointment in my rating and asked if I could provide artifacts to support my highly effective rating. She agreed and I spent the next few days gathering evidence. When we met again, I was able to present my additional artifacts. Point by point, I illustrated why specific components should be scored highly effective instead of effective. She

listened, took notes, but made very few comments. The meeting ended with the agreement she would consider what I presented. A few days later she emailed me a final evaluation with

a highly effective rating. I received the \$3,400 merit pay incentive and she and I never discussed the evaluation process again. I earned a highly effective rating 2014-2015 and 2015-2016 and was awarded merit pay; but due to staff turnover, had a different evaluator each of the subsequent years. I was prepared for each of the evaluation meetings and was able to provide artifacts for the different components of the matrix. Throughout each of the following school years, I intentionally collected artifacts which supported the matrix components. The processes and procedures of my evaluation experience, and the subsequent questions I raised, led me to choose the topic of administrator merit pay for this dissertation.

### **Purpose of the Study**

The purpose of this study was to analyze administrator perception on how his or her motivation and job performance has been impacted by a merit pay program implemented in 2013-2014 in the suburban school district where I worked at in Michigan. I examined how educators have traditionally been compensated, the evolution of merit pay, and literature on motivation to determine if a relationship exists between merit pay, motivation, and job performance. Through surveys, focus group interviews, and personal interviews, administrators shared with me their perspectives of the impact merit pay had on their motivation and job performance. By analyzing these perspectives, I am able to better understand their actions and motivations. Three years have passed since that evaluation meeting in June of 2013. Due to turnover and retirements, each year I had different evaluators complete my end of the year evaluation and determine my performance rating. I am now able to better answer the questions I had about merit pay and share what my study revealed.

## **Background**

**Merit pay at the federal level.** The idea of merit pay grew in popularity across the United States in the 2000s with federal support creating incentives for compensation, which includes the use of test scores. These test scores would be from state-wide or national assessments and would be used to reward teachers with additional compensation for improved test scores. On July 2, 2009, Arne Duncan, U.S. Secretary of Education, delivered a speech to the National Education Association, which encouraged union officials to acknowledge and reward effective teachers (U.S. Department of Education, 2009).

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by President Obama on February 17, 2009. This law affected many areas of the public sector including education. Obama's education plan of ARRA allocated \$4.35 billion to a Race to the Top, a program to fund and support educational reforms at the state level (U.S. Department of Education, 2009). Obama's administration used Race to the Top dollars to promote education reform in four areas: standards and assessments, which prepare students for success; data systems to support instruction; recruiting, developing, rewarding, and retaining effective teachers; and, improving test scores in struggling schools. If states were able to reform these four areas, Obama's administration believed there would be substantial gains in student achievement, improved graduation rates, increased college success, and the achievement gap between high-performing and low-performing schools would be closed (U.S. Department of Education, 2010). The Race to the Top Grant encouraged states to pay teachers and principals in new ways based on their effectiveness (Smarick, 2010). This grant promoted the implementation of performance pay systems, such as the merit pay program implemented in my school district.

**Merit pay at the state level.** The climate in the Michigan legislature in the fall and winter of 2009 was described in the Michigan Policy Network as a “political and economic hurricane” (Boyd, 2010, para, 8). The legislature agreed with State Superintendent Mike Flanagan and Governor Jennifer Granholm that Michigan needed to aggressively pursue the Race to the Top Grant to relieve the financial pressure on local school districts. Members of the Michigan Department of Education, Democratic Party legislators along with some members of the Republican Party, and the Democratic Party governor believed Michigan’s application did not meet the minimum criteria and changes in legislation needed to be made in order to be awarded the grant. Flanagan and Granholm lobbied for Democratic and Republican legislators to pass legislation to improve Michigan’s chances to be awarded federal Race to the Top funds.

The legislature passed several bills on Saturday, December 9, 2009, which they believed would make Michigan more competitive for Race to the Top funds. Key parts of the legislation included identifying the lowest five percent of public schools and placing them on a turnaround plan, modifying collective bargaining agreements, creating new charter schools and cyber schools, including student growth when evaluating teachers and administrators, providing alternative avenues for teacher certification, providing flexibility in curriculum, and requiring certification for school administrators (Lane, 2010). Granholm signed these bills into law on January 4, 2010, just 15 days before the application for Race to the Top funds was due (Lane, 2010). Two key parts of this legislation relate to merit pay—modifying collective bargaining agreements and including student growth when evaluating teachers and administrators. Collective bargaining agreements must now include job performance and job accomplishments as a significant factor in determining compensation and additional compensation such as merit

pay. Evaluating a teacher's or administrator's performance must be at least partially determined by student achievement.

Forty states initially applied for part of the Race to the Top funds. Delaware (\$100 million) and Tennessee (\$5 million) were the only two states awarded money in the first phase. Michigan applied for the first round (\$500 million) and did not receive funds (U.S. Department of Education, 2012a). There were second phase winners announced in August of 2010. Nine states and the District of Columbia were awarded money. Michigan did not receive any of the \$400 million they had requested in the second round (U.S. Department of Education, 2012b). There was a final phase of winners announced in December of 2011. Thirty-five states applied for the grants and seven states were awarded federal dollars--once again, Michigan was not a recipient. Michigan's failed application had requested \$70 million (U.S. Department of Education, 2012c).

Even though Michigan was not awarded any of the federal dollars, Flanagan said, "We are in the process of implementing those reforms and we are committed to moving Michigan schools forward to give every child in Michigan the highest quality education and prepare them for the jobs of the 21<sup>st</sup> century. It would have been helpful to get a Race to the Top grant, but we have a lot of work to do here to implement our new reform laws and we are moving forward" ("Michigan Moving Forward," 2010).

**Merit pay at the local level.** This legislative mindset that change needed to occur in order for Michigan to receive the Race to the Top grant provided the impetus for my school district to negotiate and implement performance-based compensation (merit pay) for teachers and administrators. During the fall of 2012, district officials discussed with executive members of the teachers' association legislation which required districts to reward teachers and

administrators for student achievement. To comply with this legislation, this negotiation led to adoption of a \$2,500 incentive for teachers who received a highly effective rating. In the winter of 2012 and spring of 2013, the Assistant Superintendent of Human Resources then met with the district's administrator continuing contract committee to discuss how administrators could be rewarded for student achievement. The challenge for the continuing contract committee was to negotiate a similar plan the teachers negotiated for administrators. At that time, this committee was comprised of a high school principal, middle school assistant principal, and an elementary principal. Although the administrators in my district are not unionized, this committee meets to negotiate on behalf of the administrators. As a results of these negotiations, school board officials adopted a board policy on June 13, 2013 to reward highly effective teachers and administrators with performance-based compensation (see Appendix A for complete board policy). Specifically, part of the policy reads, "The District shall implement and maintain a method of compensation for its teachers and school administrators that include job performance and job accomplishments as a significant factor in determining compensation and additional compensation" (XXX School District Board Policy, 2013). This policy was put into practice during the 2013-2014 school year and has continued through the 2015-2016 school year with minor modifications. In my district, administrators are individuals in charge of the operation of a school or department who have the responsibilities of hiring, supervising, and evaluating staff.

Concurrently, the district implemented the Reeves Leadership Behavior Matrix Model to evaluate administrators at the same time. Prior to this adoption, the district had used Stages, a web-based data collection tool used to evaluate administrators. Other tools considered were the Marzano School Leadership Evaluation Model and MASA's School Advance Administration Evaluation Instrument. The district's administrator continuing contract committee worked with

district officials to determine the appropriateness of the Reeves model. The Michigan Council on Educator Effectiveness (MCEE) included the Douglas Reeves' Leadership Performance Matrix as one of four administrator evaluation tools to be used in Michigan (MCEE, 2013). This tool met the requirements of Public Act 102 of 2011. The committee indicated, however, measuring student growth which align with local and state assessments needed to be included. In order to comply with the law to ensure that student growth was being measured accurately, the district added a component for student growth. The model includes ten leadership dimensions- resilience, personal behavior and professional ethics, student achievement, decision making, communications, faculty development, leadership development, time/task/project management, technology, and personal professional learning. Within each dimension, administrators can earn a 4 (highly effective), 3 (effective), 2 (minimally effective), or 1 (ineffective) on the components under each dimension. Each dimension is given a separate score based on the average of the components under each dimension. As discussed earlier in the introduction, at the conclusion of the school year, administrators meet with their supervisor and present his or her accomplishments in relation to the Reeves Leadership Behavior Matrix. Using a weighted formula, if an administrator achieves a highly effective score, performance-based compensation is earned and the administrator receives 3% of his or her base salary. This 3% amount was negotiated based on the \$2,500 amount the teacher union agreed upon for its membership. An administrator's effectiveness rating is determined according to the following cut scores: 4.0-3.5 highly effective; 3.49-2.75 effective; 2.74-2.0 minimally effective; and, 1.99-0.0 ineffective. This 3% salary range based on base salary in 2013-2014 and 2014-2015 was \$2,761-\$3,894. Based on achieving a highly effective rating, 14 of the 30 eligible administrators received merit pay in 2013-2014. In 2014-2015, 17 of the 33 eligible administrators were awarded merit pay.

The district is comprised of two high schools, one alternative high school, four middle schools and 12 elementary schools and serves approximately 13,000 students. The district employs over 800 teachers and over 30 administrators. The district's cabinet is comprised of the Superintendent, Assistant Superintendent of Secondary Instruction, Assistant Superintendent of Elementary Instruction, Assistant Superintendent of Employee Services, and Assistant Superintendent of Business Services. The district has a reputation for high achievement of students. According to the Michigan Department of Education's top to bottom ranking (2014), 14 of the 19 schools ranked in the top 95% of top-performing schools in Michigan.

### **Statement of the Problem**

Accountability for educators in Michigan and throughout the nation is forcing school districts to find ways to increase student achievement. Compensating educators, including administrators, on the basis of performance is seen as one way to improve student achievement. Michigan's recently passed educational reform legislation came about because of the incentive provisions found in the Obama Administration's Race to the Top grant. The political climate in Michigan is supportive of holding both teachers and principals accountable for the academic achievement and growth of their students. One way to address the concern of increased accountability is to implement a pay-for-performance program to motivate and direct the efforts of administrators, which ultimately increases student achievement.

Administrators contribute to the effectiveness of schools. Effective principals can impact several school outcomes, including student achievement, recruiting and motivating highly qualified teachers, identifying and articulating school goals, and allocating resources appropriately to support teaching and learning (Goldhaber, 2007; Hope, 2002; Rice, 2010; Schneider, 1983). Leithwood, Louis, Anderson, and Wahlstrom (2004) identify leadership as

second only to teaching among school-related factors influencing student success. Pitner's study (1998) found principals impact student performance through interactions with teachers and how these interactions influence teachers. Research indicates teachers value capable, compassionate, innovative, and fair-minded principals who prioritize student learning as a top priority (Goldhaber, 2007; Tuytens & Devos, 2010).

### **Research Question**

The question that guided this study was: What is administrator perception of how his or her motivation and job performance has been impacted due to merit pay? The answer to this question is important since the district's merit pay program was designed to improve administrator effectiveness, and as a result, improve student performance.

By answering this question through this study, local school boards and district leadership may develop a deeper understanding of the relationship between motivation, merit pay, and job performance to consider as they develop policies to comply with the law. Legislative members may gain knowledge about merit pay which may aid them in developing/amending legislation. This research will also expand the base of existing knowledge surrounding merit pay systems and motivation/job performance.

### **Limitations of the Study**

There were limitations present in this study. I was employed by the district which was investigated and there may be potential bias in analyzing the findings. The focus of this study was on administrators working in a district with a merit pay program in place; the perceptions of administrators who are not part of a merit pay program are not represented. Although this research included all administrators in the district, there is a small sample size related to the

descriptive case study design of the research. The study did not include interviews with parents, teachers, students, school board members, or other stakeholders

This study is based on one focus group with three participants. Another internal validity concern is these administrators volunteered to participate in the focus group, volunteered to complete the survey, and/or volunteered to be interviewed. The voice of administrators who did not volunteer is not included in the study. The administrators are co-workers and colleagues-- which may have impacted their responses. To address this limitation, an outside facilitator led the focus group and survey responses were anonymous. It is possible that an administrator was not truthful in his or her response. Many of the survey questions used a Likert Scale and respondents may have interpreted the scale differently.

### **Research Approach**

I utilized a descriptive case study research approach to conduct an inquiry into administrator perception of how merit pay had impacted his or her motivation and job performance. This research was conducted in two phases. The first phase consisted of the design, administration and interpretation of an online survey designed to address school administrators' perceptions of how his or her job performance and motivation has been impacted since the implementation of a merit pay program. I also conducted a document review of the board approved merit pay program policy, school board minutes, and Michigan law regarding merit pay. The purpose of the second phase, consisting of focus group interviews and individual school administrator interviews, was conducted to enhance and elaborate data collected from the survey. A data analysis was then conducted to determine patterns and themes.

## **Organization of the Study**

This section provides an introduction of the topic of merit pay as well as an overview of the study. The history of merit pay in the district being studied, as well as in Michigan, is also discussed. Details of the study including the purpose of the study, statement of the problem, research question, limitations of the study, and research approach are also provided.

In the next section, I review the literature on merit pay. Specifically, I reviewed literature to be able to discuss existing merit pay systems and determine how these systems influence motivation and performance. The literature review also includes a theoretical framework for this study. The next section describes the case study methodology I used in this study. This description includes the design of my research, data sources and my research techniques. The techniques I used to analyze the data are also discussed. I then describe and analyze the findings of my research about administrator perception of how the merit pay program impacted their motivation and job performance. I discuss how merit pay did and did not impact the administrators in this study. My final section includes a summary of the results of my study. I also include recommendation for future research studies and implications for action.

## CHAPTER 2. LITERATURE REVIEW

Providing merit pay for highly effective educators became law in Michigan in January of 2010. There is a demand across the nation for increased accountability in schools. Maximizing employee performance is critically important to meet the educational demands of local, state, and federal initiatives intended to improve school performance (Webb & Norton, 2013).

Organizations improve when they are able to motivate and develop their employees (Webb & Norton, 2013). Job satisfaction and motivation are essential ingredients to improve the effectiveness of an organization (Manzoor, 2012). One way to address the concern of increased accountability is to implement a pay-for-performance program to motivate and direct the efforts of administrators. Numerous researchers have explored teacher motivation and merit pay, but there is little research on merit pay plans for administrators (Goldhaber, 2007).

