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SUPERINTENDENTS' RESPONSE TO THE REVISED SCHOOL  
CODE REQUIRING MERIT PAY IN SELECTED  
MICHIGAN SCHOOL DISTRICTS

by

Mark A. Tompkins

A dissertation submitted to the Graduate College  
in partial fulfillment of the requirements  
for the degree of Doctor of Philosophy  
Educational Leadership, Research and Technology  
Western Michigan University  
April 2017

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SUPERINTENDENTS' RESPONSE TO THE REVISED SCHOOL  
CODE REQUIRING MERIT PAY IN SELECTED  
MICHIGAN SCHOOL DISTRICTS

Mark A. Tompkins, Ph.D.

Western Michigan University, 2017

In 2010, Public Act 205 was passed and signed into law, revising Michigan School Code section 1250. This revision required compensation for teachers to be based on job performance and job accomplishments. Compensation based on performance or *merit* is a significant departure from existing practice wherein teachers are paid a step scale salary based on years of service and educational qualifications. The purpose of this phenomenological study was to investigate the lived experience of nine superintendents as it relates to the implementation of section 1250 of PA 205 in their respective districts. Participants were divided into three categories based on their responsiveness or lack of responsiveness to this legislative mandate, with the overall intent of uncovering the *how* and *why* these superintendents responded to the school code revision.

Overall, the superintendents in the study supported the concept of merit pay as an improvement over the current salary and step schedule. Moreover, they supported merit pay ideologically, as it would increase teacher accountability; however, substantial policy evasion occurred, with most superintendents not implementing merit pay. Reasons included concern over the conflict elimination of the salary and step schedule would cause with the teacher bargaining group, the lack of external sanctions for non-compliance, and limited stakeholder support. Those that did implement merit pay did so

when certain contextual conditions were in place. These conditions included a “policy champion” at the ISD level who guided the superintendents towards compliance, collaboration with teachers in the local districts when creating the merit pay models, and the development of local and unique merit pay programs. The study is concluded with several recommendations for policymakers and school superintendents who wish to implement merit pay programs in the future.

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Mark A. Tompkins

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## CHAPTER I

### INTRODUCTION

One common topic of education reform today is teacher pay—how much money teachers make, for what work, and how pay should be determined (Laine, Potemski, & Rowland, 2010). Teacher pay is primarily based on the *input* model of compensation, commonly defined in the collective bargained contract as the “single salary scale and step schedule” (Porwoll, 1979). The salary and step schedule rewards teachers equally when they achieve certain levels of longevity and additional training or degrees. Since its inception, the salary and step schedule has been a nearly constant feature in teacher compensation. According to Podursky (2007), over 95 percent of the nation’s public schools maintain the salary and step schedule as the primary approach for determining teacher pay (p. 909).

Critics of the salary and step schedule contend that this method of determining compensation is not well aligned with the outcomes of schooling, nor does it increase teacher effectiveness (Goldhaber, 2002; Hanushek, 1992, 2003; Heyburn, 2010; OCED, 2009; Sanders, 2005; Sanders & Horn, 1994). Instead, these critics call for compensation to be based on output measures such as student performance and teacher evaluation, which rewards effective teachers (Ballou, 2001; Eberts, Hollenbeck, & Stone, 2002). Such compensation systems typically are described as *performance-based compensation* or *merit pay* (Lasagna, 2010).

The performance-based perspective has resonated nationally, where recent initiatives in 40 states have led to the inclusion of merit pay as an alternative or supplement to the salary and step schedule methods of teacher pay (Lasagna, 2010). In

Michigan, School Code section 1250 was revised under Public Act 205 of 2010, requiring that compensation be based on job performance and job accomplishments:

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. (PA 205, MCL 380.1250, 2010)

While not specifically eliminating the salary and step schedule, Section 1250 provides a broad framework requiring districts to examine and alter their compensation methods to include measures of educator performance.

Subsequent revisions in the school code further strengthened the expectation that compensation be performance based. In 2011, Public Act 103 revised the Public Employment Relations Act (PERA), making performance-based compensation under section 1250 of the revised school code a prohibited subject of bargaining (PA 103, MCL 423.215, 2011). Additionally, Public Act 102 of 2011 revised section 1249 of the school code whereby personnel decisions will be based on performance as described in board policy, not tenure or length of service further strengthened the push for performance-based compensation (PA 102, MCL 380.1249, 2011).

The cumulative impact of the changes to Michigan school code sections 1250, 1249, and 1248 has led to a shift from a collective bargaining-based to policy-based governance model that requires some form of performance compensation. These revisions also redistribute authority to superintendents and school boards at the expense of teacher unions (Canfield-Davis & Jain, 2010). According to the Michigan Association of School Boards (MASB), these school code changes are “nothing short of monumental” (MASB, 2011, p. 1).

### **Purpose**

The purpose of this study was to examine the lived experiences of school superintendents as they attempt to respond to the changes in Michigan’s revised school code requiring the implementation of a compensation system based upon merit. More specifically, the overall aims of this study were:

1. To discover how selected superintendents in Michigan school districts understand and have responded to the requirements of 1250;
2. To uncover the influences and contextual conditions that guided superintendents as they made decisions in response to 1250;
3. To discern if the influences and contextual conditions are different between those superintendents that implemented 1250 with those that did not; and finally,
4. To determine if the influences and contextual conditions experienced by the superintendents in this study differ from those identified by Marsh (2012) and Rice et al. (2012).

Superintendents are the ideal subjects of this study, as they are at the nexus of competing contextual pressures. This research sought to determine how these school

leaders navigate through these challenges, and equally important, to discern both internal and external contextual conditions that influenced their decisions and how, and for what reasons they responded in the fashion they did.

### **Problem**

There is evidence that since the Michigan school code revisions, superintendents have ignored the requirements for merit pay or have found methods of responding that have minimally affected prevailing compensation practices in their respective districts (Van Beek & Spaulding, 2012). It is not understood, however, how and why superintendents make decisions regarding the school code revisions that give them the authority and obligation to implement performance-based compensation. This study sought to provide answers to the above-mentioned questions by providing a more in-depth analysis of the experiences of superintendents and the barriers they incurred as it relates specifically to the administration of section 1250 of the revised school code.

To date, most attention in the field of education has focused on the effects merit pay programs have on student achievement, or on the sustainability of such compensation approaches (Clark, 2001; Murnane & Cohen, 1986; Neal, 2008; Podgursky & Springer, 2007). The current literature also has identified challenges associated with designing and implementing merit pay programs (Marsh, 2012; Rice et al., 2012). Teacher and union resistance to merit pay has been well documented (Malen, Murphy & Hart, 1987; Murnane & Cohen, 1986; Rice et al., 2012). What have been overlooked in past research, however, are the local, strategic decision-making processes and contextual influences surrounding the implementation (or lack thereof) of merit pay as an educational reform policy (Marsh, 2012, p. 165).

To summarize, the focus of this research was on selected superintendents who were at the juncture of implementing a legislative mandate in complete juxtaposition with existing and previously held compensation norms and practices in Michigan. Therefore, the problem this study examined is basically this: How do superintendents in selected Michigan school districts charged with implementing the merit pay provision expressed in 1250 negotiate the conflicting pressures and contextual conditions associated with this required legislative mandate? The section below discusses the specific research questions of the study.

### **Research Questions**

Overall, this study sought to provide answers to the following overarching questions: (a) How do superintendents in selected Michigan school districts implement a new merit pay compensation system required by section 1250; and (b) What contextual conditions influenced superintendents to make decisions regarding the implementation of section 1250? To answer these questions, four research questions were proposed:

1. How did superintendents in selected mid-western school districts understand and respond to the requirements of the school code revision in section 1250?
2. What factors influenced and guided the decisions of superintendents as they responded to the requirements promulgated by section 1250, and under what contextual conditions?
3. Were the influences and contextual conditions different between those superintendents that implemented section 1250 and those that did not?
4. Did the influences and contextual conditions experienced by the superintendents in this study differ from those identified by Marsh (2012) and Rice et al. (2012)?

## Conceptual Framework

Miles and Huberman (1994) suggested that a conceptual framework serves to identify who will and will not be included in a study; the relationship between the subjects and the problem based on logic, theory, and research; and the opportunity to gather general constructs into intellectual “bins” (p. 18). Based on this definition, the focus of this study was on the implementation of a set of legislative mandates that require all school districts to implement unspecified forms of merit pay for teachers in Michigan. Figure 1 provides a conceptual map showing the anticipated interplay of Michigan’s merit pay policy requirement and this research:

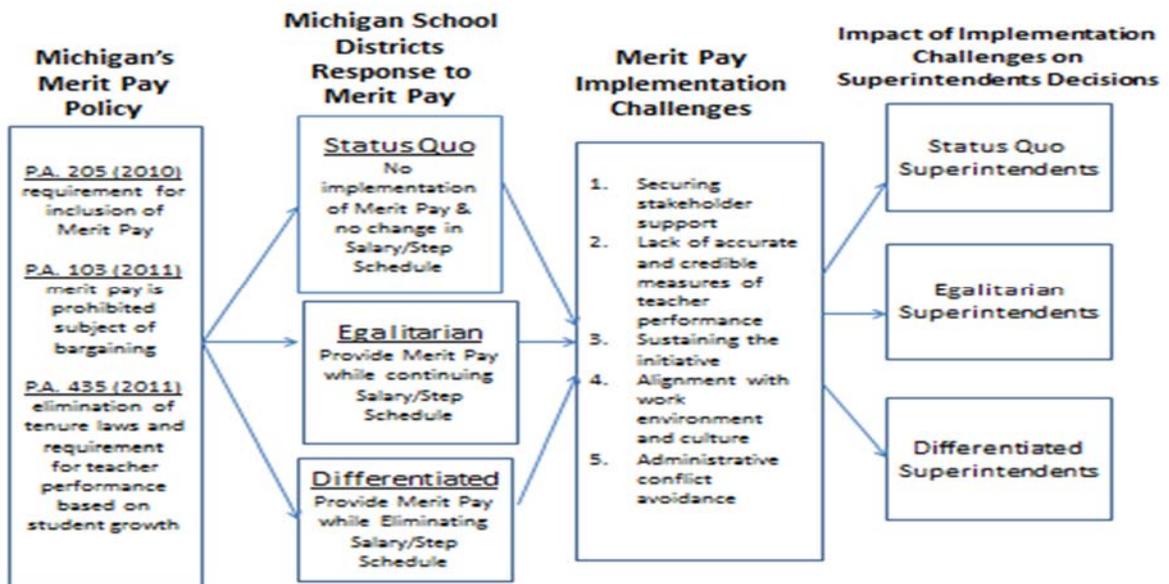


Figure 1. Merit pay school code revision: Conceptual map.

The conceptual map for this study is divided into four columns. In the first column, the three legislative changes that created the school code revisions are listed. It was anticipated that these new policy mandates would produce at least three different responses from superintendents, which are identified in the second column. These

responses include making no changes (i.e., status quo), providing teachers with additional compensation based on merit without changing the salary and step schedule (i.e., egalitarian), and eliminating the salary and step scale for compensation based on performance (i.e., differentiated). The third column identifies the potential barriers and challenges these policy provisions encounter based on the research of Marsh (2012) and Rice et al. (2012). The fourth column describes the subject of this research, which is to uncover the actual contextual conditions and influences that guide the three types of superintendents (i.e., status quo, egalitarian, and differentiated).

### **Methodology**

A qualitative phenomenological design methodology was be utilized with a purposeful sample of nine Michigan public school superintendents. The qualitative phenomenological approach was chosen as it provides the researcher the ability to understand “the social and psychological phenomena from the perspectives of the people involved” (Groenewald, 2004, p. 5). The phenomenological methodology allows the researcher to:

Understand the world from the subjects’ point of view and to unfold meaning of peoples’ experiences. At the root of phenomenology is the intent to understand the phenomena in their own terms and to provide a description of human experience as it is experienced by the person herself.

(Miles & Huberman, 1994, p. 203)

In order to answer the research questions, a purposeful sample of nine superintendents who represent one of the three outcomes of response to the school code revisions was identified. Additionally, this study utilized semi-structured interviews with

the nine superintendents, as well as review of supporting contracts and documents provided by the subjects.

### **Procedures**

Identification of the purposeful sample of nine superintendents was defined initially from 2012 Merit Pay Survey conducted by the Mackinac Center (Van Beek & Spaulding, 2012). In the survey, 114 superintendents responded to queries regarding their school district implementation of Public Act 205 of 2010, section 1250. It is from this survey, that a sample of nine subjects was identified.

Information gathered from the interviews was transcribed and analyzed using coding and pattern analysis techniques in order to develop a cluster of meaning and themes (Cresswell, 1998; Lincoln & Guba, 1985; Miles & Huberman, 1994; Moustakas, 1994). Supporting documentation including related school district policies, district administrative guidelines, and employee contracts were gathered from the superintendents. To assess and potentially revise the semi-structured interview questions, a pilot study was also conducted with a local superintendent who was not part of the study.

### **Significance**

There is an abundance of research on the effect of merit pay on student achievement, and the failure of merit pay as an alternative compensation approach for teachers (Clark, 2001; Dee & Keys, 2004; Figlio & Kenny, 2007; Hanushek, 2003; Heyburn, Lewis, & Ritter, 2010; Ladd & Clotfelter, 1999; Murnane & Cohen, 1986; Neal, 2008; Podursky & Springer, 2007; Springer, 2009, 2010, 2012). There is limited research, however, on local, strategic decision-making processes and contextual

conditions surrounding the implementation of merit pay as an educational reform tool (Marsh, 2012; Rice et al., 2012). It is not known why superintendents either implement merit pay or fail to implement it. Nor is it known what internal and external contextual conditions drive these decisions when superintendents are given the policy space to enact such legislatively driven educational reform mandates.

The circumstances in this specific mid-western state concerning the impact of the shift from a contract-centered governance process to a policy-centered governance process in the context of the requirement for merit pay have not been researched. This study is significant in that it attempts to uncover how and why superintendents make decisions regarding the implementation of merit pay when faced with policy mandates which run counter to prevailing practice. There is no known study that has examined this question. This study will provide policymakers and school leaders with a better understanding of the processes of policy implementation in the face of tensions between superintendents and prevailing practice. The findings in this study can provide valuable insight into the implementation of merit pay programs, especially during this early and formative period of merit pay policy implementation in Michigan.

As Marsh (2012) has stated, “future research is needed on the key decision-making processes and outcomes” and that researchers “should seek to identify the conditions under which educators are more likely to adopt merit pay” (p. 182). This study also offers an opportunity to confirm Marsh’s (2012) and Rice et al. (2012) claims that the implementation of merit pay creates five sets of barriers to implementation.

As states and local school districts continue to experiment with merit pay, details of the implementation of such policy mandates will be increasingly important. Given the

significant interest and investment in alternative compensation, it behooves policymakers and educational leaders to better understand the challenges and decision-making conditions that drive superintendents. It is hoped that this study will contribute to the literature on merit pay, provide an additional perspective on decision-making processes used by superintendents, and further influence the policy conversation concerning merit pay as an educational reform tool at state and local levels.

### **Delimitations**

Creswell (1994) defines delimitations as, “how the study will be narrowed in scope” (p. 110). Delimitations define the boundaries of the study, including the choice of objectives, the research questions, the variables of interest, theoretical perspectives, and the population of the study (Rudestam & Newton, 2001).

In this study, the focus is limited to the implementation of section 1250 of the Michigan school code, which requires some form of merit pay be provided to teachers as a form of compensation. The study did not examine the impact of merit pay on student achievement. It also did not use survey methods to gather data from superintendents. Instead, semi-structured interviews were used in order to answer the research questions. As the research questions focus on the experiences of the superintendents, the interviews provided a “rich description” of the contextual conditions that influenced their decisions (Yin, 2005).

### **Limitations**

Limitations are the potential weaknesses of the study (Creswell, 1998). In this study, a number of potential weaknesses can be identified. Phenomenological research, like all qualitative studies, can be subject to alternative interpretations and have limited

transferability (Gall, Gall, & Borg, 2003). As Gall et al. (2003) have noted, “the generalization of knowledge claims beyond the defined population are considered speculative until supported by evidence from new studies and new populations” (p. 31). The interview-based protocol used in this study also provides indirect information filtered through the interviewees. In this situation, the superintendents were interviewed about events that may have occurred as many as four years ago, affecting accurate recollection of events and decisions. Interviews by their very nature rely on self-reporting, so the potential for bias exists (Burns, Gardner, & Meeuwsen, 2009). There may also be some reluctance to participate in the interviews, as some of the superintendents have chosen to not implement section 1250.

The coverage of this study was limited to selected mid-western state public school district superintendents, as they are charged with the implementation of section 1250, and did not include board of education members, additional members of the administrative team, union representatives, or teachers. The focus of this study was limited strictly to superintendents, as this research is interested in uncovering, from the superintendents’ perspective, the contextual and decision-making conditions that influenced how they responded to the revisions in section 1250.

As an acting superintendent, this researcher had to be aware of his own bias in regards to 1250, and to ensure that his bias was not communicated with the subjects during the interview and analysis of data. In addition, utilizing only nine superintendents also had limitations as the nine chosen may not accurately recall or be able reflect upon the decisions they made in regards to 1250.

## **Summary**

With the recent revision of section 1250 of the Michigan school code, school districts in this mid-western state are now required to implement some form of merit pay. Superintendents are at the forefront of meeting this policy mandate for their districts. How they meet (or do not meet) this policy mandate, what contextual influences guide their decisions, and how and why these decisions differ serve as the central questions of this study.

This study utilized a qualitative phenomenological approach focused on interviewing nine superintendents. The results gathered from this study were filtered through recent merit pay research to identify the similarities and differences between the subjects in this study and current thinking on merit pay implementation. The aim of this study is to provide policymakers and school leaders with a better understanding of the processes of policy implementation in the face of conflicting tensions. Merit pay represents a significant alternation in compensation practices for school districts, and undercuts union influence and the collective bargaining process. This research provides insight into this phenomenon from the perspective of superintendents who are at the intersection of these conflicting tensions.

## CHAPTER II

### LITERATURE REVIEW

This chapter has four sections. The first section traces the origin, rise, and eventual of decline of teacher union influence in Michigan. The second section reviews the history of teacher compensation in the United States, with a focus on the dominance of the salary and step schedule approach. The third section traces the “four waves” of merit pay reform, introduces the justification of merit pay, and the disparate empirical evidence of merit pay on student achievement. In the last section, recent research on the barriers and ongoing challenges when implementing merit pay programs are introduced.

#### **Teacher Unionism in Michigan**

*Labor unions* have been defined as, “private combinations of workingmen” that attempt to increase wages and improve working conditions for members (Hess & Downs, 2013, p. 2). The tradition of 20th century unionism was largely the work of the American Federation of Labor (AFL) and its leader Samuel Gompers (Malin, 2009). In Michigan, the first precursor to a teachers union was the establishment of the Michigan State Teachers Association in 1852 (Munk, 1998). The first official teachers union in the United States was not organized until 1897, when the Chicago Teachers Federation was formed to raise salaries and pensions (Malin, 2009). In 1926, the Michigan State Teachers Association officially became a teachers union with the establishment of Michigan Education Association (MEA). It was affiliated with the National Education Association (Boyd et al., 1998). Shortly thereafter in 1935, the Michigan Federation of Teachers became a state affiliate of the American Federation of Teachers (Boyd et al.,

1998). Today, these two unions are the largest single public employee union in the state, and the third largest in the United States (Malin, 2009).

