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AN EXAMINATION OF PRINCIPALS' PERCEPTIONS TOWARD
TEACHER PERFORMANCE PAY IN TENNESSEE

by

Janice Valencia Tankson

A Dissertation

Submitted in Partial Fulfillment of the

Requirements for the Degree of

Doctor of Education

Major: Leadership and Policy Studies

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May 2012

DEDICATION

This dissertation is dedicated to my beloved parents, James and Katherine Tankson, my beautiful sisters: Dr. Jeanetta D. Tankson and Jamie A. Cunningham, my brother in-law: Rev. Thermon Cunningham, and my angelic nieces; Trinity and Taylor Cunningham. Thank you for encouraging me through the years and being my support system when I needed you the most. I love you with all my heart and soul.

In memory of my grandparents,

Rev. and Mrs. C.B. Smith and Mr. and Mrs. Willie Tankson

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ABSTRACT

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There have been many programs and initiatives used throughout the United State that have answered the call of educational reform; however, performance pay programs continues to lead the discussion of incentives to improve academic achievement. Nevertheless, there continues to be a lack of clarity regarding its effectiveness. In addition, to addressing the challenge of improving academic achievement, performance pay is also being recognized as a tool to assist with teacher retention which has become a serious issue for many school districts across the nation. While many teachers are retiring, many others are taking the option of leaving the profession due to low morale, low compensation, and/or unfavorable working conditions. Many Americans are aware of the importance of having quality teachers in the classrooms in order for students to excel. However, even more are beginning to acknowledge the necessity for increasing teachers' salaries as a means of the retaining the best and the brightest.

The purpose of this study is to determine school principals' perceptions of teacher performance pay programs, specifically in Tennessee. This study also addresses the issues of gaining and retaining quality educators through the implementation of performance pay programs and investigates the principals' perception of pay for performance as motivating factors for teachers and principals to help increase student achievement. Since performance pay has

been such a polarizing topic in the education field, this study also examines principals' perception of performance pay programs as fair and equitable and whether performance pay improves the instructional effectiveness of teachers.

Through this study, the researcher gained greater insight into the thoughts, and opinions of principals in Tennessee regarding the impact of teacher performance pay. While the analysis from Tennessee principals' perceptions from this study did not vary much from other studies, it does suggest that if a performance pay program is to be successful in the state of the Tennessee it must be open to all schools in a school district, transparent, and substantial to motivate action. But most importantly, it cannot be a standalone program. There must be other initiatives that will aid in student achievement.

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CHAPTER 1

INTRODUCTION

Performance pay was first documented in England around 1710 (Troen & Boles, 2005). During this time, teachers' salaries were based on the results of students' test scores on exams in reading, writing, and arithmetic. Performance pay was so pervasive that the school system revised the curriculum to include only subjects that were testable. Coursework in art, music and science nearly disappeared. As a result, teaching became more mechanical as teachers found that repetition produced "best" results. Consequently, some teachers and principals began to falsify test results to secure their salaries (Troen & Boles, 2005). The plan was eventually eliminated. However, the failure of performance pay in 1710 has not prevented states and school districts all over the world from venturing into performance pay plans as an effort to improve academic performance in schools. Over the last century, multiple iterations of performance pay programs have emerged many times ending with unintended consequences or in failure.

Multiple examples highlight the history of unintended consequences and/or failure of performance pay programs aimed at increasing student achievement. For example, the Texarkana school district implemented a performance pay program to help close the performance gap between black and white students, and the poor and wealthy students. More specifically, this District was the first to use standardized tests as an evaluating tool for performance pay.

However, scandal arose when it was found that students were cheating on the standardized test (Wilms & Chapleau, 1999).

In 1969, President Richard Nixon championed a plan called “performance contracting.” The financial incentives of the plan failed to produce expected academic gains. However, the plan generated damaging educational practices such as falsifying school records and teaching to the test to artificially boost test scores (Troen & Boles, 2005). The dismal results of the program eventually doomed “performance contracting,” and the program was declared a failure. Another example of a failed state merit pay program is the Texas Educator Excellence Grant (TEEG). Educators in the state of Texas spent 300 million dollars on a performance pay system for teachers and found that it did not produce significant gains in student achievement (Stutz, 2009). Furthermore, there was evidence of test falsification.

A school district in Newton, Massachusetts developed the first performance pay program in the United States (English, 1992). The program was designed to appease the public and increase student achievement. Nonetheless, during the first half of the 20th century in the United States, most teachers’ salaries were based on a fixed schedule that included years of experience and education level. This “single salary” approach was partly a response to the capriciousness and discrimination that existed under more discretionary forms of compensation (Dee & Keys, 2004). In the late 1980s, this approach for compensating teachers came under sharp criticism for failing to attract, motivate and retain high-quality teachers. In response, reform efforts

proliferated espousing linking teachers' pay to performance (Dee & Keys, 2004). By 1986, twenty-nine states had initiated some sort of merit pay for teachers (Cohn & Teel, 1992). These programs often encountered strong opposition from teachers' unions and were often eliminated or altered after a few years of implementation. By 1997, only 12% of school districts used performance pay (Dee & Keys, 2004).

The state of Tennessee has a history of implementing performance pay programs-- from the *Career Ladder Program* to the *Project on Incentives in Teaching Program (POINT)*. Each of the programs had its own pros and cons; still, the state continues to look for ways to improve student achievement. In January 2010, the Tennessee Legislature passed a sweeping educational reform bill that allowed school systems to use TVAAS (Tennessee Value Added Assessment System) data as part of teacher and principal evaluations. Tennessee's government officials expected that this would strengthen Tennessee's performance pay programs and the state's application for the Race to the Top federal grant proposed by the President of the United States, Barack Obama. Many believe that because of the passage of this legislation, Tennessee was awarded the \$500 million in Race to the Top grant funding. This grant allowed Tennessee the ability to use federal funding to aid in recruiting, developing, rewarding, and retaining effective teachers and principals (U.S. Department of Education, 2010).

Statement of the Problem

Performance pay continues to resurface in educational arenas across America as a tool to improve academic performance of students who attend America's schools. Even though performance pay programs have not been successful in recent times and unsustainable if you review the history of the movement, many politicians and educators still advocate such plans to improve academic performance of students (Troen & Boles, 2005). There continues to be a lack of clarity regarding the effectiveness of performance pay programs on the academic achievement of students. This study examines four core issues:

- 1.) Principals' perception of teacher performance pay programs as fair and equitable;
- 2.) Principals' perception of teacher performance pay programs as a means to retain quality educators;
- 3.) Principals' perception of teacher performance pay programs as a mean to enhance the quality of teacher selection; and
- 4.) Principals' perceptions of teacher performance pay programs as a tool to enhance the instructional effectiveness of teachers.

Significance of the Study

This topic of study is particularly timely, as teacher retention is rapidly becoming a serious issue for many school districts across the nation. According to the National Education Association, as student population increase, more than two million teachers will retire in the next decade. This will have a serious impact on the workforce and the quality of education provided to students. What is even

more serious and critical is that while many teachers are taking the option of retiring, many teachers are taking the option of leaving the profession all together due to low morale, low compensation and/or unfavorable working conditions (Homeroom Teacher, 2006). In the article, *The Essential Profession: American Education at the Crossroads*, released in 2001, “nearly 9 in 10 Americans (88%) favor raising teacher salaries,” even at the cost of raising taxes. Many Americans are aware of the importance of having quality teachers in the classrooms in order for students to excel. However, even more are beginning to acknowledge the necessity for increasing teachers’ salaries as a means of the retaining the best and the brightest. So even though performance pay programs have historically been plagued with problems, the implementation of an effective performance pay program may be the solution to the teacher shortage by retaining highly qualified teachers and principals through financial stipends based upon student performance.

The significance of this study also discerns principals’ positive or negative perceptions of performance pay programs as they relate to improving the academic achievement of students. This is particularly important in the southeastern part of the United States where there are strong initiatives to enhance performance pay programs. A review of the literature in this field, in addition to the Tennessee principals’ survey data, show possible motivators for teachers include financial stipends, recognition for academic achievement taking place inside the classroom, and commendations for acceptance of additional responsibilities at the school level. The principals play a key role in this manner

and their perceptions and knowledge of what works well within their schools can inform decision makers on how to enhance the establishment of performance pay programs or think of other alternatives.

Assumptions

The assumptions that underlie this research consist of the following: (1) Principals want to see teachers rewarded for increased student achievement; (2) Principals will not favor some performance pay programs due to the lack of understanding; and (3) The recommendations from this study can influence decision maker on whether to enhance teacher performance programs or to look for other options to improve student achievement.

Research Questions

1. To what extent, if any, do principals perceive that teacher performance pay programs are fair and equitable?
2. To what extent, if any, do principals perceive that teacher performance pay programs influence the retention of teachers in schools?
3. To what extent, if any, do principals perceive that teacher performance pay programs will enhance the quality of teacher selection?
4. To what extent, if any, do principals perceive that teacher performance pay programs will enhance the instructional effectiveness of teachers?

Definitions

1. Evaluation: A methodical process used to establish the merit, value, and worth of a teacher's performance.

2. High-Stakes Testing: An assessment in which imperative consequences (school status, teacher licensure) are associated with the results.
3. Incentive Pay: The allocation of special payment or salary increments to a teacher who does additional work.
4. Improve Teacher Performance: Programs and/or initiatives that enhance a teacher's ability to improve teaching and learning in the classroom.
5. Merit Pay: Raise in pay based on a set of criteria set by the employer (Economic Policy Institute, 2009).
6. Negative Effects of Performance Pay: Unfavorable results (decrease in student achievement, teacher performance, and teacher retention) occur when a Performance Pay program is implemented.
7. Performance Pay: Performance pay is a generic term for any device that adjusts salaries or provides compensation to reward higher levels of performance. It comes in many different forms, including merit/performance-based salary schedules, bonuses, incentive pay, and differential staffing or "master teacher" plans (Ellis, 2000; Ryan & Cooper, 1995).
8. Performance Pay Portfolio: A portfolio that contains records that document a teacher's or principal's progress throughout the school year. These artifacts may include evaluations, recommendations, commendation, student achievement data and school data.

9. Positive Effects of Performance Pay: Favorable results (increase in student achievement, teacher performance, and teacher retention) occur when a Performance Pay program is implemented.
10. Quality Teacher: A teacher who has strong academic skills in their field of study and can effectively teach and improve student achievement (Ehrenberg & Brewer, 1994).
11. Reward: Something that is given to identify deserving performance
12. Student Performance: Measure of student acquired knowledge in academic skills
13. Teacher Retention: A school system's ability to retain a teacher over 3 years.

Theoretical Framework

The researcher examined several theories used to justify performance pay and found that the theories that substantiate this study are the Two Factor Theory or Motivational-Hygiene Theory by Frederick Herzberg and the Expectancy Theory by Victor Vroom (McClelland, 2005). The Motivational-Hygiene Theory purports that people have two distinctive needs: to grow psychologically and to avoid pain. Intrinsic and extrinsic factors can motivate people toward psychological growth. Performance Pay is an example of an extrinsic factor. The 1960s model of employee theory – Expectancy Theory (Vroom, 1964) can also be applied to today's performance pay program. The Expectancy Theory, developed by Victor Vroom, in 1964, states that a reward will motivate employees to produce more. Vroom's theory maintains that people

expect that their best efforts will lead to good performance and in return, the good performance will be rewarded. In an effort to promote successful teaching practices in the classroom and ultimately student achievement, according to Vroom's theory, teachers will go the extra mile if they value the pay for performance reward. School districts that model a performance pay system after Vroom's theory must have clear goals that they would like the teachers and principals to attain. They must encourage employees to excel and have buy-in that the reward is worth the gain and is attainable with hard work. The researcher relied on the Expectancy Theory to a greater extent due to its better balance of intrinsic and extrinsic motivating factors. It usually is a equal balance between the two factors that motivates individuals who choose the education field as a career choice.

Organization of the Study

Chapter 1 introduces the research problem, including background of the problem, research questions, significance, definitions, theoretical framework, and the outline of the study. Chapter 2 provides an overview of performance pay programs in America; sets the historical context, and examines the positive and negative views of past performance pay programs set forth by known experts in the field. Chapter 3 discusses the research design, and methods used as a structure and guide for the study. Chapter 4 consists of the analysis and synthesis of the data, and will also show the results of the study. Lastly, Chapter 5 discusses and summarizes the study and showcase key findings as well as any implications or limitations of the research.

CHAPTER 2

LITERATURE REVIEW

Models of Teacher Compensation

There have been many programs and initiatives used throughout the United States that have answered the call of educational reform; however, performance pay programs continue to lead the discussion of incentives to improve academic achievement. Due to the United States' relatively poor performance in science and math test scores, in comparison to other countries, the federal government continues to seek ways to stimulate interest in the design and implementation of performance-related pay policies (Sclafani & Tucker, 2006).

The use of a performance pay program dates back to the early 1700s in England when teachers' salaries were tied to student test scores (Gratz, 2005). Teachers were financially compensated according to the academic success of their students. This practice was also used in the United States until the late 19th Century, when it was replaced with salary schedules that are most commonly used today. Podgursky and Springer (2006) identified three distinct models in the history of teacher pay policies: negotiated room and board compensation, grade-based compensation, and the position-automatic or single salary schedule model.