For the purpose of this study, the literature review includes studies completed on merit pay for teachers, principals, educators, and administrators. The U.S. Department of Education define an educator in the Race to the Top District Executive Summary (2012) as “all education professionals and paraprofessionals working in participating schools . . . including principals or other heads of a school, teachers, other professional instructional staff (e.g. staff involved in curriculum development, staff development, or operating library, media and computer centers), pupil support services staff (e.g. guidance counselors, nurses, speech pathologists, etc.), other administrators (e.g. assistant principals, discipline specialists.), and paraprofessionals (e.g. assistant teachers, instructional aides) (p. 15). There is also limited research which isolates merit

pay for administrators from merit pay for teachers. The structure for administrator compensation is similar to teacher compensation-based on years of experience and level of education.

This section reviews literature to examine motivational theories, provide background on compensation in education, and analyze merit pay to determine the perception of educators on how these merit pay systems influence their motivation, work performance, and student achievement.

### **Theoretical Framework**

“Motivation” is a term derived from the word “motive” which means a reason for action. Mitchell (1982) defines motivation as the “degree to which an individual wants and chooses to engage in certain specified manner” (p. 82). Motivation is an important component of merit pay (Gratz, 2009). Individuals usually make employment decisions based on the expectation of psychological or financial rewards. Several theorists have developed models that relate to motivation and job satisfaction (Herzberg, Mausner, & Snyderman, 1959; Locke & Latham, 1990; Maslow, 1943; Vroom, 1964). I examined these theories to understand the impact merit pay had on the motivation of administrators to improve their job performance. Content theorists such as Maslow and Herzberg identify which factors energize and sustain behavior in an individual or in the work environment. Process theorists such as Vroom and Locke explain how a person’s behavior is energized, directed, and sustained. All of these theories provide a framework to gain an understanding of why administrators behave the way they do. If there are specific goals to achieve and the individual has needs or desires to fulfill, individuals become motivated (Bartol & Locke, 2000). As seen in Figure 1, parts of different theories were used to explore administrators’ attitudes and perceptions of the merit pay program implemented in the

suburban school district in Michigan and if, or how, merit pay has impacted the way in which they work.

Figure 1. Theories Used to Interpret Administrator Motivation and Performance

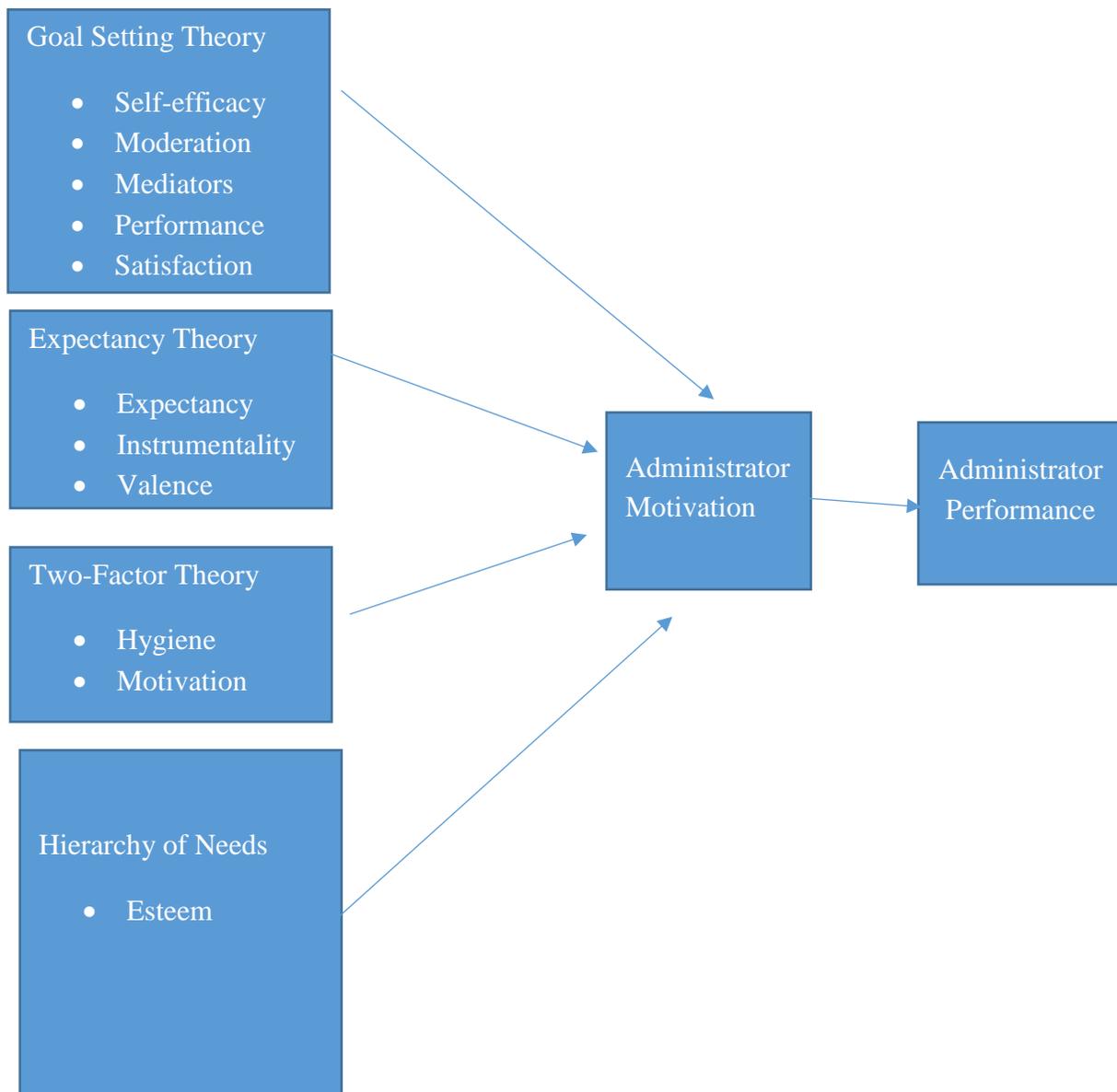


Figure 1. Components which informed the problem of practice for this study.

According to Maslow (1943), motivation involves effort, persistence and goals. When considering how merit pay impacts educators, additional money could satisfy a need in Maslow's

hierarchy— esteem. Maslow hypothesized a person’s unsatisfied need starts the motivation process resulting in a person’s behavior. Achieving or meeting the certain set of needs completes the motivation process (Maslow, 1943). Once a human meets a certain set of needs, there is an inertia pulling him or her to meet the next level of needs. Professional success is a source of *esteem*, Maslow’s fourth hierarchical step. Rewarding an employee with merit pay to specifically acknowledge their performance builds esteem. Employees awarded merit pay can develop a sense of accomplishment and gain confidence by being recognized for their work efforts. Rewarding administrators for their performance fulfills this hierarchical need. Items from my data sources (see Appendices C, H, and J for complete data sources) were developed with this hierarchy in mind. For example, item 10 on the survey (see Appendix B for survey) requests respondents to indicate if being awarded merit pay would make them feel valued for their work. Answers to this question affirm the correlation between reward and self-value within the interplay of Maslow’s hierarchy and my research.

Herzberg, Mausner, and Snyderman (1959) proved work-related motivation could be divided into two factors: extrinsic hygiene and intrinsic motivators. *Motivators* are employee rewards for work: achievement, responsibility, recognition, advancement, or fiscal motivation. The *hygiene* factor of salary differs from fiscal motivation because it is a base necessity which must minimally be attained in order to satisfy higher psychological needs. In addition, the motivation to work for monetary reward is an intrinsic process, while salary is an extrinsic reality. Thus, those motivated by money are directly gratified by merit pay. However, the factors contributing to merit pay on a scale are also motivators— being recognized for hard work, being rewarded for producing specific results, or meeting professional goals.

Iannone (1973) applied this theory when he completed a study of 40 principals in Syracuse. He found achievement and recognition as motivating factors for principals contributing to their job satisfaction. When determining principals' job dissatisfactions, his research indicated interpersonal relations with peers, supervisors, and subordinates, as well as school district policy and administration, were factors contributing to principals being dissatisfied with their jobs (Iannone, 1973). Administrators, like all employees, have a need to avoid discomfort and unpleasantness (job dissatisfaction) and have a need for personal development (job satisfaction). Once again, this theory was considered when I drafted my interview questions (see Appendix C for interview questions). Interview question 4 speaks to what motivates administrators. Question 5 was asked to gather data to better understand the importance of merit pay as motivation, by hypothetically eliminating it from the intrinsic motivators for administrators.

Process theories emphasize there are cognitive processes which determine an employee's level of motivation (Hodge, 2003). The goal setting theory developed by Locke and Latham (1990) suggested individuals who set goals can determine how best to reach the goals and are motivated to do so. There are five parts of their motivation model. The first component is *self-efficacy*, which is the relationship between how a person feels about himself and the level of confidence he or she has that he or she will meet the goal. When applied to this study, do the administrators feel the goal can be met? The second component is *moderation*, which is the relationship between the goal and the performance. Do administrators see their day to day performance as a way to achieve the goal? Another component is *mediators*, which are the tasks and strategies which support the accomplishment of the goal. These tasks in the education arena could be to apply best practice research to improve student achievement or to increase the

frequency of classroom walkthroughs to monitor teacher and student performance. Both of these tasks could lead to the administrator earning merit pay because of their performance. A fourth component is *performance*, which refers to the extent a person will try if the goals are challenging and there is moderation and mediators in place. Finally, *satisfaction* is the last component of the goal setting theory. Goals need to be set that can be reached so employees can feel satisfied with their performance. If goals are set too high, an employee will have little to no satisfaction (Locke & Latham, 1990). When applying this theory to incentives in education, administrators are more likely to achieve higher levels of performance if they are compensated for attaining specific goals.

Victor Vroom developed the expectancy theory in 1964. Vroom explained employees are motivated when they believe that performing at a certain level will lead to the desired outcome, especially if the desired outcome is attractive to the individual. Vroom's theory is based on three perceptions: *expectancy*, *instrumentality*, and *valence*. Expectancy refers to the belief that effort will result in goal attainment. Instrumentality is the perception a person has of the connection between achieving a goal and a positive outcome. The final perception is valence—the value the person places on the reward (Vroom, 1964). This theory is explored in my study by analyzing data to determine if administrators have a high expectancy that merit pay can be earned through increased effort; that administrators believe there is a strong connection between job performance and merit pay; and, finally, if administrators find merit pay as an attractive reward. The assumption is that the greater the link between merit pay, employee performance, and rewards, the more motivated administrators should be to perform better.

Kelley, Heneman, and Milanowski (1999) framed their research around the expectancy theory. They found educators' levels of motivation diminishes over time if there are no financial

incentives, recognition, or advancements. Anthony Milanowski's (2002) research also applied Vroom's expectancy theory to merit pay. These studies (Kelley et al., 1999; Milanowski, 2002) investigated motivational concepts of teachers. Few studies are related to administrator incentives and motivation of administrator toward earning these incentives (Eikenberg, 2007). Motivating administrators is no different than motivating teachers or other professionals when working toward goal achievement or being rewarded for achievement of goals.

### **Compensation in Education**

Salaries for non-teaching professional positions in education, including administrators, are based on the teacher salary schedule (Eikenberg, 2007). Most principals have several years work experience as a teacher (Bureau of Labor Statistics (2016-2017)). Until the introduction of merit pay, productivity or performance had no impact on his or her salary. Student achievement and performance were not considered in compensation for educators. To chronical the evolution of compensation in education, Podgursky (2004) identified three phases in the development of teacher pay, which correlates to administrator pay.

**Phase one.** The first phase was in the 1800s where teachers were compensated by the community in which they taught in with a small stipend, room, and board. Teacher salaries were determined on an individual basis through a negotiation between the individual and the local school board. This method of payment was designed to ensure teachers would maintain high moral standards and be part of the community in which they taught (Hess, 2010/2011; Kelley & Odden, 1995). Males were usually paid more than females; high school teachers were usually paid more than elementary teachers; and, minorities usually received less pay than their white counterparts (Kelley & Odden, 1995). During this time, administration of the school was headed by a local school board which acted as a personnel office, parent association, and supervisor who

hired and evaluated teachers (Rousmaniere, 2013). As communities became stabilized and grew in population, schools expanded and there was often someone on staff to help manage the school. These early leadership positions were called schoolmaster, principal, preceptor, or head teacher. Each community had their own requirements for principal but most required a high school or college degree, teaching experience, and passing examinations (Rousmaniere, 2013). Through 1855-1904, conversation continued about higher salaries for teachers, but it was not until 1905 that it became an issue for the legislature to address (Male, 1952). This conversation occurred when the MEA attempted to pass a resolution requesting a minimum salary law. In 1907, the MEA sponsored a legislative bill to establish a statewide minimum salary of \$30 per month, with additional salary granted based on teaching certificates (Male, 1952). The bill did not make it out of committee (Male, 1952).

**Phase two.** The second phase of the development of teacher pay occurred in the early 1900s when school districts consolidated and became larger (Podgursky, 2004). States developed salary schedules by identifying a starting minimum salary in hopes of avoiding favoritism. These salary schedules were position-based with secondary teachers being paid more than elementary teachers. These types of position-based salary schedules were not popular because of the inequity in pay between elementary and secondary teachers (English, 1992). Quite often, women were more likely to be elementary teachers and were paid less because of the assignment they accepted (English, 1992).