The rise in teacher labor unions corresponds with the passage of the National Labor Relations Act of 1935 (NLRA), which made it illegal for private employers to interfere with three areas of employee activities (Hunter, 1999). These areas include: (a) organization into labor unions, (b) collective bargaining through labor unions, and (c) activities such as striking and picketing. The NLRA outlawed as unfair labor practices any employer attempts to interfere or coerce employees engaged in these protected activities (Heron, 2002). As a result of the NLRA, collective bargaining brought employers and employees together, forcing both sides to exchange viewpoints and narrow areas of disagreement. It also strengthened the bargaining position of the individual employee and removed the unilateral implementation of employer objectives, replacing it with bilateral discussion (Hunter, 1999).

The NLRA did not address whether the new standards would apply to government employees and teachers. Opponents to government unions suggested the unions could threaten public safety because of strikes, the public did not have choice or competition between providers of service, and that unionism would politicize employees in the public sector (Malin, 2009). In response to this lack of clarity in the legislation, labor law regarding public employees was redefined on an individual state level. In 1947, the Michigan legislature passed Public Act 336, known as the Hutchinson Act (Heron, 2002). PA 336 of 1947 gave public employees the right to unionize and required mediation of grievances by a labor mediation board. It also, however, prohibited strikes by public employees and imposed mandatory penalties on striking employees (PA 336, MCL

423.201-08, 1947). Under the Hutchinson Act, the penalties for engaging in strike activity were mandatory, strict, and swift. Any public employee considered on strike thereby “abandoned and terminated his employment and was no longer entitled to any rights including pension or retirement rights and benefits” (The Ballenger Report, 2016, para. 26).

### **Rise of Teachers Unions (1965 to 1993)**

In the 1960s, the Michigan legislature reconsidered the punitive nature of the Hutchinson Act, and in 1965 decided to amend it. The revised act was called the Public Employees Relations Act (PERA) of 1965. PERA provided essentially the same rights to government employees as those protected in the private sector under NLRA. Under PERA, public employees’ right to join labor unions was strengthened, as well as their ability to engage in collective bargaining and participate in mediation and fact-finding procedures under the Michigan Employment Relations Commission or MERC (Hunter, 1999). While still limiting union abilities to incorporate strike procedures, PERA repealed provisions leading to the termination of striking employees and penalties associated with such behavior (Hunter, 1999).

From the passage of PERA through the 1990s, teachers unions in Michigan were among the most powerful in the United States (Boyd et al., 1998). They won rapid and substantial gains for their members because of their readiness to send teachers on strike, and they played a dominant role in school and state politics. During this period, teacher unions won dramatic gains in salaries, benefits, and job security for their members. These gains were won in large part through the unions’ exploitation of an expanded right to strike. In addition they leveraged “pattern bargaining” that sought to match gains won in

one district (often after a strike) with similar gains in neighboring districts (Boyd et al., 1998).

Between 1967 and 1980, there were 454 teacher strikes against public school districts in Michigan. This averaged almost 35 per year (Citizens Research Council, 1994). Strikes in the public sector, especially among teachers, were “wielded with full force” (Hunter, 1999, p. 17). The MEA was also identified as one of the two most powerful lobbying organizations in Michigan (Inside Michigan Politics, 1993). As Hunter (1999) noted:

by the beginning of the 1990’s, it was undeniable that MERC, the Michigan Legislature, and Michigan’s Executive Branch were increasingly frustrated with teacher unions’ willingness to use strikes as an economic weapon, regardless of its illegality, in the collective bargaining process. (p. 25)

### **Teachers Union Decline (1994 to 2009)**

From the 1960s until 1993, teachers unions in Michigan were among the most powerful in the United States (Boyd et al., 1998). The political fortunes in Michigan’s teachers unions took a decisive turn for the worse in 1990, however, when John Engler upset James Blanchard to win the gubernatorial election. Engler’s animosity toward the MEA was one of the abiding principals of his political career (McDiarmid, 1993). Shortly after assuming the Governor’s office, Engler fulfilled a campaign promise and put forward a proposal to reduce property taxes and redistribute financial resources in favor of poorer school districts. The MEA organized the opposition to the Governor’s “Cut and Cap” plan, which was defeated in a referendum in 1992 (Boyd et al., 1998). In

1993, the Governor worked with the MEA and put forward a revised plan—the first Proposal A. Despite nearly universal support from the public school establishment, voters once again rejected the plan (Boyd et al., 1998). The urgency of property tax reduction and school finance reform continued, however, and was strengthened when the Kalkaska school district closed its schools in March 1993 (Plank, 1994). The school board and the teachers union agreed to close the schools three months early rather than make program cuts, after local voters declined for the third time to approve an increase in property taxes to fund school operations. Led by the MEA, educators portrayed the closing of Kalkaska schools as a signal the state government needed to increase its financial support for public education. Governor Engler interpreted events differently, arguing that Kalkaska illustrated the selfish appetite of educators for additional funds and the refusal to consider measures to restrain costs and put the interests of taxpayers and students ahead of their own (Plank, 1994).

Soon thereafter, State Senator Debbie Stabenow proposed that property taxes simply be eliminated as a funding source for public education. Recognizing a political opportunity, the Republican caucus supported her bill, it was passed, and Governor Engler signed it (Plank, 1994). In the ensuing debate over how to replace the lost revenue, the MEA found itself “politically isolated in its advocacy for the restoration of the status quo” (Boyd et al., 1998, p. 6). A revised Proposal A was put to Michigan voters in 1994, which shifted the main responsibility for school funding from local property taxes to the state. Proposal A passed. The changes initiated by Proposal A decisively altered the education policy environment in Michigan to the disadvantage of teachers unions (Boyd, 1998).

Apart from a reduction in property taxes, Proposal A had two main consequences. First, it banned school districts from raising operational revenues from mileages. As a result, revenue increases for all Michigan school districts are set in the legislature, which means, “the bargaining space for local teachers and school boards is very narrowly constrained” (Boyd et al., 1998, p. 6). Second, Proposal A shifted funding school districts to students. Districts were now funded by the state based on the number of pupils, not local revenue captured from property taxes. Governor Engler signaled the strategic importance of the shift in school finance policy when he signed the bill stating: “the power and control the teachers’ unions have had over education policies in Michigan ended this morning” (McDiarmid, 1993, p. 1b).

Shortly after their victory on Proposal A, Republicans in the Michigan Legislature passed a bill, which directly challenged the power of teacher unions. Known as Public Act 112 of 1994, the bill (and subsequent law) had three main effects (PA 112, MCL 423.217, 1995). First, it removed a number of significant issues from the bargaining table, making decisions about these the exclusive prerogative of school boards and not the collective bargaining process. Specifically, one aspect of PA 112 of 1994 eliminated the union’s power to veto or require ratification of a collective bargaining agreement reached between an employer and bargaining unit members. This altered the union’s ability to maintain consistency in demands between different school districts and bargaining units throughout the state. Second, in the event that negotiations between school boards and teachers unions reach an impasse, PA 112 of 1994 allows the school board to unilaterally impose its “last best offer” without the agreement of the union

(Boyd et al., 1998). Lastly, PA 112 of 1994 imposed severe penalties on teachers who strike (Hunter, 1999).

Republicans presented PA 112 of 1994 as a necessary measure to “level the playing field in collective bargaining,” but to the MEA, it was “a stake through the heart” (Boyd et al., 1998, p. 8). The Governor sought to cast the MEA as the diehard defender of a bankrupt status quo, and the MEA obliged by defending the performance of public schools and lobbying for additional revenues. As Boyd et al. (1998) noted, however, “Fully absorbed in defending itself and its members against the Governor’s attacks, the union failed to identify itself with a positive commitment to change, thereby ceding the reform banner to the Governor” (p. 9).

Overall, as a result of PA 112 of 1994, the power of Michigan teachers unions was “systematically dismantled,” with additional policy objectives including charter schools, inter-district choice, and enhancing state-wide testing all adopted despite MEA objections (Hunter, 1999). Governor Engler presented himself as an “education governor,” strongly committed to reform and the improvement of Michigan schools (McDiarmid, 1993). As Mahtesian (1995) has suggested, this political strategy has been emulated throughout the country:

Engler’s lesson in Michigan – that it is possible to take on the teachers without committing political suicide – is resonating in other states...Attacking teachers as a profession is a loser. Confronting teachers as a labor union, however, can produce political returns by portraying their opposition to such proposals as school vouchers, charter schools, and merit pay as nothing more than defense of the status quo. (p. 16)

## **Redistribution of Authority (2010 to Present)**

In the contest over scarce public resources and the control of work, teachers unions require some basis upon which to mobilize power and influence. According to Boyd et al. (1998), support for unions in Michigan has eroded to “the vanishing point” (p. 26). Frontal assaults on teachers unions now make good electoral politics, leading to new legislation that further weaken their power and collective bargaining. This can be seen with additional revisions of PERA.

Revisions to PERA stemmed from the federal Race to the Top (RTT) initiative in 2009 (Race to the Top, U.S. Department of Education, 2009). RTT was a state competitive grant process that “awards states that are leading the way with ambitious, yet achievable plans for implementing coherent, compelling, and comprehensive education reform” (Race to the Top, U.S. Department of Education, 2009, p. 2). State applications were assessed along six domains including one category titled: “Great Teachers and Leaders.” In this domain, states were awarded points when they “improved teacher and principal effectiveness based on performance” (p. 3). As part of their response to RTT, the Michigan legislature amended the section 1250 of its school code by requiring schools to provide performance pay as defined in Public Act 205 of 2009 (PA 205, MCL 380.1250, 2010).

PA 205 of 2009 was enacted on January 4, 2010, which revised school code section 1250:

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. (PA 205, MCL 380.1250, 2010)

Section 1250 now requires that upon the expiration of current collective bargaining agreements, a form of merit pay compensation should be included in a school district's salary structure. What makes this school code requirement problematic is that it does not define what type of merit pay provision districts should adopt, nor does it offer funding to support merit pay or define how salary and step schedules should be modified.

In 2011, the Michigan Legislature further strengthened management rights at the expense of union influence and collective bargaining with the passage of Public Act 103. This act revised the Public Employment Relations Act (PERA) by identifying new prohibited subjects of bargaining including "performance-based compensation under section 1250 of the revised school code" (PA 103, MCL 432.215, 2011). This further eroded collective bargaining by rendering additional topics, which had been "mandatory" subjects in negotiations to be "prohibited:"

(3) Collective bargaining between a public school employer and a bargaining representative of its employees shall not include any of the following subjects: (1) Decisions about the development, content, standards, procedures, adoption, and implementation of performance

based compensation under section 1250 of the revised school code.

Section 15,(3), (o). (PA 103, MCL 432.215, 2010)

By making merit pay a prohibited subject of bargaining, this requirement moved authority away from collective bargaining to administrative policy formation.

The third school code policy revision to change the balance of power between unions and administration occurred with the passage of Public Act 102 (PA 102) in July 2011, which revised section 1249 of the Michigan school code (PA 102, MCL 380.1249, 2011). PA 102 of 2011 amended section 1249 requiring all teachers to be subject to a new yearly evaluation system to be developed by the state. In addition, this act requires teacher effectiveness to be measured, in part, on student effectiveness and growth and specific performance goals (PA 102, MCL 380.1249, 2011). This provision is an important variable in the establishment of a performance pay system, as it articulates how to potentially measure merit.

The cumulative consequence of these three school code revisions has been to change the balance of power between school administration and the teachers unions. Clearly, these changes have redistributed authority away from the collective bargaining process, to one of increasing unilateral authority in the hands of administration.

### **Salary and Step Schedule**

In order to understand the paradigm shift merit pay requires it is important to understand the history and developments leading to current compensation systems for teachers. Teacher pay in the United States evolved from rural schools: (a) where compensation consisted primarily of room and board (1800-1890), (b) to grade-based salaries tied to the level taught (1890-1920), and (c) to the salary and step schedule first

implemented in 1921 (Wisconsin Education Council, 2011). These changes reflect the changing nature of schooling, which grew from small one-room county schools that often provided only eight years of schooling, to graded systems where children were first organized by grade levels. Later, highly organized hierarchical K-12 systems were established for the education of thousands of students (Protsik, 1995). The grade-based system saw pay that was differentiated based on the gender, race, and grade-level of the teacher. In Boston in 1896 for example, male high school teachers earned between \$1,700 and \$4,000 per year, while women earned \$2,000 per year maximum (Wisconsin Education Council, 2011). The rationale for this compensation approach was that teachers should be paid for the level of skill needed to educate a child at a specific grade level. It was believed that elementary-age students were easier to educate and less formal training was required (Protsik, 1995).

At the turn of the 20th century, labor leaders like Samuel Gompers pushed management for better working conditions and salaries for employees in all professions (Kerchner, Koppich, & Weeres, 2003). Strikes, boycotts, and negotiations carried out by the American Federation of Labor (1886) and the Industrial Workers of the World (1905) were influential in promoting egalitarian pay policies (Podursky & Springer, 2007). As part of this broader movement, the Chicago Teachers' Federation called for standardized pay and improvements in working conditions for teachers in order to reduce gender and racial inequalities, and nepotism (Podursky & Springer, 2007). These efforts started a national movement that culminated in 1911 when the city of New York passed a law requiring equal pay for women. By 1925, over 80 percent of cities in the United States had equal pay for female teachers (Podursky & Springer, 2007).

The standardized pay model for teachers was created in 1921 when the Des Moines and Denver public schools first introduced the salary and step schedule that has come to define teacher compensation today (Kershaw & McKean, 1962). The salary and step schedule arose in response to charges of racism, gender inequality in pay, and administrative abuse (Johnson & Papay, 2009). It flourished in mid-20th century, especially with the rise of powerful teacher unions and collective bargaining in the 1960s when unions and school boards typically agreed to preserve and strengthen this structure (Goldhaber & Walch, 2011; Harris, 2008; Johnson & Papay, 2009).

Since its inception, the salary and step schedule has been a nearly constant feature in teacher compensation. By the 1950s, 97 percent of all public schools had adopted the single salary schedule (Sharpes, 1987). This figure has remained consistent with Podursky's (2007) finding that 96 percent of public schools maintain the salary and step schedule as a compensation model for teachers based on the 1999-2000 Schools and Staffing Surveys as seen in Table 1.

Table 1

*Teacher Salary Schedules and Merit Pay in Different Types of Schools*

	<b>Traditional Public<sup>a</sup></b>	<b>Charter<sup>a</sup></b>	<b>Private<sup>a</sup></b>
Salary schedule in place	96.3% (0.29)	62.2% (0.72)	65.9% (1.24)
Does the school use merit pay on the salary schedule based on:			
NBPTS certification?	8.3% (0.37)	11% (0.43)	9.6% (0.88)
Excellence in teaching?	5.5% (0.35)	35.7% (0.65)	21.5% (0.88)
Professional development?	26.4% (0.70)	20.5% (0.56)	18.7% (0.88)
Recruit teachers in fields of shortage?	10.4% (0.46)	14.9% (0.54)	7.9% (0.61)

*Note.* <sup>a</sup>Standard error in parentheses.

The salary and step schedule is composed of a set of steps that provide each teacher with an annual raise until they reach the top of the scale, which generally takes eight to 20 years. In addition to the steps, the scale typically includes three to six “lanes.” A teacher is entitled to enter a higher paying lane after completing certain academic credits or degrees. All lanes have the same longevity steps, so a fourth year teacher who holds a master’s degree in the second lane, earns more than a fourth year teacher who has no master’s degree and thus remains in the first lane. Once teachers have entered a new lane, they benefit from the higher pay at each subsequent step of their career. Beyond remaining on the job, the only way an individual can earn more is dependent on cost-of-living (COLA) increases negotiated in the collective bargaining agreement, or if they pursue additional education to enter a new lane (Johnson & Papay, 2009). An example of a typical salary and step schedule can be seen in Table 2.

The rationale for the almost universal adoption of the salary and step compensation system for teachers is a result of the previous historical inequities inherent in original pay methods for teachers, and the rise and influence of teacher unions and collective bargaining process (Goldhaber & Walch, 2011). When implemented decades ago, the salary and step model was seen as a way to facilitate the professionalism of teachers while protecting them from racial and gender discrimination, weak evaluation systems, and poor administrators. Rewarding experience and educational attainment through salary increases seemed a logical way to link compensation and potential contributions (Shields, 2013).

Table 2

*Typical Public School Salary and Step Schedule*

Step	Lanes		
	BA	MA	MA +20
1	\$42,271	\$44,801	\$46,145
2	\$44,086	\$46,810	\$48,217
3	\$46,028	\$48,923	\$50,391
4	\$49,334	\$52,830	\$54,419
5	\$51,512	\$55,203	\$56,858
6	\$53,774	\$57,689	\$59,414
7	\$56,143	\$60,286	\$62,093
8	\$58,607	\$63,004	\$64,885
9	\$61,194	\$65,837	\$67,812
10	\$63,879	\$68,796	\$70,857
11	\$64,708	\$71,892	\$74,047
12	\$65,542	\$73,672	\$75,887
13	\$65,542	\$73,762	\$75,887
14	\$65,542	\$73,762	\$75,887
15	\$66,907	\$75,166	\$77,420
16	\$66,907	\$75,166	\$77,420
17	\$66,907	\$75,166	\$77,420
18	\$66,907	\$75,166	\$77,420
19	\$66,907	\$75,166	\$77,420
20	\$68,289	\$76,650	\$78,948

*Note.* 2014-2015 Master Agreement between the Harbor Springs Education Association and the Harbor Springs Public Schools.

Additionally, the salary and step systems allow, according to proponents, teachers to take pedagogical risks without facing corresponding financial risks. Teachers believe the salary and step schedule is objective, requires minimal administrative monitoring, and allows districts to predict anticipated salary outlays with a high degree of accuracy (Goldhaber & Walch, 2011; Harris, 2008). This system is also easy to understand, reflects thinking that teachers learn from experience, and allows teachers to have high expectations for students without worrying that it threatens their income security. Others

point to the benefit of this model being that it avoids competition between teachers, which might inhibit collaboration, and it limits the perception that students are barriers to pay increases (Goldhaber & Walch, 2011). Given the long history of this model, there is also strong inertia not to change what has been working, while also serving as a tool to retain experienced teachers (Johnson & Papay, 2009). In addition, institutions of higher education have benefitted from the ongoing inclusion of a steady pool of teachers continuing to enroll in educational coursework (Shields, 2013).

Even with the universal adoption of the salary and step model, the annual salary of teachers in the United States tends to be lower than the annual salary for college graduates employed in other occupations. Salaries for teachers with 15 years of experience are, on average, 60 percent or below full-time earnings for 25 to 64-year-olds with similar education (Shields, 2013). Of the total money a typical district currently spends on teacher compensation, about 40 percent is spent on starting base salary, 25 percent for teacher longevity, 24 percent on benefits, and 3 percent on additional responsibilities and additional bonuses (Shields, 2012). Miller and Roza (2012) estimate states and districts have spent a combined \$14 billion to pay for the attainment of master's degrees for the 2007-2008 school year, indicating clearly the pervasiveness of the salary and step schedule.

### **Merit Pay**

Merit pay has been attempted as an educational reform tool on a regular basis throughout the history of American education. In particular, it has been presented as an opportunity to bring accountability to teachers, especially in the context of measuring effectiveness based on student achievement (Podursky, 2007). It has, however, never

been a sustained alternative model of compensation (Johnson & Papay, 2009; Murnane & Cohen, 1986). In discussing this, Johnson and Papay (2009) suggest merit pay has progressed through four successive waves of trial and error. These “waves” tell the story of merit pay as an educational reform tool.

The first attempt to implement merit pay compensation came following Frederick Taylor’s “scientific management movement” in the late-19th and early-20th centuries (Johnson & Papay, 2009). During this first wave, many school districts experimented with granting salary increases using administrator assessments of individual teachers. Johnson’s (1984) review of this first wave indicates that these plans were “rife with administrative abuse” and quickly disappeared to be replaced with salary and step models (p. 11).

