

## **Hiccups and Success: Principals Speak Out About Equitable Performance Pay in a Large South Texas Urban Border District**

Rebeca Nava-Garza, Ed.D.  
Pharr-San Juan-Alamo Independent School District

Gerri M. Maxwell, Ph.D.  
Texas A&M University – Corpus Christi

### **ABSTRACT**

This study sheds light on principal perceptions of the impact of performance pay in an urban South Texas School District that is situated on the border of Texas and Mexico. This qualitative naturalistic inquiry case study used researcher as instrument (Lincoln & Guba, 1985) in order to glean the perceptions of principals who serve campuses of students that are predominantly Hispanic and underserved low-socioeconomic students. Strategies to facilitate trustworthiness and credibility of the study were implemented (Erlandson, Harris, Skipper, & Allen, 1993). Major themes include: 1) the critical need for teacher quality, 2) the significance and impact of principals as teacher coaches, 3) the necessity of discernment in understanding of the purpose of performance base compensation as well as the impact of performance-based compensation (including the impact of that at three levels); and, 4) the impact on student achievement. The fifth theme evidenced participant perspectives on whether performance-based compensation improves recruitment and retention of quality teachers.

Keywords: Performance pay, teacher incentive, incentive pay, teacher merit pay, incentivizing performance

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## INTRODUCTION AND LITERATURE REVIEW

Having a highly effective, quality, caring teacher for at risk, economically disadvantaged students, is the responsibility of all educators (Darling-Hammond, Burns, Campbell, Goodwin, Hammerness, Low, McIntyre, Sato & Zeichner, 2017). Not only the quantity of teachers, but the quality of teachers is affected by salaries (Podolsky, Kini, Bishop & Darling-Hammond, 2016). Teacher compensation positively influences where a teacher chooses to work (Joseph & Waymack, 2015). Higher salaries appear to be correlated to improved teacher quality thereby improving student academic success and school quality. According to Lin (2010), student achievement and teacher salaries are significantly, positively related (p.547). The rationale is that financial compensation encourages teachers to take on teaching assignments that may be more challenging and expend greater effort for the cause of increasing student academic performance (Rice, Malen, Jackson, & Hoyer, 2015).

A student's academic performance is a direct result of the instruction they receive (Darling-Hammond, 2009a, 2009b, 2012; Marzano, Pickering, & Pollack, 2010). Students who are assigned an ineffective teacher for several years in a row have much lower academic gains as reflected by their achievement scores when compared to those that have effective teachers (Sanders, & Rivers, 1996). Teachers that have a high level of subject matter knowledge, educational pedagogy, passion and commitment for student academic success are what is needed in every classroom (Darling-Hammond, 1998; Darling-Hammond, & Young, 2002; Darling-Hammond, & Bradford, 2005; Hattie, 2009; Mathur, Estes, & Johns, 2012).

In a time when the quality of the teacher will determine the quality of education the student receives, it is important to reconsider the teacher salary structure (Hershberg, & Robertson-Kraft, 2009). This is especially important now because student academic achievement in public schools is at the center of national public attention and federal education legislative reform. The attention has shifted the focus of the reform conversation to improving teacher quality in education (Hanuske, & Woessmann, 2010).

The use of performance pay to incentivize improvement in teacher effectiveness is currently being implemented as another possible means of supporting improved teacher quality as well as rewarding excellent teaching. How performance incentives are structured and presented, appear to have moderate influence on performance incentives (Bonner, 2002; Heneman, 1998; Taylor et al., 2009). Studies conducted by the Economic Policy Institute of salary comparison between teachers and comparable workers in the private sector found a disparity of 17% by 2015 (Allegretto, & Mishel, 2016). Systems that can improve teacher salaries like performance pay have been considered and proposed as a more cost-effective option (Whorton, 2016).