**Phase three.** The third phase of teacher pay began in the 1920s with the development of the traditional single-step salary schedule with lanes (Podgursky, 2004). Salary schedules are charts which provide information on teacher and administrator pay based on years of experience and education level attained. Teachers and administrators earn additional income by moving on

the chart with each year of experience. Teachers and administrators may also earn additional income by moving over a column (lane) on the salary chart. Teachers and administrators moved to different lanes and steps of the salary schedule based on these two variables--education and years of service (English, 1992). Teachers and administrators with the same years of experience and education would not receive different pay because they would be placed on the same step and lane of the salary schedule. This single-salary schedule also came about because there was a demand for teachers with greater skills and higher levels of education (Kelley & Odden, 1995). There was also a need for a system designed to provide incentives for teachers to complete or to further their education (English, 1992). This type of pay schedule also ensured pay equity between men and women as well as negated pay differences between subject areas and grade levels (Kelley & Odden, 1995). This salary schedule also eliminated subjectivity since pay was based on seniority and level of education (Kelley & Odden, 1995). According to Kelley and Odden (1995), another benefit of this system ensured paying differential salary amounts were “objective, measurable and not subject to administrator whim” (p. 2). Within the single-salary model, teachers earn additional compensation for additional duties, such as coaching and advising clubs. Additional compensation for these types of duties were negotiated, but not part of the single-step salary schedule. Stephenson (2012) noted the one significant difference between the teacher single-step salary schedule and the principal single-step salary schedule was that principals who work at different levels (elementary, middle, or high school) are compensated differently. Murnane and Cohen (1986) reported that 99% of the public school teachers across the United States in districts that used the single-salary schedule. According to Podgursky and Springer (2007), 95% of the public school districts in the United States use the traditional single-step salary schedule. Solomon’s research (2005) found the educational

background of teachers, years of teaching experience, and the completion of additional coursework does not impact student achievement. Goldhaber's research (2007) found in the ten years between 1993-94 and 2003-04, principals were rewarded financially for experience, leading secondary and/or larger schools, working in urban or suburban schools, and working in a larger school district. Goldhaber (2007) noted that despite the discussion of merit pay for performance of principals, there was no shift over these 10 years toward a different pay structure--job performance did not impact compensation.

### **Evolution of Merit Pay**

The most important factor for recruiting and keeping effective employees is financial gain (Sessions, 1996). According to the United States Department of Education (2010), the number of bachelor's degrees awarded in the field of education decreased between 1998-2009, yet the number of bachelor's degrees awarded in business increased. Sessions (1996) attributes this decrease to college students choosing majors which lead to more financially lucrative careers. As discussed in the previous section, one of the reasons Obama's administration passed the American Recovery and Reinvestment Act of 2009 was to address recruitment and retention of successful educators (U.S. Department of Education, 2010).

Incentive pay is a system of pay in which individuals or groups are paid more for better work and/or more work (Gratz, 2009). One type of incentive pay is merit pay. Employees are awarded merit pay, however, for doing better work, not more work or different work. Merit pay is a term used to describe salary adjustments or additional compensation to reward higher levels of performance. Individuals who achieve desired results obtain more compensation than those who do not achieve acceptable results. Merit pay is offered as an incentive to improve performance. Businesses outside education regularly use merit pay plans to motivate and

maintain high levels of performance (Park & Sturman, 2012). Merit pay is in addition to salaries teachers and administrators earn as part of the traditional single-step salary schedule.

The relationship between salary and teacher quality in Michigan was initially discussed in 1837 when the first governor spoke to the legislature informing them competent teachers in Michigan required a salary reflective of the important work he or she is doing (Male, 1952). The first time merit pay for educators was implemented in the United States was in 1908 in Newton, Massachusetts, but was unsustainable and gained little attention (English, 1992). Ryan (2008) contends this merit pay program was intended to compensate teachers for their knowledge, skills and abilities but failed because instead it rewarded teachers based on gender, race, or political connections. As a result, this early merit pay program was replaced by the single-salary schedule. Forty-eight percent of school districts surveyed in the United States in 1918 reported they used merit pay to compensate teachers (Evendon, 1918). A few years later (1923), the National Education Association (NEA) reported 33% of districts surveyed used merit pay (Murnane & Cohen, 1986). In 1925, the NEA proposed guidelines for all states to follow for establishing salary schedules, which included rewarding teachers and principals on a merit basis dependent on city population, perceived difficulty of educational setting, level of education, level of experience, and for assuming additional responsibilities (Woody et al., 1925). In 1928, the NEA reported 18% of districts surveyed had merit pay (Murnane & Cohen, 1986). Over the next several decades, the number of districts with merit pay programs dwindled (Murnane & Cohen, 1986).

Merit pay was brought up again during the Nixon administration in 1969 (Kershaw, 2000). Accountability in public schools was of major importance to Nixon's administration and the implementation of standardized testing and systematic merit pay systems were a high priority

(Wilms & Chapleau, 1999). During this time, there was a national concern about inequality in education among different socioeconomic and racial groups (Wilms & Chapleau, 1999). Nixon's administration implemented a Performance Contracting initiative which encouraged private industries outside of public education to develop ways to improve student achievement and accountability in public education. These private companies conducted research, set standards to measure student success, developed assessments, and then collected data to determine which stakeholders—teachers, administrators, and students earned extra compensation. Teachers and administrators earned merit pay and students earned prizes (Kershaw, 2000). Due to negative publicity and inaccurate measurement of student achievement, the concept of merit pay lost national acceptance throughout the 70s (Wilms & Chapleau, 1999). By 1972, the percentage of districts using merit pay fell below six percent (Murnane & Cohen, 1986).

The concept of merit pay was once again a national topic when a report by the National Commission on Excellence in Education was released in 1983 entitled *A Nation at Risk* (National Commission on Excellence in Education, 1983) suggesting, among other things, merit pay could be a way of compensating educators for excellent job performance and could also attract new graduates to the field of education. The National Commission on Excellence in Education was created on August 26, 1981, with its directive from Secretary of Education T. H. Bell to examine the quality of education in the United States and provide its findings to the nation. The impetus for this commission was widespread fear the United States was being surpassed by its competitors around the world in the areas of commerce, industry, and technological innovation and our schools were allowing these other countries to equal and exceed our educational accomplishments. This commission recommended teachers' salaries to be "professionally

competitive, market-sensitive and performance based” (para 1). The release of this report brought about hundreds of educational reforms, many of which embraced linking monetary awards for teachers to student achievement (Fuhrman, 1999).

In 2010, Michigan legislators revised its school code (Revised School Code MCL 380.1250) to require compensation for teachers and administrators be tied to job performance and job accomplishments. Specifically:

(1) A school district, public school academy, or intermediate school district shall implement and maintain a method of compensation for its teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation and additional compensation. The assessment of job performance shall incorporate a rigorous, transparent, and fair evaluation system that evaluates a teacher’s or school administrator’s performance at least in part based upon data on student growth as measured by assessments and other objective criteria. (2) If a collective bargaining agreement is in effect for teachers or school administrators of a school district, public school academy, or intermediate school district as of the effective date of the amendatory act that added this subsection, and if that collective bargaining agreement prevents compliance with subsection (1), then subsection (1) does not apply to that school district, public school academy, or intermediate school district until after the expiration of that collective bargaining agreement. (Revised School Code, 380.1250, 2010)

Until this legislation passed, the single-salary schedule dictated what and how public school teachers in Michigan were paid. By passing this legislation, Michigan required local school districts to include job performance and job accomplishments as significant factors in

determining compensation and additional compensation. Teachers and principals who are highly effective should be financially rewarded for their contribution. Michigan is one of 19 states that support performance pay for teachers (Citizens Research Council of Michigan, 2012).

The suburban school district in Michigan, which I examined, passed a board policy stating, “The District shall implement and maintain a method of compensation for its teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation and additional compensation” (Master Agreement Suburban School District, 2015). Qualifying teachers who earn the rating of highly effective and meet specific student growth goals are eligible for additional compensation up to \$2,500. Administrators in XXX are eligible to receive 3% of their base salary as merit pay based on student performance and if a highly effective rating is earned (Master Agreement Suburban School District, 2015).

### **Principals and Merit Pay**

The principal is the most important factor in determining a school’s success or failure (Goldhaber, 2007; Lipham, 1981). There is strong evidence that principals can significantly impact the quality of teaching and learning in their schools (Camburn, Huff, Goldring, & May, 2010; Chance & Anderson, 2003). Goldhaber (2007) argues providing compensation reform such as merit pay for principals is one way to improve student performance directly and indirectly. Principals directly improve student performance based on curriculum choices. Principals indirectly improve student performance based on the quality of teachers they hire and evaluate. Principals play a major role shaping the environment and culture of a school which influences the quality of teachers in them.

Researchers have investigated several incentive plans in cities across the nation for principals, such as ones found in Dallas, Pittsburgh, Douglas County, and Ralston (Hodge, 2003; Saunders, 2008; Schuermann, Guthrie, Prince, & Witham, 2009). Some programs rewarded principals strictly on student achievement on standardized tests. For example, principals in Pittsburgh can earn up to \$8,000 based on the academic gains of their students on state-mandated tests (Schuermann et al., 2009). In 1996, the entire state of North Carolina implemented school-based performance plans where all staff members were rewarded a \$1,500 bonus if schools exhibited growth of at least 10% above standards (Hodge, 2003).

Other programs are similar to the ones investigated in this study where principals are rewarded based on an overall rating on a pre-determined evaluation plan. Dallas principals are evaluated and rewarded based on progress toward goals in eight areas: instructional leadership, school climate, organizational structure and procedures, personnel management and professional ethics, fiscal/facility management, student management, professional growth and development, and, school and community relations (Schuermann, et al., 2009). Principals in Ralston, Nebraska earn merit pay based on their performance evaluation and student academic growth. Four evaluators used a rubric to rate each principal as exemplary, proficient, in need of improvement, or ineffective. The rubric measures 12 characteristics in the areas of vision, instruction, and management. Principals with an exemplary rating receive a 7% salary increase, principals with a proficient rating earn a 4.5% salary increase, principals with a need of improvement rating earn a 2.5% salary increase, and, principals with the lowest rating do not receive any increase (Saunders, 2008).

Due to national conversation about merit pay for educators, the American Association of School Administrators surveyed 536 school administrators from 45 states in May of 2009

(Ellerson, 2009). The research participants from Ellerson's study (2009) is much larger than the sample included in my study; but, both studies only include administrators. Although the respondents were evenly split regarding their level of interest implementing a merit pay program, an overwhelming majority (82%) indicated teachers, principals, and administrators should be included in merit pay programs (Ellerson, 2009). This study supports the implementation of a merit pay program for teachers, principals, and administrators which is similar to the merit pay program implemented in my district. Ellerson (2009) points out every level of educators are accountable for school improvement—teachers are accountable for students, principals are accountable for teachers, superintendents are accountable for administrators, and school boards are accountable to superintendents. The driving force behind the law in Michigan was to hold all educators accountable for student achievement. The respondents also agreed merit pay should be a small component of an educator's salary, not the driving factor (Ellerson, 2009). The 3% merit pay award for highly effective administrators in my district is in line with Ellerson's findings (2009).

Ellerson's (2009) findings and scope of research participants are consistent with the findings from Stephenson's study (2012). Stephenson (2012) included 444 school principals in Colorado in her study. Her findings indicated 82.4% of the school principals believed teachers, principals, and administrators should be included in merit pay programs. The board of education in the district included in this study also included teachers, principals, and administrators in the merit pay program.

### **Differing Opinions on Merit Pay**

The issues supporters and opponents of merit pay for teachers are similar to those of merit pay for administrators (Goldhaber, 2007). Supporters of merit pay believe motivation is a

key component and teachers will try harder when financial rewards can be earned (Gratz, 2009). The results in this study conflict with the previously discussed findings of Iannone (1973).

A study published in 1993 (Ballou & Podgursky) examined data from Schools and Staffing Survey from the 1987-1988 school year. Educators included in their research worked under a merit pay system reported they were not opposed to merit pay or demoralized by merit pay. Teachers who work in disadvantaged schools and low-achieving districts were more amenable to merit pay than those educators in more affluent districts. The study conducted by Payne (2006) supported the findings of Ballou and Podgursky (1993). This data collected indicated teachers supported merit pay for staff who worked in low socioeconomic schools, staff who volunteered to teach at-risk students, or for staff who volunteered to teach in low-performing schools. Neither of these studies address how merit pay impacts motivation but does speak to situations where merit pay may be more accepted. These situations do not reflect the school district in this study.

In contrast, critics of merit pay believe school administrative performance is hard to assess accurately that merit pay would be awarded based on inaccurate and invalid performance measures (Cornett & Gaines, 1994; Educational Research Service, Inc., 1985). These researchers identified problems such as finding a fair and reliable way to identify who is awarded merit pay, having monetary resources to support a merit pay program, and maintaining a collegial environment where some administrators will earn merit pay and others will not could be potential pitfalls of merit pay.

Critics also believe there are more effective ways to reward teachers than to compensate them with additional money (Johnson & Papay, 2009). For example, Klein (2009) suggested teachers who teach specific courses such as math and science should receive additional

compensation. Others argue some content area teachers can measure student growth more easily compared to elective teachers (Amrein-Beardsley, 2009). Kohn (2003) provided several reasons why merit pay plans are not successful for teachers. He argued politicians and top school administrators have all of the control and power so they are able to set goals, establish criteria, and determine results. Researchers agree merit pay needs to be connected to the salary structure, offer considerable monetary incentives, and be evaluated with data to establish its effectiveness (Jerald, 2010). Ritter and Jensen (2010) found these monetary incentives must be between 10-20% of an employee's annual salary to impact teacher performance, and that only impacted performance of teachers who are motivated by money.

Similar to the research above, a recent study conducted by Albright in 2011 analyzed the perceptions of Missouri educators and educational leaders regarding merit pay, finding 90% of the participants opposed merit pay. These educators maintained there were several factors that could impact student achievement, such as home life, ethnicity, household income, and parent involvement, which they had no control over (Albright, 2011). Similar to other studies, school administrators were asked about their perceptions toward merit pay for teachers—not about their perceptions toward merit pay for themselves. Covey's study of Arkansas educators in 2009 had similar results as Albright's (2011) concluding teachers should not be compensated on student achievement, but compensation should be based on the knowledge and skills of the classroom teacher.

Research conducted by Douglas Reeves, who designed the instrument used to evaluate administrators in the district included in this study, found the majority of principals would not need to change their professional practice to earn incentive bonuses because their ratings are at or above the satisfactory level (2009). Crowder's study (2013) investigated two different schools

within the same district—one with a merit pay program for teachers and administrators and one without a merit pay program. The results of the study indicated teachers do not perceive administrator support differing between schools that have an incentive plan and those that do not have an incentive plan. Crowder's study (2013) supports Reeves' research since teachers did not believe administrators changed their practice, even though merit pay was offered.

