

# CLOSEOUT FILES



Resolved: That merit pay based on student achievement should be a significant component of K-12 teacher compensation in United States public schools.

# Introduction

Resolved: That merit pay based on student achievement should be a significant component of K-12 teacher compensation in United States public schools.

Overall, I think it's another decent topic. It's interesting/relevant, there's ample ground on both sides, and it's easily accessible. Some people might complain that it overlaps too much with NCLB; however, a) I think this is a better topic than NCLB was and b) it's December. December isn't a very busy month for debate, so I'm glad they didn't waste anything too new and interesting. Under that logic, next month better be good though ;).

The resolution is pretty clear except what is "student achievement" and how is it measured? How you frame this in the round will be of particular importance especially on the pro. Con teams will undoubtedly attack current merit pay systems that use standardized testing and pull cards from NCLB. Pro can easily sidestep these types of arguments saying nothing in the resolution necessitates that's how merit would be determined. If you believe there is a problem with standardized tests, then merit could be measured just as easily looking at dropout rates, attendance, reviews by people sitting in on class, parent surveys, or more likely a combination of all these things and more. I don't think that is abusive, but still make sure you don't come off as abusive, make con argue that it's impossible to measure.

On the pro, I would try to argue more abstractly. On a theoretical level, I think most people would agree that someone that's better at their job should be paid more. Also this merit based pay creates an incentive to be better. It's not that easy though. There's no fair objective way of determining who the best teachers are. Con has better ground elsewhere, because while in theory merit based pay for teachers sounds good, in practice it has failed to be effective. Who cares if something works just in theory? On the other side even if something hasn't worked yet, does that mean it can't work in the future? That's for you to decide.

Good luck debating! As always feel free to send us an email about any question you might have about the topic or to run stuff by us at [CloseoutFiles@yahoo.com](mailto:CloseoutFiles@yahoo.com).

# Pro Analysis

## **Status Quo Demands Changes to System**

There is consensus across the board that our public education is not doing a great job at teaching students the necessary knowledge to successfully contribute to the work force. Other policies such as No Child Left Behind have not done enough to improve the education system in the United States. Beth Lewis of About.com states, "With American schools in crisis, shouldn't we be open to trying almost anything new in the hopes of making a change? If the old ways of running schools and motivating teachers aren't working, perhaps it's time to think outside of the box and try Merit Pay. In a time of crisis, no valid ideas should be quickly denied as possible solution." There is enough evidence to support that this may be a possible solution to some of the problems and the policy shouldn't be overlooked if a more beneficial policy does not exist.

## **Merit Based Pay Improves Teaching**

Performance-based pay creates a standard by which teachers are responsible for the results of their students; no longer are they only paid the same as every other teacher no matter how their students perform. Beth Lewis of About.com says, "Incentivized teachers will work harder and produce better results. What motivation do teachers currently have to go above and beyond the job's basic requirements? The simple possibility of extra cash would most likely translate into smarter teaching and better results for our children." Performance-based pay is an incentive based plan, in which incentives have proven to lead to beneficial outcomes. The Con will most likely respond to this by saying that schools have always had an incentive to teach their students, and even if that is true, there is more of an incentive when there is a tangible benefit or repercussion. The Organisation for Economic Co-Operation and Development states, "One of the largest benefits reported by proponents of performance-based rewards is an increase in the motivation of teachers. It is argued that performance-based pay will increase teacher motivation by adequately rewarding productivity gains. This perspective links the attitude of teachers to student outcomes, by arguing that once the motivation and skill of the teacher determine salaries, teacher quality will be improved." One of the tenants of economics is that people respond to incentives; if teachers know that they will be paid more for putting in more of an effort, then they will increase their focus on their students.

### **Merit-Pay Improves Efficiency**

There are many inefficiencies in public education that any new education policy should try to remedy. According to *The Future of Children*, “If wages are based on student performance, for example, they provide teachers or schools with powerful signals about what is valued and what is not. Absent such signals, even well-meaning teachers may emphasize material that is obsolete or generally no longer valued by parents or the labor market.” We all know that there are things being taught in schools that do not really serve to benefit students education nor make them more apt to succeed. In addition, it is likely that you have all experienced times when you have noticed a teacher slacking on their teaching. *The Future of Children* addresses this when they say, “Individual performance-based pay schemes improve efficiency by helping correct distortions in a teacher’s effort that might result from gaps between her preferences and those of her students. For example, a teacher might fail to assign homework even though she knows its value for her students because correcting and grading assignments involves more work for herself. Individual performance-based pay provides some incentive for the teacher to do the ‘right thing.’” Overall, performance-based pay will serve to flatten some of the wrinkles in public school education.

### **Better Teacher’s to Under-Achieving Schools**

Almost every recent education policy has tried to create some system that would bring better teachers to under-achieving inter-city schools. The goal is to try to improve the achievement gap but no policy can seem to make good teachers go to the schools in the most need. Performance-based pay creates an incentive for teachers to change schools. The Organisation for Economic Co-Operation and Development says, “it is argued there will be a greater consistency in teaching standards across school jurisdiction since the best teachers would not be grouped in the highest achieving, lowest disadvantaged and racially homogenous areas (Tomlinson, 2000). This would occur when objective performance rewards create a market where movement between schools would become easy, and the true value of teachers is established. Teachers would not be locked into a district based on their seniority and qualifications, but would have adequate opportunity to move to jurisdictions where their talent is most highly valued (Solomon and Podgursky, 2001).” This would address one of the biggest issues and greatly improve the public education system.

## **Merit-Pay Helps Attract and Retain Quality Teachers**

One of the best benefits of performance-based pay for teachers is that it will influence intelligent grads to become teachers and it will retain quality teachers who give up the profession for another career. Beth Lewis, of About.com states, "We are in the middle of a teaching shortage. Merit pay would inspire potential teachers to give the profession more consideration as a viable career choice, rather than a personal sacrifice for the higher good. By tying teaching salaries to performance, the profession would look more modern and credible, thus attracting young college graduates to the classroom." Currently many college students do not think going into teaching is a viable career because the pay scale is dominated by how long you have already been a teacher. College grads understand that it will be a long time before they can make the maximum salary for a public school teacher. The Organisation for Economic Co-Operation and Development says, "Under most current systems of a salary scale, teachers are rewarded for the number of years spent teaching and the number of tertiary degrees, rather than their performance (Odden, 2000a). For this reason, many analysts believe the salary scale system determines teacher compensation on incomplete criteria. For example, Hoerr (1998) argues that any non-merit-based system is unfair for exceptional teachers because they are judged on inefficient criteria." A performance-based system would encourage intelligent college grads who have a passion for helping students to actually go into teaching. According to The Cato Institute, "Pay for performance is not a new concept. It works for businessmen, lawyers, waitresses, travel agents, journalists, athletes, accountants, in fact, for most of us. Why not teachers? If a school faces a teacher shortage, let wages increase to attract them. Let schools compete to secure, retain and reward the best teachers."

## **Market System Effective**

A performance-based pay system for teaching creates a market system for public education that more closely resembles the capitalistic model. Beth Lewis of About.com says, "Americans value hard work and results, and our capitalist system hinges upon rewarding such results. Most professions offer bonuses and salary increases to exemplary employees. Why should teaching be the exception? The fact that a sloppy teacher and a dedicated teacher earn the same salary just doesn't sit right with most people." This system rewards better teaching and takes an active role in weeding out those who do not benefit the system. Some opponents believe that education shouldn't be governed by a market system because it will bring the negatives of capitalism into our schools. However, The Milken Family Foundation and University of Missouri-Columbia state, "Performance-based compensation is commonplace in other government and non-profit institutions, as well as in public and private higher education. However, it is worth noting that the private, for-profit sector of education is growing rapidly. The burgeoning growth of this for-profit educational sector calls into question assertions that business practices in the private sector are incompatible with the provision of education services." We can see that performance-based pay is common place in the private sector of education and it can be seen that it has been beneficial. It only makes sense that the system rewards those who have done better and punish those who have done worse.

### **Increased Political and Public Support**

This is an argument that I feel most people will not run or expect to hear and, therefore, has lots of potential to be a successful part of your case. One of the biggest problems for public education is a lack of funding. There are people out there who feel as though the current education system isn't doing it's best. Because of that they do not want to further fund a "failing" system. The negative consequences of performance-based pay for teachers will not matter because the system implies to others that it rewards success. Once this system is in place, it will influence voters to now support public education. Overall, this will generate more funding for schools, that they would not have gotten without performance-based pay. The Organisation for Economic Co-Operation and Development states, "A theme in the literature is that performance-related pay increases the support of education by politicians and the public (Solomon and Podgursky. 2001). Reportedly, the public feels that current teacher compensation rewards mediocrity (Tomlinson, 2000). Therefore, it is argued, by providing performance-based rewards, political support of the education system can be generated. Odden (2000b) outlines a plan that successfully garnered educator, union and policymaker support, in Vaughn Next Century Learning Centre in Los Angeles, as evidence these groups can come to a consensus on the implementation and design of these programmes." The benefit of additional funding for schools will outweigh any harms of performance-based pay.

# Con Analysis

## **Teacher Merit Cannot be Accurately Measured**

It is extremely difficult to measure how good a teacher is based off test scores and quality of education should not be simplified to a number on a page. The Falcon's View states, "the problem with merit-based pay is that there's no reasonable, rational, consistent way to measure performance... teaching is more art than science. Every student is different, with a unique perspective, background, learning style, and, more importantly, pace of development. To penalize a teacher for having a group of students who develop more slowly than others is absurd. No matter how good the teacher is, there's no way to force a child to develop faster than they're capable of doing." The performance of students isn't directly linked to how good of a teacher they have; there are many outside factors that greatly influence how a student does in school. It is ridiculous to hold teachers responsible for the individual life conditions of each student. The Milken Family Foundation and the University of Missouri-Columbia state, "Teaching is not a science. A faster more talented teacher cannot always turn out students that achieve at increasingly higher levels. So much of what is learned in a classroom cannot be subject to a test, for example, caring, loving attitudes and life in general. This unwritten curriculum might be more important and more long-lasting than any other subject matter learned. The life lessons and the love lessons are among the most important. It is the relationships built within classroom communities and with individuals there that are the most important part of the work. How do we evaluate these?" The simple fact is that teachers should be based qualitatively and this policy does not do that. The more standardized the system gets to more teachers have to jump through hoops to complete requirements that doesn't necessarily leave our students better off.

## **Narrowing Curriculum**

To be able to measure student performance, there will need to be an emphasis on how students do on testing; it is really the only objective way that a state would measure a performance-based pay system. Because testing would become so important, we must look at the consequences of placing so much emphasis on these high-stakes tests. According to the Department of Education, Employment and Workplace Relations, Australian Government, “Opponents of performance-based reward systems argue there can be significant problems with the outcomes of these systems. The American Federation of Teachers (2001) argues performance-based reward programmes can create a system where the curriculum is narrowed and a ‘teaching to the test’ mentality becomes evident, which restricts the advancement of students in areas not tested. This occurs when only specific skills or outcomes are measured and rewarded (Chamberlin, et al, 2002). The result is a narrowed education, with an under-emphasis on subjects which are hard to evaluate, meaning the breadth of intellectual activities in schools is narrowed (Holt, 2001; Ramirez, 2001).” There is a benefit to teachers to have their students pass these tests, thus it is in the teachers’ best interest to take all of the steps necessary to help students in the respective testing subjects. Unfortunately, teachers may end up sacrificing many different subjects to focus solely on those being tested. It shouldn’t take much to convince a judge why a narrowing curriculum is negative for students. The Milken Family Foundation and University of Missouri-Columbia state, “Performance-based compensation will take from teachers the ability to teach as they wish and as they do best. It just requires teachers to jump through hoops. It will make everyone teach and behave in the same way.” There will no longer be any creativity involved with teaching because teachers will inevitably only cover the information being covered on the tests to evaluate their own pay for the year. Students are being taught how to answer questions rather than actually learn the subject matter. The Milken Family Foundation and University of Missouri-Columbia argue that performance-based pay harms innovative teachers who attempt to bring something new to the classroom. They say, “There are some effective teachers who are innovative, but may currently conflict with the administration and some peers for the very fact they are innovative. Some administrators and peers may view their activities as unnecessary because they are not following the local curriculum standards of learning. Will teachers who spend personal time developing advanced teaching methods that are not perceived as a necessary part of their job be rewarded?” Some of the best things learned in the classroom have little to do with the primary subjects that can be tested. Performance-based pay only stifles advances in teaching and leaves students without skills essential to life-long success.

### **Teachers Will Not Want to Teach Certain Students**

Due to the nature of performance-based pay for teachers, there are certain students who will be more likely to increase the teachers scores. It should not be enough to only help those who are near passing but rather teachers should help all students. According to the Future of Children, “Another potential distortion is that teachers may focus disproportionate attention on those students who are most likely to improve their test scores or to cross a designated threshold. The highest- and lowest-performing students may consequently be neglected because they do not promise adequate returns on investments of teachers’ quality time.” In addition The Milken Family Foundation and University of Missouri-Columbia say, “When you reward teachers for student achievement, nobody wants to teach certain kids in certain communities. How can different levels of student learning be compared? Some teachers have very difficult classes where even the smallest advances are monumental, whereas others have self-motivated, bright students. Teachers tend to seek to avoid these areas now for other reasons like safety. If student achievement is measured in a value-added sense, teachers may prefer to work where scores are initially lower because they have a lot more room for improvement. It may be easier to move from the 20th percentile to the 40th than from the 90th to the 95th. Many have pointed out that teachers have no control over what happens to students outside of the classroom. The National Commission on Teaching and America’s Future has research showing the home environment is responsible for 49 percent of the factors influencing student achievement. Teachers do not want to be financially punished for having students who don’t succeed.” It is difficult to prescribe harms to a system that doesn’t exist considering we do not know the stipulations involved. If performance is based on improving students scores from the beginning of the year to the end, then teachers will encourage their students to intentionally do poor on the initial benchmark exam. If performance is based on the percent scores are improved then teachers will only focus on bubble and under-achieving students. If performance is based on end of the year test scores without regard to improvement, then we will see a system where good teachers have no incentive to teach under-achieving students, especially those at failing schools.

### **Support from Case-Studies**

Both sides will have evidence about how performance-based pay has been successful or failed, so it is likely that this information will end in a wash, but make sure that you have it available if your opponents decide to cite a case-study. A study by the Urban Institute found some positive short-lived effects of merit pay, but concluded that most merit pay plans "did not succeed at implementing lasting, effective ... plans that had a demonstrated ability to improve student learning. ...little evidence from other research...that incentive programs (particularly pay-for-performance) had led to improved teacher performance and student achievements." This study is of particular importance because it acknowledges why some other studies might find benefits but concludes that these benefits cannot last in the long run.