During the early 19th Century in America, the emerging transportation system led people to rural, agrarian-based locations to work and prosper (Protsik, 1995). Out of this type of community materialized the one-room

schoolhouse educational system and thus, the room and board compensation model. In this model, teachers received small stipends and room and board by rotating their residence to different homes (Protsik, 1995). This practice attracted and retained teachers to the geographically isolated locations, and allowed teachers to teach academic content and instill moral character into their schoolchildren (Podgursky & Springer, 2006).

The demand for a skilled and educated workforce increased in the late 19th and early 20th century as America became more industrialized. As a result, teacher compensation policies were revisited and the grade-based model was introduced. The grade-based compensation model was designed to pay teachers according to the level of skill needed to educate a child at their point of educational attainment. Since it was believed that elementary age students were easier to educate less formal training was required to teach them. Conversely, it was believed that secondary age students required a teacher with more skills and knowledge; therefore, they should be paid more than an elementary teacher (Guthrie, Springer, Rolle, & Houck, 2007). This design eventually resulted in gender- and racial-based inequities, and also preferential treatment of teachers.

At the turn of the 20th Century, labor leaders demanded better working conditions and salaries for their constituents. As a by-product of many strikes and boycotts, the *position-automatic, or single salary schedule*, emerged (Podgursky & Springer, 2006). The single salary schedule allowed teachers with the same years of experience and education level to receive the same pay (Hayes, 2006). It was supposed to create equity and employee satisfaction

across the grade levels (Odden & Kelley, 2002). The model was also viewed as fair, easy to understand, bias-free, and easy to administer (Scherer, 2003). Educators knew what their salaries would be one year to the next with little uncertainty (Koppich, 2008). Since the inception of the single salary schedule model, 97% of all school districts in America have implemented this form of teacher compensation (Hayes, 2006).

Even though the single salary schedule model was popular across the U.S., it was not without flaws. The model has been very popular among teacher rights advocates; however, student achievement has continued to decline. Some educators believed that it ignored major issues, such as the differences in teachers' skill level and knowledge, their ability to increase student achievement, and recruiting teachers to teach difficult subject matter (Hassel, 2002). There was no correlation between pay and performance and many good teachers were leaving the field for better paying jobs (Goldhaber, 2008). In modern society where high-stakes testing and teacher shortages are the norm, the lack of accountability for student achievement was a major concern (Scherer, 2003). Critics argued that the single salary schedule model only rewarded teachers for longevity and offered no tangible incentives for exemplary performance.

With many criticisms of the single salary schedules, educators looked toward other performance-related pay reforms. Performance Pay, formerly known as merit pay, originated as a result of the Nation at Risk report in 1983 (Clardy, 1988). Proponents of performance pay programs believed that student achievement would increase when the best teachers were offered salary

increases. They also believed this program would help retain quality teachers in the field of education. Lavy (2007) identified two major benefits to performance pay. He noted that if teacher wages were based upon student performance, the teachers would teach what was valued in society thus creating improved productivity. He also noted that teachers would find a plethora of ways to enhance student performance; teachers would be encouraged to gain professional development, which will improve their craft; and teachers who were not able to lift student performance would be identified and recommended to discontinue in the educational profession thus resulting in improved efficiency.

Performance Pay Revisited

Performance pay programs have generated much controversy in the educational arena, primarily because of the apprehension of the design, implementation practices, and equity in the disbursement of rewards. However, during the last two decades, there has been a new wave of interest in performance pay programs in the United States (Hammond & McDermott, 1997). This interest has been fueled by the need to improve student achievement in addition to the need to provide opportunities to award exemplary teacher performance (Odden & Kelly, 1997).

The outcry for teacher accountability by community members, local, state, and federal entities across the nation have given rise to the concern for change in the way teachers are compensated. During the 1999 Educational Summit, governors and leaders of business and education, created a system of “rewards and consequences” for teachers in the form of “competitive salary structures” that

would ultimately tie teachers' salaries to student achievement (Holt, 2001; Odden, 2000). The basic fundamental principle of this system was that workers should be paid on the basis of their skills and performances.

While there are multiple theories that might explain what motivates people to succeed to attaining their goals, Victor Vroom's Expectancy Theory is the most applicable to performance pay in education. Vroom's theory maintains that people expect that their best efforts lead to good performance and in return, that the good performance is rewarded. Essentially, people are more likely to work harder to excel at a task if they believe the reward they desire is one of value (Green, 2005).

Types of Performance Pay

Performance pay is a catch-all phrase describing various programs designed to pay teachers for accomplishing specific goals. In the United States, the types of programs that are most commonly used are school-based performance awards, knowledge and skills-based pay, and merit pay. The school-based performance award program is the most desired among teachers and principals because bonuses are given to all teachers and administrators when the school achieves their academic goals or benchmarks (Milanowski, 2006). It is also the most frequently used type of performance pay program in the United States (Hassel, 2002). The school-based performance award program allows for principals and teachers to continue to receive their single salary schedule while still acquiring the additional rewards or bonuses (Heneman & Milanowski, 2007). What makes it most desirable is that everyone buys-in to

the concept that each person is responsible for the academic success of the students and each person is rewarded accordingly.

The second type of performance pay program is knowledge and skills based pay where teachers' and principals' salaries are based upon the level of educational and professional development attained plus teacher demonstrated performance (Milanowski, 2006). The knowledge and skills based pay program originated in the private school sector to improve classroom instruction by prompting teachers to acquire specific skills designed to increase student achievement (Hayes, 2006). The specific skills could range from teachers attaining additional graduate degrees, dual certifications, or National Board certifications to teachers and principals attending a variety of professional development seminars or completing performance portfolios (Heneman & Milanowski, 2007). Since supporters of this model believe that the most influential component of student achievement is a teacher's knowledge and skills, one of the core strengths of the knowledge and skill based programs is its ability to aid teachers in creating a culture of continuous learning and ultimately student achievement, (Dowling, Murphy, & Wang, 2007). According to Podgursky (2008), 40% of teachers, accounting for 18% of school districts in the United States, receive bonuses from attaining NBPTS certifications.

Lastly, the third type of performance pay programs is merit pay. The merit pay program is a reward program that is mainly centered on student outcomes which are attributed to a particular teacher or group of teachers rather than skills and knowledge (Besharov, 2007). Merit pay rewards teachers based on student

performance, classroom observations, or even teacher evaluations. It comes in many different forms, including merit-based salary schedules, bonuses, incentive pay, and differential staffing or “master teacher” plans (Ellis, 2000; Ryan & Cooper, 1995). Of all of the performance pay programs, this is the least desired. Opponents argue that it has two flaws: (1.) it lacks funding available to support those who are worthy of the monetary reward; and (2.) it is too subjective in selecting who qualifies and is deserving of the rewards. Even beyond the obvious flaws, it has been found that merit pay programs do not produce the desired results in schools (Heneman & Milanowski, 2007).

Proponents of Performance Pay

There continues to be controversy around the topic of performance pay. In a society that believes that rewards or bonuses should be based on outcomes, not inputs, proponents of performance pay expect teachers to be accountable for student results (Ramirez, 2001). When teachers achieve the results then they should be properly compensated. According to Eckert (2010), teacher quality has a huge effect on student achievement. Therefore, school districts must implement programs that retain and train the best teachers in the classroom. Thus, many school districts around the country have implemented performance-pay programs. According to Sultanik (2000), the driving force for performance pay programs is based on the following key beliefs:

1. Student achievement will improve if teachers are offered substantial incentives to improve their instruction;

2. Public school compensation models can be parallel to those in the private sector;
3. Exemplary teachers should be paid more than mediocre teachers;
4. Traditional compensation plans that incorporate tenure programs based on longevity and educational attainment as the measure for salary increase do very little to improve student achievement.

Proponents of performance pay programs believe that rewards are an inherent part of our culture and in order to change human behavior, we must offer rewards to those deserving of them (Sultanik, 2000).

Politicians, nation-wide, are leading the debate for performance pay in education. More specifically, politicians in the states of Arizona, Florida, Iowa, New Mexico, and North Carolina have embraced performance pay by (Janofsky, 2005). The researcher believes that Tennessee deserves to be added to this list since the State passed legislation providing bonuses and differentiated pay to educators. At the federal level, Tennessee's, U. S. Senator, Lamar Alexander, verbally expressed support for the Teacher Incentive Fund (TIF) before in remarks before Congress. He noted that, TIF makes grants to states and cities that are doing the best work in trying to find fair ways to reward outstanding teachers and to reward good principals and it helps schools succeed (Alexander, 2007).

Opponents of Performance Pay

There is an ongoing debate among educators, policy makers, and the general public on performance pay as a tool or reform to improve achievement in

schools. The National Education Association (NEA) and American Federation of Teachers (AFT) are the two major education organizations leading the charge against performance pay. These organizations oppose performance pay by for the following reasons:

- Those who evaluate teacher merit or performance may unconsciously favor people who do not challenge district policy or seem to threaten the stability of the school with innovative approaches (Ornstein & Levine, 2000).
- Taxpayers will never be able or willing to support extensive performance pay rewards.
- Incentive pay can be given to only a few teachers and/or principals. Such a plan penalizes equally qualified teachers who are not chosen simply because there are not enough positions eligible for incentive pay (Ornstein & Levine, 2000).
- Competition for performance pay pits one teacher against another, encourages political games, cheating, and destroys the collegial cooperation essential to good education (Kohn, 2003).
- Factors related to achievement are so diverse that it is impossible to identify the teacher's impact (Ornstein & Levine, 2000).

According to Wilms and Chapleau (1999), in the last three decades, there have been little gains in student achievement. Monetary incentives or bonuses have failed to increase student scores on yearly tests and in some cases have led to teachers falsifying test scores. Even worst are teachers teaching to the

test rather than to the entire curriculum. Using student achievement on state test as a metric for measuring a teacher's effectiveness is highly contested. Although there is an increase in the number of school districts around the United States embracing high stakes testing, there also appears to be an increased in the number of educators who are protesting how the scores are used (Shaw, 2000). Opponents argue that there should be a more definitive way of evaluating teachers and school systems because test scores as an evaluative metric does not accurately measure the quality of schools and teachers (Raywid, 2002).

However, in recent years, literature suggests that the teachers and teachers' unions are softening their views concerning performance pay in public education (Kisida & Riffel, 2007). Unionized teachers are beginning to drop some long-held objections to performance pay (Dillion & Maguire, 2007). According to (Dillion & Maguire,2007), teachers are building consensus across the political spectrum that our education system needs to reward teachers with bonuses or raises for improving student achievement, working with lower income schools, or teaching subjects that are hard to staff. Some local and state teacher unions believe that performance pay can energize veteran teachers and attract new talented instructors to the profession.

Effects of Performance Pay Programs

Review of the Literature on Performance Pay. With pressures from the No Child Left Behind Laws and the National Common Core Standards, many educators are under tremendous pressure to improve student achievement. Research shows that exemplary teachers are the most important factor in

student's academic achievement (Odden & Wallace, 2004). Without high quality teachers, efforts to improve student achievement are unlikely to succeed (Koppick, 2008). Given this, it is unfortunate that data from national reports show that schools across the country only dismiss, on average, one teacher per year for poor performance (Hess, 2004). For this reason, many states are looking into performance pay initiatives.

Performance pay programs affect teacher performance in at least three ways: (1) the focus of the teacher's effort; (2) the amount of the teacher's effort; and (3) the quality of the teacher's effort (Kelley, 2002). Incentive pay may not be the most important incentive influencing teachers' performance; however, it is one of the reasons that teachers leave the field of education for other high paying professions (Imazeki, 2005). Recent studies have shown that educators' perceptions and attitudes are favorable to performance pay programs (Heneman, Milanowski, & Kimball, 2007). Teachers that teach in disadvantaged and low-achieving schools, along with teachers in a younger age group find performance pay programs most desirable (Goldhaber, 2008). Jacob and Springer (2007) also found that African American and Hispanic teachers were more supportive of performance pay programs than their counterparts. Goldhaber (2008) surveyed public school teachers in 2003 and found that 50% of teachers supported a move away from the single salary schedule model. In his study he also found that elementary teachers were the least inclined to support performance pay programs. According to Lewis and Springer (2008), teachers who had positive perceptions of their principal and negative views of other teachers that were

under performing in their school were more likely to support performance pay programs for exemplary teachers. A recent study in 2007 that utilized data from several school districts in the United States showed a positive relationship between teacher pay for performance and students achievement (Gonring, Teske, & Jupp, 2007). According to Lewis and Springer (2008), teachers were more inclined to additional pay for additional responsibilities, teaching in low-performing schools, or exemplary evaluations. Lewis and Springer (2008) also found that teachers seemed less favorable to additional pay for simply teaching in hard-to-fill subjects or incentive plans based solely on student test data.

Performance pay initiatives or reforms are most likely to be successful when the school implements the reform, there is teacher and district support, strong principal leadership is evident and apparent ongoing financial assistance (Scherer, 2003).

Teacher Retention. According to Goldhaber (2006), the United States has been in a constant need of new teachers for three major reasons: (1) The baby boomers' children having children, causing a 2% increase in births; (2) Class size reduction mandates, and (3) Increased number of teachers retiring. There is strong evidence that performance pay programs can attract and retain quality teachers, which could increase student achievement over time (Gonring et al., 2007).