### **Merit Pay and Motivation**

Individuals who work in the private sector may be more driven by financial incentives than those who work in the public sector (Borjas, 2002). Researchers argue individuals in public service respond to the need to contribute to the public good to satisfy personal needs (Courty, Heinrich, & Marschke, 2005; Perry, Hondeghem, & Wise, 2010). Using this premise, teachers may be less motivated by financial incentives, which was explored in the study by Spring and Balch (2009). They found teachers are motivated to impact students and incentives such as improved working conditions, paid leave, increased job responsibilities, and mentoring programs are more favorable than merit pay (Spring & Balch, 2009). Since the overwhelming majority of principals are former teachers, they, too, may be more motivated by non-monetary rewards. It is also likely research which investigate teacher motivation can be applied to administrator motivation since both professions are grounded in public service.

Researchers have investigated whether merit pay motivates teachers to improve instruction, which would lead to higher student achievement. The results of this research are mixed. Professional educators are encouraged by monetary rewards, but this motivation is secondary to more basic elements such as helping students succeed and desire to make a positive difference (Glass, 2011). In contrast, Kelley and Odden (1999) reported if merit pay was based on clear goals and collaboration, it could motivate some individuals. Kelley and Odden (1999)

also found, however, only one out of five teachers indicated that money was an important motivator for them. The results of Callier's research (2010) and Marcotte's research (2015) were the same as Glass (2011). Teachers were usually motivated by intrinsic factors rather than extrinsic rewards, and money alone did not motivate school employees. Murnane and Cohen (1986) completed an analysis of merit pay in six school districts which had merit pay programs in place. The results of this study indicated merit pay does not motivate teachers. Pink's research (2009) revealed that extrinsic motivations such as merit pay actually had a negative effect on motivation when used with weak and improper structures.

Eikenberg (2007) investigated perceptions of 106 principals in Texas who had a merit pay program in place for two or more years. Principals in this study believed merit pay did not influence his or her motivation to increase job related performance nor was it a motivating factor to improve instructional supervision (Eikenberg, 2007). Eikenberg (2007) based her research findings on surveys. This narrow scope of data collection did not allow respondents to provide in-depth responses.

Sessions (1996) completed a feasibility study with the intent to design a merit pay system for principals. The system he designed avoided critiques of merit pay systems already in place around the country and was based solely on data he collected from administrator interviews. His results differed from Eikenberg (2007)—the majority of the principals believed merit pay resulted in increased productivity or resulted in higher quality of work. The authors had similar methodologies, each utilizing the perceptions of principals to evaluate and affirm or negate their findings. One major difference between these studies was the objectives of the research. While both wanted to expand the knowledge base of merit pay to administrators, not just teachers,

Sessions developed a way to implement his findings through his own merit pay plan, which while problematic, is entirely feasible. The other difference was the results.

Frase's research (1992) of principals speaks to whether or not the amount of additional compensation impacts performance. Frase (1992) studies principals in Tennessee who achieved Level One (\$1,000) or Level Three (\$7,000) of additional compensation based on job performance and found there were no significant differences in principal perception of his or her leadership behavior or in the school climate, whether they received an additional \$1,000 compensation or an additional \$7,000 compensation. This finding is significant because it discounts one of the objectives of Sessions (1996) who designed his merit pay system on a scale, where the best performing principals get additional funds to encourage continued success. However, this study suggests that there is little if any correlation between "leadership behavior" and payment based on merit. As previously discussed, Saunders (2008) researched a sliding merit pay-scale based upon performance evaluation. While the merit pay is a due reward for administrators, as recognition of their hard work, Frase's (1992) findings suggest more money does not motivate educators to perform at a higher level.

### **Merit Pay and Student Achievement**

Policymakers at all levels—federal, state, and local----use pay-for-performance policies as a way to reform the traditional step salary schedule, to increase the productivity and effectiveness of teachers, and to raise student achievement (Boyd, 2010; Callier, 2010; Wells, 2011). Research indicates the quality of instruction a student receives is a primary factor in student achievement, and there is an increased demand across the nation for teacher accountability (Albright, 2011; Barnett & Ritter, 2008; Darling-Hammond, 2000; Forand, 2012).

In 2012, Arne Duncan, U.S. Secretary of Education, stated merit pay for teachers was his department's highest priority (U.S. Department of Education, 2009).

Research has also been conducted to determine the connection between merit pay and student achievement. Bettinger (2012) found merit pay programs were thought to automatically improve student performance since there were financial rewards to increase teacher efforts. Very few studies have been conducted to evaluate the effectiveness of merit pay as a way for increasing student success (Goodman & Turner, 2011). Teachers identified several factors which impact student success such as geographical region, racial make-up of student body, educational attainment of residents who live within the community, median family income, parent support, family background, and instructional resources, which made it difficult to find a relationship between merit pay and student achievement (Gius, 2012; Wells, 2011). These factors are also relevant for administrators.

Hamilton and Li's study (2009) concluded there is insufficient evidence that merit pay improves student achievement. The Office of Assessment, Research, and Data Analysis for the Miami-Dade County Public Schools (2010) also reviewed research on performance-based merit pay programs and concluded the relationship between merit pay and student achievement is mixed—some studies were able to identify a relationship and others were not able to identify a relationship. The Dade County researchers (2010) were able to provide three reasons why studies have not been able to show a stronger relationship between merit pay and student achievement: 1) difficult to isolate the impact of performance pay from other reform initiatives; 2) amount of merit pay might have been too low to impact teacher behavior; and, 3) performance pay plans have been in existence for a short period of time and some of that time has been used to address implementation problems.

Motivational theories are reviewed to provide a context for understanding how merit pay influences a person's desire to thrive in the workplace. A historical perspective on compensation in education and the evolution of merit pay provides roots for analysis of my district's current merit pay system. Scrutiny of comparative literature reveals disseminating opinions on merit pay programs and their influence on educator's motivation and impact on student achievement. In depth research through these related areas revealed that the answer to my research question is multi-faceted and complex.

This literature review revealed a plethora of studies on teacher perceptions of the impact merit pay had on their motivation. There were also several studies on administrator perceptions of the impact merit pay had on teachers. Based on the continued national focus on accountability in public schools, there is a need to extend the research about the effects on merit pay on an administrator's motivation and job performance. Administrator perception of the validity and objectives of merit pay programs may impact his or her motivation, resulting in more effective job performance. School principals, however, have had limited opportunities to share their opinions and concerns regarding performance based compensation systems, and how these systems impact their motivation and job performance.

Legislation at the state and national levels indicated that years of experience and levels of education can no longer be the only variables to be considered when determining teacher and administrator compensation. In the future, there will need to be a fourth phase of school employee pay—one that addresses the growing demand for accountability.

There are a number of school districts or states across the nation that have developed and implemented performance based compensation plans for teachers and administrators. The literature review indicated merit pay had varying impacts on teacher motivation and student

performance. There is a need to expand the body of literature through a study that directly addresses how merit pay influences administrator motivation and performance. As previously mentioned, Michigan legislators revised its school code (Revised School Code MCL 380.1250) to require compensation for teachers and administrators be tied to job performance and job accomplishments. This research needed to be conducted so informed decisions can be made by district leadership and policy-making bodies throughout Michigan, and the rest of the nation, on merit pay programs for administrators.

Using knowledge gained from reviewing the literature, through noting the gaps in the current scholarship on administrator merit pay, the following section outlines the methodology utilized in my study. The subsequent methodological outline, inspired by this new knowledge from my literature review, was used to answer my research question: What is administrator perception of how his or her motivation and job performance has been impacted due to merit pay? This section also includes the rationale for qualitative research design and an overview of descriptive case studies.

### CHAPTER 3. METHODOLOGY

Providing merit pay for educators continues to be a topic of conversation in Michigan and around the nation as local school district decision makers along with state and national lawmakers investigate ways to motivate and reward highly effective educators in public schools. Despite research which shows compensating educators based on years of experience and educational attainment is outdated and inefficient, 95% of public school districts continue this practice (Gratz, 2009; Podgursky and Springer, 2007). This study investigates the topic of merit pay and its impact on educators in public schools. Specifically, I analyze administrator perceptions of merit pay on his or her motivation and job performance in the school district which I am employed.

#### **Research Design**

I chose qualitative research design for this study because qualitative research is grounded in the complexities of how social and cultural factors are interpreted, understood, and experienced in a specific context at a specific point of time (Maxwell, 2013; Merriam, 1998). This type of research allows me, as the researcher, to examine and gain understanding of a specific phenomenon by entering the world of others. Within qualitative research, this study was best suited for a descriptive case study design because it allows for a deep description and analysis of a phenomenon bounded by time or place (Merriam, 2009). Sharon Merriam (1998) identifies qualitative case study as an ideal design for understanding and interpreting an educational phenomenon. Merriam (1998) explains:

A case study design is employed to gain an in depth understanding of the situation and meaning for those involved. The interest is in process rather than outcomes, in context rather than a specific variable, in discovery rather than confirmation. Insights gleaned from case studies can directly influence policy, practice, and future research. (p. 19)

This research fits well with case study design because its purpose was to understand how the motivation and job performance of administrators is impacted by merit pay. The following figure (Figure 2) depicts an interactive model of my research design adopted from Maxwell (2013). The research question is at the center of the design—connecting most directly to all of the other parts of the design. The research question informs and is sensitive to all of the other components of my research. My research goals are informed by theoretical concepts. My methods (survey, focus group, and interviews) allow me to answer my research question. My methods and conceptual framework will impact the results of the study. Maxwell (2013) sees each component surrounded by a rubber band because qualitative design demands elasticity but also must exert tension.

Figure 2. Qualitative Research Design

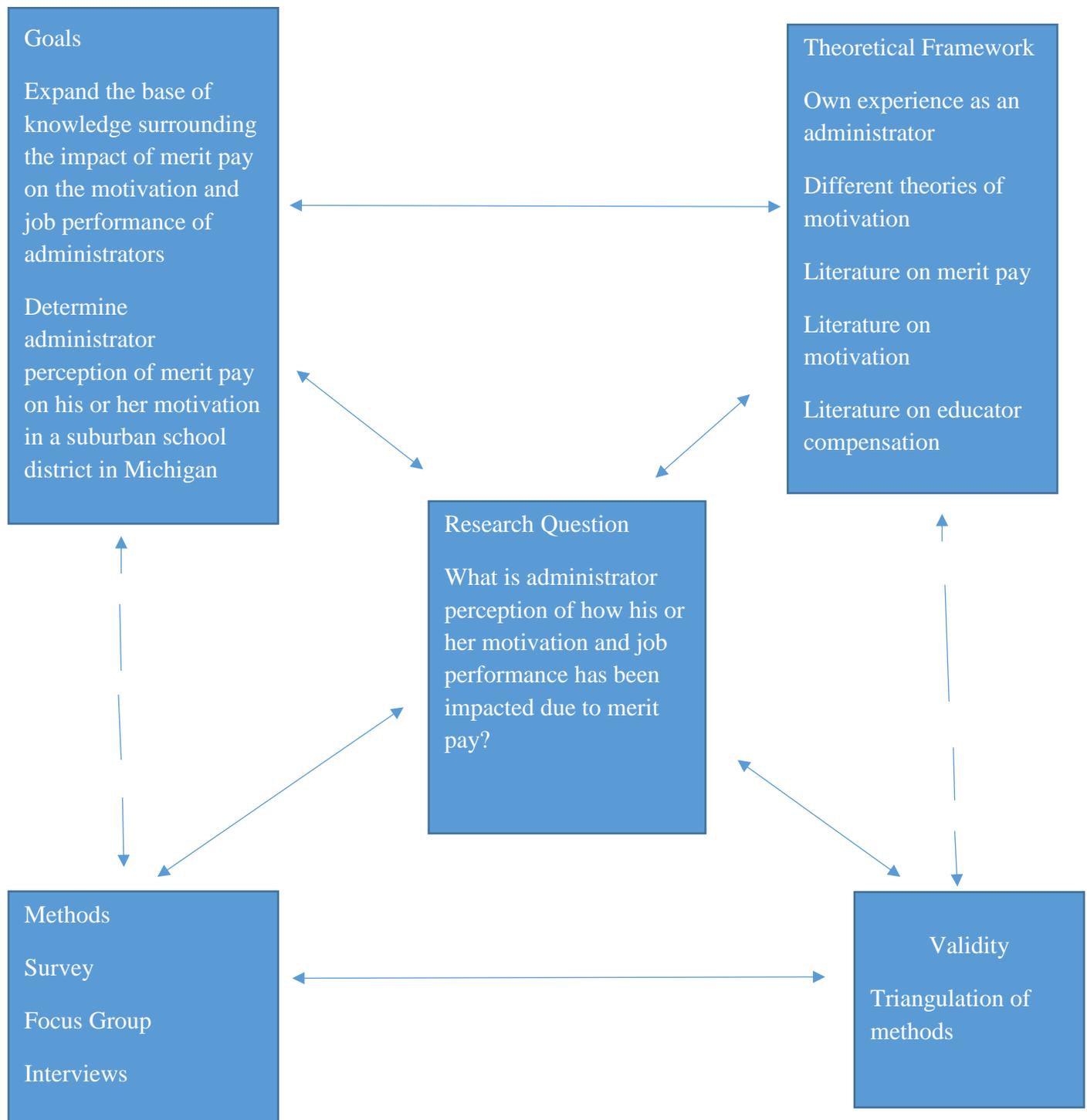


Figure 2. Qualitative research design depicts how each research component is tied to others.

## **Research Participants and Setting**

This research was conducted entirely in a suburban school district in Michigan. The population for this study consisted of all administrators employed by a suburban school district in Michigan during the 2015-2016 school year. A non-probability purposive sampling design was used to identify participants for the study. My initial step in determining the research participants and study was to meet with the district's superintendent. During the meeting, I explained my research project and received his permission to move forward with the study. I assured him his consent was voluntary and that the identity of the participants, as well as the identity of the school district, would remain confidential and anonymous.

All administrators eligible to receive merit pay were then contacted to investigate their perception of the impact merit pay had on their motivation and job performance. No administrator was excluded from the study. A total of 33 recipients received an online invitation to participate in the research study (see Appendix D for complete invitation). Of the 33 recipients, 18 recipients responded to an online survey (see Appendix B for complete survey). Fifteen recipients chose not to complete the survey, effectively negating further contact.