The second wave was influenced by Sputnik, which produced another short-lived series of merit pay proposals. Teacher unions, however, used their growing influence and the collective bargaining process to vigorously contest these plans in favor of uniform compensation and treatment by administrators (Shields, 2012). During the 1960s, approximately 10 percent of school districts had merit pay plans. By 1978, these plans dropped to 3 percent, with the majority of merit pay plans lasting less than five years (Murnane & Cohen, 1986).

The third wave started with the publication of *A Nation at Risk* in 1983, which gave rise to the accountability movement and a corresponding shift toward economic values as a measure of the effectiveness of schools (Johnson & Papay, 2009). The argument was that public schools had failed, with business and political leaders calling for a wide-ranging package of reforms including choice, testing, merit pay, and standards.

The reforms have been described as redistributive politics whose “politics are controversial and are marked by conflict...the attitudes and discourse of the participants in this arena are deeply ideological” (Lowi, 1964, p. 707). Such proposals have created an ideological conflict that is still playing out today. As Iannaccone (1988) suggests, such ideological conflicts are “not completely consistent with reality...the adherents of an ideology accept its major tenets without question and react emotionally rather than rationally when someone challenges them” (p. 122).

From the early-1980s until the mid-1990s, a host of individual school districts experimented with merit pay. Most districts during this time did not replace the salary and step schedule, but used bonuses to individuals, groups of teachers, or schools on a number of factors including student achievement, observations, and teacher portfolio (Burns et. al, 2009). Such merit pay models again came under attack by teacher unions and research that indicated that the reliability and validity of the teacher evaluation tools were suspect, where tying student performance to individual or groups of teachers “created a make-believe system of cause and effect” (Podursky & Springer, 2007, p. 94). Critics during the third wave of merit pay programs also suggested these programs lacked transparency, were based on cursory evaluations, and created a system where in many cases teachers did not know what they needed to do to achieve the bonus (Johnson & Papay, 2009). None of the third wave merit pay programs are still in existence, but they provided lessons that play a role in the design and implementation of contemporary merit pay programs.

The fourth and current wave of merit pay programs has been driven by a host federal and state legislative requirements, as well as independent stakeholders intent on

transforming teacher compensation (Johnson & Papay, 2009). The first of the contemporary merit pay systems have their roots in the 1999 Denver Public Schools ProComp model, which linked pay to student achievement and professional evaluations (Podursky & Springer, 2007). Denver's ProComp represents the most high profile and sustainable merit pay system. With the support of the local teachers union, a pilot program was initiated with the goal to increase student achievement and attract and retain highly effective teachers. The program gained support, and in 2004, union members ratified a proposal for a more comprehensive program. In 2005, Denver voters approved a tax hike to provide funding for \$25 million to sustain the program (Goldhaber & Walch, 2011). Under this hybrid plan the existing salary and step model was retained but reduced with additional bonus money tied to teacher evaluation, incentives for hard-to-serve schools and hard-to-staff assignments, and measures of student growth (Goldhaber & Walch, 2011).

The No Child Left Behind Act of 2001 (NCLB) further propelled interest in merit pay. NCLB emphasized increasing regulation and accountability for improving student achievement, as well as the use of charter schools to replace public schools with a history of low student performance (Johnson & Papay, 2009). In addition, William Saunder's work in developing Tennessee's Value Added and Assessment System (TVAAS) created a model for calculating and attributing student achievement to individual teachers, potentially isolating the value a teacher adds to student performance (Burns et al., 2009; Podursky & Springer, 2007). This advanced measurement process represented a step forward and a shift from input measures (e.g., longevity and coursework) to new output measures such as student achievement (Burns et al., 2009). The value-added approach is

a way of isolating the contribution of individual teachers and schools on increasing student achievement when controlling for other external influences such as student and family characteristics. While seen as a preferable model of measuring student performance based strictly on results of proficiency tests, this complicated statistical process requires a tremendous amount of support from statisticians and educational research institutions (Heyburn, 2010).

The federal government contributed to the rise in merit pay programs in 2006 with an appropriation of \$99 million to the U.S. Department of Education (Podursky & Springer, 2007). The purpose of this funding was to develop and implement merit pay programs. Called the Teacher Incentive Fund, or TIF, the initiative spurred a host of state and local school district pilot programs utilizing seed money from the grants to fund bonus systems (Podursky & Springer, 2007). Eventually, an additional \$400 million in funding was allocated to TIF through 2010 (Heyburn, 2010). TIF grants led to prominent state initiatives in Texas starting in 2006, Minnesota in 2006, and Florida in 2007 (Podursky & Springer, 2007).

One example of these state TIF initiatives includes Governor Rick Perry and the Texas legislature's crafting the Governors Educator Excellence Award Program in 2006. This initiative provided \$330 million to high performing, high poverty public schools (Podursky & Springer, 2007). In Minnesota, the legislature approved Q-Comp, a merit pay program that incorporates a traditional salary and step schedule, professional development expectations, and student achievement measures. Based on end-of-year student performance results, public school districts in Minnesota were awarded up to an additional \$260 per student (Podursky & Springer, 2007). And finally, in 2007 Florida

established, the Special Teachers are Rewarded Program with allocations of \$147 million. Bonus systems of 5 to 10 percent of average district salaries were awarded to a minimum of 25 percent of teachers. The bonus was based on student performance, teacher evaluation, and “any other factor determined by the school board” (Neal, 2008, p. 2). Typically these merit pay systems were “pilot models,” designed to be evaluated prior to full implementation.

A major boost that spurred the recent development of merit pay systems was the federal Race to the Top (RTT) education contest designed to encourage innovation and reform. The U.S. Department of Education allocated \$4.35 billion as part of American Recovery and Reinvestment Act of 2009 (U.S. Department of Education, 2009). States were awarded points for satisfying certain educational policies including “performance based standards for teachers and principals” (U.S. Department of Education, 2009). President Obama support for RTT included a desire to improve schools by reforming state accountability systems, national standards, technology systems and teacher compensation. In a speech on March 10, 2009, President Obama stated: “It is time to start rewarding good teachers and stop making excuses for bad ones...success should be measured by results which is why any state that makes it unlawful to link student progress to teacher evaluation will have to change its ways” (Johnson & Popay, 2009, p. 1).

The Consortium for Policy Research in Education at the University of Wisconsin in 2012, has documented the range and far-reaching impact of new merit pay programs. This Consortium released a “national map” showing only ten states not having educator compensation reform initiatives in place. In Figure 2, the map is attached.

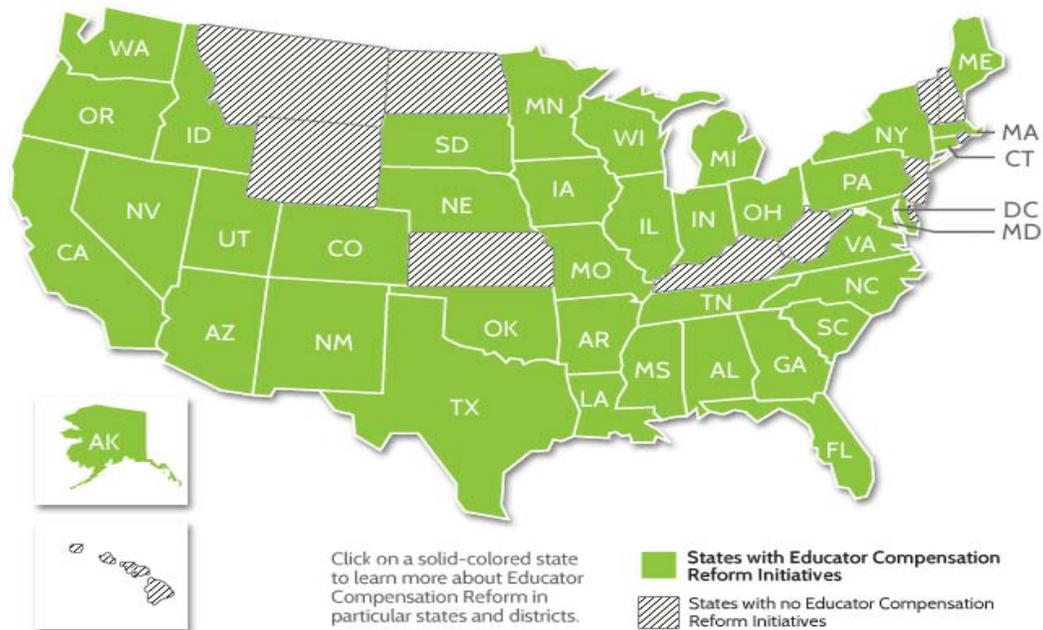


Figure 2. National map of states with educator compensation reform initiatives. Source: Consortium for Policy Research in Education. (2012). *Teacher compensation research*. Madison, WI: University of Wisconsin.

Additional leverage and funding for educator compensation reform came also from the Bill and Melinda Gates Foundation when it announced in 2009 that it was phasing out its large investment in small high schools, and instead turning its attention toward teacher quality (Johnson & Popay, 2009). The foundation planned on spending nearly \$700 million on what they describe as a teacher quality agenda that included grants and research into creating powerful value-added tools to measure the impact of teacher influence on achievement, the alteration of current compensation practices, and the development of better teacher evaluation assessments (Sawchuk, 2013).

Table 3 presents a summary of these key models, which define the vast differences in funding sources, expectations for scope, inclusion of teacher evaluation tools and student achievement measures, and impact on transforming the salary and step model of compensation.

Table 3

*“Fourth Wave” Merit Pay Programs*

	<b>Funding Source</b>	<b>Teacher Evaluation Based</b>	<b>Student Achievement Based</b>	<b>Change Salary Schedule</b>	<b>Financial Award</b>
ProComp, 1999, Denver Public Schools	Local levy, \$22 million	Yes: Requires satisfactory evaluation	Yes: Based on Colorado state assessment	Adds to salary schedule	School gets 3% and individual up to 3%
TAP, 1999, Milken Family Foundation	Private grant w/ additional federal funds	Yes: Career pathways TAP tool	Yes: Teachers set learning goals	Bonus	Individual \$5,000 to \$11,000
Q-Comp, 2005, Minnesota Dept. of Education	State, \$86 million	Yes: State tool	Yes: State test	Bonus	District award up to \$260 per student
TIF, 2006, U.S. Dept. of Education	Federal competitive grants, \$99 million	Yes: Unique to each setting	Yes: Unique to each setting	Unique to each setting	Unique to each setting
GEEG, 2006, Texas Governors Excellence Award	State grants to 130 low achieving schools, \$10 million	Yes	Yes: State test	Replace schedule	75% to teacher and 25% to school
STAR 2006 Florida Special Teachers Rewarded	State grants to low achieving schools	No	Yes: State test	Bonus	Individual bonus up to 5% of salary
Mission Possible, 2006, Guilford Public Schools, NC	State grants, \$8 million	No	Yes: Stanford Achievement Growth Assessment	Bonus	Teacher bonus from \$2,500 to \$5,000
DATE, 2007, Texas District Award for Teacher Excellence	State grants, \$230 million	No	Yes: State test	Bonus	School and teachers share up to \$20 per student
MAP, 2009 Florida Merit Award	State grants	Yes: State evaluation tool	Yes: State test, growth model	Replace	Amount determined locally

Table 3—Continued

	<b>Funding Source</b>	<b>Teacher Evaluation Based</b>	<b>Student Achievement Based</b>	<b>Change Salary Schedule</b>	<b>Financial Award</b>
SPBP 2010 NYC Public Schools	District grant application	No	School outcome compared to other schools	No: bonus	To school, percent increase determined by staff

Source: Consortium for Policy Research in Education. (2012). *Teacher compensation research*. Madison, WI: University of Wisconsin.

### **Justification for Merit Pay**

During the fourth wave of interest in merit pay programs, business and conservative groups have called for the transformation of public education into a competitive marketplace in which school leaders need to become marketing experts (Knoester, 2010). This agenda calls for the deregulation of public education through such policies as privatization, choice, accountability, and metrics. Neo-liberals, including Presidents Obama and Clinton, have staked out the middle ground by supporting state and national intervention, national standards, testing, and teacher accountability (Knoester, 2010).

The confluence of the conservative and neo-liberal ideology has created what Henig (2009) described as an “erosion of boundaries” and the “end of educational exceptionalism,” where the loss of local control is replaced by policy requirements mandated at the national and state levels (p. 296). There has been a steady erosion of local control and the traditional separation between education as a “special government” and larger state interests. The march is towards new institutional forms and requirements, with the status quo, especially unions and collective bargaining, becoming structurally weaker (Malin, 2009).

This new coalition of policymakers who espouse conservative and neo-liberal ideology is based on schools becoming the vehicles of economic improvement and individual empowerment (Henig, 2009). The focus of this movement is on a combination of regulatory capacity building and system changing reform efforts based on market solutions such as efficiency, growth, and quality. These economic values have been translated into education policies that favor accountability, achievement, competition, and the use of “metrics” (Fowler, 2009; Henig, 2009; Muth, 1984; Timar & Kirp, 1987). Business conservatives believe that human beings are motivated by self-interest, primarily economic interests. In their view, if people can pursue their individual interests by competing freely in the marketplace, then system change can occur as a result of competition (Chubb & Moe, 1990).

Critics of current teacher compensation systems also point to a growing body of research that indicates rewarding teachers for longevity and accumulated course credits is not well-aligned with the outcomes of schooling (Goldhaber, 2002; Hanushek, 1992, 2003; Heyburn, 2010; OCED, 2009; Sanders, 2005; Sanders & Horn, 1994). The quality of a child’s teacher is recognized as one of the most important factors bearing on student achievement, and the “quality” of a teacher is not utilized in the salary/step compensation method (Hanushek, 1992, 2003; Saunders, 2005; Rivkin et. al. 2005). According to Hanushek (1992, 2003), teacher quality can account for more than a full-grade level equivalent on a standardized achievement test. Hanushek (2003) further postulated that only 3% of the contribution teachers make to student learning can be associated with teacher experience, degrees attained, and other observable characteristics. Goldhaber (2002) also asserted that the impact of teacher quality is larger than any other schooling

input on student performance. William Sanders' (2005) work in developing the Tennessee's Value-Added and Assessment system provides additional evidence that large variations exist in achievement gain scores between classrooms and teachers. His findings suggest that teachers can have a substantial effect on student achievement growth.

Additional support for merit pay stems from the relatively poor performance of U.S. students on international math and science tests, along with the rapid rise of the state and national standards movement (Burns, Gardner, & Meeuwsen, 2009). Improving and rewarding teacher quality, leading to improved student achievement, is suggested by proponents as an outgrowth of merit pay programs (Heyburn, 2010; Springer, 2009).

Merit pay systems are also increasingly tied to teacher evaluation protocols, which may provide the technical supports necessary to identify and reward teacher effectiveness. By the mid 1970s, researchers concluded that principal evaluations could be a reliable guide to identifying high and low performing teachers as measured by student test score gains (Armor et al., 1976; Murnane, 1975). More recently, Sanders and Horn (1994) demonstrated that there is a strong correlation between teacher effects and subjective evaluations by principals. In a study focused on the predictive validity of supervisor evaluations, Jacob and Lefgren (2005) assessed the relationship between teacher performance ratings from principal evaluations and teacher effects as measured by student achievement gains. Their findings demonstrate "statistically significant and positive relationship between value-added measures of teacher productivity and principals evaluations of teacher" (p. 78).

Many proponents of merit pay systems see the new compensation systems as a way to reduce the influence of teacher unions and the collective bargaining process, as they see these as a root cause in protecting bad teachers and stifling reform (Kochan, 2011; Malin, 2009; Moe, 2006; Munk, 1998; Strom & Baxter, 2001; Young, 2011). Malin (2009) suggested that collective bargaining “has channeled public employees away from investing in the risks of public enterprise, towards isolating their members from those risks” (p. 139). Other pundits go further by stating, “collective bargaining is taking public education in an unsustainable direction with teachers unions as guardians of a failed status quo” (Fuller & Mitchell, 2006, p. 1380).

### **Impact of Merit Pay on Student Achievement**

Empirical evidence on the effectiveness of merit pay on student achievement is slender, with conflicting results. Podgursky and Springer (2012) reviewed the range of major merit pay research projects found a diversity of results. Table 4 summarizes these studies.

Table 4

#### *Empirical Evidence of Merit Pay on Student Achievement*

<b>Study</b>	<b>Sample</b>	<b>Incentive</b>	<b>Outcome Variable</b>	<b>Results</b>
Ladd, Clotfelter (1999)	Dallas, 7 <sup>th</sup> -grade, achievement compared to other urban districts	School	Math and reading test scores	Positive
Dee & Keys (2004)	STAR Tennessee, career ladder evaluation system, K- 3 <sup>rd</sup> -grade, 11,600 students, random assignments	Teacher	Math and reading scores, Stanford Achievement Test	Mixed, 3% increase in math scores, no change in reading

Table 4—Continued

<b>Study</b>	<b>Sample</b>	<b>Incentive</b>	<b>Outcome Variable</b>	<b>Results</b>
Figlio & Kenny (2006)	NELS 88, matched to 93-94 SASS 12 <sup>th</sup> -grade	Teacher	Test scores in reading, math and science	Positive
Winters et al. (2006)	Arkansas, 5 <sup>th</sup> -grade	Teacher	Test scores in math	Positive
Springer et al. (2010)	POINT, Nashville, middle schools, controlled experiment, random assignment	Teacher	Test scores in math	Negative
Marsh (2012)	NYC, at-risk schools volunteer to participate, compared to other at-risk schools in district	School	School-based outcome targets	Negative
Springer et al. (2012)	Round Rock Texas, middle schools, control groups	Team	Test scores in math and reading	Negative

Source: Consortium for Policy Research in Education. (2012). *Teacher compensation research*. Madison, WI: University of Wisconsin.

A positive impact of merit pay programs on increasing student achievement can be found in three studies. In the first study, Ladd and Clotfelter (1999) examined the effect of school-wide merit pay implemented in the Dallas Public Schools. The authors found that achievement rose relative to other Texas public school districts (Podursky & Springer, 2007). In the second study, which found student achievement gains, Figlio and Kenny (2007) analyzed data from a national sample of K-12 schools. In their research, Figlio and Kenny (2007) attempted to estimate the effect of merit pay by comparing the academic performance of schools with various types of incentive programs to those schools that did not have merit pay programs. Findings in this study suggested that both public and private schools that received modest doses of merit pay scored statistically

higher than those schools that did not have merit pay programs for teachers. In a much smaller but more robust research study, Winters, Ritter, Barnett, and Green (2006) compared the achievement scores of two schools participating in Little Rock, Arkansas' Achievement Challenge Pilot Project (ACP) with three other elementary schools that did not participate in the program, but had similar demographic and academic characteristics. When comparing student proficiency in mathematics, the researchers found students participating in the pilot program exhibited statistically significant improvements in mathematics (4.6 NCE points) for every year they attended the ACP school in comparison to their corresponding counterparts in non-ACP schools (Winters et al., 2006).

In contrast to the above studies, which found positive achievement gains, at least four empirical studies have found mixed or negative results. In the first, Dee and Keys (2004) examined student achievement results from Tennessee's former merit-pay plan (Career Ladder Evaluation System, CLES) and the well-known class-size experiment, Project STAR. They determined that assignment to career ladder teachers significantly increased mathematics scores based on the Stanford Achievement Test by roughly 3 percentile points in 1st through 3rd-grade. However, these teachers were not significantly more effective at promoting reading achievement as compared to other teachers on a lower teacher scale (Dee & Keys, 2004).

Springer (2010) conducted a 3-year study in the Nashville Public Schools concerning the effect of financial rewards to teachers and its eventual impact on students. In this study, Podursky and Springer (2007) concluded, the "students of teachers

randomly assigned to the treatment group (eligible for bonuses), did not outperform students whose teachers were assigned to the control group” (p. 10).