Research has uncovered a myriad of reasons why teachers leave the education field, including lack of support from administration, parents, and additional state and federal mandates (Allen, 2005). Some argued that

increased salaries were a leading factor in teacher retention. A study conducted by Grizt and Theobold in 1996 found that increased compensation was the most significant influence on the decision to remain in the teaching profession (Buckley, Schneider, & Shang, 2004). This study was also important because it showed that experienced quality teachers produced more academic gains among students they served. On the contrary, Allen (2005), noted that while dissatisfaction with salaries was common, it was not the most important factor when teachers decided to leave careers in education.

Student Performance. The Obama Administration is an advocate for students and improving student achievement and sees performance pay programs as one possible method to achieve improvements on standardized tests. In fact, the federal government mandated that a portion of the *Race to the Top Grant* be reserved to reward teachers who show a significant increase in growths of student achievement (Chait & Miller, 2009). Even so, paying teachers additional incentives for improving student achievement is not by itself a sufficient strategy for improving student achievement (Odden & Kelly, 2008). There is evidence that now shows that a performance pay program alone will not increase student achievement. According to Moran (2010), the National Center on Performance Incentives at Vanderbilt University's Peabody College of Education found that solely rewarding teachers with incentive pay does not raise student test scores. There must be other components that coincide with the program.

Some states are starting to use value-added models to determine true student achievement. Kupermintz (2003) noted that a measure of student

achievement growth is a more solid reflection of a teacher's contribution to student learning than the achievement status of a test given at one point in time. Statistic models can be created to decipher a student's growth over time based on his or her prior achievement (E.A. Hassel & B.C. Hassel, 2007). Among the most distinguished and widely used growth measures is the Tennessee Value-Added Assessment System (TVAAS).

Performance Pay in Private Schools versus Public Schools

While the ultimate goal of most schools is student achievement, private and charter schools at times take a different route to get there. Private and charter schools are not held to the same teacher training and certification policies of public schools to (Podgursky, 2006). This permits private and charter schools a larger recruitment pool to hire quality teachers than public schools. Private and charter school also have more autonomy to use performance pay schedules versus single salary schedules. Yet, in recent years most pay systems in private and charter schools are comparable to those in public school systems (Podgursky, 2006). The private and charter schools who choose to implement performance pay programs are under no requirements that their pay system be equal to those of other schools; therefore it's easier to monitor and implement. Unlike in the private and charter school sector, public school systems' performance pay program is usually the same for every school within the school district which at times makes the implementation process cumbersome. Thus private and charter schools have an advantage over public schools when implementing performance pay and recruiting talented teachers. According to

Podgursky (2006), the more competitive environment plus the smaller institution in addition to greater flexibility leads to greater difference in compensation policies between private or charter schools and public schools.

Performance Pay in Action in the United States

The United States has had a long history of using performance pay programs to increase student achievement. Many school districts have tailored their programs to meet their needs, based on research and data (Podgursky & Springer, 2006). Performance-based accountability systems created with the main platform of either rewarding or issuing sanctions were passed in several states as policy-makers looked for other means to motivate educators to embrace new reforms (Kelley, Heneman III, & Milanowski, 2000). There has been several success stories of performance pay programs. When implemented effectively, they produced the desired results for the schools and states. Among the various programs were several well-documented attempts to connect teacher performance with teacher compensation. This section will focus on some of the performance pay programs, some of which were successful, implemented in various states across the United States.

Colorado. In 1994, Douglass County, Colorado became one of the first school districts in the United States to implement a performance pay program based on knowledge and skills-based pay and school-based pay into their compensation schedule (Kelley, 2000). The salary schedules remained the same but alternative pay components were added. The plan consisted of the following components: base pay, knowledge-based pay, performance –based

pay, skilled-based pay, responsibility pay, and group incentive awards (Kelley, 2000). There were concerns in reference to what the cost would be if every teacher had the chance to receive the extra pay. However, during that school year, the teacher salary resources only increased by 1.5% when the performance pay option was added to the salary component (Kelley, 2000). Even today, the Douglass County School System is still incorporating the performance pay program to increase student achievement.

In 1999, the Denver Public Schools went into agreement with the Denver Classroom Teacher Union to create the Professional Compensation System for Teacher (ProComp). This type of performance pay program linked teacher pay to student achievement and professional evaluations. The program was piloted for several years in selected schools, but after many revisions and refinements, the ProComp was adopted and implemented in 2004 (Podgursky & Springer, 2006). The ProComp consisted of the following components: Knowledge and skills pay, professional development pay, student growth percentage, and market incentive which were low income schools or hard to staff schools (Gratz, 2005; Koppich, 2008). ProComp gave teachers the options of the type of salary schedule they wanted and eliminated the traditional compensation model (Koppich, 2008). The program was optional for teachers hired before January 2006, and was mandatory for teachers hired thereafter (Koppich, 2008). The teacher bonuses or rewards could range from \$330.00 to \$7,582.00 per year. ProComp is one of the nation's most widely known performance pay programs.

Iowa. Cincinnati's public school system, the first to experiment with performance incentives, persuaded its teachers' union in 1997 to do a test run of the performance pay program (Malango, 2001). After many pilots of the program proved to be successful, in 2001 the Iowa Legislature created and passed a bill that was designed to improve teacher quality and improve student achievement. This would be the first state to base teacher salaries on performance rather than seniority (Edwonk, 2006). The foundations of their performance pay program started with two components. First, the Iowa plan created a career ladder program which provided salary increases for teachers when they were promoted to the next level (Rowland & Brown-Sims, 2010). New teachers were required to successfully complete the assigned mentoring program and excel at their comprehensive evaluation before moving to the next level, which was the Career Teacher Level. Teachers at the Career Level were provided with a \$2,000 increase in pay, thus distinguishing them from teachers at the Beginners Level (Wyman & Allen, 2001). In order to be considered for the Career Teacher Level, the teacher would have completed all assigned mentoring and licensure requirements and had successfully demonstrated competencies in accordance with the Iowa Teaching Standards (Blair, 2001). The next step in the career ladder program was the Career II Teacher Level. The Career II Teacher received an additional \$5,000 in pay above the Career Teacher Level and was given the opportunity to mentor beginning teachers. The final career ladder step was the Advance Teacher Level. Teachers at the Advanced Level received at

least \$13,500 additionally, and were expected to take on leadership positions within the school district (Blair, 2001).

Secondly, the Iowa plan created an incentive or performance pay component (Wilson & Van Keuren, 2001). The performance pay plan was designed to be a voluntary program that offered school-based financial rewards to all certified teachers within the school for achieving district goals centered on student achievement (Delisio, 2011). Each school district had to develop a team-based performance pay program which tied in with the district's improvement plan and was also approved by the local school board (Wyman & Allen, 2001). Financial rewards of approximately \$2,000 were awarded annually to teachers and principals working in schools that showed significant gains in student achievement (Blair, 2001).

Texas. The state of Texas implemented several performance pay programs in the last ten years that have been known to make the teaching profession more attractive by recognizing and rewarding talented teachers, improving teacher morale, and preventing excellent teachers from leaving the profession for personal or financial reasons (Terry, 2009). Governor Rick Perry and the 79th Texas Legislature created the Governor's Educator Excellence Award Program (GEEAP) in 2006, which made it the single largest performance-pay program in the United States (Podgursky & Springer, 2006). The GEEAP consist of three programs: (1) the Governor's Educator Excellent Grant (GEEG), (2) the Texas Educator Excellent Grant (TEEG), and (3) District- Level Grants. In

2008, GEEAP provided \$330 million to high-performing schools with high poverty rates in Texas (Terry, 2009).

If a school was selected as a GEEG School, they were mandated to use 75 percent of the funds given for direct incentives to full-time classroom teachers (Hawke, 2006). The incentives could be based on either increased student achievement or teacher effectiveness towards student achievement or both. According to Besharov (2007), the other 20% of the GEEG funds could be applied to the following: (1) professional development, (2) teacher mentoring programs, (3) direct incentives to other school personnel, including the principal, that aided in improved student achievement, (4) funding for after-school programs, (5) bonuses for teachers in hard- to staff subjects, and (6) retain and recruit programs for effective teachers.

The Texas Educator Excellence Grant (TEEG) have criteria and incentives similar to the GEEG, however, the TEEG was awarded to school districts serving a high percentage of high poverty or disadvantage students (Podgursky & Springer, 2006). During the 2006-2007 school year, over 1,000 schools qualified for the TEEG program. In the Houston Independent School District, where teachers can make up to \$10,000 in bonuses and incentives, student achievement increased, teacher morale improved, and fewer teachers left the profession (Terry, 2009).

The District Level Grants was opened to all school districts in the state of Texas. According to Terry (2008), the state used state funds from the Texas Educator Excellence Fund to supply \$230 million dollars annually to districts that

agreed with the following criteria: (1) Sixty percent of the grant must award teachers that showed increased student achievement; (2) Stipends for teacher mentors or coach programs, incentives for hard-to staff subjects, or bonuses to teacher with post-baccalaureate degrees; (3) Bonuses, or incentives to principals for leading schools with increased student achievement; and/or (4) funding to implement components of the Milken's Family Foundation's Teacher Advancement Program.

Many schools in Texas have found success with pay for performance type programs that compensate teachers for teaching in high poverty schools, teaching in hard-to-staff subject areas, and achieving significant student academic gains through effective teaching and learning initiatives (Terry, 2009).

Ohio. In Cincinnati, Ohio, there were two phases implemented when creating the performance pay program. The first phase dealt with developing a secure research –based teacher evaluation system, and the second phase dealt with tying teacher compensation to that system (Wyman & Allen, 2001). A career ladder program was implemented for certified employees consisting of 5 levels. The pay for performance program also allowed for additional bonuses or incentives to teachers for advanced degrees, National Board Certifications, and dual certifications. According to Odden and Kellor (2000), one popular component favored by many teachers was that if teachers became proficient in a particular skill, they would be compensated with additional bonuses or incentives. The pay for performance program was implemented in the 2002-03 school year and has been very successful in attaining its goals (Landolfi & Phillips, 2003).

However, in recent years, Cincinnati Public School District has abandoned its performance pay programs due to complaints from teachers that it burdened them with more paperwork and made them feel threatened and overwhelmed about their careers (Delisio, 2011).

North Carolina. North Carolina incorporated performance pay programs that awarded bonuses up to \$1,500.00 to principals and teachers (Vigdor, 2008). The North Carolina's performance pay program, the *ABC's of Public Education*, was based on standardized test score outcomes. Schools were categorized as *exemplary*, *meets expectations* and *adequate*, which were based on the student achievement levels (Heneman et al., 2007). Teachers received bonuses for improvements, but also faced sanctions as detrimental as termination from teaching positions if student performance levels dropped below state and district expectations (Hodge, 2001). North Carolina has been very successful in implementing its performance pay programs due to carefully selecting assessment instruments, commitment to constant plan revisions and evaluations, detailed communications to stakeholders, and staying abreast of the latest school reforms (Kelley, 2002). Vigdor (2008) has found evidence of overall improvement in student achievement.

Minnesota. Minnesota also has a history of implementing performance pay programs. In 1996, the Anoka-Hennepin School District began exploring new educational reforms when teacher shortage became a major issue (Kimball, 2002). There were not enough new teachers to fill the teacher vacancies created by retirees, or companies who offered better paying jobs. The Anoka-Hennepin

School District's performance pay plan was centered on training principals with a new evaluation system, training teachers on the new teaching standard, offering incentives or rewards to teachers who showed significant student achievement, establishing a teacher mentoring program, and providing focused driven professional development (Kimball, 2002).

Anoka-Hennepin School District led the new educational reform of performance pay in Minnesota, but in 2005, the Minnesota State legislature passed the Q-Comp. The Q-Comp was the first state performance-pay program of the state (Podgursky & Springer, 2007). Q-Comp incorporated the traditional career ladder program with focused driven professional development for teachers, while improving state standards (Hendricks, 2011). If school districts were approved for the Q-Comp Program, they had to agree to use 60% of any compensation increase on school district professional development and student achievement gains (Podgursky & Springer, 2006).

Florida. There have been performance pay programs in Florida since the late 1990's, when it was required that school districts evaluate teachers based on students' academic gains on standardized tests and teachers be given additional compensations when students made academic gains (Center for Educator Compensation Reform, 2007). It was a state mandate that all school districts design and implement a performance pay program by 2003. However, due to the state's lack of funding for the program and burdensome application requirements, many school districts designed performance pay programs that

only rewarded a minority of teachers (Center for Educator Compensation Reform, 2007).

In 2006, the Florida Legislature and the Board of Education created a framework for how school districts should implement the performance pay requirements (Florida Department of Education, 2007). This work led to the establishment of three statewide performance pay programs: (1) Effectiveness Compensation (E-Comp); (2) Special Teachers Are Rewarded (STAR); and (3) the Merit Award Program (MAP).