As shown in Table 1, of the 18 participants, 11 were males (61%) and seven were females (39%). This is consistent with the ratio of male to female administrators in the district included in the study. Table 2 illustrates the breakdown of the survey sample as it relates to years of experience, with 15 of the administrators (83%) indicating they have between 6-20 years of experience. Administrators were also classified into four categories: elementary, middle school, high school, and director. Table 3 reflects the number of administrators in each category. These percentages correspond to the number of administrators in the district serving in each category.

Table 1.

*Participants by Gender*

Gender	Number	Percentage
Male	11	61%
Female	7	39%

Table 2.

*Participants' Current Years of Experience*

Years of Experience	Number	Percentage
0-5 years	2	11%
6-10 years	6	33%
11-15 years	5	28%
16-20 years	4	22%
21-25 years	1	6%
26 or more years	0	0%

Table 3.

*Participants' Work Assignment*

Work Assignment	Number	Percentage
Elementary	6	33%
Middle	5	28%
Secondary	5	28%
Director	2	11%

**Data Sources**

**Online survey.** The first data source was an online survey (see Appendix B for complete survey). One advantage of using surveys is that they are easily administered and fairly unobtrusive (Fowler, 1993). Preliminary survey questions were developed to explore administrators' attitudes and perceptions of the merit pay program implemented in the suburban school district in Michigan and if, or how, merit pay had impacted the way in which they work. Items were written to investigate how, if at all, parts of various motivation theories (goal setting theory, expectancy theory, two factor theory, and Hierarchy of Needs) could explain the impact merit pay had on administrator motivation and job performance. The final twenty-item survey consisted of three sections including close-ended questions/statements to collect demographic data, Likert-item statements regarding administrator perceptions of how his or her motivation and job performance had been impacted due to merit pay, and open-ended questions to provide participants the opportunity to elaborate and provide more in-depth responses on merit pay (see Appendix B for complete survey).

The 33 administrators were sent an initial email message one week prior to receiving the survey containing a brief introduction to my study and assurances the superintendent endorsed their participation and participant confidentiality was clarified (see Appendix D for complete invitation). The invitation was sent using staff email addresses. One week later I once again used staff email addresses to send out the administrator informed consent email (see Appendix E for complete consent email). The consent form included a link to the survey. Clicking on the link served as an online signature. Eight administrators initially responded to the survey. Administrators were sent a reminder email a week after the survey was initially distributed thanking those who participated and reminding those who did not participate to please do so (see Appendix F for complete email reminder). Ten additional administrators responded to the survey.

**Focus group.** After administering the survey, I constructed focus group questions to further explain how, if at all, a relationship between merit pay, the goals of the district, and the goals of the building's school improvement plans (see Appendix H for complete focus group protocol). Kreuger (1994) describes a focus group as a group discussion focused on a single theme. Additional data also needed to be collected through the focus group conversation to better understand administrator motivation. I also wanted to provide administrators with the opportunity to share what made them feel valued for their work.

To determine which administrators to invite to participate in the focus group, I assigned each administrator who participated in the survey a number from 1 to 18. I utilized a random number generator to select six numbers and sent the selected administrators an electronic invitation to participate in the focus group (see Appendix G for complete consent form for participation in a focus group). All six administrators agreed to participate. The focus group

was facilitated by a non-district employee enrolled in the University of Michigan-Flint's Doctor of Education program. Due to last minute administrative emergencies, three administrators were not able to participate in the focus group. The facilitator took general notes and recorded the focus group. I met with the facilitator after the focus group concluded so we could discuss her notes and any impressions she had during the focus group. Each of the three administrators were assigned a number and I electronically translated the notes into a Microsoft Word document. Kreuger (1994) supports the use of mini-focus groups with three participants when the participants have similar experiences and specialized knowledge to discuss in the group. I carefully reviewed the focus group recording to ensure an accurate translation

**Semi-structured interviews.** The third data source was semi-structured interviews with three administrators who did not participate in the focus group, but were from the original 18 respondents in the survey. Interviews Each administrator was randomly assigned a number 1 to 15, and three numbers were randomly generated. The intent of the interviews was to gather additional data to examine administrator perceptions of merit pay on his or her motivation and job performance. Kvale and Brinkmann (2009) consider interviews to be a fundamental tool in qualitative research and describe interviews as a way “to understand the world from the subject’s point of view, to unfold the meaning of the subject’s experiences, and to uncover their lived world” (p. 1). The consent form to participate in the semi-structured interview was sent out electronically two weeks prior to the participants’ interview (see Appendix I for complete consent form). Six interview questions (see Appendix C for interview questions) were designed to be straightforward and all participants were assured they could choose not to answer any specific question. The interview questions were constructed to collect additional data on

administrator motivation. These open-ended questions were used as a guide to allow flexibility in the interview to gain more expanded responses. Deceit of interviewees was not used.

Interviews were conducted at each administrator's location of employment in a private space selected by the administrators. I anticipated interview sessions to last approximately 30 minutes. Interviews were recorded and I also took anecdotal notes during the interviews. Interviewees were encouraged to elaborate on any or all questions in an effort to collect as much data as possible. Interview participants were reminded they may choose not to answer any particular question(s). At the end of the interview, each administrator was given the opportunity to share any additional information. Interviews were recorded and then transcribed verbatim. To protect the identity of the administrators, interviewees were assigned a code: Administrator 1, Administrator 2, etc.

### **Data Analysis**

Huberman and Miles (2002) suggest qualitative data analysis consists of three procedures: data reduction, data display, and conclusion drawing/verification. When analyzing the qualitative data, I began by reading and rereading the survey data, focus group data and interview data in its entirety. I then began to analyze the online survey data. The survey was administered and responses were collected through Qualtrics, an online data collection software package. Numerical data gathered from the survey was compiled through Qualtrics. I was able to organize the numerical data into tables and then interpret the data analyze results considering the frequency of responses to the Likert-item statements. The open-ended responses from the survey were also analyzed. I was able to code these responses by identifying common words and phrases to determine themes.

I then analyzed the entire focus group transcript. I started with sorting the data from the first question into similar categories identifying common words and phrases. I analyzed each of the subsequent questions utilizing the same methods. I sorted comments question by question into similar categories looking for common words and phrases to determine themes and highlighted key words from the responses which supported the themes. Eliminating extraneous data not relevant to the study was also part of the focus group data analysis. I also created a matrix to assess the level of agreement by question from each of the participants. For example, did Administrator 1 indicate agreement (A) to the first question, disagreement (D), provide a significant quote or example suggesting agreement (SA), provide a significant comment or example suggesting disagreement (SD), or did not indicate agreement or disagreement (NR). I followed the same protocol for each of the questions with each of the participants to create a visual interpretation which I used later to report my findings.

The final data source were interviews. Immediately following each interview, I transcribed the interview verbatim. Before I utilized the transcripts, I repeatedly listened to the audio recordings. I then used a highlighter to identify key themes in all three transcripts. I then compiled and organized the themes into a Microsoft Word document revisiting the transcripts to verify the themes and combined and reworded themes. I completed a deductive analysis to examine what participants said to the same question. I also completed an inductive analysis to identify commonly used words and phrases. Finally, I was able to note common themes from all three data sources and present the findings in the following section.

### **Researcher's Background**

At the time of conducting this descriptive case study research, I was employed as a principal within the suburban school district in Michigan. I was also a doctoral candidate in

Educational Leadership at the University of Michigan-Flint. I had worked in two different school districts in Michigan and had 20 years of experience. I brought to this case study practical experience as well as knowledge and understanding of educational leadership issues.

In summary, a descriptive case study design was used to examine administrators' perception of merit pay on their motivation and job performance. A literature review on merit pay for educators and motivation of school employees was conducted. Based on this literature review, a basic research question was constructed. Online surveys of school administrators who have participated in a merit pay program were completed and analyzed. A focus group and interviews with school administrators were conducted, transcribed, analyzed, and coded for common themes. The respondents of the survey were administrators of a suburban school district in Michigan. All of the data was collected and analyzed to determine administrator perception of how his or her motivation and job performance has been impacted due to merit pay. The findings of this data analysis are shared in the next section.

## CHAPTER 4. ANALYSIS AND FINDINGS

The purpose of this qualitative descriptive case study was to investigate how a sample of administrators perceive their motivation and job performance has been impacted by a merit pay program. A better understanding of this phenomena allows decision makers in this district, across the state, and across the nation to make informed decisions on merit pay programs. This section presents the key findings obtained from a 20 item survey, a focus group conducted with three participants, as well as three in-depth interviews. Through analysis of the data, three major findings emerged from this study:

1. The overwhelming majority of the respondents indicated the merit pay program did not improve their effectiveness.
2. The overwhelming majority of the respondents indicated the merit pay program did not affect their motivation or the amount of effort they dedicated to their job.
3. The majority of respondents indicated the amount of merit pay did not impact their desire to earn merit pay.

### **Merit Pay and Effectiveness**

The primary and overriding finding of this study is that merit pay did not improve administrator effectiveness. This finding is significant in terms of the overwhelming number of respondents (16 of 18 [89%]) from the survey who disagreed or strongly disagreed that merit pay improved their effectiveness (see Table 4).

Table 4.

*Merit Pay Program Improved Effectiveness*

Response	Number	Percentage
Strongly Disagree	11	61%
Disagree	5	28%
Neither Agree nor Disagree	2	11%
Agree	0	0%
Strongly Agree	0	0%

Based on respondent responses in the survey, there appeared to be no connection between being more effective at work with the purposeful result of being awarded merit pay. The three participants in the interview expressed this lack of connection the following ways: “Merit pay has absolutely nothing to do with how hard I work” (Administrator A). “My performance has not changed since merit pay was implemented a few years ago and I would not be impacted if it went away” (Administrator B). “Educators don’t work in the business world. We don’t manufacture widgets. (The) merit pay bonus could discontinue and I would do my job the exact same way” (Administrator C).

There were also responses (14 of 18 [78%]) from the open-ended response item from the survey which supported this finding as well. Respondent 3 said, “It has not affected my performance. I try to do the right thing whether there is a carrot hanging there or not. The students deserve it.” Respondent 3 continued, “I work in the manner I do because I am passionate about my job.” Furthering that thought, Respondent 16 commented, “I don’t feel it

has had any impact. I have worked as hard as possible each and every day with and without merit pay. No difference.”

In contrast, however, a few of the respondents from the survey (4 of 18 [22%]) indicated that merit pay positively impact his or her performance. Respondent 1 noted, “Merit pay made me more aware of tracking student data across grade levels and classrooms. Also helps target sub groups.” Respondent 6 also referred to improved outcomes. “In some ways it has validated my work in the building to the district leadership, effectively demonstrating improved outcomes at the building level to the district leadership.” Respondent 7 saw merit pay as a way to “record artifacts to prove I am focused on my goals and I want to earn merit pay.”

### **Merit Pay and Motivation/Effort**

A second overriding finding of this study was that the merit pay program did not overwhelmingly impact an administrator’s motivation or effort. During the interviews, Administrator A said “I am not motivated by merit pay.” Administrator C had the same belief. “I don’t think this kind of incentive affects my motivation as a professional. I am actually insulted that someone thinks I would be more motivated because of money.” Administrator B framed his thoughts a bit differently. “I am not motivated by money; but, if money is available I am motivated to earn it.” None of the administrators mentioned money or merit pay compensation as a motivating factor to improve performance. This speaks directly to Herzberg, et. al., (1959), who keenly separated the “hygiene” factor of salary and the “motivating” factor of merit pay. Motivating factors drive an employee to strive for improvement toward excellence, while a hygiene factor is simply base necessity. From the interview, Administrator B is inspired by the intrinsic “motivator”, not the extrinsic “hygiene” factor in the preceding quote.

It was noteworthy to see how the discussion between the three focus group participants supported the findings of the survey and the interviews. All three participants felt the monetary incentive did not motivate administrators to work differently. These findings support the research of Herzberg (et al., 1959) where they determined only those individuals motivated by money are directly motivated to earn merit pay. Participant A claimed, "I am not motivated day-to-day to try to hit particular targets to attain that money." Participant B concurred, "I would rather see the money be used to make the team better, like using it to attend national conferences." Participant C chimed in, "A few dollars in my pocket is not going to motivate me." Participant A further added, "I am not allergic to money and a bonus is nice but it does not motivate me." Participant A stated, "I don't think it (merit pay) has achieved its intended plan." The other two administrators nodded in agreement. Participant C reported, "It has missed its mark if the intention of merit pay was to motivate me." Participant A added, "I will work hard to do the right thing, not because of merit pay dangling in front of me; but, because I want my staff and students to be successful." Vroom's (1964) expectancy theory conflicts with the responses of these participants.

Open-ended responses from survey respondents correspond with the focus group discussion and the interview responses. For example, respondent 13 reported, "I find that the plan does not motivate me at all. I have never looked upon my career in education as a way for me to get rich. I entered the education field as a way to have an impact on the life of students, not for vacation nor monetary motivation. I have felt that the system that is currently used is unfair and does not reflect the effort nor the motivation for my position."

Survey respondents were asked in the survey if they were satisfied with the merit pay plan considering the effort they put into their work. The majority of administrators (11 of 18)

[61%]) indicated they agree or strongly agree they are satisfied with the merit pay program considering the effort they put into their work (see Table 5).

Table 5.

*Satisfaction with Merit Pay Plan in Relationship to Effort*

Response	Number	Percentage
Strongly Disagree	3	17%
Disagree	1	6%
Neither Agree nor Disagree	3	17%
Agree	9	50%
Strongly Agree	2	11%

When survey respondents were asked if the merit pay program effects the amount of effort they dedicate to their job, only 12% (2 of 18) responded they agree or strongly agree that the merit pay program effects the amount of effort they dedicate to their job (see Table 6).

Table 6.

