



MERIT PAY MISFIRES

Policymakers should be careful about what they choose to reward—because they'll most likely get it.

Al Ramirez

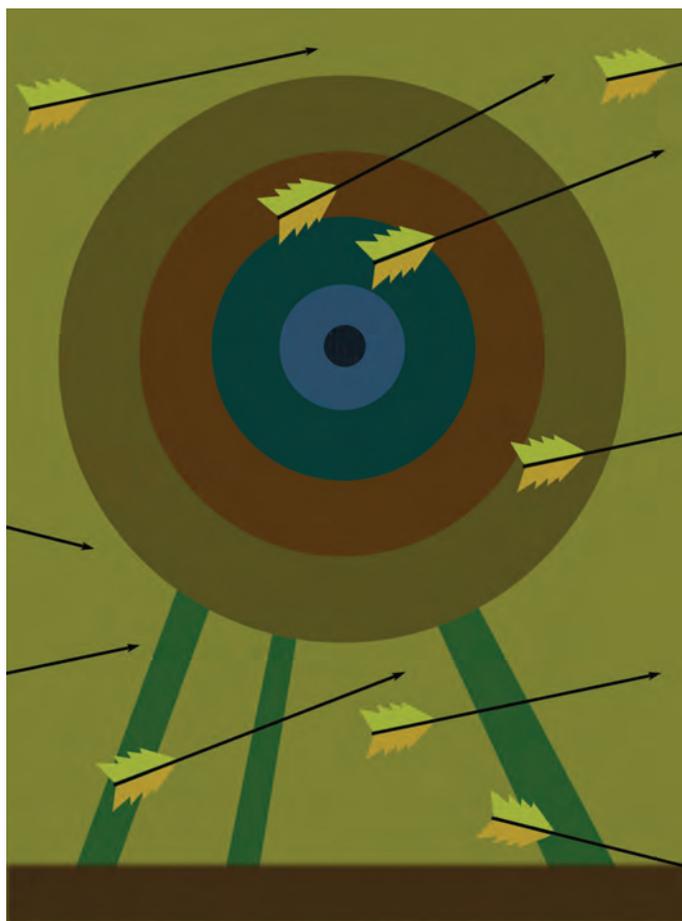
It's sad to see the public education system being subjected to yet another "good idea." Merit pay—the newly rediscovered answer to what ails U.S. public education—will come and go like so many previous "good ideas" that tinker with the system. If we're lucky, it will only delay genuine progress. If we're not, it will do real harm and set the system back.

Like most fads, merit pay is based on shaky theories and false assumptions. Here's a partial list:

- Teachers are holding back. They can produce better learning, but they're just not motivated to do so.

- Teaching is not really a profession, and professional judgment is not a factor in good teaching. Therefore, policymakers can standardize teaching performance and a supervisor can tell a teacher when he or she has deviated from the standard.

- All teaching is the same regardless of grade level, subject matter, or the students in the class.



- Policymakers know what good teaching is and can easily measure it.

- Policymakers understand human motivation. They know where and in what amounts to place incentives to get desired results.

- Greed is good. Teachers will respond to financial rewards.

- Competition is good. Teachers will work harder to beat out their colleagues to get a rationed resource—higher pay.

- If it weren't for unions and their resistance to merit pay, public education would flourish.

- Policymakers have enough money to make a merit-pay system work.

Steps and Lanes in the Crosshairs

The uniform salary schedule, with its steps and lanes, is ubiquitous in U.S. public education. It was developed in the early part of the 20th century to professionalize public education and reform compensation practices deemed unfair and even corrupt. Previous systems had used such criteria as

gender, age, grade-level assignment, race, marital status, nepotism, and political patronage to determine salary.

The uniform salary schedule proved to be a popular innovation because people found it fair, transparent, easy to

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understand, and predictable. Teachers and taxpayers liked it. Educators and those responsible for administering school district compensation programs highly value these qualities to this day.

Critics argue that the present system is unfair because it promotes mediocrity by rewarding poor performers while failing to recognize outstanding achievement on the job. Advocates for merit-pay systems also contend that the uniform salary schedule ignores the basic purpose of education—student learning. They adhere to a simplistic “input-output” model of education that denies the complex realities of schooling. These realities are among the very reasons that efforts to establish merit-pay systems fail.