## **Merit-Pay Creates Competition Among Teachers**

Performance-based pay creates a system where teachers are working against each other to compete for who can help their students the most. Skin-deep this sounds like a good system but looking closer it creates a destructive environment for teachers. The United Teachers Los Angeles say, “Teacher unions have historically resisted merit pay proposals because they undermine one of the core principles of teaching and learning: collaboration. Whether it is the informal discussion that takes place in the lunchroom or the more formal exchanges based on grade level, department, or small learning communities, these are only successful because as teachers we understand teaching is about working together to help our students, not competition for better pay.” This derives a great cost when we consider how this affects new teachers. Older, established teachers will view newcomers as a threat and will be less likely to help them gain the knowledge to become better teachers; however, it is not teachers that will be hurt most by this policy, it will be the students who bear the largest cost. According to The Milken Family Foundation and University of Missouri-Columbia, “Teachers will no longer be willing to share their hard work if they fear that someone else is going to take credit and get the extra pay. [It creates] competition rather than the cooperative effort schools are trying to foster. When teachers share their ideas and others are observed using them, sometimes the originator gets credit and sometimes not. Even if it were written that a portion of the performance-based compensation depends on sharing, less sharing will occur after performance-based compensation is implemented.” When making a claim like this, it is important to make sure you can back it up with not only analysis but also case-study evidence. The Department of Education, Employment and Workplace Relations, Australian Government contends that, “a large body of literature argues these programmes have a negative effect on teacher collegiality. For example, Chamberlin, et al, (2002) argues that competition amongst teachers, in a profession where cooperation is essential, undermines any attempt to introduce performance-based rewards. The American Federation of Teachers (AFT, 2001), a United States teacher union, argues that previous programmes created divisions between teachers, as they were classified as either ‘winners’ or ‘losers.’”

# Pro Blocks

## **Doesn't Improve Student Performance**

Think about it logically. "Americans value hard work and results, and our capitalist system hinges upon rewarding such results. Most professions offer bonuses and salary increases to exemplary employees. Why should teaching be the exception? The fact that a sloppy teacher and a dedicated teacher earn the same salary just doesn't sit right with most people." The status quo lacks incentives for teachers to improve, but merit based pay would change that. With the proper benchmarks and incentives, merit pay can work. Most con evidence against merit pay attacks specific implementation methods not merit pay as a whole. Just like anything else it can be implemented both well and poorly, but done correctly it promises to significantly improve teacher quality and student performance.

## **Doesn't Attract or Retain Teachers**

A merit pay system only makes teaching less attractive and lowers the retention rate among teachers that can't make the grade. This is exactly what's needed. "Merit Pay programs will help recruit and retain the nation's brightest minds. It's the odd teacher who hasn't considered leaving the classroom and entering the corporate workplace for the twin benefits of less hassle and more money potential. Particularly intelligent and effective teachers might reconsider leaving the profession if they felt that their extraordinary efforts were being recognized in their paychecks. We are in the middle of a teaching shortage. Merit pay would inspire potential teachers to give the profession more consideration as a viable career choice, rather than a personal sacrifice for the higher good. By tying teaching salaries to performance, the profession would look more modern and credible, thus attracting young college graduates to the classroom."

## **Merit Pay isn't Fair**

Most of these arguments attack specific implementations rather than anything inherent to merit pay. The current system is unfair, because it rewards formal qualifications instead of performance which don't necessarily correlate. The status quo fails to reward teachers for making any extra effort. President Barack Obama said in March of 2009: "It's time to start rewarding good teachers, stop making excuses for bad ones." How is it fair to better teachers to be paid less than their ineffective counterparts that neglect their students?

## **Creates Destructive Competition Amongst Teachers**

Once again this depends on the implementation. If teachers were partially measured on a school/district level then this would actually enhance the learning community by creating an incentive for teachers to help students and fellow teachers outside of their classrooms as well. It's basic economics that competition and incentives in general increase quality.

## **Merit Pay Doesn't Improve All Teachers**

This argument somewhat concedes that it improves some teachers. While money isn't the main motivation for all teachers, every teacher would prefer more pay to less, so it creates an incentive of one degree or another for all teachers. In addition, even if merit pay only improves a small percentage of teachers that's still a net benefit.

## **Teacher Merit Cannot be Accurately Measured**

Sure it can. "[Opponents of merit based pay] have argued that teacher evaluation is too subjective for merit pay to be distributed fairly.... [the] 'subjectivity' excuse for stonewalling merit pay is no longer valid, no matter what small degree of validity it ever had. The Great Excuse has been rendered null and void by a revolutionary development in education: the rise of value-added assessment (VAA).... As pioneered by Dr. William Sanders at the University of Tennessee in the early 1990s, VAA enables education supervisors (and the teachers themselves) to look at objective evidence of how effectively the teachers are helping individual students improve their achievement test scores year to year. This statistical analysis can inform teachers who seek to improve. It can also provide a basis for handsomely rewarding those teachers who make a real difference with their students." There's an abundance of ways to measure teacher merit. The question isn't can teacher merit be measured but rather which method is best?

# Con Blocks

## **Merit Pay Improves Education**

“A study by the Urban Institute found some positive short-lived effects of merit pay, but concluded that most merit pay plans ‘did not succeed at implementing lasting, effective ... plans that had a demonstrated ability to improve student learning. ...little evidence from other research...that incentive programs (particularly pay-for-performance) had led to improved teacher performance and student achievements.’” In addition merit based compensation, encourages teaching to the test and gaming the system rather than actually promoting real student achievement. Furthermore, the few improvements seen in districts that implemented a merit based system were due to a correlating increase in funding going towards wages. The problem with teacher compensations isn’t how it’s divided up; the problem is how much teachers are paid across the board. If you want to increase incentives for teachers, pay teachers more not some teachers more and some teachers less.

## **Merit pay helps attract and retain quality teachers**

Not necessarily. This argument completely ignores why most teachers become teachers in the first place, and discourages good teachers from teaching in underprivileged areas where they are needed most. If pro wants to attract more quality teachers to the profession, they should raise wages across the board to attract more talent not discourage good teachers by restricting what and how they go about their business.

## **Market System Effective**

A merit pay system would not be more effective. Efficiency would be significantly bogged down with more bureaucracy, and it’s impossible to effectively measure performance. Look in the evidence for specific reasons that make education a different type of market than standard markets. Even the biggest proponents of switching to a more market based approach for education don’t want merit based pay. They want a school voucher program.

## **Status Quo Demands Changes to System**

I'm not sure I believe that, but even if you believe that not all change is good change. Faults in the status quo aren't reason to implement a poor ineffective worse new system. There are other options such as increasing funding or switching to a school voucher program to name a couple.

## **Better Teachers Assigned to Low Socio-Economic Areas**

Not necessarily. This argument depends a lot on how the system would be implemented. More likely than not though it would discourage teachers from going where they are most needed, because the already poor student achievement in these areas could hurt the teachers. Conversely, it would attract teachers to areas with higher student achievement where the teachers aren't as needed. The current system doesn't create this incentive for teachers to go where they aren't as needed. In fact, it does the opposite, because the pays are the same the teacher might be more attracted to the lower socio-economic area where he feels he can have a bigger impact.

## **Teacher merit can be accurately measured**

First, I'd ask how and attack that methodology. In addition even if it could be measured, "some analysts caution that performance-based pay may have unintended consequences. Teachers, for example, may focus on the easiest way to increase the rewarded measure while ignoring measures that schools and parents ultimately want to improve.<sup>13</sup> Similarly, when one dimension of output is easily measured but another is not, teachers may dedicate their efforts to maximizing the measurable at the expense of the unmeasured dimension. Collectively, such efforts could even begin to constrict a school's curriculum to measurable subjects.<sup>14</sup> A further risk is that because test scores measure only certain skills, linking compensation to test scores might cause teachers to sacrifice the nurturing of curiosity and creative thinking to teaching the skills tested on standardized exams—a practice known as teaching to the test.<sup>15</sup> Pay based on reading and math test scores, for example, might encourage teachers to favor those subjects at the expense of, say, music and art or values and civic responsibility.<sup>16</sup> A teaching-to-the-test mentality is thus assumed to support the creation of a system where a narrow curriculum necessarily restricts student achievement in domains not tested."

---

# Crossfire

P: What incentives are there currently for teachers to go the extra mile?

C: There are plenty of incentives for teachers to go the extra mile. Currently teachers love teaching and experience the pleasure of helping their students, they don't do it just for the money.

P: But once a teacher gets their job what's the incentive for them to try their best to help their students. How is it fair to pay teachers that slack off the same as teachers that put in the extra effort for their students?

C: There is a very simple incentive. They will get to keep their job. If a teacher was that horrible then the school system can relieve them of their position.

P: Wouldn't creating a performance-based pay system *increase* the incentive for teachers to help their students?

C: Not necessarily and it wouldn't be worth the negatives of the system.

C: Doesn't merit pay hurts those students most in need by punishing teachers in low socioeconomic places?

P: Not necessarily, a system can be set up that rewards teachers in these areas. For one, there is a higher potential to improve in these areas and, secondly, performance can be measured relatively within each school.

P: Would you agree increased teacher accountability is beneficial?

C: Ideally that would be a good thing. But the fact of the matter is there is no way to accurately measure student achievement. Numbers can't really tell us how good a teacher is.

P: But wouldn't this system encourage teachers to help their students because they couldn't just slack off if they wanted?

C: Teachers cannot slack off now if they want to.

P: Teachers unions make it very difficult for teachers to be fired; therefore, there needs to be some other sort of incentive for teachers to do better. If the stick doesn't work then we need to try the carrot.

C: How do you measure student achievement/determine merit?

P: Well there of lots of ways that you could do that.

C: Name some

P: Okay, well it could be based on how much a student improves over the year.

C: Wouldn't teachers try to encourage their kids to do poorly on the first exam thus not actually creating growth?

P: Well it could be based off the number of students above a certain percentile.

C: Wouldn't teachers then focus only on the kids near that percentile and neglect those at either end of the spectrum?

P: It seems like your issue is with test. I'll have you know that test-taking is the most effective way at measuring a child's performance.

C: Tests are *one* way to determine a child's performance. The problem is with creating such a huge emphasis on these tests teachers decide to only teach the material on the exams. Overall, the system will no longer promote well-rounded students.

---

# Pro Outline

Overview of Merit-Pay Benefits	18
Merit Based Pay Improves Education	19
Merit-Pay Helps Attract and Retain Quality Teachers	22
Teacher Merit can be Accurately Measured	24
Merit-Based Pay is Fair	27
Merit-Pay Good Way to Increase Wages	28
Market System Effective	29
Merit-Pay makes Unions Irrelevant	31
Case Studies Demonstrate Benefits	32
Status Quo Demands Changes to System	37
New Pay System Should Address Multiple Issues	38
Merit-Pay Improves Efficiency	40
Merit-Pay Improves Governance	42
Better Teachers Assigned to Low Socio-Economic Areas	43
Merit-Pay Does not Make Teachers Jump Through Hoops	44
Rewards Do Not Only Go to Top Performers	45
Paying Teachers More is Beneficial	46
Merit Pay Will Not Create Bias or Favoritism	48
Merit-Pay will Increased Collegiality	50
Increased Political and Public Support	52
Merit-Pay can Keep Costs Down	53

---

# Con Outline

<u>Merit-Pay Does not Improve Student Performance</u>	<u>54</u>
<u>Merit Pay Does Not Attract or Retain Teachers</u>	<u>59</u>
<u>Teacher Merit Cannot be Accurately Measured</u>	<u>60</u>
<u>Merit-Pay is Not Fair</u>	<u>70</u>
<u>Merit-Pay is Not a Good Way to Increase Teacher Pay</u>	<u>71</u>
<u>Market System Not Effective</u>	<u>72</u>
<u>Teacher Unions Don't Favor Merit-Pay</u>	<u>76</u>
<u>Case Studies Show Merit-Pay is Not Effective</u>	<u>77</u>
<u>Merit-Pay Creates Competition Among Teachers</u>	<u>84</u>
<u>Teachers Will Not Want to Teach Certain Students</u>	<u>87</u>
<u>Creates Bias and Favoritism</u>	<u>88</u>
<u>Merit-Pay Doesn't Improve All Teachers</u>	<u>91</u>
<u>Merit-Pay is a Large Expense</u>	<u>92</u>
<u>Teachers Shouldn't Want to Teach For the Money</u>	<u>95</u>
<u>Merit-Pay Creates Extra Work for Teachers</u>	<u>96</u>
<u>Unions and Teachers Oppose Merit-Pay</u>	<u>97</u>
<u>School Administration Becomes Hierarchical</u>	<u>100</u>
<u>The Incentive Systems do not Motivate Teachers</u>	<u>101</u>
<u>Political Opposition to Merit-Pay</u>	<u>102</u>

# Pro Evidence

## Overview of Merit-Pay Benefits

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

The Future of Children

Volume 17, Number 1, Spring 2007

### Support for performance pay

Conversely, Harvey-Beavis identifies a range of responses in favour of performance-based rewards:

The current system is unfair and rewards experience instead of performance.

School administration would improve, especially when school-based compensation programmes are implemented.

An emphasis on knowledge and skill and school-based reward models would improve teacher motivation and increase collegiality.

Student outcomes would improve.

These programmes represent a relatively cheap financial investment in education.<sup>21</sup>

Harvey-Beavis points out that most arguments principally support knowledge and skills-based and school-based rewards, while moving away from earlier merit pay approaches.

The Harvey-Beavis review concludes that there is evidence that performance-based reward systems for teachers can and do work in practice. There is a requirement that such successful systems are thoroughly embedded in the organisation of schools and broadly aligned with school objectives. He also suggests a potential for performance based review systems to promote a much clearer view of what is important in school effectiveness.

Any consideration of this research also poses significant questions for the profession of teaching. As the OECD report suggests, there is a requirement to consider the position of teachers in the broader workforce and to promote the ongoing appeal of teaching as a profession. In more general terms policy makers must consider whether a position of failing to reward for superior performance is a sustainable strategy for the attraction and retention of quality people to the profession of teaching.

## Merit Based Pay Improves Education

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

[Merit pay improves teaching and student learning](#) The Achievement Challenge Pilot Project (ACPP) is a five school merit pay program in Little Rock, Arkansas. Teachers could earn as much as an \$11,000 bonus based on how much their students' test scores improved. Researchers from the University of Arkansas reported on the program: "Students of teachers who are eligible for performance bonuses enjoy academic benefits. Further, many of the criticisms of merit pay programs simply have not proven true in Little Rock."<sup>[1]</sup>

<http://k6educators.about.com/od/assessmentandtesting/a/meritypay.htm>

Pros and Cons of Merit Pay For Teachers

Should Teachers Be Rewarded For Performance Like Everyone Else?