From 2006 to 2010, the New York City Public Schools instituted the Schoolwide Performance Bonus Program (SPBP) for the purpose of improving the academic performance of its students. In this study, 200 high-needs schools established student achievement performance targets and measured growth on standardized tests and relative performance compared to other similar schools not participating in the SPBP program in New York City. During the length of the program, over \$50 million in bonuses were paid to schools. The district formally discontinued the program in 2011; however, because the researchers from RAND were not able to find any statistically significant achievement gains on standardized tests for students in any grade levels in reading or math in the SPBP program versus the control schools (Marsh, 2012). As Marsh (2012) concluded, “This study indicated no or negative differences between the outcomes of students attending schools randomly assigned to be in programs vs. control groups...merit pay bonuses offer only weak incentives” (p. 368).

In 2008, the National Center on Performance Incentives (NCPI) conducted two 1-year randomized controlled trials to study the impact of team-level merit pay for middle school teachers in four core content subject areas in the Round Rock Independent School District in the State of Texas. In this study, 78 middle school teams of teachers were randomly assigned to the treatment (eligible for an award) or control condition (not eligible for an award). If a treatments team’s value-added score was among the highest one-third among treatment teams in each grade level, teachers on the team were awarded \$5,400 each. To evaluate the effects of the bonus program on student outcomes, the study

used both the Texas Assessment of Knowledge and Skills (TAKS) and the Stanford Achievement Test. Analysis of student achievement outcomes revealed that there was “no overall intervention effect in any subject area across the two years of the experiment” (p. 379).

Empirical studies that have examined merit pay systems as a method for improving student achievement are mixed. Neal (2008) concluded that there is no evidence to support the claim that merit pay conclusively serves as a vehicle for improving student achievement. In this regard, Neal (2008) further concluded that the research on merit pay is not conclusive as studies have “...contradictory findings, issues with breadth of assessments, reliability of assessments, the alignment of assessments with curriculum, and the potential for schools to manipulate data” (p. 1). These issues hamper conclusive evidence to support the claim that merit pay will serve as a vehicle for addressing the longstanding issues of improving student achievement.

### **Barriers to Merit Pay Implementation**

Opposition to merit pay is based on liberal ideology, which has its core an emphasis on fairness, social justice, and equality (Fowler, 2009). These core values have guided policy and practice in public schools for decades (Burns, Gardner, & Meeuwsen, 2009; Murnane & Cohen, 1986; Neal, 2008). This ideology represents the interests of teachers unions, and have until recently been the dominant paradigm and status quo. Merit pay is viewed as an anathema to this ideology, as it represents a loss of union influence, threatens collective bargaining, and fosters competition instead of professional collaboration.

Murnane and Cohen's (1986) article in the *Harvard Education Review* provided, until recently, the most comprehensive examination of the failures of merit pay reform programs. In this seminal review, Murnane and Cohen (1986) documented key issues that had doomed merit pay up until that point. These issues included the lack of merit pay to motivate teachers, resistance to changing the salary and step schedule, problems with determining pay based on test scores, concerns over reducing teacher collaboration, and the lack of effective teacher evaluation systems. According to Murnane and Cohen (1986):

The data indicates that low morale and problems of administration are the primary reasons school districts drop merit pay. Management's perception that the positive impact of bonuses on the performance of superstars would be more than offset by negative effects on the performance of effective teachers who do not receive bonuses, do not know why they were passed over, and cannot be told how to become superstars. (p. 10)

In more recent times, two studies have updated Murnane and Cohen's (1986) work on the barriers to merit pay. In the first, Rice et al. (2012) identified the four sets of issues that arose in Prince George's County Maryland merit pay program, which have also been chronicled in other merit pay programs. Rice et al.'s (2012) work is particularly useful, as they conducted a comprehensive literature review of merit pay barriers to implementation. In addition, Marsh (2012) identified a fifth critical barrier to merit pay implementation. The challenges they identified include:

1. Securing and maintaining stakeholder support.

2. Developing and implementing accurate and credible measures of educator performance.
3. Developing the district capacity required to implement and sustain the initiative.
4. Aligning the reform with district goals and culture of the work environment.
5. Administrator conflict avoidance.

### **Stakeholder Support**

The first challenge identified by Rice et al. (2012) suggests that securing and maintaining stakeholder buy-in is critical and contingent on the features of the merit pay program. These features include the opportunity to participate in program design, attainability of the award, and the perceived transparency and fairness of the program (Rice et al., 2012). Even well conceived and collaboratively developed initiatives may not be able to sustain support if those responsible are not given time to plan and develop the plan (Honig, 2009; McLaughlin, 1987). As Locke and Latham (2002) suggested, people usually try to do what is asked of them (p. 707). If a policy is unclear or vague, however, the “people to be regulated do not know what they are supposed to do, [and] they cannot do it” (Simon et al., 1950, p. 415). Furthermore, as Cohen, Moffit, and Goldin (2007) noted, the more general an idea, the “more adaptable it is to a range of circumstances, the more likely it is to be realized in some form, but less likely to emerge as intended” (p. 532). Policy specificity or definition improves performance by reducing ambiguity about what is to be attained (Locke & Latham, 2002). Locke and Latham (1990) demonstrated that specific goals increase overall goal attainment and performance with effect sizes in meta-analyses ranging from .42 to .80 (p. 29).

The legitimacy of the policy (such as section 1250) and of the authority is also a key determinant of goal accomplishment (Locke, Latham, & Erez, 1988, p. 30). According to Locke et al. (1988), the source of authority does not reside in the superior, the legislature, or the school code, but in the acceptance of the authority by subordinates (p. 30). Perceptions of trust are an important dimension, as perceptions of trust are significantly related to accomplishing difficult goals and in the acceptance of authority (p. 27). Barnard (1938) provided further insight into the impact of policy legitimacy when he stated that subordinates will implement a goal when they understand the order, they believe the order is consistent with organizational objectives, and they are “mentally able” to comply with the objective (Locke et al., 1988, p. 33). Banard (1938) coined the concept *zone of indifference* wherein a person will accept order without question (p. 33). If obeying the order results in a “negative balance,” then the person will no longer comply with authority (p. 33). Policy reform that is mandated and judged as coercive can lead to conflict, and conflict can lead to less commitment and implementation (McDonnell & Elmore, 1987). The unintended results of a new policy such as PA 205, is that it may not “break through the barriers” of the status quo (p. 134).

In research on assigned versus participative goal setting, Locke et al. (1988) found that assigned goals lower effectiveness and reduce performance (p. 32). They described the “tell method” of setting goals (or determining policy) as leading to lower goal commitment and “hence lower performance” (p. 32). The impact of participation has been widely understood since Lewin’s work (1947, 1952) on group decision experiments uncovered the positive impact of group consensus in improving performance. Policy ideas have great difficulty in penetrating and changing the status quo if key actors do not

perceive themselves as having a stake in the decision-making process or outcomes. Dryer (1999) described this as a “lack of ownership of the innovation” (p. 59). Muth (1984) perhaps described the impact of lack of ownership best when he suggested, “coercion leads to conflict, alienation, and less effectiveness...the greater the influence the more consensus, commitment, and effectiveness” (p. 36).

Finally, Knapp (1997) described the importance of participatory conditions as leading to implementation, stating the “implementers at the lowest level are policy brokers leading to mutual adaptation” (p. 251). Furthermore, Berman and McLaughlin (1978) state that successful implementation was not a “mechanical process of following recipes from a policy cookbook, but rather a process of mutual adaptation modified to fit local circumstances” (p. 274).

### **Evaluation Procedures**

The second set of challenges identified by Rice et al. (2012) suggest that it is difficult to effectively measure teacher performance and student growth. Research suggests that teacher evaluations occur infrequently, tend to be superficial, and rarely promote professional growth or measure student performance (Portin, Feldman, & Knapp, 2006). Traditional teacher evaluations have been critiqued for their subjective nature (Murnane & Cohen, 1986). Though “standards-based teacher evaluations” may enhance objectivity by delineating key criteria for determining teacher excellence, these evaluation systems require substantial resources including time for staff training and implementation (Portin et al., 2006).

The use of student outcomes to measure teacher effectiveness is arguably more objective than reliance on teacher evaluations, but this approach is problematic on a

number of counts. For instance, student outcome data tend to focus on a narrow set of educational goals such as math and reading achievement (Rice et al., 2012).

Furthermore, estimates of effectiveness based on achievement tests may be biased as a result of demographic characteristics of students, nonrandom assignment of students to teachers, potential incomparability of gains across grades, and student mobility (Rice et al., 2012, p. 897). Critics also claim that the lack of appropriate teacher evaluation tools lead to a host of issues including teaching to the test, the inability to measure the impact of teacher performance for non-core teachers (such as art, physical education, foreign language and music), and the reduction of collaboration between teachers as they compete for monetary awards (Neal, 2008; Murnane & Cohen, 1986; Burns et al., 2009). In addition, they point to the lack of trained evaluators that can accurately measure and evaluate teaching, and the absence of student assessment tools that can measure student growth (Murnane & Cohen, 1986; Hanushek, 2003; Johnson, 1984; Rice et al., 2012).

Opponents of merit pay suggest that without fair measures that link teacher effectiveness and student growth, merit pay has little chance of being implemented with fidelity. As Burns et al. (2009) reported, “teacher worry that evaluations will not be fair is the most common concern regarding merit pay” (p. 41). Research indicates that low morale and problems of teacher evaluation have been the primary reasons schools have dropped merit pay (Murnane & Cohen, 1986). Neal (2008) went one step further when he described what has been termed *Campbell’s Law*:

I come to the following pessimistic law. The more any quantitative social indicator is used for social decision making, the more subject it will be to

corruption pressures and the more apt it will be to distort and corrupt the social processes it is intended to monitor. (p. 1)

### **Sustainability**

The third set of issues Rice et al. (2012) identified is the inability of districts to sustain merit pay programs. The research on the longevity of merit pay systems is not promising. In the 1960s, approximately 10% of schools had merit pay plans, but this number dropped to 3% by 1978, which is where it stands today (Porwoll, 1979; Burns et al., 2009). Moreover, the majority of districts that have tried and dropped merit pay did so within five years of its adoption (Murnane & Cohen, 1986; Marsh, 2012). The data regarding the lack of sustainability of merit pay programs is startling considering the state and federal dollars that have been expended, and the large number of state and local policy initiatives promoting merit pay initiatives. One of the key challenges is that merit pay programs have proven expensive. For example, all of the most well-known merit pay programs such as the Denver ProComp plan, the Dallas Educators' Excellence Grants, and the Minnesota Q Comp plan rely on local tax increases or state and federal grants to support increased spending on teacher salaries (Rice et al., 2012). As teacher unions are unwilling to alter the traditional salary and step schedule, additional resources are often required to fund merit pay programs.

Cohen et al. (2007) suggested that "ambitious" policy changes that substantially change existing practices (such as merit pay) require high levels of support. Specifically, these authors argued, "Ambitious aims require big resources and good supports, otherwise they will be unsuccessful" (Cohen et al., 2007, p. 514). Other authors such as Coburn and Stein (2006) suggested that policymakers should not only define the change

required, “they should also provide the infrastructure necessary to learn collectively how to implement the changes” (p. 280). School districts must have the capacity to evaluate teacher performance and to serve as instructional leaders. These resources demand time, effort, and expertise that districts may not possess. In order for merit pay to work, districts must have the capacity to provide an infrastructure that can accommodate the data requirements and managerial demands of the initiative (Azordegan et al., 2005).

### **Culture**

The last barrier identified by Rice et al (2012) is that the purpose of merit pay programs must be consistent with district goals and culture. Sarason (1996) offered the opinion that institutional and individual change is difficult, as “most education reforms fail because reformers do not take school culture into account” (p. 272). Policy ideas seem to have great difficulty in penetrating the status quo because of the lack of fit between the intended policy outcomes and the culture embedded within the school and those leading the institutions. The more policies depart from conventional practice and culture, the more incompetence they create, and thus, the more capability they require of practitioners (Cohen et al., 2007). Cohen et al. (2007) further described this as the *policy dilemma* stating, “policies aim to solve problems, yet the key problem solvers are those that have the problem” (p. 515). The problem solvers are guided by culture and ideology, which Fowler (2009) defined as a fairly coherent set of values and beliefs about the way things should be (p. 5). When that culture is threatened, Ianaccone (1991) suggested that its adherents might react emotionally rather than rationally when someone challenges them (p. 467).

Historically, schools appear to be highly durable organizations that have been able to accommodate almost any change without fundamentally changing the status quo (Timar & Kirp, 1987). Since the goal of merit pay programs is often to change the behaviors of individuals so that they conform to new expectations, such expectations often underestimate the complexities of cultural and ideological norms, and overestimate the capacity of the decision-makers to change it. As Timar and Kirp (1987) suggested, “the unhappy truth is when successful implementation of policy depends on changing the culture of schools, failure can often be anticipated” (p. 311). Fullan (2005) wrote extensively on this subject and summarized the “nonlinear nature of educational change” by advising change and policy agents to:

not assume that your version of what the change should be is the one that should or could be implemented. On the contrary, assume that one of the main purposes of the process of implementation is to exchange your reality of what should be to what eventually occurs. (p. 288)

Paris (1998) also summarized the challenges of alternative policy realities in institutional school reform implementation when he said:

What changes have occurred have not, in either scale or substance, been what reformers had in mind. In many instances, schools have largely absorbed reform efforts by folding them into existing patterns and practices. Rather than reforms changing the schools, the schools have changed the reforms or created their own. The process of real change in schools often works from the inside-out. (p. 389)

Making changes policymakers mandate requires learning on the part of the enactors (Berman, 1982). Such learning is complicated further when the enactors are required to unlearn, or give up common practices and ways of thinking. In a sense then, new policies can create incompetence (p. 520). Furthermore, Cohen et al. (2007) argued, “ambitious policies require practitioners to acquire new capabilities and to unlearn present capabilities...they create more incompetence” (p. 522).

Merit pay programs, according to Lawler (1990), should be designed to reinforce the objectives of organizations and “fit the organization’s culture, management style, and strategy ” (p. 11). When pay systems are not aligned with key features of the work environment, their impact may be “neutralized or negated by the numerous forces that interact to influence the performance and satisfaction of the people in the organization” (Malen et al., 1987, p. 93). For example, while school goals emphasize improving achievement for all students, merit pay may prompt teachers to work primarily with high ability and high achieving students. If the goal is to develop collaborative learning communities, merit pay systems may undercut that aim. The perception also exists that merit pay systems will change the collaborative culture in schools, which is so necessary to leverage the talents, skills and idea of the team (Marsh, 2012). If teachers’ pay is based on raising test scores, there are strong incentives for teachers to keep their “best practices” for influencing student achievement private.

### **Conflict Avoidance**

In her examination of the failure of New York City Public Schools’ merit pay program, Marsh (2012) identified an additional barrier to success. Her key finding was that the avoidance of conflict and friction came at the expense of the implementation of

the policy. Marsh (2012) uncovered during her research that “administrators view their role as system maintenance with conflict avoidance as the pervasive norm” (p. 179). Only in rare circumstances when powerful administrative change agents existed did merit pay gain a foothold in New York City Public Schools. Marsh (2012) described these change agents as those that “embraced merit pay and the potential conflicts resulting from it as a means to motivate and reward performance and catalyze change” (p. 179). The prevailing culture and ideology of schools has been defined by as “loosely coupled” by Smith (2008), with a “strong tendency to avoid conflict” (Marsh, 2012, p. 180). These deeply engrained norms run counter to the market-based values of meritocracy upon which merit pay is based. These norms have mediated the efforts of past merit pay initiatives, as this normative conflict “strikes a particularly hard blow at the egalitarian ethos of the profession” (p. 181).

Conflict serves as a change function, giving individuals and groups an opportunity to impact outcomes (Achinstein, 2002). As a new policy requires change, Achinstein (2002) suggested that change will lead to conflict, but this conflict can be positive; “conflict it turns out, offers a context for inquiry, organizational learning, and change...conflict becomes constructive for the community and school” (p. 340). Too much conflict is debilitating and can adversely influence performance (Locke & Latham, 1988). Lowi (1964) described these conflicts as power struggles wherein reform leads to resistance. Resistance to change is defined as the “affective, cognitive and behavioral response aimed at maintaining the status quo with the hope of stopping or delaying change” (p. 678). Berkovich (2011) described the influence individual teachers have on educational reform when he argued that teachers interpret policy as they see fit and when

they do not support the change, it has little chance of succeeding (p. 564). McDonnell and Elmore (1987) went further suggesting, “People who stand to lose power will not stand idly by while it occurs. They will mount resistance to the proposed change, and if change occurs anyway, they may work to sabotage it” (p. 148).

At the intersection of “paradigm and procedural policy shift” are school superintendents. In the past, superintendents have been somewhat immune to shifts in policy, as legislative policy mandates have for the most part, not dictated educational practice nor influenced the collective bargaining process. Fowler (2009) stated that superintendents have “traditionally been somewhat isolated and insulated from the pressures of the outside world. For the most part, they have stayed within the boundaries of their district” (p. 602). This has changed however, with the influx of new legislative mandates that increasingly dictate almost all aspects of school life including compensation procedures such as PA 205.

### **Summary**

The influence of the once powerful teachers’ unions in Michigan has steadily eroded since the revision of PERA and the passage of Proposal A in 1994. A host of constraints and limits on the collective bargaining process has shifted the balance of power to school district boards and administration. This can be seen with the passage of a set of legislative mandates that prohibit negotiating on an increasing number of topics and new requirements such as implementing some form of merit pay. This requirement is at odds with the nearly universal adoption of the salary and step schedule used for determining teacher compensation, and is inconsistent with the research evidence, which indicates merit pay has limited effectiveness at improving student achievement. Merit pay

has also been generally unsustainable. Marsh (2012) and Rice et al. (2012) recently articulated key themes that define the challenges merit pay faces when imposed or chosen as an alternative compensation system. It is from the lens of Marsh (2012) and Rice et al.'s (2012) research that the experiences of the nine superintendents in this study were framed.

## CHAPTER III

### METHODOLOGY

The methodological approach used in this study is a qualitative phenomenological model, designed to explore the feelings and perceptions of superintendents regarding the internal and external contextual conditions that influence school superintendents' response to a legislative change that requires districts to adopt merit pay in Michigan. Nine superintendents were selected from a sample of the Mackinac Center Merit Pay Survey of 2012 (Van Beek & Spaulding, 2012). These superintendents negotiated at least one contract with their teachers association between 2011 and 2015. Information was collected using semi-structured interview questions, and transcribed and analyzed using coding and pattern analysis techniques in order to develop a cluster of meaning and themes. The sections below describe the study's research design, research questions, population, sampling design, data collection procedures, the duration of research, risk to subjects, data analysis, and role of the investigator in greater detail. It is hoped that the findings of this study will provide deeper understanding of strategic decision-making processes and contextual conditions that guided the nine superintendents, and provide policymakers and school leaders with awareness of the process of this policy implementation in the face of conflicting tensions.

#### **Research Design**

This study utilized qualitative inquiry, as it provides a framework for understanding what Denzin and Lincoln (1994) described as "historical moments and social problems" (p. 234). As the revised school code section 1250 represents a "historical moment," and a complex "social problem," qualitative research is well suited

to understanding this phenomenon. Qualitative research is a useful approach to uncovering and answering what is happening, as well as what these happenings mean to the people engaged in them. This fits with Creswell's (1994) definition of a qualitative study "as an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting" (p. 2). The characteristics of qualitative research match the purpose of this study, as it offers a picture of the participant perspective in order to explore human behavior within the context of the problem or issue (Lincoln & Guba, 1985). Qualitative research is rooted in a phenomenological paradigm, which holds that reality is socially constructed through individual or collective definitions of the situation (Firestone, 1987). The strengths of qualitative methods are concrete depiction of detail, portrayal of process in an active mode, and attention to the perspectives of those studied (Fossey et al., 2002).