## STATEMENT OF THE PROBLEM

The majority of American public schools compensate teachers on years of teaching experience and education level. This salary system does not take into account the teacher's performance and how it impacts student academic achievement (Gius, 2013). Traditional teacher salary schedules are inefficient salary structures that compensate teachers based on years of experience and advanced degrees; both of which research indicate have little impact on student performance (Balch, & Springer, 2015). Teacher pay reforms criticize this system for being rigid and weakly related if at all to teacher effectiveness (Goldhaber, & Walch, 2012). While

performance pay is an option, it is controversial. Concerns such as creating atmospheres of competition among teachers rather than collaboration can impact overall school climate (Brewer, Myers, & Zhang, 2015). Moreover, some early models of teacher merit pay were based on group-based awards and were criticized because it created the opportunity for weaker teachers to benefit from the strongest teachers in the group (Goodman and Turner, 2013).

## **PURPOSE OF THE STUDY**

In light of the perspectives grounded in the research literature, the purpose of this qualitative case study was to examine principal perceptions to better understand the effects of the teacher performance pay system used in a large urban South Texas border school district. The study provides insight into the use of a performance pay system to retain and recruit highly qualified teachers which is a critical concern serving a high-need, primarily low socioeconomic Hispanic student population of 30,000 in this school district.

## **METHODOLOGY**

This study sheds light on principal perceptions of the impact of performance pay in an urban South Texas School District that is situated on the border of Texas and Mexico serving predominantly historically underserved Hispanic and low-socioeconomic students. This qualitative naturalistic inquiry case study utilized researcher as instrument (Lincoln & Guba, 1985). The strength of using case study in qualitative research is its methodological eclecticism (Marshall & Rossman, 2016). In this study, the investigator worked to diminish personal distortion and remain on site enough time prolonging the engagement to ensure the data is free from that distortion, yet not too long that her professional judgement was marred (Erlandson et al., 1993; Lincoln & Guba, 1985). Moreover, because the lead researcher has insider knowledge (Coghlan & Brannick, 2014) with the phenomenon being investigated, heuristic inquiry framed the study (Moustakas, 1990).

School principals in an urban South Texas school district were invited to be participants in this study. The participant group included two elementary, two middle school and three high school principals for a total of seven participants in the study. This group was purposively selected based on the fact that all are serving as principals of schools where teachers are recipients of teacher performance-based compensation incentive pay (Erlandson, et al., 1993). The researcher audio recorded all interviews that were then transcribed. Using inductive analysis and creative synthesis the researcher discovered patterns, and themes beginning with a minimalist mind frame as is recommended with emerging research (Saldana, 2016; Marshall & Rossman, 2016).

The researcher utilized Erlandson et al.'s (1993) member checking strategies to review data collected. This allowed the participant the opportunity to review and scrutinize the provisional report to confirm, reject and correct data for accuracy. Member checking increased researcher's data interpretation of information presented by participants at the interview. The process increased reliability of findings grounded from the emerging data (Erlandson et al., 1993; Lincoln & Guba, 1985). Additional strategies to facilitate trustworthiness and credibility of the study will be implemented (Erlandson, Harris, Skipper, & Allen, 1993).

## RESULTS

### Participants in the Study

All of the participants are Hispanic and have been at their current principal assignment at least four years with performance pay being offered during the same period. Six of the seven principals are at schools that participated in the Teacher Incentive Fund Grant which also makes them eligible for performance pay compensation. The district funds the seventh campus' performance pay. Since all the high schools have been eligible for performance pay since the inception of the TIF grant in this school district, a large number of staff are eligible and have been recipients of performance pay for several years. With over one hundred teachers at each of the two comprehensive high schools, these principals' perceptions bring insight to the research question.

The participants, ages 40 to 60, were audio recorded during a semi-structured fourteen question interview. The Hispanic participants included three females, and four male school principals with a total of more than sixty years of school principalship experience. All have at least a master's degree except one holds a doctorate in education.

### Findings

The interviews added rich discourse and lead to the formation of five major themes including: 1) the critical need for teacher quality, 2) the significance and impact of principals as teacher coaches, 3) the necessity of discernment in understanding of the purpose of performance base compensation, the impact of performance-based compensation (including the impact of that at three levels); and, 4) the impact on student achievement. The fifth theme evidenced participant perspectives on whether performance-based compensation improves recruitment and retention of quality teachers. Sample data is provided below based on these themes. This study is based on a completed dissertation and the full paper will be presented upon acceptance.