By [Beth Lewis](#), About.com

Incentivized teachers will work harder and produce better results. What motivation do teachers currently have to go above and beyond the job's basic requirements? The simple possibility of extra cash would most likely translate into smarter teaching and better results for our children.

<http://www.csmonitor.com/2009/0318/p01s02-ussc.html?page=1>

The Christian Science Monitor

March 18, 2009

Advocates of plans like ProComp see a couple of ways that such systems could lead to improved student achievement. One way is if the extra pay becomes an incentive for existing teachers to improve. Such improvement could happen because these programs usually provide more professional-development opportunities, as well as more tools to analyze performance.

## Merit Based Pay Improves Education Cont'd

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development  
Performance-Based Rewards for Teachers: A Literature Review  
4-5 June 2003

One of the largest benefits reported by proponents of performance-based rewards is an increase in the motivation of teachers. It is argued that performance-based pay will increase teacher motivation by adequately rewarding productivity gains. This perspective links the attitude of teachers to student outcomes, by arguing that once the motivation and skill of the teacher determine salaries, teacher quality will be improved. Within the literature, Tomlinson (2000) argues that performance-based pay is about motivating people, and developing performance-oriented cultures. Teachers who are not motivated by financial rewards, can be encouraged with non-financial rewards (Odden, 2000a). These rewards can include, for example: satisfaction from high student achievement, recognition, influence, learning new skills, and personal growth (Tomlinson, 2000; Odden 2000b). As Odden and Kelley (2002; Kelley, 1999) argue school-based rewards are a means of providing motivation by introducing clear goals to the whole school, and facilitating student achievement.

While it is argued that teachers are not motivated by money (see, for example, Firestone and Pennell, 1993), financial reward must have some influence on career choices for at least some teachers (Richardson, 1999). Some point out that past research suggests money has an influence on teachers' motivation (Refer to Annex 3), and others argue money is one motivator among many (Odden and Kelley, 2002). Hence, it is argued a performance-based policy which involves a monetary component would attract teaching talent by providing rewards that motivate a large range of people. A further benefit may occur through a rise in the socio-economic status of teachers, which should also attract and motivate talent (Solomon and Podgursky, 2001). However, for this to be feasible, more revenue would be required for teacher salaries.

According to a range of analysts, the most fundamental goal of performance-based rewards is to increase student performance. For example, Odden (2000b) argues there is a causal link between the quality of teaching and the level of student outcomes, meaning any method that increases the quality of teachers should improve student outcomes. By introducing objective standards which can be used to determine whether teachers have skills to increase the performance of students, the quality of teachers would be established, and also improved (Mohrman, Mohrman and Odden, 1996). Some argue this occurs when evaluation focuses on the knowledge and skills of teachers, which provides an incentive for all teachers to improve, and also an intrinsic reward through professional development (Solomon and Podgursky, 2001). Moreover, performance-based pay can target educators to key objectives and important subjects as a means of increasing student performance (Mohrman, Mohrman and Odden, 1996; Odden, 2001).

## **Merit Based Pay Improves Education Cont'd**

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development  
Performance-Based Rewards for Teachers: A Literature Review  
4-5 June 2003

Proponents argue that teachers may actually gain freedom to innovate, since they no longer have to focus on process, but rather student outcomes (Solomon and Podgursky, 2001).

Furthermore, it is argued there will be a greater consistency in teaching standards across school jurisdiction since the best teachers would not be grouped in the highest achieving, lowest disadvantaged and racially homogenous areas (Tomlinson, 2000). This would occur when objective performance rewards create a market where movement between schools would become easy, and the true value of teachers is established. Teachers would not be locked into a district based on their seniority and qualifications, but would have adequate opportunity to move to jurisdictions where their talent is most highly valued (Solomon and Podgursky, 2001). Conversely, poorly performing teachers would be sanctioned by the market, and command a reduced wage. If retention of teachers is affected by the opportunity cost of staying in the profession, this policy would attract the most capable teachers and discourage the least capable teachers.

Under a policy of performance-based rewards, the 'best' possible graduates can be recruited by guaranteeing a competitive market based salary. This would give teachers the capability to move beyond the starting salary and be paid at a comparable level to the private sector workforces (Mohrman, Mohrman, and, Odden, 1996; Odden and Kelley, 2002).

## Merit-Pay Helps Attract and Retain Quality Teachers

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Merit-based pay helps attract and keep quality teachers** Darcy Ann Olsen. "Teachers Deserve Merit Pay, Not Special Interest Pay". CATO. May 22, 2001: "Pay for performance is not a new concept. It works for businessmen, lawyers, waitresses, travel agents, journalists, athletes, accountants, in fact, for most of us. Why not teachers? If a school faces a teacher shortage, let wages increase to attract them. Let schools compete to secure, retain and reward the best teachers. Let schools say "sayonara" to those unable or unwilling to get the job done."

<http://k6educators.about.com/od/assessmentandtesting/a/meritypay.htm>

Pros and Cons of Merit Pay For Teachers

Should Teachers Be Rewarded For Performance Like Everyone Else?

By [Beth Lewis](#), About.com

**Merit Pay programs will help recruit and retain the nation's brightest minds.** It's the odd teacher who hasn't considered leaving the classroom and entering the corporate workplace for the twin benefits of less hassle and more money potential. Particularly intelligent and effective teachers might reconsider leaving the profession if they felt that their extraordinary efforts were being recognized in their paychecks.

**We are in the middle of a teaching shortage.** Merit pay would inspire potential teachers to give the profession more consideration as a viable career choice, rather than a personal sacrifice for the higher good. By tying teaching salaries to performance, the profession would look more modern and credible, thus attracting young college graduates to the classroom.

<http://www.csmonitor.com/2009/0318/p01s02-ussc.html?page=1>

The Christian Science Monitor

March 18, 2009

Another possibility: The change in pay structure attracts and retains better-qualified people who might not otherwise enter teaching.

"Teachers are going to get paid a lot more under these performance-pay plans," Mr. Gonring says. "What we'll see is a transformation in the labor market. It's going to become more economically viable for young people to come into the profession and stay for a good period of time. The No. 1 education issue is human capital management. And money plays a huge role in getting people to stay."

## **Merit-Pay Helps Attract and Retain Quality Teachers Cont'd**

<http://www.csmonitor.com/2009/0318/p01s02-ussc.html?page=1>

The Christian Science Monitor

March 18, 2009

But in Denver, some teachers – especially young teachers – have welcomed the change. It makes teaching more attractive, they say, knowing it might be treated more like other professions, in which their performance affects their pay, they get tangible feedback for outstanding results, and they have the opportunity to earn a better salary.

"Telling me I'll have some great pension plan 20 years down the road isn't going to keep me here now," says Ben Jackson, an Advanced Placement English teacher at Bruce Randolph School, the same school where Betz works. Mr. Jackson is young and energetic, in his second year of teaching, and he's eager to work with low-income kids and embrace new reforms.

But he also acknowledges that the traditional teacher career path – with few opportunities to augment his salary and no reward for outstanding performance beyond personal satisfaction – has little appeal for him. Many teachers from his generation, he notes, leave the classroom for policy work after just a few years, despite their love of teaching.

ProComp doesn't solve all Jackson's concerns about stagnating as a teacher, but it helps address some of them. This is where the profession is headed, he says.

"To be able to say, 'I know I'm doing a great job, and I want to be paid for doing a great job,' is paramount," he says.

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development

Performance-Based Rewards for Teachers: A Literature Review

4-5 June 2003

This will cause, it is argued, talented teachers to leave the education system because excellence is not fairly rewarded (Odden, 2001). Only when performance is rewarded and teachers command salaries equal to the private sector without having to progress up an arbitrary salary scale, will the best talent be attracted and retained (Solomon and Podgursky, 2001).

## Teacher Merit can be Accurately Measured

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Teacher merit can be measured and help determine pay** Robert Holland. "Merit Pay for Teachers: Can Common Sense Come to Public Education?". Lexington Institute. October 2005: "[Opponents of merit based pay] have argued that teacher evaluation is too subjective for merit pay to be distributed fairly.... [the] 'subjectivity' excuse for stonewalling merit pay is no longer valid, no matter what small degree of validity it ever had. The Great Excuse has been rendered null and void by a revolutionary development in education: the rise of value-added assessment (VAA)... As pioneered by Dr. William Sanders at the University of Tennessee in the early 1990s, VAA enables education supervisors (and the teachers themselves) to look at objective evidence of how effectively the teachers are helping individual students improve their achievement test scores year to year. This statistical analysis can inform teachers who seek to improve. It can also provide a basis for handsomely rewarding those teachers who make a real difference with their students."

<http://www.csmonitor.com/2009/0318/p01s02-ussc.html?page=1>

The Christian Science Monitor

March 18, 2009

(Until now effective methods to evaluate merit pay programs have not been implemented, it will still take some time and funding to correctly evaluate these programs)

The problem is that until recently, these pay changes have rarely been paired with strong research evaluations, though several are now in the pipeline. A few studies have shown a positive effect between teacher incentives and student achievement, but it can be difficult to ensure that other variables weren't in play.

"We really don't know what the impact of a teacher pay-for-performance program is going to be on student achievement, teacher behavior, teacher attitudes," says Mr. Springer of the National Center on Performance Incentives. Research does show some factors that seem to work better, he adds. "You have to have a broad set of stakeholders involved in the decisionmaking ... [and] you have to make sure there's a funding stream for a long period of time."

## **Teacher Merit can be Accurately Measured Cont'd**

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

When working in a service industry such as ours, it is difficult to isolate any one area (other than standardized testing in some people's minds!) as a measure. National Board Certification is one measure. So are advanced degrees relevant to your teaching area, willingness to be mentors to preservice or non-tenured teachers, initiative to write/work on grants and school-wide/community projects to enhance the overall school community, and other aspects mentioned in the Milken initiative. I also believe that the number of years of teaching experience is not the most effective measure of performance.

If we take this notion to its logical conclusion, then we should hire teachers randomly. After all, if we have no clear idea of who is a good teacher, who's to say that applicant A is better than applicant B? This would also apply to tenure decisions as well as promotions to mentor and master teacher. Yet no one seriously believes that these hiring and promotion decisions should be random. Moreover, most would accept the fact that it is possible to make informed decisions in these areas. Why is compensation any different?

Merit or performance-based pay is also commonplace in industries and organizations in which it would seem to be much more difficult to measure or assess individual performance than in public schools.

In fact, private businesses do pay employees based upon merit or performance. Although the assessment mechanisms and the meaning of high performance may be complex, there is much less difficulty in having workers accept being so judged. People enter other careers knowing they are going to be judged. Sometimes the results will seem fair, at other times, less so. But that is just the way it is and it is accepted.

There are a variety of quantitative indicators of performance that might be linked to individual teachers. This would include various student test scores and student attendance data. Since nearly all teachers have contact with the parent consumers, it is also possible to gauge consumer satisfaction with a particular teacher. Private school administrators are acutely aware of how parents assess the performance of individual teachers. Indeed, whether they solicit such information or not, public school administrators are also well aware of which of their teachers are favored, and which are disfavored, by parents. Moreover, it is relatively simple and low cost for an administrator to directly monitor the performance of teachers by sitting in on their classes, reviewing their lesson plans, etc.

## Teacher Merit can be Accurately Measured Cont'd

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

In fact, as organizations, schools are probably more amenable to monitoring individual performance than are most private goods or service-producing firms. Contrast this to other service or goods-producing organizations, in which it is very difficult to measure the contribution of a particular professional employee to overall firm performance. In many private sector firms where team production is present, quantitative measures of individual employee performance are absent, and most members of the team have no contact with the client. Consider a research firm preparing a study for a client. The team might include professionals from a variety of backgrounds, e.g., statisticians, engineers, and economists. There are no individual indicators of performance other than successful completion of the contract. Yet performance-based compensation almost certainly plays a role in determination of pay for such professionals.

It might be objected that there is a good deal of measurement error in individual test scores, hence they are a poor measure of teacher performance. While gain scores for any individual student may be a "noisy" statistical measure, the average of all a given teacher's students will be far less so (statisticians call this "the law of large numbers"). For example, suppose that the margin of error on an individual student's gain score is plus or minus ten percent. If a teacher has thirty students, then the margin of error of the gain score for the class will be just 1.8 percent.

Just as the "law of large numbers" tells us that changes in the mean of a class are measured with less error than changes in the scores of individual students, it also suggests that it is good to use multiple, independent, indicators of a teacher's performance. For example, suppose that test score gains correctly identify superior teachers 80 percent of the time. Suppose that classroom assessments by supervisors correctly identify superior teachers 75 percent of the time, and parent surveys identify superior teaching 70 percent of the time. Then a teacher assessment based on all three indicators would correctly identify a superior teacher over 98 percent of the time. In other words, multiple "noisy" indicators of teacher quality can add up to very accurate overall assessments.

## Merit-Based Pay is Fair

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Better teachers should be paid more.** President Barack Obama said in March of 2009: teachers should be treated "like the professionals they are while also [being held] more accountable. Good teachers will be rewarded with more money for improved student achievement, and asked to accept more responsibilities for lifting up their schools."<sup>[3]</sup>

President Barack Obama said in March of 2009: "It's time to start rewarding good teachers, stop making excuses for bad ones."<sup>[4]</sup>

**Teachers should be paid on merit, not seniority and titles** "*Link Teacher Pay, Student Gains.*" *An Atlanta Journal-Constitution. October 14, 2005.*: "As substitutes for performance-based standards, school systems now reward teachers on degrees and seniority. Yet neither of those measures may correlate with student achievement. In this competitive economy, companies would close their doors if they paid low-performing employees the highest salaries just because they'd been there a long time or had a grad school diploma on their wall."<sup>[5]</sup>

## Merit-Pay Good Way to Increase Wages

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Teachers should be paid more; based on merit** Darcy Ann Olsen. "[Teachers Deserve Merit Pay, Not Special Interest Pay](#)". CATO. May 22, 2001: "This article appeared on [cato.org](#) on May 22, 2001. "Teachers need more money, according to a new survey by the American Federation of Teachers. Noting that teacher salaries last year climbed 3.2 percent, or 0.2 percent less than inflation, AFT president Sandra Feldman said, 'Salaries must at least become competitive to attract and keep quality teachers.'"

<http://k6educators.about.com/od/assessmentandtesting/a/meritypay.htm>

Pros and Cons of Merit Pay For Teachers

Should Teachers Be Rewarded For Performance Like Everyone Else?