In this study, phenomenological methodology was chosen as it is a "strategy for doing research which involves an investigation of a particular contemporary phenomenon within its real-life context" (Robson, 1993, p. 146). Creswell (2013) defined phenomenological research as inquiry into a phenomenon (in this case, the requirement to implement merit pay) by studying a group of individuals who have lived the experience. It is a useful tool for the study of key players, key situations, and critical incidents (Hitchcock & Hughes, 1995; Miles & Huberman, 1994).

Nine superintendents were interviewed where they will explore their reasons why and how they responded to section 1250 of the revised school code. These superintendents were carefully selected to represent one of three predetermined responses

to the merit pay provision. These three predetermined responses include three that did not implement 1250, labeled as the *Status Quo* response. Three that provided a bonus to the teachers, but did not alter the salary and step schedule, labeled as the *Egalitarian* response. And three that eliminated the salary and step schedule, replacing it with a performance based system, labeled as the *Differentiated* response.

The responses from the superintendents in this study were analyzed from the perspective of previous key research studies that identified a set of barriers to past merit pay reform efforts (i.e., Marsh, 2012; Rice et al., 2012). It is suggested from these research studies that at least five implementation barriers could influence the decisions made by superintendents.

### **Research Questions**

This study attempts to provide answers to how selected superintendents in Michigan made decisions regarding the implementation the new merit pay compensation requirement as defined in section 1250, and to a greater extent, understand what internal and external factors guided superintendents as they made those decisions. In order to conduct this qualitative study, the researcher proposed questions that would guide the investigation. They are:

1. How did superintendents in selected mid-western school districts understand and respond to the requirements of the school code revision in section 1250?
2. What factors influenced and guided the decisions of superintendents as they responded to the requirements promulgated by section 1250, and under what contextual conditions?

3. Were the influences and contextual conditions different between those superintendents that implemented section 1250 and those that did not?
4. Did the influences and contextual conditions experienced by the superintendents in this study differ from those identified by Marsh (2012) and Rice et al. (2012)?

### **Population**

In this research, the boundaries of the study include the criteria that identify the “population” or subjects of the research (Yin, 2003). In this study, the 2012 Mackinac Survey provided the bulk of the data used to categorize the district response to the changes in legislature (Van Beek & Spaulding, 2012). Additionally, the researcher through his contacts with other superintendents updated the list to provide a broader sample. Superintendents eligible to be included in the study were those that negotiated a contract with their teachers association from 2011 to 2015, and who had responded to the 2012 Mackinac Center Merit Pay Survey (Van Beek & Holland, 2012). Only actively employed superintendents (i.e., those who engaged in these negotiations) were eligible.

Those superintendents who answered the Mackinac Center Merit Pay Survey were categorized into one of three categories based on the degree merit pay transformed the salary/step schedule compensation plan. These three categories include: Status Quo, those that did not implement any form of merit pay nor make changes based on section 1250; Egalitarian, those that defined a merit based compensation on top of existing salary and step schedule, but did not make any changes to the salary and step schedule; and Differentiated, those that eliminated the salary and step schedule in favor of a merit pay form of compensation. After categorizing superintendents based upon the three categories, nine superintendents were identified and invited to participate in the study.

## **Sampling Design**

This study utilized a purposeful sample, which Patton (1990) argued is a sample from which the most can be learned. He suggested that purposeful samples are powerful because they are “information rich which allows one to learn a great deal about issues of central importance of the case” (p. 169). In order to identify a purposeful sample, a criterion-based selection process must be used. To this end, Merriman (1998) suggested a list of attributes or conditions must be identified that are essential to the study, followed by a process to locate units based on the criteria.

Based upon information collected from the Mackinac Center Merit Pay Survey, there appeared to be three types of response to 1250. As described previously, a total of nine superintendents were invited to participate in the study, three from each category of response: Status Quo, Egalitarian, and Differentiated. The nine superintendents were identified in order to provide a “maximum variation of the sample” (Patton, 1990, p. 172). Maximum variation sampling involves identifying those who represent the widest possible range of characteristics of interest for this study (Miles & Huberman, 1994). This categorization of districts served as the inclusionary criteria used to define the settings for the study. Again, the inclusionary criteria were based on a category of responses to 1250. In Table 5, the criteria for identifying the superintendents for placement in one of the three categories are defined.

Table 5

*Categories of Response to Merit Pay Requirement*

<b>Compensation Characteristic</b>	<b>Status Quo</b>	<b>Egalitarian</b>	<b>Differentiated</b>
Equal Bonus	No	Yes	No
Bonus Differentiated	No	No	Yes
Keep Salary/Step Schedule	Yes	Yes	No

**Data Collection Procedures**

Upon approval from HSIRB to conduct the research, nine superintendents were identified from the typologies of response to school code revision 1250, with informed consent obtained from participating school superintendents. Initial contact with superintendents in each of the three identified categories was made over the phone, as the researcher is a superintendent and had a professional connection with the other respondents in this study. The researcher provided an in depth overview of the purpose of the study to each consenting respondent. In addition, each respondent was given information about the purpose of the study, its duration, and the risks and benefits of the study. The researcher also described data collection procedures, and efforts to ensure that their participation remained strictly confidential, with no names of individuals and place of employment released or otherwise reported. The researcher asked each participating respondent if he or she was still employed within the district when decisions regarding merit pay were implemented according to the school code. If the superintendent was employed during this time and amenable to participation in this study, then the researcher sent a letter of consent to the superintendent.

Hatch (2002) provided an in-depth illustration of the meaning of informed consent. In this regard, he identified the following attributes of a researcher's responsibility:

- Defining that the study involves research.
- The purpose of the research and duration of each participant's involvement.
- A description of the procedures used to collect data.
- A review of any foreseeable risks or discomforts.
- The benefits to participants and others.
- A description on how confidentiality will be maintained, how records will be stored, and who will have access to the data.
- Contact information with questions about the research and their rights.
- Acknowledgement that participation is voluntary and they can withdraw at any time (p. 64).

Following informed consent, the researcher made contact with each superintendent, and dates were established to conduct semi-structured interviews. These interview questions, as illustrated in the Appendix, served as the script of the investigator. Each question was broad, loosely structured, and closely aligned to the research questions and merit pay barriers defined in previous research.

Several additional issues were addressed at the beginning of the interviews, including investigator motives and research purpose, protection of the respondents using pseudonyms, decisions over final review of the study content, and logistics of the process (Merriman, 1998). The interview questions were defined in advance, but the format and exact wording could change during the interview to increase the completeness of the data

and in response to those interviewed. Such flexibility made the data more complete and eliminated potential gaps; thus the interview, while semi-structured, remained conversational and situational (Merriman, 1998). The interview data was collected and stored by the researcher in a locked file cabinet in hard copy and on a password protected computer hard drive.

An important element to facilitate the interview is the atmosphere of trust. Trust in this study was enhanced due to the researcher's familiarity with the topic and his present employment as a school superintendent. This background provided the respondents with a sense that the interviewer understood the complexity of the role superintendents must play and the decisions they must attend to in this complex role. To enhance the data collection process, the researcher piloted study the data collection instruments with a superintendent who was not be part of the study for the purpose of ensuring the adequacy of the survey, and if need be, making improvements in the interview protocol. This took place prior to the collection of the research data.

### **Duration of Research**

The steps in the research process included approval of committee of proposal, approval by HSIRB, research and interviews, research analysis and dissertation completion, and presentation of dissertation/oral defense. The proposed timeline for these steps was:

September 2014	Proposal approval
October 2014	HSIRB approval
October 2014	Pilot study to assess interview protocol (Timeline suspended November 2014 to May 2015 due to unforeseen researcher illness)

May/July 2015	Data Collection
August 2015 to November 2016	Research analysis and dissertation completion
Winter 2017	Presentation of dissertation/oral defense

### **Risks to Subjects**

No major risks were anticipated for participants in this study. One potential area of risk is the acknowledgement by three of the superintendents that their district is not in compliance with school code revision 1250, which mandates some form of merit pay be used as a form of teacher compensation. There are no sanctions associated with not implementing 1250, and it appears that the vast majority of school districts are not in compliance currently with this element of the school code.

In order to minimize this and any other risks, pseudonyms were used for all those interviewed, and for school district names and locations. Allowing the respondents to identify convenient date and location for the interviews reduced inconvenience. The researcher traveled to the respondent's location. It was also made clear that those interviewed could stop the interview at any time, refuse to answer any question, or end the interviews when they wished. There were no invasive procedures utilized in this study. In addition, the audio recordings were destroyed after transcripts were produced and approved by the respondents. All transcripts are kept in locked storage by the researcher, and data contained on the researcher's personal computer is password protected. At the completion of the dissertation, the hard copy and text-based data in the computer will be destroyed. There are no other known risks associated with participating in this study.

## **Data Analysis**

Data analysis is a search for meanings (Miles & Huberman, 1994). Analysis means organizing and interpreting data in order to see patterns, identify themes, discover relationships, and develop explanations—to do what Walcott (1995) calls “mindwork” (p. 18). The focus of the analysis according to Yin (2003), hinges on linking the data to the research questions and by explicating the criteria by which the findings are to be interpreted.

During this study, there were three stages of analysis that provide what Richards (2011) described as “data reduction” (p. 58). The first stage involved transcribing the interview notes from the nine recordings, reading the transcriptions, and then re-reading with the intent to annotate researcher thoughts and comments within each document. These annotated comments provide, according to Richards (2011), a way to capture initial researcher thoughts about what is read. These annotations within the document serve as personal memos that are critical in developing “themes emerging up from the document...they encourage quick and easy documentation of the ideas and the ways ideas grow” (Richards, 2011, p. 80).

In the second stage, the transcribed interviews were coded or organized into topic categories, which at the same time reduce the data into manageable amounts. The purpose of topic coding is the organization of the interview information into categories based on the research questions of the study. Richards (2011) described this process as “involving little interpretation as you are putting the data where they belong” (p. 100). Topic coding creates an overall catalog of responses. Hatch (2002) described topic coding as “dividing everything collected into groups or categories on the basis for some

cannon for disaggregating the whole phenomena under study” (p. 152). The typological analysis in this study was based on the research questions. Prior to the analysis of the interviews, each superintendent reviewed the transcribed notes for error and authenticity. The interview protocol was semi-structured and based on the research questions, with emphasis how the superintendents understand and have responded to PA 205, the influences and contextual conditions which guided their decisions. The superintendents’ responses to these interviews in the nine settings stood alone. Categories of response and themes were identified for each superintendent.

This was a multi-case analysis, wherein abstractions and comparisons are built across cases. According to Miles and Huberman (1994), the researcher attempts “to see processes and outcomes that occur across many cases to understand how they are qualified by local conditions, and thus develop more sophisticated descriptions and powerful explanations” (p. 172). The steps used for analyzing the data include putting the information into different arrays, making a matrix and putting the data into categories, and creating data displays (Merriman, 1998). Additionally, it was important to look for second-order relationships in building explanations. It was also important to rely on the theoretical propositions for analyzing the data and to test for rival explanations (Merriman, 1998, p. 112).

The third stage in the analysis was to review the data from the perspective of the research literature, which has defined five key barriers to the implementation of merit pay. This is the subject of the fourth research question: How do the influences and contextual conditions differ from the barriers identified by Marsh (2012) and Rice et al. (2012)? The same process as previously defined was used to analyze this data,

specifically, the creation of arrays, making a matrix and categories, and identifying second-order relationships.

Following the data analysis process, the approach for explanation building is to make initial theoretical statements, then compare the findings of the cases both within and cross-case against these statements. Miles and Huberman (1994) described this analysis as:

Moving up from the empirical trenches to a more conceptual overview of the landscape. We are no longer dealing with observables, but also with unobservables and are connecting the two with successive layers of inferential glue. (p. 261)

### **Role of the Investigator**

The researcher is most commonly considered the main instrument for data collection, analysis, and interpretation. Therefore, it is important to acknowledge that bias is a part of the research (Miles & Huberman, 1994). There are two types of researcher bias. They are: (1) the effect of researcher on the study participants; and (2) the effects of study participants on the researcher (Miles & Huberman, 1994). Examining researcher bias is an important effort to self-analyze these biases. To facilitate this process, Onwegbuzie et al. (2010) suggested the concept of debriefing the researcher. The process used in this study entailed the researcher being interviewed by a person that was not involved directly in the study and who was familiar with the research topic. In order to facilitate this process, during the pilot study the researcher debriefed with the interviewer, who as a colleague (superintendent), and as one who has conducted qualitative research in the past, could assist the researcher in defining his own ideological position and bias,

as well as being a “devil’s advocate.” Such a process assisted the researcher in what Onwegbuzie (2010) described as “bracketing one’s bias” during the research process (p. 705).

## CHAPTER IV

### FINDINGS OF THE STUDY

In this chapter, the researcher provides the findings of the results obtained from superintendents in selected school districts in a mid-western state. The reader is reminded that the overall purpose of this study was to uncover the lived experiences of selected public school superintendents in relationship to how they responded to the change in this mid-western state's public school code. The statute in question required public school districts to introduce a compensation system that is based upon individual teacher merit, rather than continuing a system based upon employment seniority. This change in compensation runs counter to prevailing practices in regards to how teachers are compensated.

This study provides a descriptive analysis as to what selected superintendents did in response to this mandated statute, why they did it, and equally important, provides an explanation as to why these district administrators took the action they did, particularly in comparison to those districts that did not adhere to these state-imposed statutes. This study will provide answers to the following four questions. They are:

1. How did superintendents in selected mid-western school districts understand and respond to the requirements of the school code revision in section 1250?
2. What factors influenced and guided the decisions of superintendents as they responded to the requirements promulgated by section 1250, and under what contextual conditions?
3. Were the influences and contextual conditions different between those superintendents that implemented section 1250 and those that did not?

4. Did the influences and contextual conditions experienced by the superintendents in this study differ from those identified by Marsh (2012) and Rice et al. (2012)?

To facilitate the data collection process, the researcher developed an interview protocol that served as a guide during the interview process. After the interviews were transcribed, the researcher read and re-read the transcriptions multiple times and coded the responses that emerged in the transcripts. The data analysis process consisted of developing themes, sub-themes and independent themes within each category for research question 1 through 4.

The researcher developed an operational definition of themes as those statements present in 3 of 3 interviews within a category (i.e., all Status Quo districts) and 3 of 3 across all categories (i.e., shared by Status Quo, Egalitarian, and Differentiated). The definitions of sub-themes were those statements present within 2 of 3 interviews in a category, and across 2 of 3 categories. Independent themes were defined as those that existed in all three districts within one category, but were not found in any other category.

### **Research Question 1: Superintendent Response to Section 1250**

Research Question 1 focused on how superintendents understood and responded to the requirements of the revised school code section 1250. In order to answer this (and the other research questions) a total of nine superintendents from this mid-western state were selected and asked to participate in the study. Potential subjects were identified based on the 2012 Mackinac Center Merit Pay Survey and the researcher's direct communication with superintendents. The total number of potential candidates for inclusion in the study numbered 114 superintendents.

Following the identification of the total possible number of subjects in the study, the researcher categorized all 114 districts and their respective superintendents were categorized into one of three categories: Status Quo, Egalitarian, or Differentiated. The categories of response are defined in Table 6.

Table 6

*Categories of Response to Section 1250 of the Michigan School Code*

<b>Compensation Characteristic</b>	<b>Status Quo</b>	<b>Egalitarian</b>	<b>Differentiated</b>
Equal Bonus	No	Yes	No
Bonus Differentiated	No	No	Yes
Eliminate Salary/Step Schedule	No	No	Yes

Based the categories of response, 114 districts and superintendents were in the sample. As seen in Table 7, these 114 districts were categorized into one of the three categories. The number of districts/superintendents in each category and the percentage within the overall sample are listed below.

Table 7

*Number and Percentage of Districts/Superintendents by Categories*

<b>Category</b>	<b>Number of Districts/Superintendents</b>	<b>Percentage of Total</b>
Status Quo	85	74%
Egalitarian	22	19%
Differentiated	9	7%

*Note.* N = 114 superintendents.

As indicated in Table 7, the vast majority (74%) of the superintendents maintained the districts existing compensation procedures. In these “status quo” districts performance pay systems were not implemented and the step system was not altered. Three superintendents representing this category of response agreed to participate in the study. In order to maintain their anonymity each of these superintendents were given the number 1, 2, or 3.

Twenty-two (22) of the superintendents were identified as Egalitarian, as they provided performance bonus to teachers without otherwise altering the salary and step scale. This represented 19% of the total number of superintendents who responded to the original survey. Selected respondents were given the numbers 4, 5, and 6 to preserve their anonymity in the study.

The final group consisted of superintendents who implemented the revision to school code section 1250 by building a new compensation system based on performance pay and not the salary and step scale. This small group numbered nine superintendents and represented 7% of those who responded to the survey. To preserve their anonymity selected respondents were labeled as 7, 8, and 9.

### **Status Quo Superintendents**

Superintendents 1, 2, and 3 did not implement the requirements of section 1250 of the school code and have been identified as Status Quo. For example, the superintendent in District 1 did not comply with section 1250 and were not planning on complying anytime in the near future saying, “It just seems like another not very well thought out requirement by the state. I don’t think we will ever provide performance based compensation.” Superintendents in Status Quo districts indicated they had not spent much

time thinking about or creating strategies to implement section 1250. When asked what they knew about the school code revision, Superintendent 2 replied, “It’s not real deep. I know that by law we are obligated to put some sort of merit pay into our contract, but we don’t have it.” Likewise, Superintendent 3 knew there was a new law, but had not paid much attention to it: “I’m not sure exactly what we are supposed to do, but nobody is watching, or seems to care.”

### **Egalitarian Superintendents**

The Egalitarian superintendents seemed to have greater insight and understanding of section 1250. For example, Superintendent 4 said, “I know there are two facets to it. One is merit pay and another part has to do with bargaining.” Similarly, Superintendent 5 stated, “I’m familiar with the law. We are supposed to provide merit pay. The law doesn’t say how to do it, it just says we need to do it.” How the Egalitarian superintendents chose to comply with the school code revisions was by providing a bonus. According to Superintendent 4, “I know we play the same game lots of districts do. If you get a satisfactory evaluation you will get a \$10 pay bump.” Superintendents 4, 5, and 6 provided teachers with \$10 at the end of the year as long as they attained the Satisfactory or Effective rating. Superintendent 6, while providing the bonus, did not like “playing the game,” stating:

I don’t like the idea that to become compliant you offer \$10 dollars. You know, I think that if you can get really good teachers hired and you have a really positive culture, and you have them see you wanting to compensate them for going above and beyond – being here, being good in front of the kids, and doing what needs to be done – then I think you need to find the

money in the budget. I would like to get to the point where I can get the money for this from the salary and step schedule, but I'm not in the place where I can do that yet.

### **Differentiated Superintendents**

The third category of superintendent response was identified as Differentiated. In these districts, the salary and step scale, were eliminated in favor of a new performance based (merit pay) compensation system. The superintendents in these districts understood the school code revisions as an opportunity to overhaul the existing compensation structures within their districts. For example, the superintendent in District 7 described the school code revisions stating:

This was a big deal. The revised school code suggests that how we were paying teachers was out of date. As such, we proposed a whole new system where the steps and lanes are removed out of the contract and compensation would be based on performance because this is truly what the law said. It was a difficult conversation with the union, but that didn't matter because the PERA was amended determining that both performance evaluation and pay were both prohibited subjects of bargaining. If you follow the law, anything that had to do with evaluation and pay increases, showed as a strikeout and was removed from the contract.