*Merit Pay Impacting Effort*

Response	Number	Percentage
Strongly Disagree	11	61%
Disagree	4	22%
Neither Agree nor Disagree	1	6%
Agree	1	6%
Strongly Agree	1	6%

In addition to sharing how merit pay did not motivate them, administrators in the focus group shared what did motivate them. Participant B said, “I am motivated by working collaboratively with staff to solve a difficult problem.” Participant C explained, “Providing an environment where teachers and students are successful and work as part of a team motivates me.” Participant A continued, “We are in a service-oriented field where we coach, we mentor, we support teachers, we support the organization, (and) we support students. It is through that lens of helping others be successful in the organization I find motivating.” The focus group conversation continued, centering on what else motivated administrators. Participant B was motivated by, “Seeing students being successful.” Participant B and Participant C nodded in agreement when Participant A added, “Positive feedback and a pat on the back goes a long way.” Participant A said, “I am motivated by the kids and the staff. I am motivated to help them succeed. I am here for the school.”

All three administrators during the interview mentioned student success and supporting classroom teachers as motivating factors. Administrator A also shared, “I am motivated by hiring the very best applicant and then coaching them and providing them opportunities to be successful so they can impact students and staff.” Administrator B expressed a similar thought. “Supporting and valuing my teachers is what gets me up every morning.” Administrator C referred back to his favorite quote. “It’s the team, the team, the team! The team motivates me to be my very best. I want my team to succeed and that’s my focus. It goes both ways. I motivate them and they motivate me.”

Open-ended survey responses also provided a lens into what motivates administrators. Two of the respondents indicated a salary increase would serve as a motivator instead of merit pay. Respondent 14 responded, “It (merit pay) does not motivate me. I would be more satisfied

if the school board recognized the work of all administrators by providing a wage increase. The fact that the administrators have not received a wage increase in eight years is disheartening. The implementation of merit pay does not make up for this lack of wage increase.” Respondent 6 agreed, stating, “I would much rather have a small pay increase and a hearty thank you.” Respondent 14 is motivated by, “Achieving my goals and receiving specific feedback and affirmation are more valuable to improving my performance than merit pay.”

In contrast, two survey respondents indicated merit pay does have an impact on his or her motivation. Respondent 8 pointed out, “The plan has motivated me because I do want to be awarded performance based compensation. I work to make sure my goals are being achieved and that I have evidence to support success of the goals.” Respondent 8’s response continued, “I am more motivated to perform well and stay focused on the districts vision and how that impacts my building. My performance is impacted positively as I am motivated to lead building wide initiatives successfully.”

### **Amount of Merit Pay and Motivation**

Another key finding from this study is that the amount of merit pay does not impact the desire of administrators to earn merit pay. When administrators were asked in the survey to indicate if they believed they would be more motivated if the amount of merit pay increased, only 22% (4 of 18) either agreed or strongly agreed they would be more motivated.

Table 7.

*Merit Pay Amount Increase Intensifies Motivation to Earn it*

Response	Number	Percentage
Strongly Disagree	6	33%
Disagree	4	22%
Neither Agree nor Disagree	4	22%
Agree	2	11%
Strongly Agree	2	11%

**Merit Pay and Goals**

As discussed in the literature review, for a person to be motivated to achieve a goal, there needs to be a connection between achieving the goal and experiencing positive outcomes. In this study, how strong an administrator perceives the connection to be between achieving different goals (school, district, and administrators) and experiencing positive outcomes (being rewarded merit pay) needed to be explored. In this district, there are district goals agreed upon by the board of education. An example of a district goal would be: *All students will be college or career ready in math.* There are also school-wide goals which are agreed upon by the individual school leadership teams. An example of a school-wide goal would be: *All students will improve their math problem solving skills by one point on a four-point rubric which was created by the staff.* Finally, professional administrator goals are agreed upon by the administrator and the assistant superintendent. An example of an administrator's goal would be: *I will create*

*opportunities and be part of grade level professional learning communities to examine student work.* Regardless of the type of goal, all goals should be connected to the same outcome.

Twice as many administrators (10 of 18 [55%]) agreed or strongly agreed that attaining the building's school improvement goals should result in earning merit pay compared to 28% (5 of 18) who strongly disagree or disagree (see Table 8).

Table 8.

*Merit Pay Program Connected to Attainment of Building's Goals*

Response	Number	Percentage
Strongly Disagree	2	11%
Disagree	3	17%
Neither Agree nor Disagree	3	17%
Agree	6	33%
Strongly Agree	4	22%

Participants from the focus group discussed the relationship between achieving school improvement goals and being awarded merit pay. Participant B stated, "I have some inherent concerns related to having merit pay attached to school improvement goals because I think there are so many factors involved that we too frequently, in education, quantify things that are not so easily quantifiable." Participant A continued, "I think it is inherently unfair to tie performance of our students to some merit pay compensation. I don't think we can effectively isolate the administrator or department director as being the sole reason a building or department achieves its goals." All three participants voiced the need for school improvement goals to be connected

to the district's goals, but did not believe merit pay should be awarded because these goals were met.

The difference in the percentage of administrators who strongly agree or agree compared to strongly disagree or disagree narrowed when asked if attaining the district's goals should result in earning merit pay. Surveys results indicate 9 of 18 (50%) strongly agreed or agree compared to 7 of 18 (39%) who strongly disagree or disagree (see Table 9).

Table 9.

*Merit Pay Program Connected to Attainment of District's Goals*

Response	Number	Percentage
Strongly Disagree	1	6%
Disagree	6	33%
Neither Agree nor Disagree	2	11%
Agree	6	33%
Strongly Agree	3	17%

Administrators, however, see a strong relationship between accomplishing their goals and being awarded merit pay (see Table 10). Of those surveyed, 15 of 18 (83%) respondents indicated they agree or strongly agree that the district's merit pay program is connected to their own goals (see Table 10).

Table 10.

*Merit Pay Program Connected to Attainment of My Goals*

Response	Number	Percentage
Strongly Disagree	0	0%
Disagree	2	11%
Neither Agree nor Disagree	1	6%
Agree	7	39%
Strongly Agree	8	44%

These results correlate with data collected from the interviews. Administrator B stated, “I think the whole purpose of the program is to compensate me for achieving my goals. I meet my goals; I earn merit pay. If I don’t; I won’t. That simple.” Administrator C shared, “Last year I didn’t get the merit pay bonus because they didn’t think I achieved my goals. I thought I did and we ended up agreeing to disagree and I never got the money. This year I put artifacts away so I can show them how I met my goals. There is no way I shouldn’t get it this year.”

When applying Locke and Latham’s goal-setting theory (1990) results indicate the final component of “satisfaction” is visible in administrator opinions on merit pay. When an individual sets a goal and sees it to fruition, satisfaction is the due reward. In the case of merit pay, the additional compensation is an extrinsic form of satisfaction, with the same connotation. Locke and Latham’s “performance” component refers to the amount of effort exerted to achieve satisfaction. While administrators say that merit pay does not effect this effort, the merit pay is awarded based of performance, regardless of administrator intention.

By asking item 9 on the survey, I was able to gather additional data to interpret through the lens of the expectancy theory (Vroom, 1964). Vroom explained in order for people to be motivated to work toward a goal, they must feel the goal is attainable. Consequently, I wanted to see if administrators felt they could earn merit pay based on the district's criteria. Seventy-eight percent (14 of 18) of the respondents responded agree or strongly agree, indicating administrators do feel the goal of achieving merit pay can be met (see Table 11).

Table 11.

*Goal of Merit Pay is Achievable*

Response	Number	Percentage
Strongly Disagree	2	11%
Disagree	1	6%
Neither Agree nor Disagree	1	6%
Agree	10	56%
Strongly Agree	4	22%

### **Merit Pay and Esteem**

As discussed in the literature review, acknowledging a person's performance builds esteem (self-value), the fourth level in Maslow's Hierarchy of Needs (Maslow, 1943). The need to feel valued by others can be a motivator for employees. Item 10 was constructed to determine if administrators feel valued by earning the recognition of merit pay. Fifty-six percent (10 of 18) of the respondents indicate they agree or strongly agree being awarded merit pay makes them feel valued (see Table 12).

Table 12.

*Merit Pay Makes Me Feel Valued*

Response	Number	Percentage
Strongly Disagree	2	11%
Disagree	3	17%
Neither Agree nor Disagree	3	17%
Agree	5	28%
Strongly Agree	5	28%

I further explored the need for feeling valued through the focus group. None of the administrators mentioned feeling valued through the district’s merit pay program. Participant B indicated, “I feel valued when I see a building initiative come to fruition through my leadership.” Participant A noted, “Seeing a student succeed, having a parent or member of my staff thank me—this makes me feel valued.” Participant B added, “That’s it. Having someone appreciate my work makes me feel the hard work is worth it.”

Item 18 was developed in tandem with Item 10. If receiving merit pay increases a person’s esteem, does not being awarded merit pay negatively impact an administrator? Sixty-one percent (11 of 18) of the respondents indicated they agree or strongly agree that not receiving merit pay impacts administrator morale (see Table 13).

Table 13.

*Impact of not Earning Merit Pay on Administrator Morale*

Response	Number	Percentage
Strongly Disagree	0	0%
Disagree	3	17%
Neither Agree nor Disagree	4	22%
Agree	7	39%
Strongly Agree	4	22%

**Merit Pay and Retention of Administrators**

As discussed in the introduction, one of the goals Obama's Administration had with Race to the Top funding was to retain highly effective educators (U.S. Department of Education, 2009). Table 14 shows only 28% (5 of 18) of the administrators agree or strongly agree that merit pay is a motivator for retaining administrators (see Table 14). While the merit pay program in this district has met ARRA's goal of "rewarding" educators, it has not succeeded in an impactful way in retention of successful administrators.

Table 14.

*Merit Pay Plan Retains Administrators*

Response	Number	Percentage
Strongly Disagree	5	28%
Disagree	6	33%
Neither Agree nor Disagree	2	11%
Agree	2	11%
Strongly Agree	3	17%

All three interview participants agreed the district’s merit pay program would not be a factor if they were considering different employment. Participant A went as far as saying, “I think if I was at a point where I didn’t earn it [merit pay], it would have a contradictory effect from its original intent. It would un-motivate me and make me think the organization did not value my work and I would consider looking for different employment.” Participant C commented, “I stay because I believe in the work we are doing as a district and feel like I am part of a great organization. That is what keeps me here—not the merit pay program.”

**Merit Pay and Evaluations**

As discussed in the introduction, merit pay can only be earned by administrators who earn a highly effective rating on their performance evaluation. The district’s board policy (see Appendix A for complete board policy) indicates the evaluation must be fair. Survey items 4 and 5 provided a breakdown on the number of respondents who were awarded merit pay for the

two prior years of the study. In 2013-2014, 67% (12 of 18) of the respondents earned merit pay.

In 2014-2015, 83% (15 of 18) respondents earned merit pay.

Table 15.

*2013-2014 and 2014-2015 Survey Respondents Awarded Merit Pay*

Response	2013-2014 Number	2013-2014 Percentage	2014-2015 Number	2014-2015 Percentage
Yes	12	67%	15	83%
No	6	33%	3	17%
Not Applicable	0	0%	0	0%

I then wanted to determine if administrators perceive the performance rating they received accurately reflects their effectiveness as an administrator. Eighty-nine percent (16 of 18) of the administrators agree or strongly agree their performance rating accurately reflects their effectiveness as an administrator (see Table 16).

Table 16.

*2014-2015 Performance Rating Reflected my Effectiveness as an Administrator*

Response	Number	Percentage
Strongly Disagree	1	6%
Disagree	1	6%
Neither Agree nor Disagree	0	0%
Agree	10	56%
Strongly Agree	6	33%

Respondent 14 further explained, “It is strongly based on the admin evaluation which, if someone doesn’t like you, you’re done.” During the interview, Administrator A also discussed evaluator bias. “There is no guarantee administrator evaluations across the state would be fair. The evaluator might not give the administrator a fair evaluation if they are perceived as being argumentative.”

In summary, the primary finding of this study is the overwhelming majority of the respondents indicated the merit pay program did not improve their effectiveness. The few respondents who did assert merit pay had impacted their performance mentioned it was simply affirmation they had attained goals they would have undertaken, regardless of incentive. The second finding was an overwhelming majority of respondents felt the amount of effort administrators dedicated to their job was not impacted by the merit pay program. However, a vast majority of the administrators felt satisfied with the merit pay program in place within the district, in consideration to their work efforts. The third finding was the overwhelming majority of respondents indicated the amount of merit pay had no impact on their desire to earn the merit pay. This third finding was the most interesting, as it disputes Vroom’s expectancy model discussed in the literature review section, and had the most significant ramifications on my findings.

These findings were drawn from the review of literature, survey results, focus group data, and interview data. Using the participants own words through the use of quotations accurately represents the perception of administrators in this school district. The following section includes a deeper interpretation of these findings and recommendations for action.

## CHAPTER 5. CONCLUSION

This study set out to determine administrator perception of how his or her motivation and job performance has been impacted due to merit pay in a suburban school district in Michigan. Administrator views, insights, and experiences were explored via survey, interview, and focus group, resulting in a rich compilation of qualitative and quantitative data. The research sought to determine how administrators' motivation and effort were influenced by a merit pay program. The results of this study in one school district indicate administrators' effectiveness is not impacted by a merit pay program. Findings of the study also suggest earning merit pay does not lead to increased motivation or effort. Finally, the results also indicate the amount of merit pay did not influence the desire of administrators to earn merit pay.

The previous section presented the findings of this study by organizing data into the three major findings. Through this section, I interpret these findings and make recommendations why district, state, and national leaders should consider the results of this study. I also make suggestions for additional research. This interpretation takes into account the literature on merit pay and motivation but is primarily drawn from the survey results, focus group data, and interview data. The analysis of these findings are intended to expand the understanding of the perception of administrators of how his or her motivation and job performance has been impacted due to merit pay.

### **Discussion**

Beginning with the 2013-2014 school year, the board of education in this school district in Michigan implemented a performance based compensation program to recognize and reward highly effective teachers and administrators. Employee ratings were determined subjectively by the employee's direct supervisor, either a building principal or central office administrator, using

specific criteria. The program was developed and adopted due to section 380.1250 of the Michigan Revised School Code requiring school districts in Michigan to “implement and maintain a method of compensation for its teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation and additional compensation” (Revised School Code, 380.1250, 2010). Under this performance-based compensation program, all teachers eligible for merit pay could earn a maximum bonus of \$2,500 and principals and administrators could earn a bonus of 3% of his or her base salary.