By [Beth Lewis](#), About.com

**Teachers are already underpaid. Merit Pay would help address this injustice.** Teaching is due for a renaissance of respect in this country. How better to reflect the esteemed way we feel about educators than through paying them more? And the highest performing teachers should be first in line for this financial recognition.

## Market System Effective

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

[Merit pay works in markets, can work for teachers Darcy Ann Olsen. "Teachers Deserve Merit Pay, Not Special Interest Pay". CATO. May 22, 2001](#): "Pay for performance is not a new concept. It works for businessmen, lawyers, waitresses, travel agents, journalists, athletes, accountants, in fact, for most of us. Why not teachers? If a school faces a teacher shortage, let wages increase to attract them. Let schools compete to secure, retain and reward the best teachers. Let schools say "sayonara" to those unable or unwilling to get the job done."

<http://k6educators.about.com/od/assessmentandtesting/a/meritypay.htm>

Pros and Cons of Merit Pay For Teachers

Should Teachers Be Rewarded For Performance Like Everyone Else?

By [Beth Lewis](#), About.com

**Americans value hard work and results, and our capitalist system hinges upon rewarding such results.** Most professions offer bonuses and salary increases to exemplary employees. Why should teaching be the exception? The fact that a sloppy teacher and a dedicated teacher earn the same salary just doesn't sit right with most people.

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development

Performance-Based Rewards for Teachers: A Literature Review

4-5 June 2003

The intellectual foundations of performance-based rewards are found in private sector models. Because the private sector requires productive workers to compete against other agencies, they have developed policies that seek to maximise output from a set input, or minimise input for a set output. Advances in efficiency, it is argued, can be made in the public sector by observing and adapting private sector worker motivational techniques (Odden and Kelley, 2002). Large firms with complex organisational structures that change their workplace practices to increase productivity and quality can be used as a model. Proponents argue these organisations provide a benchmark for teaching because they have very similar environments to schools, and often use performance-based methods of remuneration (Mohrman, Mohrman and Odden, 1996; Odden, 2000a; Ballou and Podgursky, 2001). Any advances in reward strategies for knowledge and skill-based pay in the private sectors thus provide a blueprint for educational salary schedules (Odden, 2000a). Models are also evident in the government and non-profit organisations, such as the higher education model, which suggests performance-based reward programmes are not mutually exclusive with the public sector (Solomon and Podgursky, 2001).

---

## Market System Effective Cont'd

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development  
Performance-Based Rewards for Teachers: A Literature Review  
4-5 June 2003

With the introduction of new evaluation systems, such as knowledge and skill-based pay, evaluation of person-based human resources systems can occur. Significant educational bodies including the National Commission on Teaching (U.S.) are accepting this method, and the benefit from using benchmarks, it is argued, is an improved education system (Bainbridge, 2000). This is not to suggest that competency models are inevitably going to work, as these programmes need to be carefully organised to ensure that the goals, culture and political realities of the organisation align (Heneman and Ledford, 1998). This is particularly important, because 'recalcitrant' teachers who believe the evaluation process is unfair (Murnane and Cohen, 1986) can undermine the adoption of private sector models.

Ballou (2001) argues that if teaching were special, it would not be expected to find performance-based reward systems operating in private schools. Since private schools exhibit a much greater frequency of performance-based rewards, and have much greater bonuses when they do use these schemes, it appears education should not be separated from market logic (Ballou, 2001). While private schools still do not use these techniques all the time, suggesting there are some costs associated with implementing performance-based programmes, it shows teaching is not inherently unsuited to evaluative systems of remuneration (Ballou, 2001).

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia  
By Lewis C. Solmon and Michael Podgursky

Performance-based compensation is commonplace in other government and non-profit institutions, as well as in public and private higher education. However, it is worth noting that the private, for-profit sector of education is growing rapidly. Millions of parents are sending their children to for-profit tutoring firms such as Sylvan Learning Centers, which provide K-12 educational services. Sylvan also contracts with several hundred private and public schools to provide similar tutoring services within schools. School districts in many large cities have contracted with Sylvan to provide Title I services to disadvantaged students. Many for-profit firms such as Devry and the University of Phoenix provide post-secondary vocational training to businesses and individuals. Firms such as Edison and Beacon are managing charter and conventional public schools. This does not count the many firms that are springing up to provide Internet-based educational services. The burgeoning growth of this for-profit educational sector calls into question assertions that business practices in the private sector are incompatible with the provision of education services.

## Merit-Pay makes Unions Irrelevant

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Teachers unions oppose merit-based pay just to remain relevant.** *Thomas Hruz. "Quality Control: Merit Pay and Why the Teachers' Unions Stand in the Way." Wisconsin Interest. Fall 2000:* "The threat that teachers' unions see from a performance-based pay system is clear: it would make them less relevant. The importance of teachers' unions is reliant upon their superior ability to get for teachers better working conditions and compensation. If individual teachers, or groups of teachers within schools, are able to garner control over the effectuation of their own compensation levels, then the unions are faced with the potential of these teachers saying that the unions' services are no longer needed, at least when it comes to bargaining for salaries."<sup>[6]</sup>

## Case Studies Demonstrate Benefits

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Merit-based pay has succeeded in many places** Steven Malanga. "Why Merit Pay Will Improve Teaching". About.com. Summer 2001: "Cincinnati's public school system, the first to experiment with performance incentives, persuaded its teachers' union in 1997 to do a test run of merit pay. Two years later, a ten-school pilot program, designed by administrators and teachers, got under way. Essential to union support was the pilot's proposed use of peers to evaluate teachers. 'The peer evaluators, who have no stake in how teachers are judged, are important to the perception of the fairness of the system,' observes Kathleen Ware, associate superintendent of Cincinnati schools. Using Danielson's criteria of good teaching—they include class preparation and clarity of presentation—the principals and peer evaluators devoted 20 to 30 hours to assessing every teacher in the ten chosen schools. Based on how they scored, teachers then wound up in one of five salary categories, with "novices" making the least money and 'accomplished' teachers the most. [...] The pilot proved successful. A majority of teachers involved found it fair and judged the standards used as appropriate for the whole school district. The city's board of education adopted it in the spring of 2000, and, in a subsequent election, union members signed on."

<http://www.washingtontimes.com/news/2009/apr/10/performance-pay-plans-expanding-across-us/>

THE WASHINGTON TIMES  
Friday, April 10, 2009

Some teachers unions, including the United Federation of Teachers in New York City, which is led by AFT President Randi Weingarten, have worked with districts to implement performance-pay plans they consider fair. Kate Walsh, president of the National Council on Teacher Quality, a nonpartisan research and advocacy group based in Washington, said that she thinks teachers unions will be willing to accept fair performance-pay plans.

"Some of the early performance-pay packages have been based on test scores, and that's inherently unfair," she said.

Those who implement and observe such plans say there is very little evidence yet that they work, given how young and diverse most plans are.

No two plans are alike. Most, however, rely on a mix of common factors, including student test scores, teacher evaluations, teachers who teach in hard-to-staff schools and subjects, and professional development.

## Case Studies Demonstrate Benefits Cont'd

<http://www.washingtontimes.com/news/2009/apr/10/performance-pay-plans-expanding-across-us/>

THE WASHINGTON TIMES

Friday, April 10, 2009

"At this point, we really don't know if they work," said Matthew Springer, director of the National Center on Performance Incentives at Vanderbilt University in Nashville. "Across the board, it is too early to say if this is a good policy idea or not."

A study Mr. Springer did of Texas' performance-pay program, first implemented in the 2006-07 school year, found that it had positive effects on teacher attitudes, with educators reporting they collaborate more with colleagues and encourage students to work harder than they did before the plans were implemented.

<http://www.csmonitor.com/2009/0318/p01s02-ussc.html?page=1>

The Christian Science Monitor

March 18, 2009

Denver's system, called ProComp, is the longest-running performance-pay system for a big district in the United States. Its pilot project began in 1999. Now, some 70 percent of Denver teachers – and all new teachers – participate. The cost is funded entirely by a property-tax hike of \$25 million per year that voters approved.

Already, backers there say they've seen a change in the culture, with many teachers welcoming the new pay system and approaching goals differently. And preliminary results from an internal study indicate that ProComp teachers are driving higher student performance – but the reason for the improvement isn't definitive yet. An external evaluation is due later this year.

"There needs to be a connection between what [Denver is] doing and increased student achievement," says Phil Gonring, a program officer at the Rose Community Foundation in Denver who was heavily involved in ProComp's inception.

## Case Studies Demonstrate Benefits Cont'd

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

The Future of Children - Volume 17, Number 1, Spring 2007

One of the stronger examples of a school-based incentive program comes from Israel. In February 1995, Israel announced a competition for a monetary bonus for secondary schools and teachers based on their students' performance.<sup>49</sup>

The objectives were to reduce dropout rates and improve scholastic achievement. The three performance measures were average number of credits per student, share of students receiving a matriculation diploma, and school dropout rate. Sixty-two schools were initially selected for the program, with several schools added later. In 1996, participating schools competed for about \$1.5 million in awards. Schools were ranked according to their annual improvement, adjusting for the socio-economic background of the students. Only the top third of performers won awards. The distribution of cash incentives among the award-winning schools was determined solely by their ranking in terms of relative improvement (in 1996, the highest-scoring winner won \$105,000; the lowest-scoring, \$13,250).

Teachers received 75 percent of the award as a salary bonus (proportional to gross income); the remainder was used to improve faculty facilities, such as teachers' common rooms. In 1996, the bonuses ranged from 1 to 3 percent of average teacher salary. The combined performance of a team determined the total incentive payment, which was split among individuals regardless of performance.<sup>50</sup>

The student outcomes rewarded included most of those that can be affected by teachers, thereby reducing the dilemma teachers are assumed to face regarding how to allocate their time between rewarded and non rewarded activities. School averages of all three performance measures were based on the size of the graduating cohort while in ninth grade rather than in twelfth grade. This procedure was adopted to discourage schools from gaming the incentive system—by encouraging weak students to transfer or drop out or by placing them in the non matriculation track.

To encourage schools to direct more effort toward weak students, only the first 22 credit units taken by each student were counted in computing the school's mean to determine its rank in the bonus program.

## Case Studies Demonstrate Benefits Cont'd

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

The Future of Children - Volume 17, Number 1, Spring 2007

Two years after the program was implemented, I compared the program schools with a control group and found significant gains in student performance in the former.<sup>51</sup> Average credits were 0.7 unit higher, the share of students sitting for matriculation examinations increased by 2.1 percent, and average scores and passing rates in these examinations improved as well. Of particular importance was the decline in the dropout rate in students' transition from middle to high school. The programs also appeared mainly to affect weaker students.

Another analysis of a school-based teachers' incentive program, this one in Kenya, examined effects on both teacher behavior and test scores.<sup>52</sup> The program randomly assigned fifty Kenyan primary schools to a treatment group eligible for monetary incentives (21–43 per-cent of monthly salary). The winning schools were determined by their average test score performance relative to other treatment schools in districtwide examinations; all teachers in the winning schools received awards.

The program penalized schools for dropouts by assigning low scores to students who did not take the examination. Data were collected on many types of teacher effort—teacher attendance, homework assignments, pedagogical techniques, and holding extra test preparation sessions—and on student scores obtained after the program's conclusion. During the two years the program was in place, student scores increased significantly in treatment schools (0.14 standard deviation above the control group). But the gain in scores was not attributable to the expected incentive-induced changes in teacher behavior. In fact, teacher attendance did not improve, and no changes were found in either homework assignment or pedagogy. Instead, teachers were more likely to conduct test preparation sessions outside regular class hours. Data collected the year after the program ended showed no lasting test score gains, suggesting that the teachers focused on improving short-term rather than long-term learning. Consistent with this hypothesis, the program had no effect on dropout rates even though examination participation rose (presumably because teachers wanted to avoid penalties for no-shows). The test score effect was also strongest in geography, history, and Christian religion, arguably subjects involving the most memorization.

## **Case Studies Demonstrate Benefits Cont'd**

<http://www.osac.state.or.us/pdf/meeting294.pdf>

OREGON STUDENT ASSISTANCE COMMISSION (OSAC)

March 22, 2002

### EXECUTIVE SUMMARY OF MERIT-BASED FINANCIAL AID RESEARCH

The Budget Note states the Commission should “include recommendations for reasonable and equitable criteria to be used to award merit-based student financial aid.” Ms. Crane presented research on merit-based aid to the Commission to assist in their response to this requirement. Included in the presentation were the advantages and disadvantages of merit-based aid, statistics from programs in other states, and a staff analysis and recommendation.

#### Advantages:

In the state of Georgia, the percentage of students attending in-state schools was 23% before the start of the Georgia Hope Program and has increased to 76% at the present time. Also in Georgia, African-American student enrollment has increased by 24%. Also in Nevada, in-state enrollment increased 4% in the first year of a merit-based aid program

## Status Quo Demands Changes to System

<http://k6educators.about.com/od/assessmentandtesting/a/meritypay.htm>

Pros and Cons of Merit Pay For Teachers

Should Teachers Be Rewarded For Performance Like Everyone Else?

By [Beth Lewis](#), About.com

With American schools in crisis, shouldn't we be open to trying almost anything new in the hopes of making a change? If the old ways of running schools and motivating teachers aren't working, perhaps it's time to think outside of the box and try Merit Pay. In a time of crisis, no valid ideas should be quickly denied as possible solution.

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development

Performance-Based Rewards for Teachers: A Literature Review

4-5 June 2003

The current system is unfair and rewards experience and formal qualifications instead of performance

Under most current systems of a salary scale, teachers are rewarded for the number of years spent teaching and the number of tertiary degrees, rather than their performance (Odden, 2000a). For this reason, many analysts believe the salary scale system determines teacher compensation on incomplete criteria. For example, Hoerr (1998) argues that any non-merit-based system is unfair for exceptional teachers because they are judged on inefficient criteria.

Proponents point out that research has found no consistent links between education credits or degrees and student performance, and only modest links between experience and student performance (Heneman and Milanowski 1999; Hoerr, 1998; Tomlinson, 2000). The existing salary scales are thus at best only loosely related to the expertise and skills needed in the classroom (Mohrman, Mohrman and Odden, 1996). If the pay structure is based on this formula, it inevitably produces unsatisfactory outcomes as it is not well aligned to education output (Odden, 2000a). Thus, a substantial body of literature argues performance-based reward systems are an improvement on the efficiency of salary scales.