While superintendents in Districts 7 through 9 eliminated the salary and step scale model of compensation, the resulting systems developed were each unique. In District 7, the performance pay compensation program outlined a system wherein teachers were

eligible to accumulate units of performance-based compensation for the next school year based upon a list of criteria. For example, teachers could accumulate one unit worth \$300 added to their base pay if they have an Effective rating on the teacher evaluation system, their students showed evidence of academic growth, and had attained a BA or higher, plus attaining nine additional graduate credits. Two units could be acquired if teachers had an Effective rating on the teacher evaluation system, their students showed evidence of academic achievement, they had attained a BA or higher plus 18 graduate credits, and these teachers were eligible to receive \$600 dollars added to their base pay. Three units worth \$900 required a Highly Effective rating, evidence of student growth, and a BA or higher, plus having attained 27 additional graduate credits. All teachers' base pay was "grandfathered in" into this system.

In District 8, rather than units, a point system was established. Teachers received a \$500 pay raise to their base salary, and an additional \$500 in merit compensation, if they qualified. These criteria were based on points-earned formula that consisted of 39% on teacher evaluation rating, 34% on student growth, 11% on attendance, 9% on significant relevant accomplishments, and 7% on participation in district professional development, respectfully.

The system in District 9 was different than in Districts 7 or 8. The system in District 9 was based on teachers earning a cumulative 2% increase to their base if rated Effective. If teachers were rated Highly Effective, they earned an additional 2% non-cumulative bonus. To qualify for the increase, the fund balance of the district was required to remain above 12%.

**Research Question 2: Influences and Contextual Conditions**

The purpose of research question 2 was to uncover influences and contextual conditions that guided each superintendent’s decision-making processes in response to section 1250 of the school code. To achieve this task, interviews were conducted with the nine superintendents in order to identify common themes and sub-themes within each category of superintendents. Themes were identified if they appeared in all three transcripts of interviews with superintendents within a category. Sub-themes were statements made by 2 of 3 superintendents within a category. The themes and sub-themes are shown in Table 8.

Table 8

*Themes and Sub-Themes Within Each Category*

<b>Category</b>	<b>Themes</b>	<b>Sub-themes</b>
Status Quo	Accountability Conflict Avoidance Need for Sanctions	Merit Pay Research Lack of Stakeholder Support Culture
Egalitarian	Accountability Conflict Avoidance Need for Sanctions	Lack of Stakeholder Support Culture
Differentiated	Accountability Policy Champion	Need for Stakeholder Support Need for Union Trust Culture Effective Teacher Evaluation

**Status Quo Superintendents**

Within the Status Quo districts, the influences and contextual conditions that emerged during the interviews consisted of three themes and three sub-themes. The three themes identified include support for the concept of accountability, conflict avoidance,

and the need for sanctions. The sub-themes included concerns regarding ineffectiveness of merit pay in research literature, the lack of stakeholder support, and issues with the fit between school culture and merit pay.

**Accountability.** The first theme identified was Accountability. While Superintendents 1 through 3 did not implement merit pay, they all advocated the need for increased accountability in teacher compensation. According to Superintendent 1:

I understand why there is interest in merit pay because someone who is not performing at their craft can get compensated the same as a very effective teacher. Our system does not reflect equity based on teaching skills.

Superintendent 2 made a similar observation stating, “It’s time for improvement, everything is evolving. For a great teacher they are not paid well enough, and for poor teachers they are overpaid.” District 3 superintendent made this assessment:

There are some teachers who are progressing on the scale who are less than “effective” and you can’t take it away. Why should they get a raise for doing an adequate or even poor job. That is the flaw - guaranteed advancement is very frustrating.

**Conflict avoidance.** The second shared theme identified in the transcripts was Conflict Avoidance, or the need to avoid conflict by implementing performance pay. They all expressed concern that implementing section 1250 of the school code would lead to a personal and professional cost to superintendents. The superintendent in District 1 stated:

Our last contract was a concessionary contract and teachers are still in shock about that. Adding merit pay to the mix would exacerbate our problems and would not be worth the cost it would take to get something meaningful.

In District 2, the superintendent also identified cost as a concern when he expressed:

There is no way I could bring this up with the union. Their game would be to fight as hard as they could against this. There is value in fighting for things, but you are not going to get a lot of other things accomplished while you are doing that and you would come out scarred. I don't like how superintendents turn over so quickly. So many of us are concerned about keeping our job because these jobs have such a short shelf life. It's a cost-benefit thing. You have to judge the cost versus the benefit.

Similarly, the superintendent in District 3 stated:

I've tried to negotiate some form of merit pay in past negotiations, but it has never worked. It was too contentious. They were nervous about it because it had never been done before. If it's not broke, don't fix it. Why should I put my career at risk and create controversy and conflict?

**Need for sanctions.** The third theme articulated by all status quo superintendents was Need for Sanctions, or the recognition that section 1250 did not define any sanctions for lack of implementation. All three Status Quo superintendents stated they would only implement performance pay if clear and consistent sanctions were enforced by the State. District 3 superintendent stated, "Performance based compensation will never happen in

this State unless those in charge of the checkbook change the rules. If they withhold the money, then we would comply.” The District 2 superintendent also described the need for sanctions when he said:

I was at a superintendents’ retreat with our schools attorney and he said that the law requires us to implement merit pay. That led to an interesting theoretical discussion where I said ‘if I break the law, might I get my wrist slapped, or could our funding be cut?’ He basically said ‘it matters whose paying attention and no one is paying attention.’ My guess is that we won’t make a substantive change unless of course, someone from above says we are going to enforce merit pay.

Similarly, District 1 superintendent expressed:

I’m only going to do something if I have to. I’ve not heard anyone say there are extreme consequences for not having it that will get us fired. So, why should we? I think if our school attorney tells me that financially we will get pinched really hard, then maybe.

**Merit pay research.** The first sub-theme expressed by two of the three superintendents was regarding past research on merit pay. In District 1, the superintendent stated the following:

I’m not convinced there is any great model out there that we could use that seems logical and fair. If there was a good alternative I think we would see more districts doing it. My understanding of the research is that they have shown merit pay does not work. Why should we do something that does not work?

The District 2 superintendent said something similar, “I don’t like the word ‘merit pay.’ I’m not sure it has been shown to work and it creates a whole level of discussion and angst among teachers and administrators around playing favorites.”

**Lack of stakeholder support.** The second sub-theme that emerged was similar to the statements regarding conflict avoidance. Two of the superintendents specifically noted that “our teachers will not, under any conditions, support a change to merit pay.” The lack of stakeholder support was deemed a critical barrier to successful implementation of section 1250.

**Culture.** These statements regarding lack of stakeholder support were also associated with the third sub-theme, namely merit pay not matching the egalitarian ethos of school culture and the historical prevalence the salary and step model. In District 3, the superintendent expressed it best stating:

Our teachers believe in fairness and not playing favorites. They would not trust a merit pay model because it does not treat everyone the same. The historical roots on how we pay teachers are so engrained into our system I don’t believe it is possible to change. Our culture would not allow it, and I’m not planning on messing with our culture.

### **Egalitarian Superintendents**

The Egalitarian superintendents identified three themes: accountability, conflict avoidance, and the need for sanction. Two sub-themes were also defined: the lack of stakeholder support, and the cultural barriers to implementing merit pay.

**Accountability.** The concerns the Egalitarian superintendents expressed were almost identical to those communicated by the Status Quo superintendents. For example,

Egalitarian superintendents 4, 5, and 6 expressed philosophical support for accountability in compensation. Superintendent 4 said:

There is a lot of unfairness in the way we compensate people right now. I look at a ten-year veteran who, as a English teacher, is working with 100 kids and has to take home hundreds of essays every two weeks versus a physical education teacher who makes the same amount of money, and who shows up in sweat clothes with a whistle around their neck, can walk out the door at night with no additional responsibilities. We ought to put more value on certain positions, and we certainly need to ramp up our expectations for teachers if they are going to continue to get step raises.

Superintendent 5 had a similar view of merit pay providing accountability stating:

I do think we need to do something to motivate young people to come into this profession. The way we pay people now is not reflective of their worth, nor how effective they are in their job day-to-day. We live in the age of accountability in education today. Eventually how we should our employees accountable for their performance.

Superintendent 6 was blunt in his assessment of merit pay:

Of course we should do it. It is the right thing to do. People should be paid based on their worth to the organization which in our case is their effectiveness as a teacher. We expect our students to be accountable, why shouldn't we hold our teachers to the same standard.

**Conflict avoidance.** The second theme that emerged for Egalitarian superintendents was the concern that implementing merit pay would increase conflict

within the district and would come at a cost. This concern regarding conflict was very similar to the views expressed by the status quo superintendents. In this regard,

Superintendent 4 opined:

I think making this kind of change would take a lot of work and I think there would be a lot of resistance. I'm not sure I can come up with an alternative system but I am sure the union will fight like hell over this. I don't think it is worth the hassle.

The superintendent in District 5 also talked about conflict in the context of cost and courage when he said:

I'm not sure if I'm courageous enough, but that's a two-way street, as I don't see our union interested either. You know the union push back is going to be hazardous and I don't have the fire in my belly to go after it, nor do I have the support to go after it, or the encouragement for that matter. You cannot change leadership often and keep change going in schools. There is a lot of research to support that. With stability, good things can happen.

**Need for sanctions.** The third theme shared by Egalitarian and the Status Quo superintendents was the view that only with sanctions would they be inclined to comply with section 1250. Superintendent 4 quipped: "I'm really hesitant to make any changes unless we are required by the state." The superintendent in District 5 made similar observations:

You know, until the state comes up with a fair and equitable way to fund this or a fair and equitable way to administer this, I would say you better

keep your eye on keeping your budget in shape. Unless there are sanctions or funding, I think merit pay is dead on arrival.

Superintendent 6 similarly stated:

This seems like another unfunded mandate from the state. It's legislators with no school experience telling us what to do. Why should I take on the responsibility of making such a dramatic change and upset the apple cart if no one from Lansing cares or monitors us. Until they do, I don't expect we will make any changes other than meet the letter of law by providing a ridiculous bonus of \$10.

Superintendent 6 furthermore expressed the need for sanctions:

I would say that I have a jaded view on making wholesale changes in how we pay teachers. It's because of mistrust, and not just in our district between the union, the MEA, and the board with a long history of both sides thinking things have not gone well. The idea of changing compensation to being determined by your performance level makes people think, "That's perfect; it gives the district an opportunity to evaluate me out. They will find me not effective so they don't have to pay me and they can save money." There would be a price to pay for this, and the price is ongoing problems and conflict. The only way we would go to a merit pay system was if the state had sanctions in place that necessitated we make the change.

**Lack of stakeholder support and culture.** The two sub-themes communicated by two of the egalitarian superintendents were also nearly identical to those defined by

the Status Quo superintendents: the lack of stakeholder support and the challenge of implementing merit pay into a culture which rejects it. For example, the superintendent in District 5 stated:

I know the teachers would not tolerate us monkeying around with how we pay them. They would never support it. In our district we work collaboratively together on problems and how we pay people is not perceived as a problem. Maybe how much we pay them, but not how we pay them. Until our culture changes we will do the minimum to stay in compliance with the law and that is it.

### **Differentiated Superintendents**

Two themes were identified in this study as expressed by the differentiated superintendents: the importance of accountability, and the impact of a “policy champion” to facilitate the implementation of merit pay. There were also four sub-themes: the need for stakeholder support, the importance of gaining union trust, the cultural change required, and the need for an effective teacher evaluation system.

**Accountability.** Like all superintendents in this study, the differentiated superintendents identified accountability as a key reason for making compensation changes. Superintendent 7 said, “Education is one of the few professions where you get rewarded and career advancement without accountability or measures of performance. That is not right and it’s not ok.” The superintendent in District 8 communicated a similar viewpoint:

Teachers know which teachers do not put the effort in. Unfortunately, they also know that no matter what, at the end of the day, it’s how much time

you put into the district, not how good you are that determines how much you are paid. Our new approach gives them the ability to get a little more if they are effective. Before if you were breathing, you got a step. Moving up the career ladder only required time, now it requires performance and accountability.

The Differentiated superintendents also had a deeper understanding of section 1250, and acknowledged they had a legal responsibility to be accountable to the school code. For example, Superintendent 9 said:

If you really look at the requirements of 1250, it says that every school district shall adopt and implement a system of performance pay that will determine pay and additional compensation. In working with legal counsel we determined that the step and lane pay scale wouldn't be the way future pay increases ought to be considered. So the way out of the box would be to create a whole new system, which would exclude the step and lane system because that is truly what the law reads. You do what you are supposed to do.

Likewise, Superintendent 7 continued: "The law had a lot to do with this change. We had to do something. It was the right thing to do, so we did it. The changes in the school code created this."

**Policy champion.** The second theme identified by all three superintendents in this category was the acknowledgement of the need for a policy champion to facilitate the adoption of these changes. For most, someone at their local ISD, whether it was the chief financial officer or the ISD superintendent, was required to assist district superintendents

in understanding section 1250 and facilitating their change. Superintendent 7 was the first to use the term *policy champion* stating:

The CFO kept us in the loop. We knew that legislation was pending and we discussed with each other what we were going to do if it came down. Once it happened we were pleased, and then even more pleased when it became a prohibited subject of bargaining. Without the CFO we would not have really paid attention to the school code change, nor would we have acted in isolation. We needed him. He was our “policy champion.”

The superintendent in District 9 echoed this perspective when he stated:

Based on a series of meeting conducted at the ISD, we decided that the old system of steps and lanes pay scale where an employee, simply by showing up to work regularly, got an automatic pay raise is now, or at least should be, over. This was a big decision and required lots of buy-in. I’m not sure the buy-in would have occurred if we didn’t have the leadership from the ISD superintendent who organized these meetings.

Superintendent 9 was a member of a committee to work towards a common merit pay framework, but they were not able to reach consensus. Instead, the superintendents each created within their own districts merit pay models unique to their situation. This was expressed by Superintendent 9 when he stated, “I think what got us going was the work we did at the ISD. It became kind of a competition. If one of the local districts can do it, why can’t we?” Superintendent 7 also reflected on the ISD meetings saying the following:

We tried to standardize with a county committee, but that did not get far.

What worked better was putting this on the agenda of the monthly superintendents meeting at the ISD where they had a meeting of the minds. I think you see the results in that over two-thirds of the districts in the county have been able to achieve a 100% performance based compensation model.

**Need for stakeholder support and need for union trust.** The Differentiated superintendents communicated the first two sub-themes (need for stakeholder support and union trust) in a similar fashion. Superintendent 7 stated, “I worked hard on making sure the teachers were ‘mostly’ in support of this initiative. Without their support it would have been a battle.” Similarly, The superintendent in District 9 intimated the importance of union trust with the following sentiment:

We explained the laws and the teachers went along, in part because they trusted us and they saw this as potentially a good thing as they had not gotten any kind of raise for two years. Just the possibility to get something, and move forward, was especially appealing for the younger teachers.

Trust was also evident in District 7 as the superintendent described his working-relationship with the union as:

Positive and we trust each other. We don’t always agree but we find ways to work through the disagreements without any public displays of dissension. Without trust none of these compensation changes had any chance of success.

**Culture.** The third sub-theme identified regarded changing the culture of the district in order to develop a new merit based compensation system. The superintendent in District 8 suggested this stating:

We could only change the minds of the teachers where they would accept merit pay by celebrating the fact that the old system had worked well for years, but we had no choice now. We had to change and move to a new system that matched the law and the times. Celebrate the old, and move to the new. Make sure you don't harm the culture by talking about the old way as a bridge to our newer improved method.

**Effective teacher evaluation.** The fourth and final sub-theme communicated by the Differentiated superintendents involved the challenges and necessity of using a fair system of teacher evaluation. The superintendent from District 9 summarizes this challenge, as he made the following sentiment:

The toughest piece in this whole thing, from an administrator's vantage, is creating a fair and equitable evaluation system. Merit pay adds to the already high stakes inherent in teacher evaluation. If you don't get this right, none of this will work. I think a lot of districts in the state have not done anything hoping that the State comes in and prescribes it all.

Superintendent 8 had a similar view:

The challenge is with the evaluation process. I would say ours is the most rigorous in the county by far. Measuring student growth brings its own dilemmas because of what the State has done to us. I don't have a good answer on how to effectively measure student growth; there are so many

challenges. I’m so disappointed after all the conversations and all the work that has been done. The State can’t get its act together. They need to say, “This will be the recommended tool in Michigan, and here are our expectations for how to measure growth.”

**Research Question 3: Comparison of Themes Among Categories**

Whereas research question 2 focused on uncovering themes within each category, research question 3 is designed to further explore the themes shared among the three categories of superintendents. Based on this analysis, three types of themes were defined: a theme, sub-theme, and independent theme. A *theme* is defined as an influence, or contextual condition, shared by all three categories (i.e., Status Quo, Egalitarian, and Differentiated). A *sub-theme* is an influence or contextual condition uncovered between 2 of 3 categories, whereas an *independent theme* is a theme that only exists in one category. In all situations, all three superintendents in that category must share the theme. Table 9 shows the shared themes, sub-themes, and independent themes.

Table 9

*Themes Among Categories*

<b>Theme Type</b>	<b>Status Quo</b>	<b>Egalitarian</b>	<b>Differentiated</b>
Themes	Accountability	Accountability	Accountability
Sub-Themes	Conflict Avoidance	Conflict Avoidance	
	Need for Sanctions	Need for Sanctions	
Independent Themes			Policy Champion

## **Themes Across All Categories**

There was only one theme that was consistent among all categories and across all superintendents: Accountability. This was expressed numerous ways and numerous times. Clearly, the superintendents felt that the current salary and step system, while prevalent, did not facilitate teacher accountability, or student achievement.

Superintendent 7 communicated this belief:

I'm convinced that performance based compensation can lead to better outcomes for teachers and students. I feel it represents a vision for change.

I also can't understand why teachers' who are so committed to accountability with their students, are so reluctant to be held accountable themselves. It seems like a double standard.

While all nine superintendents expressed a philosophical belief in the concept of accountability and the need to change teacher compensation to match this belief, only the Differentiated superintendents went further and suggested they were accountable to the revision of the school code. Only the Differentiated superintendents communicated personal accountability to the revised school code, unlike the other categories of superintendents.

## **Sub-Themes Across Two Categories**

The Status Quo and Egalitarian superintendents shared two sub-themes. These included Conflict Avoidance and the Need for Sanctions. Superintendents in these two categories justified their response to section 1250 by expressing concern that implementing merit pay was not worth the effort because of the potential for conflict. It was frequently stated that while merit pay might be philosophically and statutorily

appropriate, changing the compensation system would come at great personal cost to a superintendent. Superintendent 2 quipped:

Do we want to do it, Yeah? Could we do it, I doubt it. After all, getting the teachers to agree to such a major change would be perceived as just one more attack on them. You attack them and they will attack you back. I'm not convinced my board would have the stomach to take on the teachers to see this through. I worry that the ultimate loser in all of this would be me.

We all understand the lifespan of a typical superintendent.

The second sub-theme was a call for sanctions as a mechanism to facilitate compliance with section 1250. Sanctions would provide the cover the superintendents would need to take on the challenge of creating a new compensation system.

Superintendent 1 said it best:

The only way I can see doing this is if the state provided us some political cover. Only if I have no choice, and the association understands that I have no choice, can I see this happening.

Superintendent 3 also shared the sentiment that sanctions were necessary before they would move to adopt 1250:

It depends on what the legislature will do. I don't think this topic has their interest or is in their wheelhouse. I don't think they will add sanctions anytime soon. If a Democratic legislature is in place this will probably be reversed. If there is not a change, then there could come a time when the legislature might get fed up, and they will get serious about this. If that happens, then I can see change happening.