The E-Comp provided a “minimum framework” for meeting the state’s performance pay program requirement (Florida Department of Education, 2006a). E-Comp gave explicit directives on how districts would evaluate teachers using student learning gains and the proportion of teachers that were awarded. E-Comp maintained the connection between teacher pay and annual evaluations, but defined how districts would measure student learning gains (Winn, 2006). The key components of E-Comp consisted of teacher eligibility, measure of teacher performance, award criteria and amount, funding and state oversight. E-Comp was not fully implemented due to strong opposition from teachers across the state. Teachers who were members of the Florida Teacher Association argued that the state department of education did not adequately involve teachers or principals in the design of the program (Scott, 2006), teacher bonuses should not be solely based on a single measure of student performance (Florida Education Association 2006), only awarding 10% of all teachers in the

state was unfair and arbitrary (Blair, 2006), and the timetable (4 months) given to implement the E-Comp program was unrealistic (Winchester, 2006).

The Florida Legislature heard the concerns from school districts and teachers across the state in reference to E-Comp and in May of 2006, they suspended E-Comp and added a new performance pay program called Special Teachers Are Rewarded (STAR). STAR replaced E-Comp as the new framework for school district to follow in implementing the states mandated requirements (Center for Education Compensation Reform, 2007). The Florida Legislature appropriated \$147.5 million in funding for the first year of the STAR program (Podgursky & Springer, 2006). According to Podgursky & Springer, (2006) STAR had four major components: (1) eligibility declaration; (2) determination of number of rewards; (3) evaluation instrument; and (4) instructional personnel evaluation based on student performance. The first two components required that all instructional personnel be eligible for the STAR award and bonuses be paid at a level equal or greater than 5% of their current salary to 25% of the instructional personnel (Florida Department of Education, 2007). The third and fourth components of STAR required school districts to develop criteria for assessing student achievement and a methodology for monitoring students' progress over time (Metz, 2007). There had been opposition to the STAR program due to school districts struggling to develop the plan and negotiate it with the teacher unions. There was also difficulty in creating new assessments that would measure the performance of teachers in non-tested

areas (Babiarz, 2006). Teachers believed that STAR created a competitive environment that caused unwanted stress (Metz, 2007).

In March 2007, the STAR program was replaced with the Merit Award Program (MAP). The MAP program consisted of 60% of the award to be based on student performance and 40% of the funds be used to award professional practices which were measured by principal assessments/ evaluations (Besharow, 2007). MAP received support from district personnel and teachers across the state instantaneously after its passage from the Legislature due to the STAR program being eliminated. Although MAP appeared to provide district flexibility in the proportion of teachers rewarded and the award size, districts had limited flexibility because state funding for the program did not increase from STAR (Center for Education for Education Reform, 2007).

There are many lessons to learn from Florida's attempts at implementing performance pay programs. According to the Center for Educational Reform (2007), when implementing a successful program, make sure to execute the following: (1) Provide sufficient time for districts to develop and negotiate pay plans; (2) Increase district buy-in with state funding; (3) Involve stakeholders in the design process; (4) Recognize the challenge of measuring performance in grades and subjects not covered by state assessments; (5) Weigh the costs and benefits of rewarding teachers based on a performance ranking versus a performance threshold; and (6) Consider multiple measures of teacher performance.

National Performance Pay Initiatives

While states have been active in the performance pay arena, the federal government has also taken an active role. During the Bush Administration, the American Board for Certification of Teacher Excellence, an education reform group, to develop a national performance pay plan for the states. This reform group purpose was to devise a plan to identify and/or develop master teachers who were worthy of the merit pay in the form of bonuses or raises (Janofsky, 2005). The two most notable efforts in recent years are the Teacher Incentive Fund and the Race to the Top competitive grant award. Race to the Top is considered the signature education reform initiative of the Obama administration (Roberts, 2012).

Teacher Incentive Fund. The sole purpose of the Teacher Incentive Fund (TIF) was to support schools that implemented projects that developed performance-based compensation systems for principals, teachers, and other school personnel that aided in increasing student achievement which was to be measured in part by student growth in low performing schools or schools considered high-need (U.S. Department of Education, 2010). The U.S. Department of Education started awarding the TIF grant to schools in 2006. The TIF grant provided a national effort to attract and retain effective teachers in high-poverty schools by offering incentives based on teacher performance. It also sparked reforms and conversations on how teachers were compensated (Chait & Miller, 2009). Over time, more than \$660 million dollars has been awards to

school districts across the United States (National Center on Performance Initiatives, 2011).

Race to the Top Competitive Grant. President Barack Obama has been a long time advocate of rewarding teachers with additional pay if they took on additional work, helped students excel academically, or even filled hard- to-staff subjects or schools (Smarick, 2011). On July 24, 2009, President Barack Obama and Secretary of Education Arne Duncan signed into law the Race to the Top Competitive Grant Program. This program was funded with \$4.35 billion from the American Recovery and Reinvestment Act of 2009 (National Center on Performance Initiatives, 2011). This program was designed to provide states with funding to sponsor educational reform efforts by: (1) Producing great teachers and leaders; (2) improving standards and assessments; (3) developing data systems to support teaching and learning; and (4) turning around low-achieving schools (National Center on Performance Initiatives, 2011).

Tennessee and Delaware were the first states to be awarded the competitive grant. Tennessee received \$500 million and Delaware received almost \$100 million. By the end of 2011, Twenty-two states had been awarded the Race to the Top Grant and were investing in finding key educational reforms that would prepare more students for college and careers (U.S. Department of Education, 2011).

New Leaders for New Schools' Effective Practice Incentive

Community (EPIC). The Effective Practice Incentive Community program (EPIC), created by New Leaders for New Schools' foundation, was established in

2006 to connect principal and teacher incentive pay to a sharing network of effective practices (Wicker, 2011). This was considered a new reform to performance pay initiatives. EPIC was designed to identify urban schools that had significant student achievement gains and then award the principal, teachers, and teacher assistants for sharing their effective practices (National Center on Performance Initiatives, n.d). The New Leaders for New Schools is a nonprofit organization that supports high academic achievement for every child by recruiting, preparing, and sustaining new leaders for the nation's urban public schools (New Leaders Epic Program, 2012). According to the National Center on Performance Initiatives (2011), the program was funded by the U.S. Department of Education's Teacher Incentive Fund (TIF), school districts and charter school partners, and private philanthropic funders. The EPIC incentive in the amount of \$15.5 million have been awarded to over 5,100 principals, assistant principals, teachers, and teacher assistants in more than 200 schools since 2006 (New Leaders Epic Program, n.d.).

Recent Performance Pay Research

Many teachers and principals have embraced performance pay as an educational reform initiative to improve academic achievement of students in America's schools. There has been pessimism about whether performance pay systems can effectively reward good teachers. Consequently, this has prompted studies to determine the impact of performance pay. The following three research studies summarize the positive effects of performance pay.

In January 2007, two economics professors at the University of Florida released their research on the effects of performance-based pay. After analyzing surveys from 534 schools in the United States, Professors David Figlio and Lawrence Kenny concluded students performed better on tests when their teachers were given performance pay increases (Brannock, 2007). The Collier County School District in Florida is currently using the findings from this study to promote its state mandated performance pay program (Brannock, 2007).

During the 2005-2006 academic school year, the Little Rock School District in Arkansas provided researchers an opportunity to research the effects of performance pay by implementing a pilot performance pay program in schools. Schools participating in the program received more than \$200,000 in total performance bonuses for the school year (Kisida & Riffel, 2007). According to a research team led by Gary Ritter and Joshua Barnett at the University of Arkansas's Department of Education Reform, those bonuses led to significantly greater learning gains than had been achieved by the same students prior to the program, or by students at comparable schools (Kisida & Riffel, 2007). Students in schools where the program operated in 2005-2006 showed an improvement of 3.5 Normal Curve Equivalent points. This was a gain of nearly seven (7) percentile points for the average student (Kisida & Riffel, 2007). According to (Henninger, 2005), Arkansas schools participating in performance pay had two elements well established that was necessary to a school's success; a strong gifted principal and a motivated teaching staff. Both are difficult to find in urban school systems. The addition of performance pay enhanced these elements.

In a recent review of the Tennessee Career Ladder Program, researchers concluded that students in grades K-3 whose teachers earned performance pay scored higher in both math and reading than those students whose teachers were paid under the conventional structure (Keys & Dee, 2005). Overall, the results suggest that Tennessee's Career Ladder Evaluation system was successful at rewarding teachers who were relatively effective at promoting student achievement (Keys & Dee, 2005).

Performance pay programs continue to slowly move toward the mainstream in education reform. This is a fact that the National Education Association (NEA) teachers union now concedes (Kisida & Riffel, 2007). Performance pay is not a new radical approach; in fact, differentiated pay was common as early as the 1920s. However, performance pay programs systematically have been halted before their benefits or detriments could be demonstrated (Kisida & Riffel, 2007).

Tennessee and Performance Pay

As noted previously in Chapter 2, the researcher believes that Tennessee deserves to be recognized as a state making advances in the debate on performance pay for educators especially after passage of legislation providing bonuses and differentiated pay for educators in 2007. Even before then, Tennessee was an active supporter of performance pay and at the forefront of the incentive pay movement. In fact, in 1984, then-Governor Lamar Alexander signed into law the state's Comprehensive Education Reform Act (CERA), which its supporters called the nation's most ambitious statewide teacher career-ladder

and incentive-pay program (Christiansen, 2000). A component of CERA was the Tennessee Career Ladder Evaluation System. The Career Ladder Program blended salary rewards with non-pecuniary benefits such as increased professional responsibilities (Dee & Keys, 2004). This performance pay program was a form of differentiated staffing that combined a hierarchy of professional development (career ladder) with financial and other professional rewards. The career ladder program consisted of five distinct stages. A *Fast-track Option* allowed those who had been teaching prior to CERA to advance to a career level subject to experience requirements and successful evaluations. The stages were as follows:

- New teachers were considered 1st year “*probation.*”
- After the first year probation period, teachers were placed in an *Apprentice Status* for 3 years. If evaluations were successful, teachers were granted the next level on the ladder.
- *Career Level I* in their fifth year, which afforded teachers a \$1,000 performance-pay increase. After being a Career Level I teacher for five years, teachers could re-apply for Career Level I status or apply for the next step on the ladder.
- *Career Level II*, which afforded teachers a \$2,000 or \$4,000 performance pay increase depending on whether they selected to work ten months or eleven months. At the end of Career Level II certificate, teachers could apply for the highest career level, if they desired.

- *Career Level III*, which afforded teachers a \$7,000 performance pay increase, depending on whether they selected to work ten, eleven or twelve months.

The design of the program was considered to be unusually sound, and the program was well financed (Dee & Keys, 2004). The program did not establish quotas on the number of teachers who could receive awards. Under the original formulation of the career ladder, participation was optional for veteran teachers, and mandatory for new teachers. This implied that it was less likely to impact teacher morale. The program also addressed teachers' concerns about fairness of the assessments by relying on several data sources and evaluation instruments. Student performance data was not used as one of the assessed data sources. Ninety-four percent of the teachers in Tennessee chose to enter the career-ladder program. A 1991 audit revealed that 95 percent of eligible teachers had achieved level I certification (Dee & Keys, 2004). However, only 79 percent of teachers applying for certification at levels II and III succeeded (Dee & Keys, 2004). Tennessee's program was looked upon as the country's most comprehensive experiment in summative evaluation (Dee & Keys, 2004). The design features of the Career Ladder Program provided a powerful test of whether merit pay could be effective in public schools.

The results of the Tennessee Career Ladder Program were partially successful at rewarding teachers who were relatively effective at promoting student achievement. The qualified successes of Tennessee's program clearly

suggest the possibility that teacher quality can be reliably rewarded when there is a well-designed evaluation system in place (Dee & Keys, 2004).

Currently, Chattanooga, Tennessee has one of the most promising performance-based systems to reward teachers (Holland, 2005). The funds for this program have been provided by the Benwood Foundation since 2001 (O'Neal, 2007). Chattanooga's teacher reward system is focused on solving the problem of how to raise achievement in chronically underperforming schools. The system uses value-added assessment and other criteria. The school system identifies the most effective teachers, whom it recruits to work in the city's lowest-performing inner-city schools. Teachers who agree to work in these schools and show positive value-added gains by students win \$5,000 annual bonuses along with other perks provided by a private coalition of public-school supporters. This approach has produced significant improvements in student achievement in these schools (Holland, 2005). The Benwood Foundation has continued to support this reform initiative. The Foundation initially sought to improve student performance in eight inner-city schools. However, it expanded the reform program to eight additional elementary schools county-wide during the fall of 2007 by donating a five-year \$7.3 million grant (O'Neal, 2007).

In July 2007, the Tennessee State Legislature passed Public Chapter 376, which included House Bill 472 (Smith, 2007). The legislation focused on the role of the school principal. The law required that school principals have a performance contract, which includes merit or performance pay (bonuses). The bonuses would serve as an incentive (reward) when standards were met.

However, consequences were included in the contract when standards were not met (Smith, 2007). The bill also required school districts to develop and implement a differentiated pay plan under guidelines established by the state board of education to aid in hiring and retaining highly qualified teachers in subjects and in schools for which the district has difficulty hiring or retaining teachers (Smith, 2007). A differentiated pay plan had to be developed and adopted by every school district in the state by the 2008-2009 school year (Smith, 2007).

The performance pay (bonuses) for principals and differentiated pay plan for teachers has some similarity to the 1984 Career Ladder Program. Principals receive performance pay based on meeting standards outlined in a performance contract and teachers receive differentiated pay based on their teaching in schools that are difficult to staff or in subject areas difficult to fill. However, the Career Ladder Program was based on a well designed evaluation process to identify and reward outstanding school leaders and teachers in Tennessee schools.