## **New Pay System Should Address Multiple Issues**

<http://www.csmonitor.com/2009/0318/p01s02-ussc.html?page=1>

The Christian Science Monitor

March 18, 2009

### Pioneering salary plans

Most districts experimenting with new pay structures for teachers have opted for basing rewards on a wide variety of factors. Here are some of the most common:

- Hard-to-serve schools: Schools with a high level of low-income or low-achieving students often have difficulty attracting and keeping teachers, so some districts offer better salaries at these schools as an incentive.
- Hard-to-staff positions: Some districts also offer better salaries in subject areas that have a teacher shortage, such as math and science.
- Additional responsibilities: In some schools, experienced teachers are rewarded for mentoring new teachers or becoming "master teachers" who help improve instruction beyond their own classrooms.
- Key skills: Instead of automatically giving extra pay for advanced degrees, some districts are more selective and reward knowledge and skills that are related to district goals, such as certification in bilingual education.
- Performance: "Performance pay" or "merit pay" are often used as umbrella terms for all the factors above. But more narrowly, they also can refer to salaries or bonuses tied specifically to teachers producing strong gains in student achievement, based on standardized tests or some other measure that's deemed objective.

## **New Pay System Should Address Multiple Issues Cont'd**

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

Teachers The Future of Children

Volume 17, Number 1, Spring 2007

Lavy also offers general guidelines for designing effective programs. He emphasizes that the system must measure true performance in a way that minimizes random variation as well as undesired and unintended consequences. It must align performance with ultimate outcomes and must be monitored closely to discourage gaming if not outright fraud in measured output. Goals should be attainable. Incentives should balance individual rewards with school incentives, fostering a cooperative culture but not at the expense of free riding. All teachers should be eligible for the incentive offered, but only a subset of teachers should be rewarded in practice. If too many teachers are rewarded, teachers may not need to exert much extra effort to benefit. Many of the practical challenges faced by performance-related pay, Lavy says, can be addressed through careful design of the system. He emphasizes that setting up a performance-related pay system that works is not a one-time task. Even with the best preparation, initial implementation is likely to be problematic. But if the effort is seen as ongoing, it should be possible to make progress gradually in developing incentives that motivate the desired teaching behaviors and that will be perceived by teachers as fair and accurate.

---

## Merit-Pay Improves Efficiency

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

The Future of Children

Volume 17, Number 1, Spring 2007

Performance-based pay in education brings with it many potential benefits but also many challenges. This section and the next present the main issues.

**Productivity and Efficiency Considerations.** In theory, pay based on output has two advantages over input-based pay in terms of efficiency (that is, producing “more” education for the same cost). The first, most frequently noted efficiency advantage has to do with incentives. Rewarding teachers or schools on the basis of an agreed metric aligns incentives directed at teachers or schools with those directed at students and potentially the entire society. If wages are based on student performance, for example, they provide teachers or schools with powerful signals about what is valued and what is not. Absent such signals, even well-meaning teachers may emphasize material that is obsolete or generally no longer valued by parents or the labor market. Similarly, if wages are based not only on the individual benefits of schooling to students (social scientists call these “private returns”) but on the benefits to society as a whole (“social returns”), teachers or schools would take into account the social returns to education when making choices about their work. A student, for example, may want to drop out before completing high school because he feels that the costs of staying in school outweigh his individual benefits. A teacher considering only those individual benefits may not work as hard to discourage him from dropping out as would a teacher considering the costs and benefits to society as a whole.

Individual performance-based pay schemes improve efficiency by helping correct distortions in a teacher’s effort that might result from gaps between her preferences and those of her students. For example, a teacher might fail to assign homework even though she knows its value for her students because correcting and grading assignments involves more work for herself. Individual performance-based pay provides some incentive for the teacher to do the “right thing.”

The second efficiency advantage of output-based pay, mainly relevant for the merit pay model, involves sorting and selection. Assuming that the compensation system accurately identifies productivity, basing pay on performance will attract and retain the most productive teachers. Even if teachers are unable to alter their own behavior to enhance performance, as measured, say, by students’ test scores, some people are still inherently better than others at affecting test scores. Basing pay on output also tends to discourage teachers who cannot enhance their students’ performance from remaining in the profession. A related point is that output-based pay will create a market for teaching quality that will help teachers move to schools where their talent is most highly valued. Equalization between productivity and wages will result, with poorly performing teachers receiving reduced wages and lower probabilities of promotion, and more capable teachers commanding better options.

## **Merit-Pay Improves Efficiency Cont'd**

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

The Future of Children

Volume 17, Number 1, Spring 2007

Finally, if teachers are able to improve their classroom performance, linking compensation to performance will provide all teachers incentives to improve through professional development, which will therefore induce still further productivity gains.<sup>4</sup>

Other Potential Benefits. Critics of traditional pay schemes that reward experience and formal qualifications instead of performance argue that these schemes are unfair to highly motivated, effective, and efficient teachers whose extra efforts are not rewarded.<sup>7</sup> Performance-based pay can thus make compensation systems more equitable.

Finally, performance-based pay may increase support for public education from politicians and members of the public who are convinced that the reform will reverse the education sector's poor reputation and perceived inefficient use of resources.<sup>8</sup>

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development

Performance-Based Rewards for Teachers: A Literature Review

4-5 June 2003

It is also argued that a movement to school-based rewards can increase the precision of resource allocation by encouraging resource alignment from top down, by setting organisational goals, and from the bottom up, as teachers are gaining feedback, and benefiting from better resource allocation and policy coherence (Kelley, 1999). This can occur because school goals are clarified in a performance-based reward system, and teachers have an increased incentive to share information with administrators since they benefit from improved outcomes.

## Merit-Pay Improves Governance

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

The Future of Children

Volume 17, Number 1, Spring 2007

Performance-related pay based on individual or schoolwide schemes could also improve school productivity by inducing better governance. For one thing, it requires school principals to monitor closely the quality of their teachers' work.<sup>5</sup> It is also assumed to bring about more coherent and common teacher-management goals in addition to an improved flow of information and feedback among all school agents. This result is assumed to flow from a common interest in improved outcomes.<sup>6</sup>

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development

Performance-Based Rewards for Teachers: A Literature Review

4-5 June 2003

Several analysts have argued that performance-based pay schemes improve the administration of schools. Under a performance-based pay scheme, principals must know the quality of teachers in all classrooms (Hoerr, 1998). This type of evaluation, it is argued, means principals must summatively evaluate teachers, rather than formatively evaluate, and so more objective decisions about teacher quality are made. Research showing that in performance-based systems, many principals report they evaluated teachers more harshly than they would have in a non-performance-based system (Murnane and Cohen 1986, 9) is used to support this argument. As a safety precaution, Solomon and Podgursky (2001) advocate principals becoming recipients of school wide performance-based rewards, to ensure they remain objective in their evaluation.

## **Better Teachers Assigned to Low Socio-Economic Areas**

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development  
Performance-Based Rewards for Teachers: A Literature Review  
4-5 June 2003

Solomon and Podgursky (2001) argue that when teaching is rewarded based on outcomes, quality teachers can be moved to areas of low socio-economic status since these areas can be specifically rewarded. Different criteria can be used to determine rewards for different areas based on the socio-economic, racial and gender demographics of the student population.

<http://www.csmonitor.com/2009/0318/p01s02-ussc.html?page=1>

The Christian Science Monitor  
March 18, 2009

One thing many systems are trying to do is reward not just performance, but also the decision to work in a school like Bruce Randolph, where 95 percent of students receive free or reduced-price lunches and it can be tough to attract high-quality teachers. When it opened in 2002, the school had so many problems that its entire administration was replaced in the first month. After the first three years, it was the lowest-performing middle school in Colorado.

When Kristin Waters came in as principal in 2005, she asked to have the school included in the ProComp plan. She hoped it would help her recruit new, talented teachers.

Betz, Jackson, and other teachers say the \$2,300 bonus they receive for working there isn't the only – or even the primary – reason they chose the school. But the extra money doesn't hurt, and teachers should be rewarded for working in such schools, they say.

## Merit-Pay Does not Make Teachers Jump Through Hoops

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

One teacher presented a different perspective: The system I have taught in for many years developed a career ladder about ten years ago. I feel it has been an effective one and provides the opportunities to "do your thing" in addition to what you are expected to do in the classroom. The first level has the usual salary steps and a regular teaching certificate. The next level is the master teacher level. It requires a state master teacher certificate and a certain number of points on your evaluation. The evaluation system seems to be a fair one, and if you are "worth your salt," you should be at this level anyway. The master teacher activities are based on classroom activities, and you must share them with other teachers beyond your support team. For this position you get \$3000 per year. The top level is the career level teacher which gains an additional \$4000 per year. For this you need a higher evaluation, and you do a presentation before a panel of career teachers and several administrators. To keep this position you do activities beyond the classroom that help fulfill the needs of the school district.

Very few professionals can work "as they wish." All face some sanctions or constraints. Surgeons who become highly creative and stray too far from professional norms face the possibility of malpractice lawsuits and revocation of their licenses. A less severe, but very potent sanction is loss of business. A trial lawyer who enjoys quoting Latin to juries may lose more cases and find himself short of clients. Ultimately, teachers, along with all public employees, are accountable to the taxpayers and cannot work "as they wish."

Merit or performance-based pay does make teachers "jump through hoops," as does any evaluation. The columns of current salary schedules, which reward education credentials (BA+15, MA, MA+15, etc.) also make teachers jump through hoops. The point is to select hoops that are more closely tied to student achievement gains. Performance-based compensation will not make everyone teach and behave in the same way. An assessment that focuses on student achievement, for example, does not require any particular style of teaching. Teachers may, in fact, gain more freedom to innovate than is the case in many public school districts currently, since the focus would be on outcomes and not process.

## Rewards Do Not Only Go to Top Performers

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

The fact that the quality of teachers has declined over recent years is a testament to the current system not attracting high quality individuals into the classroom. A system in which the best can be rewarded may in turn attract the best. The TAP model also addresses this issue by allowing for all levels of teachers at all schools. Under the current system, a particular school in a district may have all of the "good" teachers while another school has none. Under TAP, master and mentor teachers will be distributed among all schools. The model will work best when teachers can opt out of the TAP system by moving to other schools, and when certified mentor or master teachers can move to schools that need them if there are no slots at their current school.

Performance-based compensation need not be limited to a fixed percentage of the workforce. As indicated in an earlier example, supervisors may choose to designate a portion of funds available for pay increases as a merit pool. For example, if four percent of payroll is available for raises, then two percent might be distributed across- the-board and two percent held aside for merit. All teachers would receive a merit or performance assessment and this would guide allocation of merit. Suppose that, on the basis of this assessment, teachers are put into one of five categories (with no fixed percentage of the workforce in any of the five categories). The next issue is how large a gap to establish between the tiers. Teachers in the lowest tier may receive zero performance-based compensation whereas those in the top might receive six percent. Or the gap may be more compressed, say, .5 percent up to four percent. In either case, it is incorrect to say that the reward just goes to the top performers "without making any effort to improve all teachers." Better performance yields more pay, whether a teacher is moving from tier one to two, or tier four to the top. Such a merit scheme gives incentives for all teachers to improve.

---

## Paying Teachers More is Beneficial

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

With the building of a common vision to which every employee will commit to enhancing student performance, the growth of every student would take on more meaning. I believe teachers would reach out to their colleagues who are not connecting with kids or with the curriculum in an effective manner. I believe such a system would raise the credibility of our schools within the community as they too would know of the goals and the journey to attain the reward of improved student performance. Most importantly I believe this would happen not because of the desire for more money but because of the desire teachers have to serve kids in a united fashion.

Loving one's work and making money at it are not mutually exclusive. Many people thoroughly enjoy being lawyers, businesspeople, or Webmasters, yet still make large salaries. Presumably, most doctors like medicine and most airline pilots enjoy flying. Nonetheless, most doctors and pilots would not choose to practice their profession, and certainly not in the numbers required for satisfying consumer demand, in the absence of pay. Also, research has shown that extrinsic rewards (money) do not undermine intrinsic rewards (satisfaction) as a motivator.

Serving mankind and high pay are also not mutually exclusive. Many physicians do great work in preventing and curing illnesses but still earn handsome salaries. Indeed, the opportunity to earn profits is a major incentive for drug companies to push ahead to find new "miracle drugs." Might it be that the opportunity to earn high salaries might provide a similar incentive for teachers to do a better job and for others to enter the field?

We keep talking about giving teachers more status. Like it or not, in our society, there is a correlation—one might debate how strong a one—between earnings and status. When at least some teachers can afford the same homes, automobiles, colleges for their kids, and vacations as doctors and lawyers can, it is likely that teachers will be accorded the same status as members of these other professions receive.

In understanding how wage changes reallocate labor from one market to another, economists find it useful to distinguish between the average and marginal worker. While the average teacher may place a low weight on pay, the marginal teacher does not. Wage changes act to reallocate labor through their effect on the marginal worker. Suppose that the relative pay of accountants rises by ten percent. Many accounting majors would have majored in accounting even at the old (or even lower) rates of pay. Many English majors would never consider majoring in accounting even if the pay of accountants doubled.

## **Paying Teachers More is Beneficial Cont'd**

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

However, at the margin there are some potential entrants—former accountants, marketing majors, economics majors—who are sensitive to the relative pay difference. It is the latter who enter or leave the occupation in response to modest changes in relative pay.

Many studies have shown that teacher turnover rates are sensitive to changes in relative pay. With a ten percent fall in relative pay, the average teacher may not consider quitting, however, there are some teachers, just on the verge of quitting at the old pay rate, who now quit as a result of the pay cut. The reverse holds with a relative pay increase. Some teachers on the verge of quitting decide to stay. The average teacher, as well as the average non-teacher, is not affected.

---

## Merit Pay Will Not Create Bias or Favoritism

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

In a good performance-based pay plan, there needs to be some level of control of the quality or standard of the “qualified” and objective adjudicators of educators, candidates for performance-based compensation. If not, it could easily become a political issue of influence and not of merit. In order to address this argument, we propose that a master teacher and the principal are both involved in the evaluation. We must make sure that master teachers who are still in the bargaining unit are allowed to evaluate other teachers. The perception of bias might also be alleviated with the inclusion of an external evaluator whenever a teacher is going from one rank to the next. The criteria for evaluation would be made clear and the process must be uniform.

Evaluations of employees are made in virtually every work environment; there is no reason to think that this can not occur in a public school. On the other hand, other examples of performance-based compensation that are suggested such as in the business community may not actually be performance-based compensation, because the reward has little to do with the work. The pay of CEOs may have little to do with profits.

To the extent that CEO compensation is in the form of stock options or based on company profits, as is often the case, the company performance does determine CEO pay. Certainly, at every school, parents, students, administrators and the teachers themselves have a pretty accurate sense of which teachers are the best.