The theoretical framework for this study substantiated how administrators might be motivated by extrinsic rewards such as added compensation. The results of this study were interpreted through a hybrid framework which drew upon the expectancy theory (Vroom, 1964). The expectancy theory (1964) is based on three perceptions—expectancy, instrumentality, and valence. The first perception of the expectancy theory is expectancy. Through the lens of this study’s theoretical framework, expectancy is the belief administrators have that the goal is attainable. The survey indicated only 3 of 18 (17%) felt the goal of earning merit pay was unattainable. The survey also revealed an overwhelming majority (78%) of the administrators agree or strongly agree they can achieve the merit pay program criteria stated in the district’s board policy. These results also relate to Locke and Latham’s (1990) work which suggested individuals need to believe the goals can be met.

The second perception of the expectancy theory is instrumentality. Instrumentality is the administrators’ perception of the connection between achieving a goal (earning a highly effective rating) and a positive outcome (earning merit pay). Another part of this second perception is the confidence administrators have in the evaluation system. The survey indicated 89% of the administrators agree or strongly agree that the performance rating he or she received on his or

her end-of-the-year evaluation in 2014-2015 reflected his or her effectiveness as an administrator. In contrast, only one administrator during the interview expressed concern administrators across the state may not be evaluated fairly if a merit pay system was introduced.

The final perception is valence. Valence is the value administrators place on the reward of earning merit pay. In order to be motivated by a reward, the administrator must perceive it as highly desirable. The data from this study (interviews, focus group, and surveys) indicate administrators from this district do not view merit compensation as something they highly desire. One of the interviewed administrators said she was “insulted” by the idea she would work harder because of merit pay. Of the administrators participating in the survey, 11 (64%) of the 18 open-ended responses cited merit pay had no impact on his or her performance. All three participants of the focus group concurred. This also aligns with Albright (2011) and Covey (2009) by finding the performance of educators is not impacted because of merit pay.

The expectancy theory explains how people make decisions while working toward something they value (Vroom, 1964). As discussed, expectancy, instrumentality, and valence are three perceptions of the expectancy theory. An individual’s motivation can be motivated by any of the three perceptions; but, the presence of all three perceptions have a more powerful impact on an individual’s motivation (Baratz-Snowden, 2007). When considering the findings of this study through the lens of the expectancy theory, two of the perceptions, expectancy and instrumentality, are found. Valence is not present in this study, which could explain administrator responses.

Another theory of motivation which provided a foundation for this study is the goal setting theory, which was presented by Locke and Latham in 1990. This theory can be applied to all professions, including administrators. In order for administrators to be motivated through this

theory, they need to perceive a relationship between the goals they set and their performance. These goals need to be specific and challenging and used to measure performance. In this study, administrators perceive a strong relationship existing between accomplishing their goals and being awarded merit pay. Survey respondents indicated overwhelmingly (15 of 18 [83%]) they agree or strongly agree that the district's merit pay program is connected to their own goals.

Another part of the theoretical framework for this study is Maslow's Hierarchy of Needs (1943). The fourth step in the hierarchy is esteem. Employees awarded merit pay can develop a sense of accomplishment and gain confidence by being recognized for their work efforts. This study produced qualitative evidence to attest to the positive results of merit pay. One survey respondent indicated that merit pay has "validated my work in the building to the district leadership." In this study, a small majority of administrators (10 of 18 [56%]) indicate they do feel more valued because of earning merit pay. The respondents who indicated that they did feel more valued as a result of earning merit pay experienced an intrinsic boost to their esteem as a result of the extrinsic reward of merit pay. The maintenance of administrator's esteem through gestures that affirm their value to the school community, such as merit pay, succeed at promoting an environment of mutual respect and continuous appreciation.

While merit pay is a meaningful, and sometimes effective gesture to confirm the value of an administrator's achievements, it is essential to recall that administrators are individuals inspired to public service. This study suggests few administrators become involved in education with the motivation of earnings in mind. Instead, they are driven by a desire to serve and the possibility of having a meaningful impact on society. Unlike in the private sector, monetary earnings do not result motivation in education. One survey respondent insisted: "Educators don't work in the business world. We don't manufacture widgets." This respondent clarified the

delineation between motivation in the private sector, and what motivates those in education. Educators are motivated by their impact on students and their positive influence on the school community. Administrators are motivated by creating an environment conducive to the education and care of students and the cultivation of an effective faculty. While the extrinsic value of merit pay may have intrinsic effects on esteem for some administrators, the personality traits of an educator lessens the impact of money on their esteem.

Administrators' responses to interview and survey questions indicate there is no connection between being awarded merit pay and effectiveness. An overwhelming 89% of survey respondents indicate merit pay does not improve their overall effectiveness. However, peripherally, merit pay has inspired some administrators to become increasingly goal-oriented. Several respondents on the survey asserted that merit pay benchmarks set standards to aspire to. For example, respondent 7 suggested that merit pay encouraged him to more consistently archive "artifacts", to have tangible evidence of achieved goals.

As discussed in the literature review, findings from previous studies on merit pay are mixed. Whereas in this study, administrators' perceptions of merit pay and how it improves motivation and job performance are straight forward. The overwhelming majority of administrators do not perceive merit pay as a way to improve their motivation or job performance. Survey results from this study indicate only 2 of 18 (12%) of the administrators believe they are more motivated because of merit pay. This study has validated the results of previous studies (Glass, 2011; Kelley, 1999). Glass' study (2011) determined motivation for professional educators comes from student success and making a difference. Kelley's research in 1999 revealed only 20% of the teachers believed money was an important motivator for them. Research completed by Callier (2010) and Marcotte (2015) had similar results, which indicate

educators are usually motivated by intrinsic factors and not extrinsic rewards. Decker and Rimm-Kaufman (2008) surveyed 397 “pre-service” teachers and found flexibility and cooperative attitudes were among the most common personality characteristics for teachers. When compared to other college majors, “pre-service teachers” were more conscientious and goal-oriented. One could argue these personality traits result in an individual unmotivated by extrinsic factors, such as merit pay.

This study also suggests that the amount of merit pay does not correlate with desire to earn merit pay. Only 4 of 18 (22%) of the administrators indicated on the survey they would be more motivated to earn merit pay if the amount increased. Studies discussed in the literature review found the amount of merit pay for principals does not lead to improved performance (Frase, 1992; Saunders, 2008).

### **Recommendations**

The analysis of these findings are intended to expand the understanding of administrator perception of how his or her motivation and job performance has been impacted due to merit pay. The recommendations which follow are for: (a) district officials; (b) legislature, and (c) further research.

Findings from this research can be utilized by a district leadership team to gain a better insight on how some administrators perceive merit pay as a motivator for improved job performance. For district leaders, the merit pay program having little impact on motivation and performance of administrators should be worrisome. Financial resources have been budgeted and legislation has been passed to include merit pay as part of teacher and administrator compensation plans. As districts investigate ways to reform administrator compensation, the findings from this study indicate merit pay is not a motivator.

Through surveys, focus group, and interviews, administrators shared they were motivated by working collaboratively with staff, achieving their goals, providing an environment where teachers and students are successful, and receiving positive feedback. Merit pay is not a motivating factor for administrators in this district. This research did reveal how administrators responded to the adoption of merit pay, and as a result, how his/her motivation was impacted due to merit pay. It appears that the merit pay program did not result in the positive outcomes the district was seeking when merit pay for administrators was implemented.

The results of this study can inform lawmakers in the state legislature and national policy makers. Following the Obama administration's American Recovery and Reinvestment Act (2009), merit pay became a topic of state-level education reform. Although Michigan was denied a grant to invest in merit pay, legislators continue to invest in education by mandating performance be part of the evaluation and compensation process. Yet, from the data collected in this study, administrators do not support merit pay. In our current educational climate, state lawmakers are challenged to find ways to improve student achievement. As lawmakers and others debate how to best improve student achievement, this study illuminates what administrators value and do not value. They do not believe merit pay impacts their motivation or improves their overall performance.

Based on this study's findings, one might ask "Why is the state of Michigan mandating school districts tie compensation into performance when administrators do not believe it impacts their motivation or improves their overall performance?" There are many people and groups outside of the field of education who are trying to reform education but they do not understand what motivates public school administrators. Administrators and local school district officials need to educate the legislature using lobbyists through their professional organizations such as

Michigan Association of School Boards, Michigan Association of Elementary and Middle School Principals, Michigan Association of Secondary School Principals, etc. If merit pay does not lead to increased administrator motivation and better job performance, then other options to improve job performance need to be considered.

The conflicting beliefs between school district administrators and legislators revealed itself in this study. Administrator A said during the interview, “Our legislators seem to think public schools need to be run like a business. There is too much emphasis being placed on student achievement.” Yet, our state legislature in Michigan and our leaders at the national level believe we need to reform compensation for educators and reward effective educators through different compensation incentives, such as merit pay (“Michigan Moving Forward,” 2010 & U.S. Department of Education, 2009).

Finally, the results of this research revealed several areas in which additional research could be conducted to provide further clarity about how administrators are motivated by the use of merit pay. This study could be expanded through additional research in other school districts that do not have a merit pay program in place to determine if there is a difference in administrator perception of motivation. This research should be conducted to determine similarities and/or differences in perceptions. The sample could also be expanded to include administrators from different districts with different student and community demographics. In this study, the data sources collected information of administrators’ perceptions of merit pay and its impact on their motivation and job performance. These two topics could be investigated independently to gather more in-depth information. In addition, more research is needed to quantify how merit pay impacts students, both short term and long term.

Another additional area of research would be to compare administrator perceptions of merit pay who received merit pay with those who did not within the same district. This research would be particularly interesting to see if the perceptions of these two categories of administrators differ. I would anticipate those administrators who benefited from merit pay would have the most positive perceptions of merit pay and those administrators who did not receive merit pay would have less favorable reactions to merit pay.

Research could also be conducted to investigate intrinsic and extrinsic motivators which increase administrators' efforts. Field testing different motivators with administrators to determine which motivators have the highest impact on administrators' efforts would be valuable.

The literature review in this study also included a historical context of educator pay. The majority of educators are compensated using the single-step salary schedule which was developed in the 1920s. This mode of compensation for educators has not significantly changed over the one hundred years since its implementation. Podgurksy (2007) identifies this compensation phase as the third phase of teacher pay. Through collective bargaining, during times of economic prosperity, boards of education would negotiate and approve percentage increases to this salary schedule. In times of economic stagnation, collective bargaining agreements could allow boards of education to freeze educators so they would pause on the salary lane and/or freeze the overall compensation amount on the single-step salary schedule. The last time the district in this study increased the amount of compensation on the administrator single-step salary schedule was in 2007-2008. Administrators in this district, however, have been awarded additional steps for years of experience. By not increasing the amount of money on the salary schedule, this district and others limit their long-term salary obligations. One of the

respondents in the open-ended survey responses indicated, “I would be more satisfied if the school board recognized the work of all administrators by providing a wage increase. The fact that the administrators have not received a wage increase in eight years is disheartening. The implementation of merit pay does not make up for this lack of wage increase.” The district in this study is finding other ways to compensate administrators instead of the single-step salary schedule. Merit pay, working fewer days, paying administrators for unused vacation days, and implementing non-report workdays are a few ways this district is rewarding administrators without impacting the salary schedule. Despite these incentives, one administrator stated, “...I would much rather have a small pay increase.”

Merit pay could be a component of a possible fourth phase in the evolution of educator pay. It is easily arguable that the salary of educators should be tied to the achievement of students and there is a need for increased accountability. The current single-step salary schedule is antiquated. Furthermore, a pay system which rewards educators solely on educational level and years of experience is problematic. Yet, it must be fully acknowledged that there are so many factors outside the control of educators which impact student achievement such as parental support, community demographics, and family income. As discussed in the literature review, there is not sufficient evidence that merit pay improves student achievement (Hamilton & Li, 2009; Goodman & Turner, 2011; Bettinger, 2012). I am not certain how an administrator’s performance can be based solely on student achievement. I am not sure if the “output” of education can ever be measured in a reliable manner. This study suggests the work itself is the reward. Administrators should be rewarded for the validated effectiveness of classrooms within their building. There should be an increase in administrator accountability to create educational environments that are student-centered. This accountability may mean administrators need to

take a deeper analysis of allocation of building funds to ensure they are being utilized fully toward the goal of improving student performance. These funds may need to be allocated from the macro-level of an additional interventionist source, or the micro-level of reevaluating a student's educational development plan to increase student achievement. In addition, this fourth phase would have a positive effect on administrator relationships with the teaching faculty. With a new fourth phase based on student performance, administrators may be motivated to form stronger relationships with the teaching faculty in order to achieve standardized, collective goals.

Merit pay is a controversial topic across the nation, and perceptions of how merit pay impacts motivation and job performance vary. Legislative bodies and district leadership teams will continue to be challenged to find ways to improve student achievement. There is growing public support to compensate educators similarly to counterparts in the business field. Yet, overall, in this district, the idea of merit pay is not well received. Merit pay systems are not seen by interviewees, focus group participants, or survey respondents as a way to motivate administrators or improve their job performance. This study supports previous research that administrators are not motivated by merit pay because money is not a primary motivator.

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Appendix A  
Board Policy

**G-1010 Performance-Based Compensation for Teachers and Administrators**

The District shall implement and maintain a method of compensation for its teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation and additional compensation.

The assessment of job performance shall incorporate a rigorous, transparent, and fair evaluation system that evaluates a teacher's or school administrator's performance at least in part based upon data on student growth as measured by assessments and other objective criteria.

Decisions about the development, content, standards, procedures, adoption and implementation of the method of compensation required under section 1250 of the Michigan Revised School Code, decisions about how an employee performance evaluation system is used to determine performance-based compensation under section 1250, and decisions concerning the performance-based compensation of an individual employee, or the impact of those decisions on an individual employee or the bargaining unit, are within the sole authority of the public school employer to decide and shall not be the subject of any terms and conditions within a collective bargaining agreement between the District and a collective bargaining representative of such teachers.

With the exception of the performance-based compensation for the Superintendent, the Board of Education delegates to the Superintendent or designee(s), the responsibility for taking appropriate action, including developing administrative guidelines as needed, to implement and maintain a method of compensation that includes job performance and job accomplishments as a significant factor in accordance with Section 1250.

References: MCL 380.1250, effective July 19, 2011; MCL 423.215.

**Adopted: June 18, 2013**

Appendix B  
Administrator Survey Questions

Demographic Information: Responses to these questions will be used to analyze the results by various groups.