Bill Gates, the Microsoft CEO testified in support of the Teacher Incentive Fund (TIF) at a hearing of the Senate Health, Education, Labor and Pension (HELP) Committee on March 7, 2007 (Alexander, 2007). He testified that experimental performance pay programs were useful laboratories and that moving incrementally allowed people to go along with it even if, in the early days, they were worried that the system was unproven (Alexander, 2007). Senator Alexander praised one such experiment, a partnership between the Memphis,

Tennessee school district and New Leaders for New Schools, and urged cooperation between the public and private sectors in developing fair criteria for teacher merit pay (Alexander, 2007). Memphis was one of sixteen school districts to receive funding from the TIF in 2006. The district received \$3.1 million (Alexander, 2007). Gates added that more communities should follow Memphis' lead in that "there should be a hundred such experiments" across the country (Alexander, 2007).

Politicians, teachers, and principals nation-wide are leading the debate for performance pay in education. As stated earlier, political support for performance pay has been embraced by politicians in the states of Arizona, Florida, Iowa, New Mexico, and North Carolina (Janofsky, 2005). In the private sector, the Milken Family Foundation's Teacher Advancement Program (TAP) is the most promising teacher quality program in the country and performance pay is embedded in TAP. TAP seeks to attract more talented people into teaching, and to keep them there by making teaching more attractive and rewarding to them. Teachers get the opportunity to earn higher salaries and to advance in their profession without leaving the classroom (Holland, 2005). TAP encourages school districts to pay competitive salaries to those who teach "hard-to-staff" subjects in schools. The Milken model has been used at schools in Arizona, Indiana, South Carolina, Arkansas, Texas, Colorado, Florida, Ohio, Minnesota, and Louisiana (Holland, 2005).

Tennessee is one of the first states to receive the Race to the Top Competitive Grant in 2010 (Roberts, 2011). The funding is presently being used

to implement a wide variety of programs designed to improve student achievement, offer incentive pay for teachers, and provide leadership courses for school leaders and administrators (Tennessee Press Release Center, 2011). Of the \$4.35 billion allocated from the Race to the Top Grant, Tennessee received \$500 million. The grant ranged from small individual districts like Richard City Special School District receiving \$44,665 to large urban school districts like Memphis City Schools receiving \$68.6 million (Tennessee Press Release Center, 2011).

Across the country, there is bipartisan excitement about the potential of instituting pay for demonstrated performance in schools (Holland, 2005). Politicians are being echoed by advocates for performance pay in the education community and private sector in the nation.

Summary

The review of literature has provided a wealth of information on why performance pay programs continuously resurface in educational reform agendas. The published literature supports the theoretical assumptions of why and how to reward and motivate teachers to remain in the educational profession, improve teacher effectiveness, and increase student achievement. The literature also gives a historical perspective of performance pay programs and its benefits and challenges from many states in America.

CHAPTER 3

METHODOLOGY

Introduction

The purpose of this study is to determine the perceptions of school principals in Southeastern United States regarding the effects of performance pay programs on the academic achievement of students and teacher retention. This chapter describes the methodology used to conduct the study including details on the sample size and the sample characteristics. Finally, the instrument used in the study is explained, as well as the procedures that were used to analyze all data collected.

Research Questions

To address the purpose of the study, four research questions were created to guide the study:

1. To what extent, if any, do principals perceive that teacher performance pay programs are fair and equitable?
2. To what extent, if any, do principals perceive that teacher performance pay programs influence the retention of teachers in schools?
3. To what extent, if any, do principals perceive that teacher performance pay programs will enhance the quality of teacher selection?
4. To what extent, if any, do principals perceive that teacher performance pay programs will enhance the instructional effectiveness of teachers?

Research Design

The design of this study follows a quantitative approach. A quantitative method of research involves a study with a focus on the collection of numerical data and testing of hypotheses (Johnson & Christensen, 2004.) The researcher's choice is not based on paradigm issues and the assumptions about the nature of reality, but rather on how the data is presented. The primary methodology included an electronic survey instrument designed to obtain the perceptions of principals regarding the effects of performance pay programs on the academic achievement of students.

The survey was emailed to every Tennessee principal who is a member of the Tennessee Principals Association (TPA) Organization from the association's website address. A closed-ended questionnaire was used because it is easier to score and can be answered quickly. The survey was designed according to the Likert Scale Model to answer the research questions.

Subjects. Surveys were collected from approximately 350 members in the organization from various social, economic, and ethnic backgrounds. The researcher acquired permission from the TPA Executive Director, board members, and the University of Memphis IRB Committee to administer the survey to all members. Once approval was received, the researcher emailed the survey to all principals in the organization. The study participants represented principals, assistant principals and district personnel from elementary, middle, and high school arenas across the state of Tennessee. The participants were asked to complete the survey online within a two week period. If data was not

received from at least 150 participants, a reminder email was sent to all members to complete the survey within one week. Data collection took place over a 2 week period.

Demographic Data of Participants

The sample consists of at least 150 principals in Tennessee schools; however, approximately 300 principals were asked to participate in the survey. The principals come from a variety of demographic backgrounds. The survey consists of a demographic section. Each participant was asked to provide their current position and school assignment, years employed as a principal or administrator, and educational attainment.

Instrument

The instrument the participants completed was entitled *An Examination of Principals' Perceptions toward Performance Pay in Tennessee Survey (2011)*. The survey was created by the researcher with modifications and revisions from the *Teacher Incentive Fund Survey (2010)*. Dr. Reginald Green, professor at University of Memphis, and Dr. Ernie Bentley, Executive Director of Tennessee Principals Association, assisted with the revisions to ensure that the research questions could be fully answered. The research constructed 30 questions. The 30 questions solicited a response on a Likert-type scale designated by (1) Strongly Disagree, (2) Disagree, (3) Agree, and (4) Strongly Agree. The participant's score of the questions was the sum of the weights of the responses checked. A high score suggested a highly favorable perception, while a low score suggested the opposite.

Table 1

Right Alignment

Research Question	Survey Statement Numbers
1	2,3,4,5,10
2	12,13,14,23,24,29
3	11,14, 25
4	6,7,8,15,16,18,19,20,21,22,27,28,30

In an effort to check for reliability and validity of the survey, a preliminary draft of the questionnaire was analyzed by a panel of 26 participants consisting of principals and assistant principals. Each reviewer was given the cover letter to the validity form (Appendix B), the validity form (Appendix C), and the survey (Appendix E). Suggestions for the questionnaire were provided by the participants and adjustments to the instrument were made by the researcher. Adjustments included the following: (1) rewording of some questions in order to convey a clearer message; (2) substituting terminology; and (3) omission of some of the items in Part 5 that deemed irrelevant. Table 1 provides the Right Alignment based upon the validity of the survey.

Dr. Louis A. Franceschini III, a professor and statistician at the University of Memphis, assisted with testing for “Internal Consistency” reliability after the

data had been collected and analyzed from the survey. He determined that the instrument had “Content” Validity.

Limitations

The study does not reflect the perceptions of all principals in Tennessee. The target population for this study was principals who were members of the Tennessee Principals Association Organization. The survey is limited to the views and perceptions of the principals that completed and emailed the survey.

Data Collection

Once the IRB Committee, Dissertation Committee, the Tennessee Principal Association’s Executive Director and Board Members approved the survey, it was mailed to the members by way of their email addresses. The email consisted of a greeting and the purpose of the survey and a link to Survey Monkey where they were able to complete the survey online. The participants were asked to complete the survey online within a two-week period. Data collection took place over a three week period.

Data Analysis

The research used a quantitative design to analyze the data. Inferential statistical analyses were conducted from the collected surveys. The dependent variable was the principal’s perceptions of performance pay. The independent variables were retaining teachers, enhancing academic performance of students, and improving teacher performance.

The statistical analyses were performed using the SPSS Version 19 statistical analysis program to compute the results gathered from the study. An

alpha level of .05 was used to determine statistical significance. Frequencies and percentages were generated from the independent variables. Chi-Square Goodness of Fit and the number of responses were calculated.

By obtaining the aforementioned data, the researcher discerned perceptions principals had in reference to the positive and negative effects of performance pay programs, and to what extent, if any, did principals perceive that performance pay programs were fair and equitable, enhance the instructional effectiveness of teachers, and improve the selection and retention of quality teachers in Tennessee schools.

Summary

The ultimate purpose of the study is to determine the perceptions that school principals have about performance pay programs in Tennessee. This chapter reviewed the research design, research questions, and provided participant demographics involved in the study. The instrument, *An Examination of Principals' Perceptions toward Performance Pay in Tennessee Survey (2011)*, was also described, as were data collections and analytical procedures used in the study.

CHAPTER 4

RESULTS OF DATA AND DATA ANALYSIS

Introduction

As stated in previous chapters, the purpose of this study was to discern principals' perceptions relative to the positive and negative effects of performance pay programs, and to what extent, if any, did they perceive that performance pay programs are fair and equitable, enhance the instructional effectiveness of teachers, and improve the selection and retention of teachers in Tennessee schools. Chapter 4 of this quantitative descriptive study presents the results of the data collection and analysis. This chapter is designed to provide an overview of the study, a brief description of the instruments used to collect the data, and the results of the data analysis. The study was guided by the following research questions:

1. To what extent, if any, do principals perceive that teacher performance pay programs are fair and equitable?
2. To what extent, if any, do principals perceive that teacher performance pay programs influence the retention of teachers in schools?
3. To what extent, if any, do principals perceive that teacher performance pay programs will enhance the quality of teacher selection?
4. To what extent, if any, do principals perceive that teacher performance pay programs will enhance the instructional effectiveness of teachers?

A statistical analysis of data collected on each research question was conducted and the results from the data analysis are presented in narrative and in tables.

In an effort to answer the research questions, a five-part questionnaire survey was utilized to acquire information regarding principals' perceptions of performance pay programs in Tennessee. Part 1 of the survey requested the demographic information of the participants. Part 2 requested the participants' perceptions on whether performance pay programs are fair and equitable. Part 3 of the survey requested the participants' perceptions on whether performance pay programs influence teacher retention and enhance quality teacher selection. Part 4 and 5 of the survey requested the participants' perceptions as to whether performance pay programs enhance instructional effectiveness of teachers which would lead to student achievement. The participants responded to a 30 item survey instrument created by the researcher with modifications and revisions of the *Teacher Incentive Fund Survey (2010)*. The instrument was entitled *An Examination of Principals' Perceptions toward Performance Pay in Tennessee Survey (2011)*. The survey presented statements with a Likert response scale from 1 to 4. The participants responded to each statement by checking that they strongly agreed, agreed, disagreed or strongly disagreed with the statement. The survey was validated and tested for "internal consistency" reliability by Dr. Louis A. Franceschini III, a statistician at the University of Memphis.

The survey was emailed to Dr. Ernie Bentley, the Executive Director of the Tennessee Principals Association (TPA) who in turn, used Survey Monkey to email the survey to 304 TPA members consisting of principals, assistant principals, and district personnel. A total of 154 participants responded to the survey for a return rate of 51%.

Demographic Data

The demographic data was collected using Part 1 of the survey. Table 2 provides a frequency distribution of the personal characteristics for the sampled respondents. This table report the respondent's position at the school, years employed as a principal or administrator, personal level of educational attainment, current school assignment, and if he/she have participated or received any type of performance pay programs in the last 4 years. Of the 154 respondents, the highest respondent rate was that of the building level principals or assistant principals which consisted of 92%. Only 8% of district personnel and respondents in other positions took the survey. The district personnel and respondents in other positions consisted of retired principals or past-principals who were promoted to district level positions. Although, the leaders' years employed as a principal or administrator varied, about 90% had experience as a principal for more than three (3) years. Of the 90% of principals having three (3) or more years of experience, close to ½ of the respondents were employed as principals or administrators for 3 to 10 years. Ninety-nine percent of the respondents have earned a Master's Degree or higher. Of the 99% of principals having earning a Master's Degree or higher, more than 20% have attained their Doctoral Degree. Of the 154 respondents, the highest respondent rate was that of the elementary school principal with 71%. Only 23% of respondents have received some type of performance pay in four years. Seventy-seven percent of the respondents had not received any type of performance pay in the last four years.

Fair and Equitability

Research Question 1. To what extent, if any, do principals perceive that teacher performance pay programs are fair and equitable?

To answer the first research question, participants were asked to respond to questions 2, 3, 4, 5, and 10 of the survey which focused on the extent, if any, that principals perceived performance pay programs to be fair and equitable. The participants responded to each statement indicating whether they strongly agreed, agreed, disagreed, or strongly disagreed with the statements. The alpha level of .05 was used to determine statistical significance. The Chi Square Goodness of Fit was used to determine whether differences between observed frequencies of responses were statistically significant (Nicol & Pexman, 2004). When analyzing the results of the chi square, the data revealed that participants expressed differences of opinions regarding whether performance pay programs are fair and equitable. The differences occurred in the specific questions.

In regards to question 2, which asked if the school had a less chance of earning an award because of the characteristics of the student population, there was no clear agreement or disagreement among respondents, whereas 45.7% agreed and 54.2% disagreed. The alpha level was $p = .293$ with a chi square value of 1.1% which implies no statistical significance.