As suggested in the above discussion, teacher evaluations should be based on multiple, independent evaluations of teacher performance. Here is where “independent” becomes important. One dimension of independence should be independence from the opinions of a principal or supervisor. Thus, while a classroom evaluation based on observation by a principal or supervisor is potentially affected by subjective bias, other measures such as test score gains, student attendance or parental surveys are not. That is why it is important to have multiple, independent indicators. Of course, “what’s good for the goose is good for the gander.” It is very important that principals and supervisors be held accountable for student performance as well. If principals are held accountable for student achievement gains in their building (e.g., through performance-based compensation and the threat of dismissal), they will have a strong incentive to make evaluations objectively. Principals who exhibit bias or favoritism (i.e., positive or negative appraisals which are not based on actual performance) will tend to be also weeded out in favor of those who do a more objective appraisal.

## **Merit Pay Will Not Create Bias or Favoritism Cont'd**

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

To the extent that these reforms take hold on a wide scale, good teachers who are underpaid can leave their current schools and go to schools in which their talents will be rewarded. Performance-based compensation will stimulate a market for superior teachers. Under the current system of seniority and credential-based pay, teachers who have accumulated seniority tend to be locked into districts. If pay is determined by performance-based promotions and annual evaluations, there will develop a lateral market for mentor, master and novice teachers. When teachers are able to document a track record of raising student achievement, their services will be valued in the market. Ultimately, one of the best protections against bias is the teacher's ability to "exit" a school with bad management. The best way to do this is to create a competitive market for high quality educators.

## Merit-Pay will Increased Collegiality

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development  
Performance-Based Rewards for Teachers: A Literature Review  
4-5 June 2003

Earlier merit-pay models were criticised for adversely affecting collaboration between teachers (see, for example, the American Federation of Teachers (AFT), 2001). In response, a large body of literature argues that performance-based reward systems can increase collegiality by rewarding co-operation between teachers (Solomon and Podgursky, 2001; Cohn, 1996), especially through administering group-based pay (Mohrman, Mohrman, and Odden, 1996; McCollum, 2001). This kind of management technique can redesign the work of teachers so they are interdependent, and acknowledge their interdependence (Mohrman, Mohrman and Odden, 1996). Even some opponents of performance-based rewards argue there is some evidence of increased collegiality when group performance rewards are employed (See, for example, Firestone and Pennell, 1993).

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia  
By Lewis C. Solmon and Michael Podgursky

When comments are made that point to administrators who would seem to knowingly be unfair to their teaching staffs, it bothers me that we describe our colleagues as people who would play games in order to advance in a merit system. These comments indicate to me that there is a lack of integrity being demonstrated within our profession. It is of greater concern that as an educational body we fall into a "us against them" mindset—administrators against teachers and teachers against administrators rather than working with one vision to serve all of our children. We must recognize that not every teacher or every administrator, even some of our friends, can do this job effectively. Furthermore we must recognize the need to build a common vision in order to most effectively serve our students.

Rather than pitting teacher against teacher or school against school, the district has designed a system where rigorous goals are set to improve student achievement. Each school sets a student improvement goal that even indicates the evaluation process to be followed and the percentages of reward to be shared by the staff if/when the goal is reached.

This kind of plan could falter due to the "free rider" problem. Some faculty might slack off, rely upon others to work hard to achieve the goals and then share the benefit. Once the hard workers see others slacking off, they are likely to do so as well.

## Merit-Pay will Increased Collegiality Cont'd

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

The argument is frequently made that since teaching requires teamwork and collaboration, performance-based compensation is inappropriate and counterproductive. Yet performance-based pay is commonplace both in the private sector and in higher education. The typical question in higher education is not whether individual performance-based compensation should be used, but what is the right mix of individual and group pay incentives. For example, if the pool of funds available for pay increases is three percent, a decision is made as to what fraction to distribute across-the-board, and what fraction to distribute as individual performance or merit. It would be unusual to find a situation in which the pay mix for professionals is entirely group-based. Since collaboration is important in schools, some fraction of performance-based pay should be tied to group or school-wide performance. On the other hand, a good deal of effort is not collaborative and, as will be argued below, can be measured or assessed. Thus, it does not seem plausible to argue that individual merit should play no role in teacher compensation.

Moreover, just because effort is collaborative, it does not follow that all pay should be distributed across-the-board. In fact, some members of the group may be better "team players" than others, and advance the goals of the team more than others. Compensation of professional athletes provides a good example. Many professional athletes, including highly paid stars, are members of teams, yet this does not mean that pay raises are distributed across the board. Although sports teams and schoolteachers differ greatly in their ultimate goal, it is nonetheless interesting to note that the entire St. Louis Rams football team will receive a bonus for playing in the Super-bowl, however, certain members of the team will receive larger pay raises than others. The key issue is not whether production is collaborative or not, but whether individual contributions to the team effort are observable. In general, individual contributions to team effort are readily observable in sports competition.

The absence of performance-based compensation, and the presence of tenure, is one reason why many "school-wide" collaborative education reforms fail. Teachers in a particular school have little incentive to join a school reform team or advance the goals of the team by changing their teaching practice or collaborating in the implementation of reforms. New forms of work or teaching require additional effort on the part of teachers. Yet the conventional salary schedule provides no incentives for teachers to collaborate or exert the required effort.

## **Increased Political and Public Support**

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development  
Performance-Based Rewards for Teachers: A Literature Review  
4-5 June 2003

A theme in the literature is that performance-related pay increases the support of education by politicians and the public (Solomon and Podgursky, 2001). Reportedly, the public feels that current teacher compensation rewards mediocrity (Tomlinson, 2000). Therefore, it is argued, by providing performance-based rewards, political support of the education system can be generated. Odden (2000b) outlines a plan that successfully garnered educator, union and policymaker support, in Vaughn Next Century Learning Centre in Los Angeles, as evidence these groups can come to a consensus on the implementation and design of these programmes.

## **Merit-Pay can Keep Costs Down**

<http://www.oecd.org/dataoecd/17/47/34077553.pdf>

Organisation for Economic Co-Operation and Development  
Performance-Based Rewards for Teachers: A Literature Review  
4-5 June 2003

Some analysts have argued that the introduction of performance-based rewards can be revenue neutral as the existing salary schedules, which reward seniority and academic qualifications can be flattened, and the revenue gained from this reform can be targeted at rewarding teacher performance (Solomon and Podgursky, 2001). However, this appears to be inconsistent with these authors' previous advocacy for a system of increased teacher salaries. Previous programmes that attempted to provide revenue-neutral performance-based systems have been unsuccessful due to a lack of funds and teacher opposition. In contrast, Mohrman, Mohrman and Odden (1996) argue the private sector model shows that costs can be kept down because the workforce becomes flexible and versatile, in particular teachers will need to have and use a range of pedagogical techniques, which suggests the revenue required to implement this strategy would be relatively low. However, the private sector model may have limited relevance to the public sector, as resources are finite, and schools do not generate additional financial resources with increased productivity (Milanowski, 2003). One possibility is for average class size to increase, which allows teachers to be paid more, without increases in education funding.

# Con Evidence

## Merit-Pay Does not Improve Student Performance

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Merit pay does nothing to improve student performance** A study by the Urban Institute found some positive short-lived effects of merit pay, but concluded that most merit pay plans "did not succeed at implementing lasting, effective ... plans that had a demonstrated ability to improve student learning. ...little evidence from other research...that incentive programs (particularly pay-for-performance) had led to improved teacher performance and student achievements." [2]

**Merit pay motivates teachers to over-focus on test scores** Vivian Troen and Katherine C. Boles. "How 'Merit Pay' Squelches Teaching". Boston Globe. September 28, 2005: "The idea of merit pay, sometimes called pay for performance, was born in England around 1710. Teachers' salaries were based on their students' test scores on examinations in reading, writing, and arithmetic. The result was that teachers and administrators became obsessed with financial rewards and punishments, and curriculums were narrowed to include only the testable basics. ... So drawing, science, and music disappeared. Teaching became more mechanical as teachers found that drill and rote repetition produced the 'best' results. Both teachers and administrators were tempted to falsify results, and many did. The plan was ultimately dropped, signaling the fate of every merit plan initiative ever since."

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia  
By Lewis C. Solmon and Michael Podgursky

Performance-based compensation will take from teachers the ability to teach as they wish and as they do best. It just requires teachers to jump through hoops. It will make everyone teach and behave in the same way.

Performance-based compensation is simply a way to take away my freedom as a teacher to do the job I need to do for my students. We lost tenure in the state of Colorado in the 1980's and that was just the nose of the camel under the tent. State standards are now being used to impose the European instructional model of every student on the same page of the same text on the same day. My professional judgment is severely limited already: making me jump through hoops to get more pay would be demeaning.

At the end of the first year, it was my opinion that anyone who was willing to study the manual intensely and work hard at it, could achieve Level III. This did not necessarily mean that this person was a good teacher/administrator. It only meant that this person understood the evaluation and prepared for it.

## Merit-Pay Does not Improve Student Performance Cont'd

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

One complaint from instructional staffs was that many teachers who achieved higher levels did not deserve it; and, many outstanding teachers did not achieve higher levels because they did not "play the game."

I began the Career Ladder process but after my first observation, it was clear to me that this was just about playing a "game" for three select days. In observing how some teachers were manipulating the system to teach three lessons the way they perceived the process wanted them taught (not necessarily how they indeed taught in their classrooms) or listening to teachers in the process describe the "jumping through the hoops" motions or "playing the game," I decided my time was better spent teaching and meeting the needs of my students.

We all march to the beat of our own drummer and teach as we feel is best for our current group of students. If your evaluator isn't "in step with your beat" or methodology, how can one be appropriately assessed? There is just so much time and energy left in the day for teachers and for me, what I invest my time in MUST be beneficial to my students, to my professional growth, and to my school community. If it is just jumping through hoops or going through the motions, I have no time for it!

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

*Using Performance-Based Pay to Improve the Quality of Teachers*

The Future of Children - Volume 17, Number 1, Spring 2007, pp. 87-109

Negative Effects on Motivation and Collegiality. Another concern is that implementing individual-based incentives may create unfair competition between teachers, especially in the absence of transparent criteria, thus undermining collaboration. Even if evaluation is accurate and fair, teachers may still feel aggrieved if their competence is questioned. Evaluation may also create new hierarchies by giving administrators an additional source of power over teachers and the curriculum.

Individual incentives could also undermine principal-teacher relationships because of the asymmetry in how each party views teacher evaluation: teachers use it to determine how they are performing and how they can improve, while principals use it to measure teachers' contribution to the school.<sup>12</sup>

## Merit-Pay Does not Improve Student Performance Cont'd

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

*Using Performance-Based Pay to Improve the Quality of Teachers*

The Future of Children - Volume 17, Number 1, Spring 2007, pp. 87-109

(Teachers might slack off in areas that are not going to be evaluated, also collaboration will be reduced as competition increases, they might neglect some classes of students, and documented cases of cheating are found in an incentive rich environment)

Unintended Consequences. Some analysts caution that performance-based pay may have unintended consequences. Teachers, for example, may focus on the easiest way to increase the rewarded measure while ignoring measures that schools and parents ultimately want to improve. 13 Similarly, when one dimension of output is easily measured but another is not, teachers may dedicate their efforts to maximizing the measurable at the expense of the unmeasured dimension. Collectively, such efforts could even begin to constrict a school's curriculum to measurable subjects. 14 A further risk is that because test scores measure only certain skills, linking compensation to test scores might cause teachers to sacrifice the nurturing of curiosity and creative thinking to teaching the skills tested on standardized exams—a practice known as teaching to the test. 15 Pay based on reading and math test scores, for example, might encourage teachers to favor those subjects at the expense of, say, music and art or values and civic responsibility. 16 A teaching-to-the-test mentality is thus assumed to support the creation of a system where a narrow curriculum necessarily restricts student achievement in domains not tested.

Unintended consequences may also arise if teachers “game play” and develop responses that generate rewards contradicting the profession's spirit. 17 In other words, measuring student output may stimulate teachers to participate in inappropriate or deviant behavior, such as cheating. Using data from Chicago's public schools, Brian Jacob and Steve Levitt detected cheating in approximately 4 to 5 percent of the classes in their sample. 18 They also found that cheating responds swiftly to changes in teacher incentives. After standardized tests took on increased salience in Chicago's public schools in 1996, the prevalence of cheating rose sharply in low-achieving classrooms, but not in classes with average or above-average students. The prevalence of cheating also appeared to be systematically lower where the costs of cheating were higher or the benefits of cheating lower, as in classrooms where a large number of students' test scores were excluded from official calculations because they were bilingual. Other studies of unintended consequences include altering school lunch menus during testing periods in an apparent attempt to artificially increase student test scores and manipulating who takes the test. 19 Providing financial incentives to improve performance may be counterproductive in other ways as well. First, it may demoralize teachers, resulting in reduced effort. In laboratory experiments, one study found that workers in high-powered incentive systems may become unmotivated and thus work less than they would under a flat wage regime. 20

## Merit-Pay Does not Improve Student Performance Cont'd

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

*Using Performance-Based Pay to Improve the Quality of Teachers*

The Future of Children - Volume 17, Number 1, Spring 2007, pp. 87-109

Second, financial incentives may undermine intrinsic motivation, that is, the sense of duty or satisfaction that motivates coming to work.<sup>21</sup> This threat is particularly real for teachers, who, as a group, exhibit strong intrinsic motivation flowing from the value they place on interacting with children and seeing them succeed.<sup>22</sup>

Another potential distortion is that teachers may focus disproportionate attention on those students who are most likely to improve their test scores or to cross a designated threshold.<sup>23</sup> The highest- and lowest-performing students may consequently be neglected because they do not promise adequate returns on investments of teachers' quality time.

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

### Unwanted outcomes

(A range of unwanted and perverse outcomes would be promoted, which is presented as an argument against using student outcomes as a measure of teacher performance)

Opponents of performance-based reward systems argue there can be significant problems with the outcomes of these systems. The American Federation of Teachers (2001) argues performance-based reward programmes can create a system where the curriculum is narrowed and a 'teaching to the test' mentality becomes evident, which restricts the advancement of students in areas not tested. This occurs when only specific skills or outcomes are measured and rewarded (Chamberlin, et al, 2002). The result is a narrowed education, with an under-emphasis on subjects which are hard to evaluate, meaning the breadth of intellectual activities in schools is narrowed (Holt, 2001; Ramirez, 2001). A typical question asked by critics is: how would a performance-based system reward characteristics such as honesty, civic responsibility, etc (Evans, 2001)? Further problems could become apparent if teachers 'game play', and develop responses that generate rewards against the spirit of teaching (Malen, 1999). These concerns are relevant for group-based programmes because the unwanted outcomes can occur on a school-wide, rather than individual basis. This can cause institutional limitations of the curriculum and a downgrading in importance of certain subjects that are not measured (Chamberlin, et al, 2002). In other words, by measuring student output, perverse rewards can be encouraged.