1. Please indicate your gender.  
Male  
Female
  
2. Please indicate your current level of experience as an administrator.  
0-5 years  
6-10 years  
11-15 years  
16-20 years  
21-25 years  
26 or more years
  
3. Please indicate your work assignment.  
Elementary  
Middle  
Secondary  
Director
  
4. Did you receive merit pay in the 2013-2014 school year?  
Yes  
No  
Not Applicable
  
5. Did you receive merit pay in the 2014-2015 school year?  
Yes  
No  
Not Applicable

Definition of Merit Pay for Survey Reference:

Merit pay is a term used to describe salary adjustments or additional compensation to reward higher levels of performance.

Rate each statement:

Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree, Strongly Agree

6. The district's merit pay program is connected to the attainment of my building's school improvement goals.
  - a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly agree
7. The district's merit pay program is connected to the attainment of the district's goals.
  - a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly agree
8. The district's merit pay program is connected to the attainment of my goals.
  - a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly Agree
9. I can achieve the merit pay program criteria stated in the district's board policy.
  - a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly Agree
10. Being awarded merit pay would make me feel valued for my work.
  - a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly Agree
11. I am satisfied with the merit pay plan when I consider the effort I put into my work.
  - a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly Agree
12. The district's merit pay plan for administrators serves as a motivator for retaining administrators.

- a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly agree
13. The performance rating I received on my end-of-year evaluation in 2014-2015 accurately reflected my effectiveness as an administrator.
- a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly agree
14. Merit pay has an effect on the amount of time I dedicate to my job.
- a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly agree
15. Merit pay has an effect on the amount of effort I dedicate to my job.
- a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly agree
16. I am more effective because of the merit pay program.
- a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly Agree
17. If the monetary amount of merit pay increased, I would be more motivated to earn it.
- a. Strongly disagree
  - b. Disagree
  - c. Neither agree nor disagree
  - d. Agree
  - e. Strongly agree
18. Merit pay negatively affects the morale of administrators who did not receive it.
- a. Strongly disagree
  - b. Disagree

- c. Neither agree nor disagree
- d. Agree
- e. Strongly agree

For the next group of questions, please share your thoughts.

19. In your opinion, how has the district's merit pay program impacted your performance?
20. In your opinion, how has the district's merit pay plan motivated you?

Appendix C  
Administrator Interview Questions

1. Describe how you feel the merit pay program has affected your motivation.
2. Describe how you feel the merit pay program has affected your job performance.
3. Would you recommend a merit pay program for all administrators throughout the State?  
Why or why not?
4. What do you feel is the core motivation for most administrators? Please explain.
5. Discuss what changes would occur in your motivation if merit pay compensation was discontinued.
6. Discuss what changes would occur in your job performance if merit pay compensation was discontinued.

Appendix D  
Administrator Invite Prior to Survey

**Internal Review Board Approval:** HUM00111044

March 14, 2016

Dear Colleagues:

As some of you may be aware, I am currently working on my Doctor of Education degree from University of Michigan-Flint. As part of my dissertation, I will be conducting a research study beginning next week. Part of my study will be a survey gathering your perceptions of merit pay.

I have met with Dr. Machesky and he has endorsed your participation in the study.

The survey will be sent to all administrators in the district. The survey will take approximately 20 minutes to complete and will be done through Qualtrics, a survey software package available to University of Michigan students. Your responses to the survey will be completely confidential and your participation is completely voluntary.

I need your help with my research. The survey will be sent to you through our district email. Please complete the survey when you receive it.

Thank you in advance for your support of this project.

Joyce

Appendix E  
Administrator Informed Consent Email Invite

**Internal Review Board Approval:** HUM00111044

Dear Colleague:

You are invited to be in a research study on merit pay. The survey is part of my dissertation research. The purpose of this study is to examine administrator perception of merit pay and investigate if administrators perceive his or her motivation and job performance has been impacted due to merit pay. This survey should take about 15 minutes to complete. I am asking you to participate in this study because you are an administrator in the suburban school district in Michigan.

The survey will be completed in Qualtrics. Qualtrics is a survey software package available to University of Michigan students. The researcher will take precautions to make sure that participation remains anonymous. You will not be linked to the survey in any way.

There are no anticipated risks for you for taking part in this study. There are no direct benefits for you to participate in this study. You will not be paid for your participation in this study. Your responses, however, may help us learn more about how administrators feel about merit pay.

The records of this study will be kept secure at all times. The data reported based on the study will remain anonymous in nature. I will maintain the data securely and confidentially.

Participation in this study is voluntary. You do not have to participate and you can refuse to answer any question. Even if you begin the web-based online survey, you can stop at any time. Your decision whether or not to participate will not affect your current or future relationship with University of Michigan-Flint or the suburban school district in Michigan. In addition, this study is being conducted for research within a dissertation and is not being conducted by the suburban school district in Michigan. If you decide to participate, you are free to withdraw at any time without affecting those relationships.

If you have any questions about this study, please feel free to contact me at (248) 762.4039 or by email at [jbrasing@umflint.edu](mailto:jbrasing@umflint.edu). You may also contact my dissertation advisor, Dr. Pamela Ross-McClain, at 810.762.3260 or by email at [rosspam@umflint.edu](mailto:rosspam@umflint.edu). If you have any questions regarding your rights as a research participant, please contact Mary Mandeville, Research Compliance Specialist, at 810.762.3383 or by email at [irb0flint@umflint.edu](mailto:irb0flint@umflint.edu).

By clicking on the survey link below, you are indicating your consent to participate in this study. You may print out a copy of this consent form for your records. The survey link is:

\_\_\_\_\_.

Sincerely,  
Joyce Brasington

Appendix F  
Administrator Informed Consent Email Invite – Follow Up

**Internal Review Board Approval: HUM00111044**

Dear Colleague:

I contacted you last week to invite you to participate in a web-based online survey. If you have already completed the survey, thank you very much for your participation. If not, please take a few minutes to read through this invitation to participate and consider participating in this study. I am asking you to participate in this study because you are an administrator in the suburban school district in Michigan.

You are invited to be in a research study on merit pay. The survey is part of my dissertation research. The purpose of this study is to examine administrator perception of merit pay. This survey should take about 15 minutes to complete.

The survey will be completed in Qualtrics. Qualtrics, a survey software package available to University of Michigan students. The researcher will take precautions to make sure that participation remains anonymous. You will not be linked to the survey in any way.

There are no anticipated risks for you for taking part in this study. There are no direct benefits for you to participate in this study. You will not be paid for your participation in this study. Your responses, however, may help us learn more about how administrators feel about merit pay. The records of this study will be kept secure at all times. The data reported based on the study will remain anonymous in nature. I will maintain the data securely and confidentially.

Participation in this study is voluntary. You do not have to participate and you can refuse to answer any question. Even if you begin the web-based online survey, you can stop at any time. Your decision whether or not to participate will not affect your current or future relationship with University of Michigan-Flint or the suburban school district in Michigan. In addition, this study is being conducted for research within a dissertation and is not being conducted by the suburban school district in Michigan. If you decide to participate, you are free to withdraw at any time without affecting those relationships.

If you have any questions about this study, please feel free to contact me at (248) 762.4039 or by email at jbrasing@umflint.edu. You may also contact my dissertation advisor, Dr. Pamela Ross-McLean, at 810.762.3260 or by email at rosspam@umflint.edu. If you have any questions regarding your rights as a research participant, please contact Mary Mandeville, Research Compliance Specialist, at 810.762.3383 or by email at irb0flint@umflint.edu.

By clicking on the survey link below, you are indicating your consent to participate in this study. You may print out a copy of this consent form for your records. The survey link is:

---

Sincerely, Joyce Brasington

Appendix G  
Consent Form for Participation in a Focus Group

**Researcher:** Joyce Brasington

**Internal Review Board Approval:** HUM00111044

This form is called a Consent Form. It will give you information about participation in a focus group so you can make an informed decision about participating. The purpose of this focus group is to gain greater understanding of your perceptions on merit pay. There will be introductions and discussion of two or three focus questions surrounding merit pay. The focus group should take approximately 90 minutes to complete.

Participation is voluntary and you may discontinue participation at any time without penalty by contacting me at 248.762.4039 or jbrasington1@umflint.edu. You may not directly benefit from participating in this research; however, I hope your participation in this focus group may lead to greater understanding of teacher perception linking compensation and student achievement. I believe there are no known risks associated with this research study; however, a possible inconvenience may be the time it takes to participate in the focus group.

This focus group activity will be audio-recorded. The tapes will be erased by April 30, 2017. Individual results of this activity will be confidential and will not be released in any individually identifiable form. Pseudonyms will be used in my study and individual participants will not be identified.

Please be advised that although I will take every precaution to maintain confidentiality of the data, the nature of focus groups prevents me from guaranteeing confidentiality. I would like to remind participants to respect the privacy of your fellow participants and not repeat what is said in the focus group to others.

Any further questions about this study can be answered by me or my dissertation chair. My contact information is: Joyce Brasington at 248.762.4039 at jbrasing@umflint.edu. My dissertation chair's contact information is Dr. Pamela Ross-McLean at 810.762.3260 at rosspa@umflint.edu.

Joyce Brasington

I agree to voluntarily participate in this focus group. I have had a chance to read this consent form. I agree to maintain the confidentiality of the information discussed by all participants and researcher during the focus group session. I will allow the use of my responses to be included in this study on administrator perceptions of merit pay.

---

Please Print Your Name

---

Signature

---

Date

Appendix H  
Focus Group Protocol

**Researcher:** Joyce Brasington

**Internal Review Board Approval:** HUM00111044

Outline

- A. Welcome
  - a. Facilitator will introduce herself as the moderator and discuss her role as the moderator of the discussion
- B. Overview of Topic
  - a. Your perception of merit pay on your performance and motivation
  - b. You were invited because you are an administrator in a suburban school district in Michigan which has a merit pay program in place
  - c. Responses will be used in a study conducted by this researcher through the University of Michigan-Flint
- C. Ground Rules
  - a. No right or wrong answers, only differing points of view
  - b. No names will be used in the research
  - c. Tape recording because I do not want to miss any of your comments
  - d. You don't need to agree with others, but you must listen respectfully as others share their views
  - e. Talk to each other
- D. Questions to facilitate discussion
  - a. First Question (Round Robin) –
  - b. How could the merit pay program be more connected to the building's school improvement goals?
  - c. How could the merit pay program be more connected to the district's goals?
  - d. Tell me about a time you felt valued for your work?
  - e. How does the merit pay program assist in retaining administrators?
  - f. What motivates you as an administrator?
  - g. Ending Question (Round Robin) – Suppose you had one minute to share your thoughts on the merit pay, principal motivation, or job performance with the superintendent. What would you say?

Appendix I  
Consent Form for Participation in an Interview

**Researcher:** Joyce Brasington

**Internal Review Board Approval:** HUM00111044

This form is called a Consent Form. It will give you information about participation in an interview so you can make an informed decision about participating. The purpose of this interview is to gain greater understanding of your perceptions on merit pay. There will be introductions and discussion of two or three questions surrounding merit pay. The interview should take approximately 60 minutes to complete.

Participation is voluntary and you may discontinue participation at any time without penalty by contacting me at 248.762.4039 or [jbrasing@umflint.edu](mailto:jbrasing@umflint.edu). You may not directly benefit from participating in this research; however, I hope your participation in the interview may lead to greater understanding of administrator perception linking merit pay and motivation. I believe there are no known risks associated with this research study; however, a possible inconvenience may be the time it takes to participate in the interview.

This interview will be audio-recorded. The tapes will be erased by April 30, 2017. Individual results of this activity will be confidential and will not be released in any individually identifiable form. Pseudonyms will be used in my study and individual participants will not be identified.

Please be advised that although I will take every precaution to maintain confidentiality of the data, the nature of focus groups prevents me from guaranteeing confidentiality. I would like to remind participants to respect the privacy of your fellow participants and not repeat what is said in the focus group to others.

Any further questions about this study can be answered by me or my dissertation chair. My contact information is: Joyce Brasington at 248.762.4039 at [jbrasing@umflint.edu](mailto:jbrasing@umflint.edu). My dissertation chair's contact information is Dr. Pamela Ross-McLean at 810.762.3260 at [rosspa@umflint.edu](mailto:rosspa@umflint.edu).

Thank you for your consideration.

Joyce Brasington

I agree to voluntarily participate in this focus group. I have had a chance to read this consent form. I agree to maintain the confidentiality of the information discussed by all participants and researcher during the focus group session. I will allow the use of my responses to be included in this study on administrator perceptions of merit pay.

---

Please Print Your Name

---

Signature

---

Date

Appendix K  
PEERRS Certification Record



**THE UNIVERSITY OF MICHIGAN**  
**Program for the Education and Evaluation of Responsible Research and Scholarship (PEERRS)**

4080 FLEMING ADMINISTRATION BUILDING  
 503 THOMPSON STREET  
 ANN ARBOR, MICHIGAN 48109-1340  
 734 764-1185 FAX: 734 763-0085

## PEERRS Certification Record for Brasington, Joyce (jbrasing)

**Brasington, Joyce**  
 Uniqname or Friend Account: jbrasing  
 UMID: 34804441  
 Date: Nov 24, 2013

The person named below has completed the indicated online modules in the University of Michigan's Responsible Conduct of Research training program, known as PEERRS (Program for Education and Evaluation in Responsible Research and Scholarship).

PEERRS is a web-based foundational instruction and certification program for the members of the University of Michigan community engaged in or associated with research. Modules are offered on Foundations of Responsible Research Conduct; Research Administration; Conflict of Interest; Human Subjects Research; Animal Research; and Publications and Authorship. Each module consists of 20-30 web pages containing the core material, short case studies with questions, and pop-ups with additional information to provide greater depth and elaboration.

Certifications are obtained by passing a test associated with each module. The certifications are valid through the dates shown.

### Active Certifications:

Module	Certified Through
Conflict of Interest	11-22-2016
Foundations of Good Research Practices Module & Certification Test	11-23-2016
Human Subjects Social & Behavioral Sciences Module & Certification Test	11-23-2016
Research Administration Module & Certification Test	11-23-2016

### Expired Certifications:

Module	Certified Through
No Certifications	