In regards to question 3, which asked if performance pay systems are fair, there was no clear agreement or disagreement among respondents, whereas 48.7% agreed and 51.3% disagreed. The alpha level was $p = .744$ with a chi square value of .1% which implies no statistical significance.

In regards to question 5, which asked if performance pay programs are likely to continue for the foreseeable future, there was no clear agreement or disagreement among respondents, whereas 53.7% agreed and 46.3% disagreed. The alpha level was $p = .368$ with a chi square value of .8% which implies no statistical significance.

However, question number(s) 4 and 10 showed statistical significance which implies that the respondents showed consistency in their responses to the statements.

In reference to question 4, respondents perceived that the performance pay programs' evaluation systems omit important aspects of school administration that should be considered. Eighty-eight percent of respondents agreed with the statement with $p = .000$ which was less than an alpha level of .05 and a chi-square value of 85.7%; therefore, implying statistical significance.

According to question 10, respondents perceived that performance pay programs were likely to continue for the foreseeable future. Sixty-three percent of respondents agreed with the statement with $p = .000$ which was less than an alpha level of .05 and a chi-square value of 18%; therefore; also implying statistical significance.

A graphic analysis of these results appears in Tables 3 and 4. Table 3 shows the frequency and percentage of the responses to each statement and Table 4 provides the statistical analysis of those responses.

Table 2

Demographic Characteristics of Respondents (N = 154)

Characteristic	F	%
Current assignment		
Principal	139	90.3
Assistant Principal	3	1.9
District Personnel	6	3.9
Other	6	3.9
Years employed as a principal or administrator		
Less than 3 years	15	9.7
3 to 10 years	74	48.1
11 to 20 years	40	26.0
21 or more years	25	16.2
Level of education attainment		
Baccalaureate	1	0.6
Masters	74	48.1
Specialist	47	30.5
Doctorate	32	20.8
Current school of assignment		
Elementary school	110	71.4
Middle school	22	14.3
High school	10	6.5
Alternative/Special Center	12	7.8
Received performance pay over the last four years		
Yes	35	22.7
No	119	77.3

Table 3

Responses to Questions Concerning Fairness/Equity of Performance Pay Programs

Item	Strongly Agree		Agree		Disagree		Strongly Disagree	
	<i>F</i>	%	<i>F</i>	%	<i>f</i>	%	<i>f</i>	%
2. Our school has less chance of earning an award because of the characteristics of our student population.	23	15.0	47	30.7	66	43.1	17	11.1
3. The performance pay systems are fair.	12	8.0	61	40.7	63	42.0	14	9.3
4. The evaluation system omits important aspects of school administration that should be considered.	43	28.9	88	59.1	16	10.7	2	1.3
5. The criteria to receive an incentive are fair.	9	6.0	71	47.7	60	40.3	9	6.0
10. The performance pay program is likely to continue for the foreseeable future.	11	7.3	90	60.0	44	29.3	5	3.3

Table 4

Chi-Square Goodness of Fit Results for Questions Concerning Fairness/Equity of Performance Pay Programs

Item	$\chi^2(1)$	<i>p</i>	<i>W</i>
2. Our school has less chance of earning an award because of the characteristics of our student population.	1.1	.293	0.08
3. The performance pay systems are fair.	0.1	.744	0.03
4. The evaluation system omits important aspects of school administration that should be considered.	85.7	.000	0.75
5. The criteria to receive an incentive are fair.	0.8	.368	0.07
10. The performance pay program is likely to continue for the foreseeable future.	18.0	.000	0.34

Retention of Teachers

Research Question 2. To what extent, if any, do principals perceive that teacher performance pay programs influence the retention of teachers in schools?

To answer the second research question, participants were asked to respond to questions 12, 13, 14, 23, 24, and 29 of the survey which focused on the extent, if any, that principals' perceived that performance pay programs influence the retention of teachers in schools. When analyzing the results of the chi square, the data revealed that participants expressed differences of opinions regarding whether performance pay programs influenced the retention of teachers in schools. The differences occurred in the specific questions.

Regarding question 12, which asked if performance pay programs encouraged effective teachers to remain at their school, there was no clear agreement or disagreement among respondents, whereas 43.7% agreed and 56.7% disagreed. The alpha level was $p = .102$ with a chi square value of 2.7% which implies no statistical significance.

Regarding question 14, which asked if performance pay programs overall, contributed to the district's ability to attract and retain effective teachers, there was no clear agreement or disagreement among respondents, whereas 49.3% agreed and 50.7% disagreed. The alpha level was $p = .869$ with a chi square value of 0.0% which implies no statistical significance.

However, questions 13, 23, 24, and 29 showed statistical significance which implies that the respondents showed consistency in their responses to the statements.

According to question 13, respondents did not perceive that performance pay programs encourage ineffective teachers to leave their school. Seventy-six percent of respondents disagreed with the statement with $p = .000$, which was less than an alpha level of .05 and a chi-square value of 39%; therefore, implying statistical significance.

However, in the case of question 23, respondents perceived that when a teacher is honored for increased student achievement, he/she should be given a performance pay increase. Eighty percent of respondents agreed with the statement with $p = .000$, which was less than an alpha level of .05 and a chi-square value of 54.1%; therefore implying statistical significance.

According to item 24, respondents perceived that when a faculty member receives a performance pay increase, the other faculty members are more motivated to qualify for it. Fifty-nine percent of respondents agreed with the statement with $p = .035$ which was less than an alpha level of .05 and a chi-square value of 4.4; therefore, implying statistical significance.

Also in the case of item number 29, respondents perceived that as performance pay program's monetary value increases, teachers are more motivated to attain it. Seventy-seven percent of respondents agreed with the statement with $p = .000$ which was less than an alpha level of .05 and a chi-square value of 45.6%; therefore, also implying statistical significance.

A graphic analysis of these results appears in Table 5 and 6. Table 5 shows the frequency and percentage of the responses to each statement and Table 6 provides the statistical analysis of those responses.

Quality Teacher Selection

Research Question 3. To what extent, if any, do principals perceive that teacher performance pay programs will enhance the quality of teacher selection?

To answer the third research question, participants were asked to respond to questions 11, 14, and 25 of the survey which focused on the extent, if any, that principals' perceived performance pay programs will enhance teacher selection. When analyzing the results of the chi square, the data revealed that participants expressed differences of opinions regarding whether performance pay programs enhance the quality of teacher selection. The differences only occurred in question 14 of this section.

According to question 14, which asked if performance pay programs contributes to the district's ability to attract and retain effective teachers, there was no clear agreement or disagreement among respondents, whereas 49.3% agreed and 50.7% disagreed. The alpha level was $p = .869$ with a chi square value of 0.0% which implies no statistical significance.

However, questions 11 and 25 showed statistical significance which implies that the respondents showed consistency in their responses to the statements.

According to question 11, respondents did not perceive that performance pay programs helped to recruit effective teachers to their schools. Sixty-two

percent of respondents disagreed with the statement with $p = .002$, which was less than an alpha level of .05 and a chi-square value of 9.2%; therefore, implying statistical significance.

In the case of question 25, respondents perceived that performance pay programs can attract highly qualified teachers to their school. Seventy-two percent of respondents agreed with the statement with $p = .000$, which was less than an alpha level of .05 and a chi-square value of 28%; therefore implying statistical significance.

A graphic analysis of these results appears in Table 7 and 8. Table 7 shows the frequency and percentage of the responses to each statement and Table 8 provides the statistical analysis of those responses.

Instructional Effectiveness of Teachers

Research Question 4. To what extent, if any, do principals perceive that teacher performance pay programs will enhance the instructional effectiveness of teachers?

To answer the fourth research question, participants were asked to respond to questions 6, 7, 8, 15, 16, 18, 19, 20, 21, 22, 27, 28, and 30 of the survey which focused on the extent, if any, that principals' perceived performance pay programs will enhance the instructional effectiveness of teachers. When analyzing the results of the chi square, the data revealed that participants expressed differences of opinions regarding whether performance pay programs enhance the instructional effectiveness of teachers. The differences occurred in the specific questions.

Regarding question 6, which asked if performance pay programs has helped establish common goals for students learning and teacher instruction at their school, there was no clear agreement or disagreement among respondents, whereas 50.7% agreed and 49.4% disagreed. The alpha level was $p = .869$ with a chi square value of 0.0% which implies no statistical significance.

Regarding question 7, which asked if changes in student achievement were attributes to the performance pay program, there was no clear agreement or disagreement among respondents, whereas 51.7% agreed and 48.3% disagreed. The alpha level was $p = .684$ with a chi square value of 0.2% which implies no statistical significance.

According to question 16, which asked if performance pay programs do a good job of distinguishing effective from ineffective teachers, there was no clear agreement or disagreement among respondents, whereas 51.3% agreed and 48.6% disagreed. The alpha level was $p = .744$ with a chi square value of 0.1% which implies no statistical significance.

According to question 18, which asked if the prospect that teachers can earn additional compensation can lead some teachers to engage in unethical behaviors, there was no clear agreement or disagreement among respondents, whereas 49.3% agreed and 50.7% disagreed. The alpha level was $p = .870$ with a chi square value of 0.0% which implies no statistical significance.

According to question 30, which asked if performance pay programs had any effect on the amount of time and effort dedicated by teachers, there was no clear agreement or disagreement among respondents, whereas 51.6% agreed

and 48.4% disagreed. The alpha level was $p = .686$ with a chi square value of 0.2% which implies no statistical significance.

Consequently, in the case of questions 8, 15, 19, 20, 21, 22, 27 and 28 showed statistical significance which implies that the respondents show consistency in their responses to the statement.

According to question 8, respondents did not perceive that performance pay programs made teachers more comfortable with frequent observations of their teaching. Seventy percent of respondents disagreed with the statement with $p = .000$, which was less than an alpha level of .05 and a chi-square value of 25.3%; therefore, implying statistical significance.

However, in the case of question 15, respondents perceived that performance pay programs encouraged teachers to work harder than prior years. Sixty-nine percent of respondents agreed with the statement with $p = .000$, which was less than an alpha level of .05 and a chi-square value of 20.9%; therefore implying statistical significance.

According to question 19, respondents perceived that teachers have altered the instructional practices as a result of the performance pay program. Sixty-three percent of respondents agreed with the statement with $p = .002$ which was less than an alpha level of .05 and a chi-square value of 10%; therefore, implying statistical significance.

According to question 20, respondents perceived that performance pay programs lead some teacher to focus too much on test-taking and not the broader curriculum. Sixty-five percent of respondents agreed with the statement

with $p = .000$ which was less than an alpha level of $.05$ and a chi-square value of 13.1% ; therefore, implying statistical significance.

In the case of question 21, respondents perceived that performance pay programs negatively affected the morale of teacher who did not receive an incentive award. Sixty percent of respondents agreed with the statement with $p = .021$ which was less than an alpha level of $.05$ and a chi-square value of 5.3% ; therefore, implying statistical significance.

According to question 22, respondents perceived that competition for performance pay encourages teacher to improve the quality of instruction. Sixty-three percent of respondents agreed with the statement with $p = .001$ which was less than an alpha level of $.05$ and a chi-square value of 11% ; therefore, implying statistical significance.

Also in the case of question 27, respondents perceived that performance pay programs can improve teacher effectiveness. Seventy-four percent of respondents agreed with the statement with $p = .000$ which was less than an alpha level of $.05$ and a chi-square value of 33.4% ; therefore, implying statistical significance.

Lastly, in reference to question 28, respondents perceived that performance pay programs can foster cooperation among teachers. Sixty-five percent of respondents agreed with the statement with $p = .000$ which was less than an alpha level of $.05$ and a chi-square value of 12.7% ; therefore, also implying statistical significance.

A graphic analysis of these results appears in Table 9 and 10. Table 9 shows the frequency and percentage of the responses to each statement and Table 10 provides the statistical analysis of those responses.