## **Merit-Pay Does not Improve Student Performance Cont'd**

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

Poorly performing students may suffer under a performance-based pay system because they may require significant tuition to improve. Teachers would focus a disproportionately large amount of their time on the students most likely to gain from their tuition to maximise the benefit derived, generally argued to be the middle band of students (Murnane and Cohen, 1986). Evans (2001) questions how this would affect schools in low socio-economic areas, since the time needed for improved student outcomes may be substantial. While a school-based reward strategy provides an incentive for the most poorly performing students to be encouraged and improved, teachers may still concentrate their efforts on those students who are most likely to cross a threshold. The highest and lowest performing students may be neglected because they do not represent a quality investment of teachers' time (Chamberlin, et al, 2002). In the same manner, if poorly performing schools are under funded, a school-based strategy will not work until additional funds and expertise are provided (Malen, 1999).

## **Merit Pay Does Not Attract or Retain Teachers**

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Merit pay focuses teachers on measures over their passion.** "[Top Ten Reasons Why Merit Pay for Teachers Is a Terrible Idea](#)". Education Portal. July 10th, 2007: "7. The Definition of 'Merit' is Too Broad ... Every performance based pay program for teachers that is currently in effect works differently. Some programs allow teachers to up their pay for things that don't truly help students-like filling out paperwork-rather than things that can be less easily measured. It makes the idea of merit less meaningful for an individual who most likely became a teacher to help students."

**Merit pay discourages teaching disadvantaged students** "[Top Ten Reasons Why Merit Pay for Teachers Is a Terrible Idea](#)". Education Portal. July 10th, 2007: "4. Some Teachers are Punished ... Should a teacher who chooses to teach at a large school, an inner city school, or a special needs school where tests scores are generally lower be punished? Definitely not, but that is exactly what some merit pay programs threaten to do."

## Teacher Merit Cannot be Accurately Measured

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Teacher merit is too hard to measure for merit-pay to be fair** "Oppose Merit-Based Pay for Teachers". The Falcon's View. March 10, 2009: "the problem with merit-based pay is that there's no reasonable, rational, consistent way to measure performance... teaching is more art than science. Every student is different, with a unique perspective, background, learning style, and, more importantly, pace of development. To penalize a teacher for having a group of students who develop more slowly than others is absurd. No matter how good the teacher is, there's no way to force a child to develop faster than they're capable of doing."

**Student performance does not demonstrate teacher performance.** "Top Ten Reasons Why Merit Pay for Teachers Is a Terrible Idea". Education Portal. July 10th, 2007: "There are several problems with basing how much a teacher should make on student performance. The most important: there are too many other variables besides teacher effort that determine an individual's and a class' performance."

**Merit pay for teachers is tied to unreliable standardized tests.** "Top Ten Reasons Why Merit Pay for Teachers Is a Terrible Idea". Education Portal. July 10, 2007: "1. Standardized Test Scores May Be Unreliable. Most merit pay programs are tied to the scores students receive on the tests required by Bush's No Child Left Behind Law. As the American Federation for Teachers and the National Education Association have pointed out, these standardized test scores are seldom reliable and do not provide an accurate barometer of a teacher's performance."

<http://www.cpbm.org/article/teacher-merit-pay-debate>

Connecticut Public Broadcasting Network

05/12/2009

But deciding what makes an effective teacher can be tricky. In most cases, it means looking at the results of standardized tests. Critics of merit pay say that encourages a narrowing of curriculum and teaching-to-the-test. And, limits merit-pay bonuses to those who teach English, math and science - subjects covered on the tests. What about special ed, history or foreign language instructors? Kathy Frega is spokesperson for the CT Education Association which represents 42,000 teachers in Connecticut. "Its CEA's understanding that any new approaches to compensation will be developed with the nation's teachers. It will not be imposed. It will be done through the collective bargaining process that gives teachers an equal voice at the negotiations table and that's very important to us."

## Teacher Merit Cannot be Accurately Measured Cont'd

<http://www.cpbm.org/article/teacher-merit-pay-debate>

Connecticut Public Broadcasting Network

05/12/2009

Meanwhile, the jury's still out on whether merit pay works. A study released in April looks at a current program in 200 NYC schools. All teachers earn bonuses of up to \$3000 if their schools meet academic performance targets. Early findings show merit pay has no impact on student achievement. Matthew Springer is director of The National Center on Performance Incentives at Vanderbilt University which is conducting the study. "Since the 1950s we can go back and see districts experimenting with this issue. Very few times have we paired it with a rigorous evaluation and so I think it's too early to conclude whether this is an effective policy idea or not."

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

3. There is no clear definition of what constitutes a "good teacher." In other words, what is merit based upon?

Measuring a teacher's value to the educational process is nearly impossible.

At my school, I would be hard-pressed to point out someone who I think is not working hard for the students. Do I think they are all equally effective? No. How to evaluate that without creating massive dissension? Very difficult.

Clear targets to measure performance must be developed and they cannot be based only on "standardized tests." Test scores are a very narrow indicator of a student's achievement. How do you decide who gets what? Test scores? It is possible to produce outstanding results without being an outstanding educator. What will be used to measure outcomes in the arts: contest results, performing works from a standardized list?

The great teacher is an artist! This artist works in an imperfect situation with "raw materials" over which there is no control outside of the classroom. The teacher deals with student deaths either from violence or natural causes. The teacher deals with administrators that couldn't teach if their life depended upon it. The teacher deals with administrators who are fantastic. The teacher deals with central office employees who have no idea what goes on in the classroom but control the purse strings for education. None of these situations are acceptable to a skilled craftsman producing products for sale, especially when they are working at earning a bonus or performance-based compensation.

## **Teacher Merit Cannot be Accurately Measured Cont'd**

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Teaching is not a science. A faster more talented teacher cannot always turn out students that achieve at increasingly higher levels.

There are some effective teachers who are innovative, but may currently conflict with the administration and some peers for the very fact they are innovative. Some administrators and peers may view their activities as unnecessary because they are not following the local curriculum standards of learning. Will teachers who spend personal time developing advanced teaching methods that are not perceived as a necessary part of their job be rewarded?

Also, there is such a difference in philosophies, and sometimes educators consider others to be "good teachers" when they agree with the methods used by that person. Even if a teacher complies with the accepted norm, the norm changes frequently, particularly if leadership changes.

There are so many things schools seek to do for students that basing performance-based compensation only on test scores diminishes the value and values of school.

So much of what is learned in a classroom cannot be subject to a test, for example, caring, loving attitudes and life in general. This unwritten curriculum might be more important and more long-lasting than any other subject matter learned. The life lessons and the love lessons are among the most important. It is the relationships built within classroom communities and with individuals there that are the most important part of the work. How do we evaluate these?

In 1999 two former students that I had in class in the 1960s told me they could remember nothing I taught them! They did remember me and that I was fair, caring, loving, giving, made the class work, made the class fun. Both chose careers related to my subject because of my class. How does one write things like these into performance-based compensation?

Our kids may not remember what we teach them. But they will always remember how we made them feel. Unfortunately, how a teacher makes their students feel is difficult to evaluate.

## Teacher Merit Cannot be Accurately Measured Cont'd

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Also, will performance-based compensation include the fact that I pay for one of my students to go to Mexico each summer on our educational tour because they just don't have the backing but are excellent students with a sincere desire to learn culture. Or the fact that I find sponsors for five or six more students so that they can also attend the trip, but without help would never be there. I don't want anything for this nor do I want it to be a known fact in my area, but teachers are doing so many things outside the classroom that no one knows about to help students.

The evaluation characteristics of "teacher performance, effort" must include some objective and measurable ones; i.e., statistical data available recording hours of effort, number of students, continuing education accomplishments, professional memberships, community involvement actions, etc.

If these areas aren't related to student achievement, however, in our view, they are incomplete evaluation methods.

I would rather see teachers paid for attaining advanced degrees; presenting workshops; taking leadership positions in the school (team/grade chairs); mentoring student teachers; and other meaningful activities.

### **If student learning is the sole basis of the merit evaluation, relying on test scores can present major problems.**

Student achievement, as measured by test scores, is often suggested to be an appropriate indicator of merit; however, many argue that the teacher is not the sole influence on student achievement, and that prior teachers and factors such as family also have a major influence.

If objective measurements such as test scores are used, how are factors such as economic advantage, parental involvement, available resources in the community, emotional well-being of the students, basic intelligence of the child and/or family members, and a zillion other influences on the students' abilities to learn taken into account?

## Teacher Merit Cannot be Accurately Measured Cont'd

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Teachers are very wary of pay-for-performance programs because they have no control over student mobility, language proficiency and class-size, factors that greatly effect student performance. (Denver Classroom Teachers Association, 1999)

The weight of "improved student learning" must realistically reflect the reality of the learning achievement/attainment levels of students which are NOT teacher-controllable; i.e., ability (cognitive domain), attitude and interest (affective domain), classroom factors (limited supplies, restrictive environment, size of classes, time, etc.). Also, some of our best teachers have been given some of the most difficult students and some of the lowest-achieving students... and many of them work with them lovingly and willingly. But progress is very different when your work is with these populations... How does one evaluate these?

I have seen excellent students that do not achieve because of the people that they are scheduled with. Students have likes and dislikes. They have free will. Students are not machine parts to be assembled by a skilled technician.

All classes are not equal. Some AP classes will get 100 percent passing while others only half will pass even though the teacher is doing the same in both. Some courses motivate student interest more than others do.

In many schools the turnover of students is astronomical! One of the schools in Kalamazoo has experienced at times an 85 percent turnover during the year. How does one evaluate student progress when the end of the year presents a completely different group of students to be evaluated? How does one evaluate the "hand one is dealt," i.e., strong, effective teachers are often assigned the most challenging students and/or situations? How do you measure student achievement and teacher effectiveness in class-rooms or schools that are "revolving doors" for students such as near military bases? While in the classroom, I always had an influx of new students at the beginning of the second semester or when the retention for the next year notices went out. The parents were hoping the student records didn't follow! Those students who I would have for perhaps eight weeks would be tested on standardized tests in my room along with the ones I had had all year, and how does one separate what a former teacher's influence/teaching and mine have been?

---

## Teacher Merit Cannot be Accurately Measured Cont'd

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Opponents say that performance-based compensation based on test scores would not include kindergarten or first-grade teachers, because testing does not occur in these grades. If performance-based compensation does not apply to kindergarten and first-grade teachers, the argument is that the best teachers would migrate to the higher grades, and the best teachers are needed at the lower grades.

(Administrators.net, 1999)

Performance-based compensation based on parental input is also seen as unfair, because established teachers might be very popular with parents but not very good teachers, and new teachers might be very good but unknown by parents.

(Administrators.net, 1999)

"Output-based" pay, or pay based on student performance, is seen as arbitrary—students transfer in and out of districts, educators take breaks for family or medical leave, and teachers team-teach, which makes it harder to determine where responsibility lies. Educators don't teach enough students each year to yield accurate predictions of future performance using traditional statistical methods. According to the executive director of the Tennessee Education Association, "You can't walk into a hospital and look at the mortality rates of heart patients and tell who's an excellent physician. Sometimes the best physicians also get most of the patients who are the worst off. So you have to look at each physician's practice, at his or her skills. Human systems are very difficult to pigeonhole." (Archer, 1999)

There may also be disagreements about what is important for students to learn. Pay for performance programs can be seen as encouraging administrators and teachers to cheat by manipulating statistics, or by teaching to the test. (Wilms & Chapleau, 1999) However, if "the test" is based upon what we want students to learn (e.g. state curriculum standards) then it would be good if teachers taught to the test. Others say that when performance-based compensation programs rely on student performance, students end up losing, because the curriculum is narrowed to include subjects that can be easily taught by drill and practice and are easily measured. (Wilms & Chapleau, 1999)

## Teacher Merit Cannot be Accurately Measured Cont'd

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

The education community must seriously study assessment and the ability to measure meaningful change in student performance. We agree that student test scores may be too narrow an indicator of how to evaluate a teacher. Further, we agree that as has been seen in California and New York, there are some reliability issues in standardized tests that need to be addressed. However, we also believe that academic standards can and should be set from which we can judge a teacher's performance. Most states have student standards. There is no reason why teacher standards cannot be developed as well. We need measurable characteristics of excellent teachers.

We are not saying that student performance or achievement should be the only measure of teacher excellence. Indeed, we believe that teacher compensation should depend on teacher functions (tasks done and how well), teacher (e.g. awards, relevant degrees), and teacher performance (as judged by experts), as well as on student achievement. Moreover, we do not define student achievement by test scores alone. Schools and teachers should identify multiple measures of student achievement if they wish (e.g. portfolio assessments and attendance). However, TAP does require that student achievement, however measured, be one aspect of teacher assessment.

Some teachers correctly point out the family and socioeconomic background characteristics of students have a major effect on student performance. It is not fair, they argue, to hold teachers accountable for current or past family circumstances that may have a strong effect on current student achievement. Moreover, in any particular year, a teacher may have been assigned a particularly difficult class, as compared, say, to another teacher down the hall. This is a legitimate concern, which is why the focus should be on student achievement gains. It is important to get benchmark data on student achievement at the beginning of the academic year. Student progress against these benchmarks should be continually evaluated. At the end of the year, similar data should be collected and compared to these initial benchmarks. To the extent that student test scores are used in the teacher assessment, they should be gains relative to the beginning of the year assessments. These gain scores are one measure of a teacher's "value-added."

## Teacher Merit Cannot be Accurately Measured Cont'd

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

*Using Performance-Based Pay to Improve the Quality of Teachers*

The Future of Children - Volume 17, Number 1, Spring 2007, pp. 87-109

Potential Drawbacks to Performance-Based Pay Despite its theoretical benefits, performance-based pay offers many practical challenges.

Measurement Problems. Performance measurement poses two separate problems for performance-based pay. Incentive systems assume that everyone can agree on goals; they also assume that it is possible to measure accurately progress toward these goals. Agreeing on goals is particularly difficult in education because competition between public schools is rare. In the private sector, market mechanisms discipline firms into providing products that consumers value, but public schools lack market discipline. Schooling is compulsory and public, and students are simply assigned to attend their neighborhood school. Parents and students who are unhappy with what their schools offer generally have no alternative except to attend a private school or move to another neighborhood or city—alternatives that are too costly for many.<sup>9</sup>

The other measurement issue represents the most common claim made against performance-based pay: evaluating progress toward the goal fairly and accurately is problematic. This is especially so when evaluation is based on proxies (as it often is), such as self-reported effort and motivation.<sup>10</sup> Identifying precisely what one teacher contributes to a student's performance and separating his contribution from those of other teachers, the school, the principal, and the family is extremely difficult.<sup>11</sup> Compounding the problem is the fact that students are often deliberately assigned to specific teachers—that is, the assignment of teachers to classes is not random. A still further complication is how to identify the contributions of previous teachers, who may have been superior or inferior.