## **Independent Themes**

There was one independent theme in the differentiated category: the importance of a policy champion. In this theme, the Differentiated superintendents acknowledged the importance of strong leadership to assist the superintendents and districts make changes in response to school code 1250. The Status Quo and Egalitarian superintendents did not recognize the need for a policy champion or strong leadership as critical.

### **Research Question 4: Study Results Compared to Research Findings**

In research question 4, a comparison is drawn between the themes that emerged in this study with the recent research by Rice et al. (2012) and Marsh (2012), which identifies common barriers and challenges that must be overcome if merit pay is to be successful. Based on a meta-analysis of merit pay studies, Rice et al. (2012) identified four sets of issues with the implementation of merit pay systems. Marsh (2012) uncovered one additional barrier in her study of the New York City merit pay program. Together, these two studies provide the most comprehensive and up-to-date picture of the challenges associated with implementing merit pay. The challenges they identified include:

1. Securing and maintaining stakeholder support. Rice et al. (2012) suggested stakeholder buy-in is critical, as are the attainability of the award and the transparency of the process (Rice et al., 2012).
2. Development of accurate and credible measures of educator performance. This is the issue of “fairness” according to Rice et al. (2012). Teacher and student achievement evaluations are problematic, as they occur infrequently, tend to be superficial, may focus on narrow academic goals, can be biased because of

demographic characteristics, lack training for evaluators, and are unable to measure teachers in non-core areas (Rice et al., 2012).

3. The district’s financial capacity to implement and sustain the initiative. Most merit pay programs according to Rice et al. (2012) have required additional supplemental funds (Rice et al., 2012).
4. Lack of alignment of merit pay programs with district goals and culture of the work environment. Merit pay is a substantial change in the norms of the work culture in school. As the salary and step schedule is so durable, Rice et al. (2012) suggested changing this model runs counter to established norms and produces ideological and powerful backlash from teacher unions (Rice et al., 2012).
5. Administrators’ view their role as system maintenance with conflict avoidance as the pervasive norm. Marsh (2012) identified that administrators are unwilling to foster merit pay as it creates friction and conflict within the organization (Marsh, 2012).

In order to understand the similarities and differences between the research on merit pay implementation and this study, the researcher developed a chart that serves as a crosswalk between the themes established in this study and those previously cited by Rice et al. (2012) and Marsh (2012). This crosswalk is illustrated in Table 10.

Table 10

*Connection Between Barriers Identified by Marsh (2012) and Rice et al. (2012) with this Study*

<b>Marsh (2012) and Rice et al. (2012) Research Findings</b>	<b>Status Quo</b>	<b>Egalitarian</b>	<b>Differentiated</b>
Stakeholder Support	Moderate	Moderate	Moderate
Teacher Evaluation	Weak	Weak	Moderate

Table 10—Continued

<b>Marsh (2012) and Rice et al. (2012) Research Findings</b>	<b>Status Quo</b>	<b>Egalitarian</b>	<b>Differentiated</b>
Sustainability	Weak	Weak	Weak
Culture	Moderate	Moderate	Moderate
Conflict Avoidance	Strong	Strong	Weak

Source: Marsh, J. (2012). The micro-politics of implementing a school based bonus policy: The case of the New York City’s compensation committees, *Educational Evaluation and Policy Analysis*, 34, 367-390.  
 Rice et al. (2012). The persistent problems and confounding challenges of educator incentives: The case of TIF in Prince George’s County Maryland, *Educational Policy*, 26, 892-931.

Three labels were identified to compare findings from March (2012) and Rice et al. (2012) to the current study: *strong* support, *moderate* support, and *weak* support. Strong support indicates that Marsh (2012) and Rice et al.’s (2012) findings corresponded to a theme found in one of the categories in this study. For example, Conflict Avoidance was a theme in both the Status Quo and Egalitarian categories that matched the findings of Marsh (2012) and Rice et al. (2012). A finding of moderate support represents a finding of a sub-theme in one of the superintendent categories in this study. There were three examples of moderate findings in this study. All superintendent categories had stakeholder support and culture as a sub-theme; thus these findings were labeled as having a moderate connection with Marsh (2012) and Rice et al. (2012), as they were sub-themes. The importance of effective teacher evaluation was also a sub-theme of the differentiated superintendents, and thus achieved identification as a moderate connection with the findings of Marsh (2012) and Rice et al. (2012).

The label of weak was used when a finding of Marsh (2012) and Rice (2012) was not supported as a category of response by any of the superintendent groups. Sustainability was not recognized by any superintendent category, and thus was identified as having a weak connection to the findings of Marsh (2012) and Rice (2012). Similarly,

there was a weak connection between teacher evaluation and the Status Quo and Egalitarian superintendents. Likewise, conflict avoidance was not a concern for the Differentiated superintendents.

Of note are the themes and sub-themes uncovered in this study that were not identified by Marsh (2012) and Rice et al. (2012) as being challenges to merit pay implementation. As shown in Table 11, the superintendents in this study identified five challenges that were not reflected in the research of Marsh (2012) and Rice et al. (2012).

Table 11

*Findings Unique to this Study*

<b>Unique Themes</b>	<b>Status Quo</b>	<b>Egalitarian</b>	<b>Differentiated</b>
Accountability	X	X	X
Need for Sanctions	X	X	
Merit Pay Research	X		
Policy Champion			X
Union Trust			X

As shown in Table 11, the belief in accountability was a significant theme uncovered in this study that is not reflected in the work of Marsh (2012) and Rice et al. (2012). The Status Quo and Egalitarian superintendents also identified the need for sanctions as a challenge. Merit pay research was a theme only with the Status Quo superintendents, and the need for policy champions and union trust was likewise identified by the Differentiated superintendents only as challenges and requirements for implementation. These findings are unique to this study and stand in contrast to the findings summarized by Marsh (2012) and Rice et al. (2012).

## Summary

In summary, findings indicate that the vast majority of superintendents (74%) in this study ignored section 1250 of the revised school code by maintaining the existing status quo system of compensation based on the salary and step scale increases system. Approximately 18% of the districts implemented an egalitarian system of a small bonus payable to the teachers based on teacher evaluation. A small percentage of the districts (8%) developed a differentiated compensation system that replaced the salary and step system. This study also uncovered the shared belief by all superintendents that shifting the teacher compensation system to one wherein teachers were accountable for their performance would be preferred to the current salary and step model. This belief in the importance of accountability did not, however, lead to the implementation of merit pay for the Status Quo and Egalitarian superintendents. Of more importance for them was avoiding conflict. The prevailing number of superintendents believed that implementing merit pay by removing the salary and step scale would result in devastating consequences. As a result, these superintendents were steadfast in not implementing merit pay, even though it was legislatively mandated, unless there were sanctions attached to force compliance. From their perspective, without sanctions, the merit pay requirement represented empty legislation.

While all superintendents in this study shared a belief in the importance of teacher accountability and a rejection of the salary step and scale model in theory, only the Differentiated superintendents acted fully on this belief. By contrast, the differentiated superintendents focused more on how to implement section 1250. They identified the

need to have a policy champion lead the process, and the requirement of gaining union trust and having a fair teacher evaluation system.

Research by Marsh (2012) and Rice et al. (2012) listed five barriers or challenges to merit pay implementation. The connection between their findings and those in this study were “all over the board,” depending on the category of superintendents. Strong support was noted for conflict avoidance, moderate support for stakeholder support and culture, and weak support for teacher evaluation and sustainability. Of note were the findings in this study that were not consistent with the findings of Marsh (2012) and Rice et al. (2012). In this study, accountability, the need for sanctions, concern over merit pay as defined in the research literature, the need for a policy champion, and the importance of union trust all surfaced.

## CHAPTER V

### SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The overarching purpose of this phenomenological study was to investigate the lived experiences of nine superintendents responsible for the implementation of a mid-western state's legislation (Public Act 205 section 1250 of the School Code) requiring the compensation of teachers be based upon job performance and job accomplishments. More specifically, this study sought to: (1) discover how selected superintendents in Michigan school districts understand and responded to section 1250 of the revised school code requiring merit teacher compensation; (2) to uncover the influences and contextual conditions that guided superintendents as they made decisions in response to section 1250; (3) to discern if the influences and contextual conditions were different between those superintendents that implemented section 1250 with those that did not; and (4) to determine if the influences and contextual conditions experienced by the superintendents in this study differed from those identified by Marsh (2012) and Rice et al. (2012). Participants in this study were divided into three categories based on their level of responsiveness to this legislative fiat.

In this final chapter, the researcher provides a brief review of the study procedures and a summary of the findings of this study presented from the context of the study's four research questions. These salient findings will be presented for each research question from the perspective on how they support, contradict, and/or identify new findings that previous studies have failed to recognize or investigate. Afterwards, the researcher follows this section by providing his perspectives on how the findings in this study can inform present and future superintendents. Finally, this chapter concludes by providing

recommendations to other researchers that wish to investigate a similar phenomenon considered in this doctoral dissertation. The recommendations may help to guide policymakers and practitioners as they seek ways to implement merit pay statutes.

### **Study Procedures**

This study relied upon personal interviews with nine practicing superintendents in a mid-western state. Potential superintendents in this study were identified based on their response to the 2012 Mackinac Center Merit Pay Survey (Van Beek & Sapulding, 2012). The researcher divided the 114 superintendents who responded to the survey into one of three groups. These groups were: (1) those that ignored section 1250 of the school code and maintained their existing teacher compensation system, labeled as Status Quo; (2) those that simultaneously maintained the existing teacher compensation system, but also provided a small merit bonus to teachers, labeled as Egalitarian; and (3) those who eliminated the current teacher compensation system in favor of a new merit-based compensation model, labeled as Differentiated.

Three superintendents from each of three categories for a total of nine superintendents were contacted and invited to participate in the study. They included both male and female superintendents, superintendents from rural, urban, and suburban settings, and superintendents from northern, central, and southern mid-western regions of this state. Open-ended interviews were conducted with superintendents over a 3-month period and later transcribed for data analysis and interpretation. The subjects checked the transcripts for accuracy. Based on the analysis of the transcripts, themes were identified, coded, and used as the basis for answering the research questions posed in this study.

## Summary of Findings

In 2010, this mid-western state's school code was revised requiring districts 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. (PA 205, MCL 380.1250, 2010)

Section 1250 of the revised school code represents an attempt to change the existing compensation system for teachers, which is based on years of service and educational levels to one based on merit. This policy mandate is at odds with the nearly universal method of compensating teachers (i.e., the salary and step model) and ignores the long history of failed attempts to implement the merit-based compensation programs articulated by Burns et al. (2009), Springer (2009), Heyburn (2010), Podursky and Springer (2007), and Murnane and Cohen (1986). More recently, Marsh (2012) and Rice et al. (2012) identified five key barriers and challenges to merit pay implementation. This study interviewed nine superintendents that represented three different responses to the policy mandate. The sections below explore the various purposes of this study within the context of the study's findings in further detail.

### **Purpose 1: Discover How Superintendents Understood and Responded to Section 1250 of the Revised School Code**

The first purpose of this study was to discover how selected superintendents in Michigan school districts understood and responded to the requirements of section 1250 of the revised school code. Findings in this study support existing research that acknowledges merit pay adoption is challenging to accomplish, difficult to sustain, and

limited its effectiveness. In this study, the majority of districts did not change from the existing salary and step model of compensation to one based on merit. This response was consistent with research that indicates that if policy mandates are at odds with existing practices, they stand little chance, if any, of success (Berkovich, 2011; Cohen, 2007; Fowler, 2009; Hess & Downs, 2013; Sproull, 1981). The vast majority of superintendents who responded to the 2012 Mackinac survey indicated that they ignored the policy mandate (Van Beek & Spaulding, 2012). From a sample of 114 superintendents, 85 (or 74%) maintained the status quo and failed to implement the policy mandate. A smaller percentage of superintendents (or 19%) provided a small bonus to teachers, but did not otherwise alter the compensation system. The smallest group of superintendents (7%) eliminated the salary and step schedule and replaced it with a merit compensation system. According to Hess and Downs (2013), policy evasion and minimal compliance occurs when school administrators exist within a “culture of can’t” (p. 1). They describe schools as cultures where impediments and obstacles are treated as “absolute prohibitions where the mindset threatens to undermine hard won reforms and policy requirements” (p. 1). Berkovich (2011) has an expansive view of the “culture of can’t” when he described the problem stating:

School leaders and teachers have the ability to interpret policy as they see fit. When they do not support the change, feel that they cannot be successful, or expect that it will create negative outcomes, it has little chance of succeeding. What changes have occurred have not, in either scale or substance, been what reformers had in mind. In many instances, schools have largely absorbed reform efforts by folding them into existing

patterns and practices. Rather than reforms changing the schools, the schools have changed the reforms or created their own. The culture of schools is a powerful force in modifying policy reform efforts. (p. 564)

Furthermore, other researchers describe policy mandates as opportunities for resistance, power struggles, and with policies either not implemented or substantially modified during implementation (Berkovich, 2011; Cohen, 2007; Fowler, 2009; Sproull, 1981). This lack of policy implementation is what Cohen (2007) called the “dilemma between policy and practice,” wherein the policy fails to change practice in any substantive manner (p. 515). Richardson et al. (1993) further stated, “few schools and administrators seem to be jumping at the chance to do things differently, even when mandates are in place” (p. 3). This study provided additional support for Richardson’s (1993) view that only a few schools make changes, even when required by policy mandate. The findings in this study further validate previous research suggesting the likelihood of widespread policy evasion, and the resulting lack of adoption of the merit pay policy requirement (Cohen, 2007; Berkovich, 2011; Fowler, 2009; Richardson, 1993; Sproul 1981).

### **Purpose 2: Uncover Influences and Contextual Conditions That Guided Superintendents**

The second purpose of the study was to uncover the influences and contextual conditions that guided superintendents as they made decisions in response to section 1250 of the revised school code. This study generally supports existing research that has chronicled a set of challenges and barriers to successful merit pay implementation. In this study, the influences and contextual conditions guided superintendents when they made decisions regarding implementation of merit pay. These influences included the

following: the importance of accountability, conflict avoidance, the need for sanctions, the lack of stakeholder support, the lack of cultural fit between merit pay and schools, the importance of policy champions, the need for union trust, and the negative influence of past research on merit pay. These sets of themes and sub-themes are described in Table 8. These findings have support in the research literature regarding merit pay implementation as noted by Gardner and Meeuwsen (2009), Heyburn (2010), Marsh (2012), McDonnell and Elmore (1987), Murnane and Cohen (1986), Neal (2008), Podursky and Springer (2007), Rice et al. (2012), Springer (2009), and Timar and Kirp (1989).

There was one finding in this study that has not been referenced in the previous research regarding merit pay. Superintendents in this study expressed universal belief in the importance of accountability and the need to alter the existing salary and step model of compensation; however, this belief did not necessarily lead to implementing merit pay or moving away from the current compensation system, as shown by the results in the Mackinac Survey (Van Beek & Spaulding, 2012). It would appear that superintendents were caught between what they like to do and what they actually did. The Status Quo and Egalitarian superintendents explained this contradiction by presenting it in terms of a cost-benefit analysis. They anticipated the cost and challenge of eliminating the current compensation system in favor of merit pay as being too difficult to implement. The perceived cost was too great for the benefit. It was their belief that the conflict resulting from implementing section 1250 would damage their ability to get things done, and have potential negative consequences on their career and continued employment.

As Rogers (2003) noted, change leads to conflict. The more dissimilar the change to existing practice and norms, the more likely conflict and resulting failures can be expected. As Rogers (2003) noted:

Compatibility is the degree to which an innovation is perceived as consistent with the values, past experiences, and needs of the potential adopters. An idea that is more compatible is less uncertain to the potential adopter and fits more closely with the current practice, is likely to be implemented. Innovations incompatible with current values and practices lead to conflict and can easily be blocked. (p. 240)

Belief alone is not enough to ensure implementation of merit pay even when required by law. Other factors are more important than the belief in the concept of merit pay. As Michael Lewis (2017) observed in his recent book *The Undoing Project*, “the more items there were to undo in order to create some alternative reality, the less likely the mind was to undo them” (p. 302). Undoing a teacher compensation system would require a massive change in practice and procedure, even though such a change can be envisioned and even believed in. It was not compatible with current practice, would create conflict, and thus deemed impossible to undo.

### **Purpose 3: Discern Differences Among Superintendents**

The third purpose of the study was to discern the differences in influence and contextual conditions between the superintendents that implemented section 1250 of the revised school code and those superintendents that did not implement the state statute. Table 9 lists the themes identified in all categories of superintendents. The Status Quo and Egalitarian superintendents, and the Differentiated superintendents were affected by

different contextual conditions and influences. The key reasons the Status Quo and Egalitarian superintendents gave for their actions included conflict avoidance, the need for sanctions, the lack of stakeholder support, and cultural incompatibility. This differs from the Differentiated superintendents who did not recognize conflict and the need for sanctions as barriers to implementing section 1250. Instead, they identified the need for a policy champion as a key to successful adoption. The Differentiated superintendents did not share or were not influenced by the same challenges identified by the Status Quo and Egalitarian superintendents.

It is apparent that the differences between the Status Quo and Egalitarian and the Differentiated superintendents were dependent on how they framed the barriers (Boleman & Deal, 2008). The Status Quo and Egalitarian superintendents identified influences and contextual conditions from the perspective of “I can’t because,” while the Differentiated superintendents framed their responses and decisions as “I can and did because.” For example, the Status Quo and Egalitarian superintendents referenced the inevitable conflict and the resulting lack of stakeholder support as reasons for why “I can’t” implement section 1250. They also suggested that only with sanctions attached to the school code revision would they make compensation system changes; that is, “I can’t until the state forces me to.” (Overall, these perceptions matched Berkovich’s (2011) description of school leaders operating within a “culture of can’t” (p. 564).

The Differentiated superintendents, on the other hand, framed their concerns differently. They believed that merit pay would lead to teacher accountability, but they also identified the importance of their personal accountability to the policy mandate. It was the law, and it was their obligation to follow it. While the Status Quo and Egalitarian

superintendents identified stakeholder support as a barrier, the Differentiated superintendents recognized the importance of gaining teacher support and worked to develop it. They had the “I can” attitude, instead of the “I can’t” perspective. While the differentiated superintendents recognized the engrained social norms and long history of the current compensation system, they felt changes were possible. They viewed conflict that might result as positive and necessary ingredient for change. As Flessa (2009) pointed out, “conflict offers a context for inquiry, organizational learning, and change...conflict becomes constructive for the community and the school” (p. 340). How the superintendents framed the problem led to action or inaction.