Table 5

Responses to Questions Concerning Performance Pay Programs Influence on the Retention of Teachers in Schools

Item	Strongly Agree		Agree		Disagree		Strongly Disagree	
	<i>F</i>	%	<i>F</i>	%	<i>f</i>	%	<i>f</i>	%
12. The performance pay program has encouraged effective teachers to remain at my school.	13	8.7	52	34.7	69	46.0	16	10.7
13. The performance pay program has encouraged ineffective teachers to leave my school.	5	3.4	31	20.9	97	65.5	15	10.1
14. Overall, the performance pay program contributes to the district's ability to attract and retain effective teachers.	12	8.1	61	41.2	62	41.9	13	8.8
23. When a teacher is honored for increased student achievement, he/she should be given a performance pay increase.	23	15.0	99	64.7	27	17.6	4	2.6
24. When a faculty member receives a performance pay increase, the other faculty members are motivated to qualify for it.	8	5.3	81	53.3	56	36.8	7	4.6
29. As a performance pay program's monetary value increases, teachers are more motivated to attain it.	15	9.9	102	67.5	27	17.9	7	4.6

Table 6

Chi-Square Goodness of Fit Results for Questions Concerning Performance Pay Programs Influence on the Retention of Teachers in Schools

Item	$\chi^2(1)$	<i>p</i>	<i>w</i>
12. The performance pay program has encouraged effective teachers to remain at my school.	2.7	0.102	0.13
13. The performance pay program has encouraged ineffective teachers to leave my school.	39.0	0.000	0.50
14. Overall, the performance pay program contributes to the district's ability to attract and retain effective teachers.	0.0	0.869	0.01
23. When a teacher is honored for increased student achievement, he/she should be given a performance pay increase.	54.1	0.000	0.59
24. When a faculty member receives a performance pay increase, the other faculty members are motivated to qualify for it.	4.4	0.035	0.17
29. As a performance pay program's monetary value increases, teachers are more motivated to attain it.	45.6	0.000	0.54

Table 7

Responses to Questions Concerning Performance Pay Programs Quality of Teacher Selection

Item	Strongly Agree		Agree		Disagree		Strongly Disagree	
	<i>F</i>	%	<i>F</i>	%	<i>f</i>	%	<i>f</i>	%
11. The performance pay program helped me recruit effective teachers at my school.	19	12.8	37	24.8	75	50.3	18	12.1
14. Overall, the performance pay program contributes to the district's ability to attract and retain effective teachers.	12	8.1	61	41.2	62	41.9	13	8.8
25. Performance pay programs can attract highly qualified teachers to your school.	22	14.6	86	57.0	35	23.2	8	5.3

Table 8

Chi-Square Goodness of Fit Results for Questions Concerning Performance Pay Programs Quality of Teacher Selection

Item	$\chi^2(1)$	<i>p</i>	<i>W</i>
11. The performance pay program helped me recruit effective teachers at my school.	9.2	0.002	0.24
14. Overall, the performance pay program contributes to the district's ability to attract and retain effective teachers.	0.0	0.869	0.01
25. Performance pay programs can attract highly qualified teachers to your school.	28.0	0.000	0.43

Table 9

Responses to Questions Concerning Performance Pay Programs Instructional Effectiveness of Teachers

Item	Strongly Agree		Agree		Disagree		Strongly Disagree	
	<i>F</i>	<i>%</i>	<i>F</i>	<i>%</i>	<i>f</i>	<i>%</i>	<i>f</i>	<i>%</i>
6. The performance pay program has helped establish common goals for students learning and teacher instruction at my school.	9	6.1	66	44.6	59	39.9	14	9.5
7. Changes in student achievement are attributes to the performance pay program.	9	6.0	69	45.7	58	38.4	15	9.9
8. Teachers at my school are more comfortable with frequent observations of their teaching because of the performance pay.	5	3.3	40	26.3	91	59.9	16	10.5
15. The performance pay program encourages teachers to work harder than in prior years.	14	9.3	89	59.3	36	24.0	11	7.3
18. The prospect that teachers can earn additional compensation leads some teachers to engage in unethical behavior.	11	7.3	63	42.0	64	42.7	12	8.0
19. Teachers have altered the instructional practices as a result of the performance pay program.	8	5.3	87	57.6	51	33.8	5	3.3

(Table 9 Continues)

(Table 9 Continued)

Responses to Questions Concerning Performance Pay Programs Instructional Effectiveness of Teachers

Item	Strongly Agree		Agree		Disagree		Strongly Disagree	
	<i>F</i>	%	<i>F</i>	%	<i>f</i>	%	<i>f</i>	%
16. The performance pay program does a good job of distinguishing effective from ineffective teachers.	12	8	65	43.3	56	37.3	17	11.3
20. Performance pay leads some teachers to focus too much on test-taking and not the broader curriculum.	19	12.8	77	52.0	48	32.4	4	2.7
21. Performance pay negatively affects the morale of teachers who did not receive an incentive award.	21	14.2	67	45.3	57	38.5	3	2.0
22. Competition for performance pay encourages teachers to improve the quality of instruction.	10	6.5	87	56.9	48	31.4	8	5.2
27. Performance pay programs can improve teacher effectiveness.	13	8.6	98	64.9	33	21.9	7	4.6
28. Performance pay programs can foster cooperation among teachers.	7	4.6	91	59.9	42	27.6	12	7.9
30. Performance pay has no effect on the amount of time and effort dedicated by teachers.	11	7.2	68	44.4	72	47.1	2	1.3

Table 10

Chi-Square Goodness of Fit Results for Questions Concerning Performance Pay Programs Instructional Effectiveness of Teachers

Item	$\chi^2(1)$	p	W
6. The performance pay program has helped establish common goals for students learning and teacher instruction at my school.	0.0	.869	0.01
7. Changes in student achievement are attributes to the performance pay program.	0.2	0.684	0.03
8. Teachers at my school are more comfortable with frequent observations of their teaching because of the performance pay.	25.3	0.000	0.41
15. The performance pay program encourages teachers to work harder than in prior years.	20.9	0.000	0.37
18. The prospect that teachers can earn additional compensation leads some teachers to engage in unethical behavior.	0.00	0.870	0.01
19. Teachers have altered the instructional practices as a result of the performance pay program.	10.0	0.002	0.26

(Table 10 Continues)

(Table 10 Continued)

Chi-Square Goodness of Fit Results for Questions Concerning Performance Pay Programs Instructional Effectiveness of Teachers

Item	$\chi^2(1)$	p	w
16. The performance pay program does a good job of distinguishing effective from ineffective teachers.	0.1	0.744	0.03
20. Performance pay leads some teachers to focus too much on test-taking and not the broader curriculum.	13.1	0.000	0.29
21. Performance pay negatively affects the morale of teachers who did not receive an incentive award.	5.3	0.021	0.19
22. Competition for performance pay encourages teachers to improve the quality of instruction.	11	0.001	0.27
27. Performance pay programs can improve teacher effectiveness.	33.4	0.000	0.47
28. Performance pay programs can foster cooperation among teachers.	12.7	0.000	0.29
30. Performance pay has no effect on the amount of time and effort dedicated by teachers.	0.2	0.686	0.03

Summary

Overall, this chapter has presented the results from the four research questions pertinent to this study. Descriptive and survey data provided information helpful in determining principals' perceptions toward performance pay programs in Tennessee. This chapter also displayed the data collection and method of analysis that was used to interpret the information studied. Chapter 5 will present an overview of the study and a summary of the findings. Recommendations and recommendations for future studies are also discussed in Chapter 5.

CHAPTER 5

SUMMARY OF FINDINGS AND DISCUSSION

Introduction

The United States continues to lag behind other countries when it comes to improving student achievement. Since children are our greatest commodity, educational leaders, politicians, and the community must invest in their future by providing them with a world-class education. Through the years, legislators, educators, and reformers have fought to answer the call of improving the U.S. educational system. Performance pay programs are one method of reform that continuously resurfaces to help promote student achievement. This study was conducted to determine the perceptions that school principals have about performance pay programs in Tennessee. This chapter is divided into the following sections: statement of the problem, summary of the study, summary of the findings, recommendations, recommendations for further research and closing. The summary of the findings section provides a decisive summary of the quantitative and descriptive data and the researcher's interpretations of the analysis presented in Chapter 4.

Statement of the Problem

During the first half of the 20th Century in the United States, teachers' salaries were solely based on a fixed schedule based on years of experience and educational level. This approach has been criticized for failing to attract, motivate, and retain high-quality teachers. Many Americans see the necessity for increasing teachers' salaries. Moreover, they also see the importance of

having quality teachers in the classrooms in order for students to excel. Due to the United States' relatively poor performance in science and math test scores, in comparison to other countries, the government continues to stimulate interest in the design and implementation of performance –related pay policies.

Nevertheless, lack of clarity regarding the effectiveness of performance pay programs on the academic achievement of students continues to be an underlining problem.

Summary of the Study

The purpose of this study was to determine the perceptions that school principals have about teacher performance pay programs in Tennessee. By obtaining data from the survey instrument, the researcher gained insight into the thoughts, opinions, and desires of the Tennessee Principals concerning the positive and negative effects of performance pay programs, and to what extent, if any, that they perceived that performance pay programs were fair and equitable, enhanced the instructional effectiveness of teachers, and improved the selection and retention of quality teachers in Tennessee schools.

This study can also inform decision makers in Tennessee whether to enhance the establishment of performance pay programs or think of other alternatives. This study can be very beneficial to decision-makers across the region since most states in the southeastern part of the United States are implementing educational reform initiatives that contain some form of performance pay programs.

Summary of the Findings

A total of 154 members from the Tennessee Principals Association (TPA), which consisted of principals, assistant principals and district personnel across the state of Tennessee, took the survey instrument entitled *An Examination of Principals' Perceptions toward Performance Pay in Tennessee Survey (2011)*. Among those who took the survey, 92% of the respondents were building level principals and assistant principals. Of the 154 respondents, the highest respondent rate was that of the elementary school principal with 71%. Ninety percent of principals who completed the survey had three or more years of experience as a principal. However, it was noted that only 23% of the respondents had received some type of performance pay compensation in the last four years.

Research Question 1. To what extent, if any, do principals perceive that teacher performance pay programs are fair and equitable?

The data showed that participants could not decide as a whole one way or the other if performance pay programs were fair. There was no significant difference in the opinions of principals in reference to three questions regarding performance pay programs being fair and equitable. The three questions were as follows: (1) Does our schools had a less chance of earning an award because of the characteristic of the school; (2) Is the criteria to receive the incentives fair; and (3) Are performance pay systems fair? There are many factors that could play a part in the indecisiveness, but a major factor could be that most principals that took the survey are not afforded the opportunity to participate in a

performance pay program. Most principals also perceive that performance pay programs are only given to a selected few; therefore, not equally implemented in all schools (Ornstein & Levine, 2000). Eighty-eight percent (88%) of respondents, who took the survey, do perceive that the evaluation system that gauges most performance pay programs omits important aspects of school administration. The aspects that relate to school administration should be given more consideration. The aspects could range from principals having more voice in the teacher evaluation process to principals receiving additional compensations when their school shows significant student growth from year to year. According to the data, 63% of principals also perceive that performance pay programs will likely continue to be implemented within the state of Tennessee regardless of how fair or unfair they think it may be. Principals may have agreed with this statement due to Tennessee receiving the *Race to the Top Grant* from the federal government which states that a portion of the grant must be allocated to a performance pay program.

Research Question 2. To what extent, if any, do principals perceive that teacher performance pay programs influence the retention of quality teachers in schools?

The data showed that principals could not decide as a whole if performance pay programs had influence the retention of quality teachers in schools. There was no significant difference in the opinions of principals in reference to two questions regarding performance pay programs influencing the retention of teachers in schools. The questions are as follow: (1) Does

performance pay programs encourage effective teachers to remain at their schools; and (2) Does performance pay programs, overall, contribute to their district's ability to attract and retain effective teachers? There was no statistical significance in their responses. There are many factors that enhance the retention of teachers, however; according to the data, many principals did not see that performance pay programs are as strong as other factors such as school climate and culture, relationship with principal, or school/community support. This data also supports findings from Allen (2005), which states that compensation is important, but it is not the deciding factor when teachers leave the profession. Seventy-six percent of principals did perceive that performance pay programs did not encourage ineffective teachers to leave their school. This fact could be attributed to Tennessee's tenure laws and the amount of years it takes to remove ineffective teachers regardless if their school is rewarded the performance pay compensation. Principals that took the survey perceived that when a teacher is honored for increase student achievement, he/she should be given a performance pay increase. They also perceived that when a faculty member receives a performance pay increase or the performance pay program monetary value increases, the other faculty members will be more motivated to attain it. This view or perceptions is aligned to Victor Vroom's Expectancy Theory, which states that rewards are extrinsic motivators and will motivate people to produce more when given the opportunity (Green, 2005). In summary, according to the data, principals perceive that performance pay programs do not influence the retention of teachers; however, they do believe that it motivates

teachers to work harder to attain it which will ultimately improve student achievement.

Research Question 3. To what extent, if any, do principals perceive that teacher performance pay programs will enhance the quality of teacher selection?

As stated in research question 2, the data showed that principals were indecisive on performance pay programs ability, overall, to contribute to their district's ability to attract and retain effective teachers. There was no statistical significance in their responses. However, 62% of principals perceived that performance pay programs could help to recruit effective teachers to their school, and 72% of principals even perceived that it could attract highly qualified teachers to their school. This implies that principals are not certain on the recruiting measures from the district level, but are convinced that performance pay programs would help enhance the teacher selection at the school level. This can be very encouraging for districts if they implement performance pay programs where all schools can benefit in some fashion rather than a selected few schools. Based on the literature, performance pay programs are more effective when a school district rewards their schools /employees based on any of the following: (1) Increased student achievement; (2) Teachers working in a lower income school; or (3) Teacher teaching subjects that are harder to staff. Based upon the data, principals also want to offer more compensation to those who are highly qualified or considered an effective teacher.

Research Question 4. To what extent, if any, do principals perceive that teacher performance pay programs will enhance the instructional effectiveness of teachers?

The ultimate goal of any educational reform is student achievement. Instructional effectiveness of teachers is a very important derivative to ensure students' success. The data showed that principals could not decide if performance pay programs had done the following: (1) Helped establish common goals for students learning and teacher instruction at their school; (2) Showed changes in student achievement; (3) Showed the prospect that teachers can earn additional compensation which leads some teachers to engage in unethical behavior; (4) Did a good job of distinguishing effective from ineffective teachers; and/or (5) Had no effect on the amount of time and effort dedicated by teachers. All of the aforementioned statements are very important to ensure instructional effectiveness of teachers; however, based upon the data from the respondents, there was not a real statistical significance which would move towards a positive or negative effect of performance pay programs.