Clarifying Terms

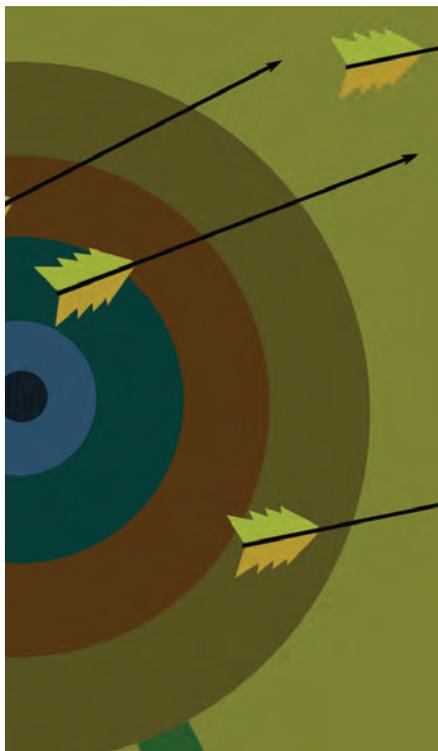
To understand why merit-pay systems don't work, it's important to distinguish among the various pay systems that are sometimes passed off as merit pay.

One common salary approach is the *career ladder*. In this system, educators are rewarded for achieving ever-higher levels of professional rank—for example, novice teacher, associate teacher, or master teacher. Typically, such systems require the employee to acquire higher levels of training, demonstrate competencies in key skills and knowledge, and assume greater job responsibilities.

Another pay model, sometimes called *pay for performance*, provides opportunities for additional compensation when the employee takes on additional duties, such as mentoring new teachers or serving as a curriculum specialist.

A third method offers a differentiated salary schedule or bonuses to educators taking on hard-to-fill teaching assignments in shortage areas or in difficult school settings.

Here, I use the term *merit-pay system* to refer solely to pay schemes that tie salary bonuses to student learning, usually as measured by a test.



Why It Doesn't Work

Merit-pay programs that are solely based on student achievement don't last because they don't work. Even the highly touted Denver Public Schools pays out most of the extra compensation for things other than test score results: for teachers who go into hard-to-attract teaching specialties, such as mathematics, science, special education, and bilingual education; for professional development; for teachers who willingly go to hard-to-staff schools (so-called “combat pay”); or for extra work beyond the contract.

Merit pay seems to work in many other professions—for example, law, professional sports, and used car sales. But it doesn't work in public education. Here's why.

Factors Beyond Teachers' Control

When asked to take on a merit-pay system, teachers typically point to the fact that they have no control over who is assigned to their classes. Every veteran teacher knows that groups of

students will vary in their ability and motivation from year to year. Each class presents its own set of challenges. And this variation exists across schools and districts.

Other professions, such as law, engineering, or accounting, operate in a different context. Professionals in these fields usually choose to work with a specific client, and they define the range of possible outcomes before they engage in the work. If a lawyer wins a big slip-and-fall case, the firm makes more money and bonuses follow. In professional sports, the more the team wins, the more money it makes; performance bonuses are linked to things that put more paying fans in the seats. Merit-pay systems in contexts like these are clear, easy to understand, and easy to administer.

Measurement Problems

To achieve fairness in the merit-pay system, policymakers will attempt to adopt objective measures of student learning, usually a test. But this approach leads to major pitfalls, such as narrowing the curriculum, gaming the system through teaching to the test, and victimizing struggling students and their families through blame or worse.

In addition, the literature is full of challenges to the validity of even the most highly regarded tests (Popham, 2008; Wiliam, 2010). Besides, tests are typically designed to measure student learning—not instruction or teacher effectiveness.

Target Problems

Policymakers who would impose merit-pay systems should be careful about what they choose to reward because employees will respond to established incentives. The question soon becomes, What will *not* get done? Teaching is a complex profession, and teachers do a lot in the interest of students that really isn't measurable. Yet many of these hard-to-measure practices, such

as counseling students about academic or personal concerns, are crucial to students' lives and of value to parents.

Teachers are not salespeople. We should not incentivize them through numerical goals and quotas. When policy moves the educator's focus toward money and away from students, families, and communities, it sets the stage for distortions in the education system.

Administration Problems

To overcome the problems of only using a test as a measure, accommodating the complex nature of the classroom, and selecting "the right" employee behaviors to reward, policymakers will establish complicated rubrics to keep score in any merit-pay system. However, the search for the right combination of behaviors and outcomes is a slippery slope that inevitably leads to a complex and unwieldy measurement system that distracts both teachers and principals from their important work.

Morale Problems

Merit-pay systems are demoralizing because they treat educators like laboratory rats and not professionals (Deci, 1971; Deming, 1993). Professionals bristle, as do most workers, when they feel manipulated. Talented staff members may move elsewhere. Further, setting numerical goals and quotas without also giving educators a method for reaching those goals creates great frustration (Deming, 1993).