The Differentiated superintendents also identified the importance of a policy champion as key to the success of their implementation efforts. In this case, the policy champions came from the local Intermediate School District (ISD). An ISD leader introduced the district superintendents to the revised school code requirements, and established a process by which the individual districts and superintendents created unique implementation solutions. Rogers (2003) described policy champions such as those in the ISD as individuals in influential positions who lead others and overcome resistance (p. 403). Schon (1963) echoed this sentiment by suggesting that “a new idea either finds a policy champion or it dies” (p. 84). Effective policy champions spread messages about the innovation with their interpersonal network links. As Rogers (2003) stated, “interpersonal networks among neighbors are a powerful influence on individual decisions to adopt...geography is important” (p. 335). They encouraged superintendents and districts to reinvent solutions and encouraged collaboration. In a sense, the policy champion “drew a line in the sand,” and initiated the implementation by espousing the

“we can” frame. The importance of collaboration, reinvention, and policy champions matches the literature base (Hess & Downs, 2003; Rogers, 2003; Schon, 1963). The only superintendents in this study that achieved success implementing merit pay were those who had a policy champion assisting them in an environment of collaboration and reinvention. This fits with Marsh’s (2012) conclusion when she noted:

The only schools that had differentiated merit pay were schools with a change agent. These individuals embraced merit pay and the potential conflict resulting from it as a means to motivate, reward and catalyze change. Change agents don’t work in isolation. They need peer support, expert guidance, and reassurance. (p. 179)

**Purpose 4: Determine if Findings Match Marsh (2012) and Rice et al. (2012)**

The fourth, and final purpose of this study was to determine if the findings in this study matched those as defined by Marsh (2012) and Rice et al. (2012). Findings in this study generally support the contentions of Marsh (2012) and Rice (2012). This was especially true as noted previously in Table 10 with the Status Quo and Egalitarian superintendents, as they shared three of the five barriers to merit pay implementation as defined Marsh (2012) and Rice et al. (2012). This includes what the researcher termed a strong relationship with conflict avoidance, and a moderate connection with stakeholder support and culture. The Differentiated superintendents also had a relationship with three of five findings of Marsh (2012) and Rice et al. (2012), but it was less strong. They showed a moderate connection with stakeholder support, culture, and teacher evaluation. Marsh (2012) and Rice et al. (2012) have not identified the enabling conditions that led to merit pay adoption. Rather, Marsh (2012) and Rice et al.’s (2012) focus has been on the

barriers and challenges that limit merit pay implementation, which fit with the results identified from the Status Quo and Egalitarian superintendents in this study.

There are findings in this study that have not been previously referenced in the research literature on merit pay implementation. This includes, as previously noted in Table 11, a set of influences and contextual conditions not referenced by Marsh (2012) and Rice et al. (2012). Specifically, the shared belief in accountability by all superintendents has not been previously reported. While referenced in studies on policy implementation, the need for sanctions and the importance of policy champions has not been connected to research regarding merit pay implementation (Flessa, 2009; Hess & Downs, 2003; Marsh, 2012; Rogers, 2003; Schon, 1963). In general, the focus in the research literature has been on why merit pay has not worked, rather than an enunciation of the influences and contextual conditions that lead to success. This may be the result of an overall lack of sustained successful merit pay programs upon which to conduct research.

### **Conclusions**

For superintendents, section 1250 of the revised school code requires changing the compensation system for teachers to one of increased accountability. Based on the results of this study, superintendents share a strong belief in accountability. This does not mean, however, that this belief will be translated into new compensation systems for teachers based on merit. Superintendents are presented with what Cohen (2003) described as the “dilemma between policy and practice” (p. 515). The dilemma and resulting lack of implementation appears to be the consequence of a set of influences and contextual conditions that includes concerns over inevitable conflict, lack of stakeholder support,

incompatibility with the cultural norms of schools, and the lack of sanctions attached to this policy mandate. Especially problematic for superintendents is the potential for significant conflict associated with moving away from the salary and step scale. The benefit in terms of accountability and following the law, are not as powerful for superintendents as the costs. These costs include inevitable conflict, lack of stakeholder support, and even potential loss of employment.

Only when a narrow set of conditions exists does the implementation of section 1250 of the revised school code take root. These conditions appear to include leadership in the form of a policy champion who can mobilize local superintendents to develop merit pay models unique to their settings, a strong belief in individual and teacher accountability, and the need for stakeholder support and collaboration. Such conditions seem to be rare, and it is unlikely that section 1250 and merit pay implementation will be adopted with fidelity any time in the foreseeable future.

### **Recommendations**

Changing the status quo is difficult. The existing compensation system for teachers has withstood years of tinkering, policy mandates, and an assortment of research initiatives. It would appear that the formula for creating sustained changes in teacher compensation has been elusive. Based on the findings from this study, further research is suggested which may offer additional insight into the enabling conditions for the development and sustainability of merit pay. The literature base is extensive in regards to the challenges and barriers to performance based compensation and the relatively limited impact of merit pay on student achievement. What is more limited is our understanding of the underlying influences and contextual conditions that lead to success. When it is

successfully implemented, why? This question has not been answered in any substantive manner.

Based on the findings of this study, it would be beneficial to learn more about the depth and influence the belief in accountability has in creating enabling conditions for merit pay adoption. For example, can a strong belief in accountability influence compensation change when it is combined with sanctions, or is the belief in accountability enough? Another avenue of exploration is a comparison of other merit pay policy mandates that contain sanctions versus those that do not. When sanctions are attached to performance-based compensation mandates, does this lead to greater implementation? It is clear that section 1250 of the school code is vague and lacks sanctions. If clarity and sanctions were defined in policy mandates, would they change merit pay adoption levels? Does policy clarity lead to more sustained adoption?

An enabling condition that appears to be critical in this study was the role of effective leadership in the form of a policy champion to guide the process of implementation. In this case, such leadership was housed in the local ISD. It would appear that the use of a policy champion at the ISD level could help facilitate superintendent understanding of policy and encourage collaborative action and reinvention at the local level. Shields (2012) expressed that progress is achieved when “all key parties are involved, there is broad agreement on the values underlying the model, and they work together to make changes as needed” (p. 3). Opinion leaders who can mobilize superintendents and districts to work together in reinventing the requirements to fit their circumstances would seem to be critical. Further work needs to be done on this role, especially in the context of the ISD. Does the positioning of ISD

leadership create a critical mass of support for an innovation and does it develop peer pressure creates for an easier path for adoption? These questions are ripe for further investigations.

As Marsh (2012) has indicated, there is limited information on the strategic decision-making process of leaders charged with merit pay implementation. There is considerable room to add to the literature on why educational leaders change compensation practices, how they do it, and the factors that influence their decisions when faced with policy mandates. The literature is rich with information regarding barriers to implementation, but limited in regards to enabling conditions. There is also limited information on what needs to be “un-done” and “unlearned” when making changes to compensation practices. Policy mandates that articulate vague actions are not a recipe for change. Defining the conditions for change has yet to be determined however. Therefore, it is recommended that this study be replicated to provide additional evidence of the accuracy of the findings of this study. Future studies should consider conducting a quantitative study that would ensure the sample is representative of the population of superintendents in Standard Metropolitan Statistical Areas (SMSA). A study of this nature would increase the precision of the study’s statistical estimates.

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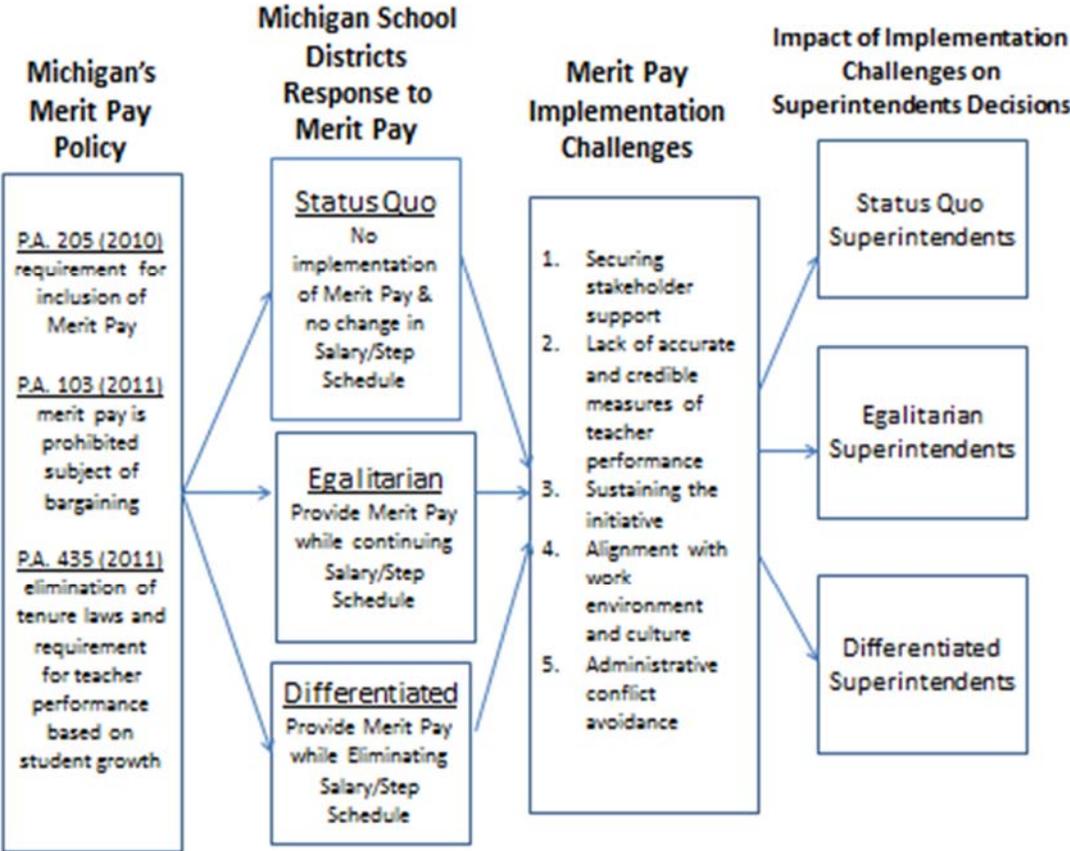
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Appendix A  
Preliminary Conceptual Map

Preliminary Conceptual Map



Appendix B  
Categorization of Districts

Categorization of Districts Based on Response to P.A. 205  
(Section 1250 of the Revised School Code)

The Mackinac Center requested in 2012, information from public school districts regarding their compliance to P.A. 205. 106 school districts complied and provided information to the Mackinac Center. Information on an additional 8 school districts was further collected by the researcher bringing the total number of potential districts/superintendents eligible for this study to 114 districts.

Each of these districts was categorized into one of five possible categories based on their response to P.A. 205, section 1250 of the revised school code. These categories defined as Status Quo, Egalitarian and Differentiated. A definition of the requirements for inclusion into one of these categories is listed below:

*Revised Categories of Response to Merit Pay Requirement*

Compensation Characteristic	Status Quo	Egalitarian	Differentiated
Equal Bonus	No	Yes	No
Bonus Differentiated	No	No	Yes
Keep Salary/Step Schedule	Yes	Yes	No

Based on the categories of response, all school districts in the sample (n: 114) were categorized into one of the five typologies.

Status Quo:	85 districts	74% of sample
Egalitarian	21 districts	18% of sample
Differentiated:	9 districts	8% of sample

Appendix C  
Interview Guide

## Interview Guide

_____	_____	_____	to	_____
Subject	Date	Start		End
_____		_____		
School District	Location			

**Introduction:** “As I have communicated to you, I am in the process of completing my Ph.D. in Educational Leadership from Western Michigan University. Part of this process is the completion of a dissertation. I have chosen the implementation of Public Act 205, Section 1250 of the Revised School Code that deals with merit pay. My purpose is to learn your thoughts, ideas, and reflection concerning this new merit pay requirement.”

**Interview Purpose:** “Interviews will be conducted with nine superintendents from nine school districts in Michigan. You have indicated previously your willingness to participate in this interview and I am grateful for your participation. The purpose is to discover your thoughts concerning merit pay including how your district has responded to section 1250. There are no wrong answers to the questions I ask during the interview.”

**Interview Process:** “This interview guide will structure our conversation today as well as the other conversations I will have with superintendents. I will audio-record the conversation and have it transcribed and return to you for your editing and accuracy. Once the transcripts have been reviewed by you, I will analyze the data for common themes and patterns. This information will then be used to prepare the dissertation. All information is confidential and all names (including districts and individuals) will be changed to protect confidentiality.”

**Questions:** “Before we begin, do you have any questions about the purpose of the interviews and the process I will use? After reviewing this information, are you still willing to participate? If so, then I need you to sign the consent agreement. Do you have any other questions?”

## Interview Questions

### *Overview Questions*

- 1) Provide information about your school district. How many students and teachers?
- 2) When was your last contract completed? What was your role in the negotiation process?
- 3) How would you describe administration's relationship with the teachers union or association?
- 4) How is it determined in your district how teachers are paid?
- 5) How long has this process been in place?
- 6) How well from your perception has the compensation process for teachers worked?

*How do Superintendents understand and have responded to section 1250 of the school code (also known as PA 205)?*

- 7) What is your understanding of PA 205?
- 8) What did you do in response to PA 205?

*If superintendent did not implement PA 205...*

- 9) What was your thinking in regards to merit pay?
- 10) Ask additional follow-up questions based on reasons to further clarify...
- 11) What has been the response of other administrators and board members to PA 205 and the decision not to implement PA 205?
- 12) What has been the response from the teachers?
- 13) What has been the response from community members?
- 14) Are you planning on changing your teacher compensation process in the future? If so, what changes are you planning?

15) If you were asked to give another superintendent advice who is wondering if they should implement merit pay, what would you tell them?

*If superintendent did implement PA 205...*

16) Describe what the differences are between how you compensated teachers before and the current process?

17) What guided your thinking in regards to implementing merit pay?

18) What were the challenges associated with implementing this change?

19) How did you deal with these challenges?

20) Ask additional follow-up questions based on reasons to further clarify...

21) What has been the response from other administrators and board members?

22) What has been the response from teachers?

23) What has been the response from community members?

24) In general, how successful has this change been?

25) What kinds of issues (both potential and actual) occurred because of PA 205?

26) Are you planning on making additional compensation changes in the future?

27) If you were asked to give another superintendent advice who is wondering if they should implement merit pay, what would you tell them?

*Additional Questions (for all Superintendents):*

28) Why was PA 205 from your perception, enacted?

29) Do you believe that merit pay has the potential to lead to better outcomes for your students? Teaching staff? Administration?

30) What do you expect will happen in the future in regards to merit pay in the short-term and in the long term?

31) Do you expect that merit pay will remain a requirement in the future?

32) Is there anything else on this subject that would better help me understand what has happened in regards to merit pay in your district?

## Appendix D

### Initial Phone Conversation Guide

## Initial Phone Conversation Guide

“Hello, my name is Mark Tompkins and I’m the superintendent for Harbor Springs Public Schools and also a graduate student at Western Michigan University, where I’m working on completing my dissertation in educational leadership. I’m calling to see if you would be interested in being interviewed as part of my dissertation research. The topic of my dissertation is examining teacher compensation in the context of Public Act 205 (revised school code 1250) which requires some form of merit pay be part of how we pay teachers. This research is focused on understanding how and why superintendents have responded to this legislation. I plan on interviewing a total of nine different superintendents in the state who have responded to PA 205 in a variety of ways.”

“If you choose to participate in this study I plan on coming to interview you at your convenience in the next month. I plan on tape recording the interview and then transcribing the notes from our conversation. The interview should take between 1 and 2 hours. You will have the opportunity to review the transcription to make sure that I accurately captured our conversation. It is important for you to know that this conversation will be strictly confidential with pseudonyms that will be used for you and for your school district. The information that you provide to me will be protected and secure.”

“Thank you for your interest in participating in this study. To confirm your participation in this study, I will be sending you a copy of the Consent Agreement which provides additional details about guidelines, expectations, risks, and benefits of this study. After reviewing this information, if you choose to participate, please return the signed Consent Agreement in the self-addressed stamped envelope. Please call me at (231) 881-8500 or e-mail me with any questions at [mtompkins@harborps.org](mailto:mtompkins@harborps.org) – I would be glad to answer them. After I receive your consent, then I will be calling you to arrange a time to meet for the interview. Thank you and I look forward to meeting you.”

Appendix E  
Consent Document

Department of Educational Leadership, Research, and Technology  
Dr. Walter L. Burt, Principal Investigator  
Mark Tompkins, Student Investigator  
A Case Study of Superintendents' Response to the Implementation of P.A. 205 In  
Selected Michigan School Districts: Challenges and Opportunities

You are invited to participate in a study examining the impact of P.A. 205. The study is being conducted by Mark Tompkins, Superintendent of Harbor Springs Public Schools in Harbor Springs Michigan, and a doctoral student at Western Michigan University under the supervision of Dr. Walter L. Burt.

The following is provided for you to determine if you wish to participate in this study. You should note that you are free to decide not to participate in this research or withdraw at any period without impacting your relationship with the Western Michigan University or the researcher.

The primary purpose of this study is to understand how school superintendents in Michigan have responded to P.A. 205 which mandates that some form of compensation for teachers is based on job performance and job accomplishments. This study will examine the various ways superintendents have responded to P.A. 205 and to understand the contextual conditions and influences which guided the decisions they made.

In this study, the research of Marsh (2012) and Rice et al. (2012) will serve as a guide for understanding the issues associated with the implementation of alternative forms of compensation for teachers. This study will shed light on how these same implementation issues have played out in Michigan.

If you decide to participate you will be asked to participate in an interview lasting between 1 to 2 hours. The researcher may find it necessary to conduct a follow-up interview for clarification purposes. These interviews will be recorded and transcribed for accuracy. To ensure accuracy of reporting, you will be provided the opportunity to review and edit your responses. At any time in the interview process, you will have the opportunity to withdraw from the interview, decline to comment on any questions, or request that the researcher to turn off the interview equipment.

You will also be given the opportunity to ask any questions prior to or during the interview. Upon completion of the study, the researcher will provide all participants with a summary of the findings within the study. Please be assured that the researcher will maintain confidentiality of your participation, and no name of person or district will be reported or otherwise released.

Pseudonyms will be used for you and the district (i.e. school district 1 – SD1; superintendent 1- S1). The written transcripts will be stored in a locked filing cabinet in the office of the Principal Investigator, Dr. Walter L. Burt, on the campus of Western

Michigan University for at least three years. The audio transcripts will be destroyed once the transcription is complete and following your review and approval.

There are no known risks associated with this research other than the discomfort associated with not implanting P.A. 205. In order to minimize this discomfort, all confidentiality protocols will be strictly enforced.

There is an abundance of research on the effects of merit pay on student achievement and the challenges of sustaining this model of compensation. There is however, only limited research on the strategic decision-making processes and contextual conditions surrounding merit pay as an educational reform tool. It is not known why superintendents either implement merit pay or fail to implement it. Your participation will help answer this question.

If you have any questions concerning this study please contact Mark Tompkins (the student investigator) at (231) 881-8500 or via e-mail at [mtompkins@harborps.org](mailto:mtompkins@harborps.org). You may also contact my doctoral dissertation Chair, Dr. Walter L. Burt at Western Michigan University. His telephone number is (269) 387-1821 if you have any questions or concerns during the study.

This consent document has been approved for use by the researcher for one year by the Human Subjects Institutional Review Board (HSIRB) as shown by the stamped date and signature of the board chair in the upper right corner of this document. Do not participate in this study if the stamped date is older than one year. A signed copy of this consent form will be given to you for your records.

\_\_\_\_\_  
Participant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Consent obtained by interviewer/student  
Investigator

\_\_\_\_\_  
Date

Appendix F  
HSIRB Letter of Approval

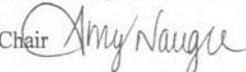
# WESTERN MICHIGAN UNIVERSITY



Human Subjects Institutional Review Board

Date: October 20, 2014

To: Walter Burt, Principal Investigator  
Mark Tompkins, Student Investigator for dissertation

From: Amy Naugle, Ph.D., Chair 

Re: Approval not needed for HSIRB Project Number 14-10-31

This letter will serve as confirmation that your project titled "A Case Study of Superintendents' Response to the Implementation of PA 205 in Selected Michigan School Districts: Challenges and Opportunities" has been reviewed by the Human Subjects Institutional Review Board (HSIRB). Based on that review, the HSIRB has determined that approval is not required for you to conduct this project because you are analyzing a policy (Michigan's merit pay) and not collecting personal identifiable (private) information about an individual.

Thank you for your concerns about protecting the rights and welfare of human subjects.

A copy of your protocol and a copy of this letter will be maintained in the HSIRB files.

251 W. Walwood Hall, Kalamazoo, MI 49008-5456  
PHONE: (269) 387-8293 FAX: (269) 387-8276