However, there were 70% of principals who disagreed with the statement that stated teachers were more comfortable with frequent observations of their teaching because of performance pay programs. This perception could be due to many not fully understanding performance pay programs or not being involved in a program. Since the state adopted a new model of teacher evaluations in 2011, teachers comfort level may be derived from the observations being made mandatory. Sixty-five percent of principals perceived that performance pay

programs lead some teachers to focus too much on test-taking and not enough on the boarder curriculum. This particular statement implies that principals perceived that teachers teach to the test to ensure their students succeed on yearly achievement test. Most performance pay programs consider teachers' performance from the yearly achievement test to determine if teachers will receive the additional compensation. Sixty percent of principals perceived that performance pay programs negatively affected the morale of teachers who did not receive an incentive award. This perception could be derived from some principals believing that it is unfair to reward some teachers in the school for showing increased student achievement and not reward others who did not show student growth or achievement (Kohn, 20003). The abovementioned statements would be considered a negative effect of performance pay programs.

There were several positive effects of performance pay programs that principals perceived would enhance the instructional effectiveness of teachers. The data revealed that 69% of principals perceived that performance pay programs encouraged teachers to work harder than in prior years; 63% of principals perceived that teachers have altered the instructional practices as a result of performance pay programs; 63% of principals perceived that competition for performance pay encouraged teachers to improve the quality of instruction; 74% of principals perceived that performance pay programs improved teacher effectiveness; and 65% of principals perceived that performance pay programs can foster cooperation among teachers. Overall, this data implies that

performance pay program can improve the instructional effectiveness of teachers if all stakeholders see the value in the program.

Recommendations

While the analysis from Tennessee principals' perceptions from this study may not vary much from other studies, it does suggest that if a performance pay program is to be successful in the state of the Tennessee it must fulfill the following:

1. The performance pay program must be open to all schools within the district to participate and there must be a majority buy-in for the program. All schools could participate by either offering the program for teaching in a high poverty school, teaching in hard-to-staff areas, or achieving significant student academic gains through effective teaching and learning initiatives (Terry, 2009).
2. The performance pay program must be very transparent to all involved by involving them in the designing process, and all stakeholders must be educated on how to receive the compensation.
3. School districts will have to include other motivators, not just performance pay compensation to increasing teacher retention and teacher selection.
4. Performance pay program would be more beneficial if the rewards were given to all employees of the school for increased student achievement rather than just certain teachers that show increase in student achievement with the students that they serve.

5. The performance pay compensation must be significant enough whereby teachers will want to work harder to attain the reward (Sultanik, 2000).
6. The performance pay program must include important aspects of the school administration.

If the aforementioned recommendations occur, performance pay programs will aid in increased student achievement in Tennessee schools.

Are performance pay programs the new wave of educational reform?

Based upon this study, it is a viable program that can show success; however, it cannot be a standalone program. There must be other initiatives that will aid in student achievement.

Recommendations for Further Research

The conclusion of this study offer several recommendations for further research. Based on previous research and the finding for this study, the following recommendations are proposed for further study:

1. This study can be replicated, replacing sample populations with teachers instead of principals to determine if their perceptions are similar or different.
2. This study can be replicated, distinguishing locations of respondents – urban or rural – to determine if their perceptions are similar or different.
3. This study can be replicated, distinguishing principal current school assignments – elementary or secondary – to determine if their perceptions are similar or different.

4. This study can be replicated; distinguishing principals' perceptions in schools district that receive performance pay programs verses those that do not receive such programs – to determine if there is a difference in student achievement.
5. The State of Tennessee would benefit by conducting a longitudinal studies of existing schools within the state that have a performance pay program to determine the effectiveness, sustainability, and success rate at rewarding, retaining, and recruiting highly effective teachers.
6. Application of the same research to other states would prove beneficial to the federal government in analyzing the perceptions of principals in the United States; therefore aiding in the development and creation of a national policy governing performance pay programs.

Summary

In closing, as a recipient of a performance pay program, this researcher believes that performance pay programs, if designed correctly, will enhance student achievement. This research has outlined the practices that continue to resurface in performance pay programs through the literature and perceptions of Tennessee principals. The best way to enhance new programs in the future is to listen to the voice of the stakeholders involved and learn from the past performance pay initiatives.

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APPENDIX A

THE UNIVERSITY OF MEMPHIS

Institutional Review Board

To: Janice Valencia Tankson
Leadership

From: Chair or Designee, Institutional Review Board
For the Protection of Human Subjects
irb@memphis.edu

Subject: An Examination of Principals' Perceptions toward Performance Pay
in Tennessee (060811-411)

Approval Date: June 8, 2011

This is to notify you that the Institutional Review Board has designated the above referenced protocol as exempt from the full federal regulations. This project was reviewed in accordance with all applicable statuses and regulations as well as ethical principles.

When the project is finished or terminated, please submit a Human Subjects Research Completion Form (COMP) to the Board via e-mail at irbforms@memphis.edu. This form can be obtained on our website at <http://www.memphis.edu/irb/forms.php>.

Approval for this protocol does not expire. However, any change to the protocol must be reviewed and approved by the board prior to implementing the change.

Jacqueline Y. Reid
Chair or Designee, Institutional Review Board
The University of Memphis

Cc: Dr. Reginald L. Green

APPENDIX B

THE UNIVERSITY OF MEMPHIS®

Dear Reviewer,

My name is Janice Tankson and I am a doctoral candidate at The University of Memphis in Memphis, TN. Attached is a preliminary draft of the survey that will be sent to members of the Tennessee Principals Association (TPA) in order to gather principals' perceptions toward performance pay programs in Tennessee. Also, attached is a list of questions to review as you read over the survey. These questions relate to the validity of the instrument. In reading and answering the questions, please feel free to comment on any area that you feel would improve the instrument's content and construct.

The survey you are about to take require approximately 10-15 minutes to complete. Your participation is completely voluntary and may be discontinued at any time without penalty or prejudice to you. Your participation will be anonymous. Please complete the survey and return to me at the end of the day. Please do not discuss the answers of the survey with anyone until after all surveys and validity questions have been collected.

Completion and return of the survey and validity questions will be considered permission to use your responses in the study. Surveys collected will be reviewed and utilized by me and will be destroyed after the study is completed.

Thank you in advance for taking time to assist me with my research. It is my hope that this study will be of great value to the State of Tennessee.

Sincerely,

Janice V.Tankson

Doctoral Candidate

APPENDIX C

VALIDITY QUESTIONS

Please keep the questions in mind as you read the questionnaire. If you have any suggestions or recommendations, please include them in your review.

1. Are the questions worded concisely and succinctly in order to convey the necessary information to the participants? If not, please, include the number of the question(s) and the recommended changes you would make.
2. Is the use of clear terminology used? If not, please include the number of the question(s) and any recommended changes you would make.
3. Are there any questions that appear to be redundant? If so, please include the number of the question(s) and any changes you would make.
4. Are there any questions that need to be added? If so, please include the recommended additions.

Dear TPA Members,

My name is Janice Tankson. I am one of the State Directors of TPA and a doctoral candidate at the University of Memphis. There are many changes occurring in our state ranging from a new teacher/principal evaluation process and more rigorous state standards to the U.S. Department of Education officially approving our request for a waiver from certain provisions of the No Child Left Behind Federal Laws. In an effort to ensure that our opinions are being shared in the educational reform arena, I would like for you to participate in a research study. The purpose of this study is to examine principals' perceptions toward performance pay in Tennessee. The findings from this study will give more insight into the thoughts, opinions, and desires of Tennessee principals concerning the positive and negative effects of performance pay and its relationship to retaining quality teachers, the academic performance of the school, and whether it improves teacher performance.

Your participation is extremely valuable as it will aid us in informing decision makers on whether to enhance the establishment of performance pay programs or think of other alternatives.

Your participation is anonymous and voluntary and your responses on the survey are entirely confidential. At the end of the data collection period (February 13-27, 2012), two participants will be selected to receive a \$50.00 Visa Gift Card by way of a drawing.

Please click on the following link if you would like to participate in this survey.

Educationally yours,

Janice V. Tankson
Doctoral Candidate

THE LINK WOULD GO HERE.

APPENDIX E

**An Examination of
Principals' Perceptions toward Performance Pay in Tennessee Survey
(2011)**

SECTION ONE: Demographics

1. What is your current assignment at your school this year?
 - a. Principal
 - b. Assistant Principal
 - c. District Personnel
 - d. Other

2. Which best describes the total number of years you have been employed as a principal or administrator?
 - a. Less than 3 Years
 - b. 3 to 10 Years
 - c. 11 to 20 Years
 - d. 21 or more years

3. Which one best describes your personal level of education attainment?
 - a. Baccalaureate
 - b. Masters
 - c. Specialist
 - d. Doctorate

4. Which category best describes your current school of assignment?
 - a. Elementary School
 - b. Middle School
 - c. High School
 - d. Alternative/Special Center

5. Have you received any type of performance pay at any time during the last four years?
 - a. Yes
 - b. No

SECTION TWO

If you could have a Performance Program that looks like the one described in the instrument section below, do you think it would have the impacts listed. Please mark (X) one per row, on how strongly do you agree or disagree with the following statements about performance pay programs.

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree
a. The performance pay program should be clearly communicated to educators.				
b. Our school has less chance of earning an award because of the characteristics of our student population.				
c. The performance pay systems are fair.				
d. The evaluation system omits important aspects of school administration that should be considered.				
e. The criteria to receive an incentive are fair.				
f. The performance pay program has helped establish common goals for students learning and teacher instruction at my school.				
g. Changes in student achievement are attributes to the performance pay program.				
h. Teachers at my school are more comfortable with frequent observations of their teaching because of the performance pay.				
i. Parents and the school community believe the performance pay program is important.				
j. The performance pay program is likely to continue for the foreseeable future.				

SECTION THREE

If you could have a Performance Program that looks like the one described in the instrument section below, do you think it would have the impacts listed.

Please mark (X) one per row, on how strongly do you agree or disagree about the effects of the performance pay program on attracting and retaining teachers at your school.

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree
a. The performance pay program helped me recruit effective teachers at my school.				
b. The performance pay program has encouraged effective teachers to remain at my school.				
c. The performance pay program has encouraged ineffective teachers to leave my school.				
d. Overall, the performance pay program contributes to the district's ability to attract and retain effective teachers.				

SECTION FOUR

If you could have a Performance Program that looks like the one described in the instrument section below, do you think it would have the impacts listed.

*Please mark (X) one per row, on how strong do you agree or disagree with the following statement about the performance pay program **for teachers** in your school/district?*

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree
a. The performance pay program encourages teachers to work harder than in prior years.				
b. The performance pay program does a good job of distinguishing effective from ineffective teachers.				
c. The performance pay program contributes to greater collegiality and professionalism among the staff in my school.				
d. The prospect that teachers can earn additional compensation leads some teachers to engage in unethical behavior.				
e. Teachers have altered the instructional practices as a result of the performance pay program.				
f. Performance pay leads some teachers to focus too much on test-taking and not the broader curriculum.				
g. Performance pay negatively affects the morale of teachers who did not receive an incentive award.				

SECTION FIVE

If you could have a Performance Program that looks like the one described in the instrument section below, do you think it would have the impacts listed. Please mark (X) one per row, on how strongly do you agree or disagree with the effects of performance pay programs in general?

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree
a. Competition for performance pay encourages teachers to improve the quality of instruction.				
b. When a teacher is honored for increased student achievement, he/she should be given a performance pay increase.				
c. When a faculty member receives a performance pay increase, the other faculty members are motivated to qualify for it.				
d. Performance pay programs can attract highly qualified teachers to your school.				
e. Other faculty members can react negatively when a faculty member receives a performance pay increase.				
f. Performance pay programs can improve teacher effectiveness.				
g. Performance pay programs can foster cooperation among teachers.				
h. As a performance pay program's monetary value increases, teachers are more motivated to attain it.				
i. Performance pay has no effect on the amount of time and effort dedicated by teachers.				

APPENDIX F



Dreamers. Thinkers. Doers.

Dear TPA Members,

I would like to thank those who have taken the survey below and encourage those that have not taken the survey that there is still time to make your opinion matter in this study. This is a perception study designed to examine principals' perceptions toward performance pay in Tennessee. There are many performance pay programs that have been implemented in the state of Tennessee. The programs range from career ladder programs to programs designed to give additional compensation to teachers and principals for increased student achievement.

When taking this survey, please think of the performance pay program you may be familiar with or have been a participant. Since this is a perception study, it is not required to have been a recipient of a performance pay program.

The findings from this study will give more insight into the thoughts, opinions, and desires of Tennessee principals concerning the positive and negative effects of performance pay and its relationship to retaining quality teachers, the academic performance of the school, and whether it improves teacher performance.

Your participation is extremely valuable as it will aid us in informing decision makers on whether to enhance the establishment of performance pay programs or think of other alternatives. Your participation is anonymous and voluntary and your responses on the survey are entirely confidential. At the end of the data collection period (February 13- 27, 2012), two participants will be selected to receive a **\$50.00 Visa Gift Card** by way of a drawing.

Please click on the following link if you would like to participate in this survey.

Educationally yours,

Janice V. Tankson
Doctoral Candidate

THE LINK WOULD GO HERE.