### Teacher quality

The elementary school where one principal, George, has served for several years is located in a community that has high poverty, with parents that have low level of educational attainment and with a good majority performing jobs in manual labor. However, the school has a strong parental support system that honors family traditions, cultures and incorporates the growth mindset it in the teaching practices. George has created a teaching school environment that is aligned with what Gloria Ladson-Billings calls "culturally relevant pedagogy" (Ladson-Billings, 1995). George looks for teachers that share these qualities.

### Principal as teacher-coach

With the Texas Education Agency implementation of the Teacher Evaluation and Support System (T-TESS) the need for principals to serves as a teacher coach is required. The T-TESS tool includes a rubric that is intended to support the reciprocal interactions between the principal and teacher allowing for teacher coaching (Templeton, Hammett, Low, Arrambide, & Willis, 2015). When asked about her role as a principal teacher coach, Ana had this to say:

It's very important now that the principal coaches the teacher along. Encourages them, get them the right PD if needed, pair them up with teachers that have experience that they can learn from.

### **Discernment of performance pay**

Four of the principals had more to say about their understanding and expressed concerns that have been topic of discussion with performance pay. Middle school principal, Ben said, "Performance pay can have its downfalls because, depending on the criteria we're using and in our case since we do use the evaluation system that we're using, the administrator is not on the same page as the other administrators and their evaluation seems to come back higher when it really shouldn't."

All seven of the participants lead schools that have staff that unite in the effort to improve student performance. However, the responses for the high school principals of the impact that performance pay on staff did seem to differ slightly from the others. The high school principals said that because they have larger staff, they have to address issues and concerns on performance pay from staff members immediately because it involved money and had the potential to become a big problem quickly. The idea that teachers do not become a teacher for the money but motivated by altruistic reasons was highlighted by one of the high school principals.

### **Impact on student achievement**

Even with changes made to the state exams and the accountability system during the time frame for the data, there are significant student academic gains realized for the school district. It is necessary to explain that the student academic achievement is measured as student growth in value-added model. A value-added model measure progress made by individual students from one year to the next. The academic growth is considered to be a much fairer way to assess the quality of teacher's instruction (Sanders, & Rivers, 2009).

Finally, one principal said to sum it all up

I would just say performance pay, yes, it has . . . 'hiccups,' but it's important. A lot of teachers, it's a much-needed boost, Hey, job well done. You hit your marks . . . Yes, we're all pulling the same direction, but you need to have some concrete levels and steps behind that. Performance pay is definitely positive and it does have drawbacks, but any new system would...

## **CONCLUSIONS AND RECOMMENDATIONS**

It is critical that teacher quality be of the highest caliber in this South Texas urban district serving high needs Hispanic low socioeconomic students. The goal of the district is an equitable performance pay system to address salary shortfalls and reward excellent teaching while attracting the brightest and best teachers. To achieve that teacher quality, this district recruits across the world. Strong salaries supported by performance pay incentives attract high quality candidates. While all participants agreed that teacher performance pay is good for teachers, their responses indicated that the accountability structure should be revisited so that it creates a more equitable system accountability for all teachers regardless of the teaching assignment. Principal interviews provided administrative perspectives on the pros and cons of this border district's

performance pay policies.

Until teacher salaries are improved, and teachers receive appropriate compensation, performance-based compensation should continue to be considered as an innovation to compensate hard work and drive student academic growth. One area that should be further studied with regard to performance-based compensation are the value-added models and the possible positive impact that they can have on student academic growth when used with a hybrid performance-based compensation plan.

Additionally, one of the primary criticisms particularly by the administrators was reflective of teacher input in this study, thus, there is an ongoing need to engage the teachers and administrators who are impacted by efforts at implementation of performance pay, similarly to how these participants in this study were included. It is critical that administrators invite feedback from stakeholders throughout the process and that they do so in an ongoing and genuine way. Each context will demand finessing of initiatives to meet the needs of unique contexts. Using this sort of input from teachers, principals and school leaders can contribute to the model and help provide fertile soil for these “carrots” that can contribute the most significant gains in student academic growth.

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