Misunderstanding Human Motivation

Merit-pay systems are doomed because they fail to recognize the fundamental principles of human motivation and how they apply in schools (Glasser, 1999; Springer et al., 2010). One of the strongest incentives that naturally exist in schools is one's sense of affiliation in being part of the staff. School culture and climate are integral to school success. Merit pay introduces

competition among staff members and destroys the sense of community so important to adults and students.

A second natural motivator is the feeling of accomplishment that professionals experience when, as a result of their own professional judgment, they meet the challenges of the job. Manipulating an educator into mimicking patterns of behaviors developed by people outside the classroom diminishes this sense of efficacy.

Merit pay misses the boat entirely—because good teaching is not about money. Most educators chose the profession out of a sense of calling; they

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understand they will never get rich as a teacher. A long time ago, policymakers in public education understood this as well, and thus a tacit bargain was struck in an effort to attract and retain highly competent and committed professionals. The deal was this: Commit to being an educator in the public schools, and the public will strive to provide you with a professional salary and treat you like a professional. You won't get rich, but you'll do all right; and as you grow in the profession, you'll earn a little more.

Money Problems

Unlike other professions and career fields where merit awards can be tied to revenue, public education functions within constrained budgets. Merit-pay programs are typically not funded in a way that can provide or sustain substantial financial rewards. People will respond to monetary incentives, but those incentives have to be large enough. Yet school districts usually need to implement the program "on the cheap." Thus, the primary incentive on which the system is built—money—is in short supply.

This also raises the issue of superstar performers, who tend to perform well year after year and typically end up with all the bonuses. In a limited budget environment like a school district, this leaves small or no bonuses for good performers. Even the New York Yankees, with their seemingly limitless resources, cannot field nine superstars at once. Some school districts, in an attempt to spread around the limited dollars, will tinker with their merit-pay programs by mandating that teachers can't earn bonuses in consecutive years. I guess that's a signal to the superstars to slack off.

Unions are skeptical about promises of extra bonus money because they realize that money is in short supply. They know that teachers' salaries function in an almost zero-sum environment. Awarding bonuses usually means diminishing cost-of-living raises for the entire teaching corps. The union understands that many of its good teachers will lose out. That's why the teachers union in Denver didn't sign on to the new pay scheme until the school district succeeded in passing an annual \$25 million tax increase earmarked exclusively for teacher salaries.

Tinkering with the salary structure of a school district is a risky undertaking. If the overall salary schedule declines in order to fund a merit-pay plan, the district becomes less competitive with neighboring school districts and will have difficulty both attracting new teachers and hanging on to its current employees. Building and maintaining a competitive salary structure require long-range thinking on the part of the school board because the system can't be fixed overnight once the school district falls behind.

This latest push for merit-pay programs is particularly puzzling in light of the current economic recession. Many school districts, to lower expenses, face reductions in their teaching force. The timing couldn't be worse to talk about bonus programs.

Reality Thinking

Policymakers should have learned from the recent fiasco on Wall Street. The grotesque behavior of unrestrained, greed-driven individuals led to immoral and illegal activities that have caused suffering around the globe. Do policymakers really think that unbounded greed is good to promote in schools?

There are simpler and more practical questions to consider in the policy debate about merit pay. For example, why are merit-pay systems not routinely found in private or charter schools? Teachers' unions are rare among

private schools, and teachers are at-will employees for the most part. It seems it would be easy for private schools to adopt the "good idea" of merit pay. Could it be that private school leaders understand what public school policymakers don't?

If competition is such a good idea, then why haven't policymakers taken steps to make teaching a more competitive profession? Why aren't teacher salaries comparable to salaries in other professions that require a college degree and continued graduate school training? Wouldn't teacher performance problems fade away if we just had some of the talent that is currently flowing to U.S. business colleges enrolling in colleges of education instead?

Are policymakers even clear about the schools they want? Schools should be wary about adopting business practices in a nonbusiness environment, practices

which even business understands don't always work (Ramirez, 2001).

A Sturdy Foundation

Effective schools are made up of a complex array of qualities and characteristics. They are hard to create and maintain, but easy to destroy. Such schools are wonderful places to be a teacher and a student, and comforting places for parents to send their children. These schools serve their communities and their nation well.

Effective schools are not built on a foundation of greed. What policymakers don't seem to understand is that adults in these schools are motivated by something far more important than money—a purpose beyond themselves. ■

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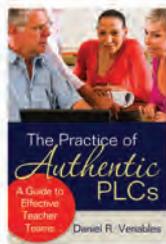
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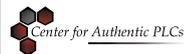
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