## **Teacher Merit Cannot be Accurately Measured Cont'd**

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

### ARGUMENTS OPPOSING PERFORMANCE-BASED REWARDS

This section describes the arguments made by a range of analysts who are concerned to oppose the view that net benefits can be expected from using performance-based rewards programmes for teachers.

Fair and accurate evaluation is difficult

A wide body of literature criticises the evaluation procedures of performance-based rewards. In this literature it is argued that goals are hard or impossible to establish in teaching because key education outcomes have not been identified, and this necessarily reduces goal clarity (Storey, 2000). One problem evident, it is argued, is the complexity of designing a programme that balances clarity of goals and diverse evaluation criteria, since clear criteria are required to measure productivity gains. This problem is compounded since evaluation is often done through proxies, such as self-report surveys that ask teachers about the motivational impact of the programme, which are at best indirect measures (Richardson, 1999). Rather, it is argued, teacher commitment and knowledge is often a better guide for good instruction than observing and assessing their performance (Firestone and Pennell, 1993).

Some analysts argue the performance of a student is beyond the control of a teacher. Rather than viewing the teacher as a single actor, the vital roles played by the school, the principal, and the family should be acknowledged (Holt, 2001). This means the 'cause' of educational achievement is difficult to establish, and includes numerous actors, not simply teachers (Evans, 2001). Confounding this problem, it is argued, is that the best teachers are often given classes that perform lowest academically, and may therefore be punished under a performance-based payment system (Evans, 2001). Even the recent efforts to establish 'value-added' evaluation criteria are considered problematic because they are in the embryonic stages of development, and there are clear socio-economic and racial biases in these systems (Clotfelter and Ladd, 1996).

## **Teacher Merit Cannot be Accurately Measured Cont'd**

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

Erroneously rewarding teachers is considered a problem with performance-based programmes (Cutler and Waine, 2000). How do you adequately evaluate a teacher based on student outcomes when previous teachers may have taught superior learning techniques (Cited in Solomon and Podgursky, 2001)? While group-based rewards attempt to overcome this problem by evaluating teacher performance as a whole, questions remain about the equitable division of rewards given the complex relationships that exist

between teachers and student outcomes. This questions whether schools are much too complex organisationally for accurate evaluation to occur (Cited in Storey 2000).

(Merit pay will undermine the teacher to teacher and teacher to administrator relationship. It would create hierarchies within school administration which would detrimentally affect student outcomes, which is particularly the case for individual forms of performance-based rewards)

## Merit-Pay is Not Fair

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Merit pay punishes teachers assigned to "bad" students.** ["the final word on why merit pay is bullshit". Journeys of Jack Tripper. April 29, 2009:](#) "It penalizes teachers who are assigned students with bad parents or bad backgrounds".

**While teachers can be incentivized, students cannot.** ["Top Ten Reasons Why Merit Pay for Teachers Is a Terrible Idea". Education Portal. July 10th, 2007:](#) "Teachers only have so much control over how much and how fast a child can learn. Even if they are willing to go the extra mile, state law may not allow them to do so. For example, in California, teachers cannot require students to stay after class or school to get help."

**[Merit pay for teachers risks favoritism and cronyism](#)** A merit-based system creates a risk of favoritism from principals, which creates moral and legal issues.

**[Merit pay motivates teachers to cheat on test-scoring](#)** Merit pay creates an incentive for teachers to cheat, by improving student test scores so that they can appear to be doing better as a result of the teacher's work, resulting in bonuses and higher pay. Obviously, the resulting differences in pay would not be fair.

## **Merit-Pay is Not a Good Way to Increase Teacher Pay**

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**All teachers should be paid more, not just a select few** [Beth Lewis](#). "[Pros and Cons of Merit Pay For Teachers](#)". [About.com](#): "Opponents to Merit Pay argue that a better solution to the current educational crisis is to pay all teachers more. Rather than design and regulate a messy Merit Pay program, why not simply pay teachers what they are already worth?"

## Market System Not Effective

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Merit pay is uncommon in business, unnecessary in schools** "The myth of private-sector performance pay". *Economic Policy Institute*. May 13, 2009: "Proponents of pay-for-performance for teachers argue that such compensation models are ubiquitous in the private sector. [...] However, a new EPI book shows that this conventional wisdom is inaccurate. [...] In *Teachers, Performance Pay, and Accountability*, economists Scott Adams and John Heywood [...] find that, contrary to the claims by advocates of teacher merit pay, 'relatively few private-sector workers have pay that varies in a direct, formulaic way with their productivity, and that the share of such workers is probably declining.'"

**Merit pay for teachers would be a bureaucratic nightmare.** [Beth Lewis](#). "Pros and Cons of Merit Pay For Teachers". *About.com*: "Virtually everyone agrees that designing and monitoring a Merit Pay program would be a bureaucratic nightmare of almost epic proportions. Many major questions would have to be adequately answered before educators could even consider implementing Merit Pay for teachers. Such deliberations would inevitably take away from our real goal which is to focus on the students and give them the best education possible."

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Risks of comparing the private, corporate, for-profit sector with education.

Can we really compare education to business? Teaching is not a business. It is a service profession. What good analogy can someone come up with to compare teaching to? Are we missionaries? What if someone decided to pay missionaries based on how many souls were brought to God? And how could you decide? By how many came down to the front at Altar Call or by how they lived their lives after their conversion?

It is not only difficult but it is "out of order" to compare education to a business. This is one of the critical issues that needs to be faced and dealt with in the continuing discussions of education—not only in the United States but elsewhere in the world as well. Our students, children and adults, are not widgets nor robots, and when one works with the human being one is in a completely different realm than when one works with other "natural resources." When one mechanizes or industrializes the process of education, or attempts to do so, the result is disastrous for the human persons involved: students AND teachers. In fact, to me it seems fundamental to the process of education (from the Latin which means "to lead forth") that the largest proportion of "success" cannot be measured or counted in the way in which some contemporary voices are demanding. Educating students cannot be equated with producing ball bearings!

## Market System Not Effective Cont'd

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Education, especially public education, cannot be compared to IBM or to most other businesses. If education was a business and profit was the motive, most public schools would quickly remove about 10-25 percent of the students on campus (the percentage depends on the population) because they simply were not "profitable" to work with. The "bottom line" for the company would look a lot better without them and they interfere with and reduce productivity. Unless my school is a big exception to the rule, those 10-25 percent seem to have a lot of rights to stay in our company, use our resources and reduce our effectiveness even if they aren't productive.

If you REALLY compare education to business, then you would have to pay teachers based on the performance of the students. But how do you judge that? I hope not on the many tests we are subjected to now. Since our "product" (the students) doesn't come to us pure and clear and free of past baggage, I don't think we have yet found a way to evaluate.

The mass of the current teaching profession is not ready to move to this arena. All of my peers in the business community must produce to be promoted or retained. To my knowledge education is the only profession that is so strongly based on a tenure basis. I have always believed strongly in "results pay."

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government

Performance-based rewards for teachers Surveys and Workforce Analysis Section

March 2007

The market approach is inadequate

Numerous analysts question the application of market ideas to teaching. This body of literature argues education is a public good, and should not be analysed within a market framework. For example, Richardson (1999) questions the success of individual performance-based reward systems in the public sector in comparison to the private sector. Their lack of success, he argues, means that these private sector models are ill suited to the public sector. Other analysts point out that teachers work with human beings, and not robots or inert objects. In this way, teaching is different from the private sector precisely because education fashions and works with human beings (Cited in Solomon and Podgursky, 2001).

## Market System Not Effective Cont'd

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

Teachers are not permitted to discard any of their “products”, and must consider a wide range of student outcomes, including reading, computation, inferential reasoning and critical analysis, creative expression, handwriting, exposition, social adjustment and more (Chamberlin, et al, 2002). Thus, it is argued, schools are not factories, and you cannot translate the systems of factories into schools and education institutions successfully. Closely related to this argument, Firestone and Pennell (1993) assert there is evidence that teacher commitment is positively correlated to reading and language arts achievement, meaning policies that damage teacher commitment would damage these student outcomes. So when teachers and the public believe that formal education is important to society and has important effects on individual life outcomes, any policies that have the potential to undermine teacher commitment should be rejected because the high stakes involved (Firestone and Pennell, 1993).

It is further argued that schools cannot operate in a purely ‘rational’ manner because they are not purely technocratic, nor are they apolitical (Malen, 1999). Management techniques based on the private sector are thus bound to fail when the work involves deliberative judgement rather than procedures. For example, merit pay is often used in workplaces where there is a visible output which can be measured, and employee practices and outcome can be easily identified, such as in a clothing factory. In contrast, teachers must use different practices based on individual student characteristics, which are difficult to identify. This means the market has no capacity to increase productivity in these workplaces, because the factors that increase student achievement are difficult to identify and define (Holt, 2001).

There are no universally accepted characteristics of a good teacher, so it is distinct from other services where output is easily measured, and techniques for improving productivity can be easily identified (Murnane and Cohen, 1986). There are numerous actors who have a stake in educational outcomes, including children, parents, taxpayers, potential employees, teachers and the government, which is separate from the private sector where the number of principals is limited (Burgess et al, 2001).

## **Market System Not Effective Cont'd**

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

Most market-based group reward systems do not have a predetermined amount of revenue available, but will distribute a portion of profits from the additional benefit derived from increased productivity. This is not a possibility for public education since resources are fixed, and do not vary with changes in productivity (Mohrman, Mohrman, and Odden, 1996). Teachers rarely have control over school resources, meaning extra salaries or bonuses can be difficult to fund (Mohrman, Mohrman, and Odden, 1996). This contrasts with the private sector, where increased productivity will generate increased profits, decreased outlays, or costs passed onto the consumer (Chamberlin, et al, 2002). This occurs because the product of labour is easily identified in the private sector, while the product of teachers' labour is not easily identified, nor rewarded (Mohrman, Mohrman, and Odden, 1996). This implies that individual merit pay will be difficult to administer in education because individual teacher quality is hard to measure on the basis of student outcome.

## Teacher Unions Don't Favor Merit-Pay

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

- **Merit pay divides teacher unions, undermines collective bargaining** "No merit to merit pay". United Teachers Los Angeles. November 9, 2007: "From a labor perspective merit pay would also divide the work force and in the long run lessen our ability to fight collectively to improve public education. If salaries were not simply based on years of experience and number of college credits earned or additional services provided, the teaching force at any workplace would be more stratified (differentiated) and much less willing to stand together during a conflict with school site management or during a contract struggle. The role of the union would be seriously compromised."

## Case Studies Show Merit-Pay is Not Effective

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Past examples of merit pay for teachers have failed** [Vivian Troen and Katherine C. Boles](#). "How 'Merit Pay' Squelches Teaching". [Boston Globe](#). September 28, 2005: "Merit pay comes in many forms and flavors -- including extra bonuses for student achievement gains, satisfactory evaluations by principals or committees, acquiring additional duties, gaining new skills and knowledge, and serving in hard-to-staff schools. We've looked at dozens of plans in North America, South America, Asia, Europe, and the Middle East. Guess what? None of them, past and present, has ever had a successful track record. None has ever produced its intended results. Any gains have been minimal, short-lived, and expensive to achieve."

<http://k6educators.about.com/od/assessmentandtesting/a/meritpay.htm>

Pros and Cons of Merit Pay For Teachers

Should Teachers Be Rewarded For Performance Like Everyone Else?

By [Beth Lewis](#), About.com

**Virtually everyone agrees that designing and monitoring a Merit Pay program would be a bureaucratic nightmare of almost epic proportions.** Many major questions would have to be adequately answered before educators could even consider implementing Merit Pay for teachers. Such deliberations would inevitably take away from our real goal which is to focus on the students and give them the best education possible.

**Good will and cooperation between teachers will be compromised.** In places that have previously tried variations of Merit Pay, the results have often been unpleasant and counter-productive competition between teachers. Where teachers once worked as a team and shared solutions cooperatively, Merit Pay can make teachers adopt a more "I'm out for myself only" attitude. This would be disastrous for our students, no doubt.

**Success is difficult, if not impossible, to define and measure.** No Child Left Behind (NCLB) has already proven how the various unlevelled playing fields in the American education system inherently set up a wide variety of standards and expectations. Consider the diverse needs of English Language Learners, Special Education Students, and low income neighborhoods, and you'll see why it would be opening a messy can of worms to define standards of success for American schools when the stakes are cash in the pockets of real teachers.

**Opponents to Merit Pay argue that a better solution to the current educational crisis is to pay all teachers more.** Rather than design and regulate a messy Merit Pay program, why not simply pay teachers what they are already worth?

**High-stakes Merit Pay systems would inevitably encourage dishonesty and corruption.** Educators would be financially motivated to lie about testing and results. Teachers might have legitimate suspicions of principal favoritism. Complaints and lawsuits would abound. Again, all of these messy morality issues serve only to distract from the needs of our students who simply need our energies and attentions to learn to read and succeed in the world.

## Case Studies Show Merit-Pay is Not Effective Cont'd

<http://www.csmonitor.com/2009/0318/p01s02-ussc.html?page=1>

The Christian Science Monitor

March 18, 2009

In addition, none of these pay programs answers the question of what to do with underperforming teachers, who are usually protected by tenure. "I guess your salary stays low, and maybe that sends the message that you should look at another career," says Paul Teske, dean of the School of Public Affairs at the University of Colorado in Denver. "But ProComp doesn't directly address that," says Mr. Teske, who is conducting the external review of Denver's program.

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

*Using Performance-Based Pay to Improve the Quality of Teachers*

The Future of Children - Volume 17, Number 1, Spring 2007, pp. 87-109

Disappointing Experience with Past Merit Pay Programs. The repeated failures of poorly designed and implemented merit pay programs over the past two decades have undermined the credibility of new and better-designed initiatives. A key weakness in past programs has been opaque goals, which make it hard for teachers to understand the program and undermine their support for it. Opaque goals also make it difficult for administrators to explain why some staff members receive a bonus and others do not. One study finds that even in established programs such as those implemented in Kentucky and North Carolina, many participants remain skeptical that bonuses go to qualified teachers.<sup>30</sup>

Although school-based performance pay theoretically has many attractive features, researchers have been able to find little causal evidence that it is effective in U.S. programs. For example, three researchers studied school-based incentive pay systems in Kentucky, North Carolina (Charlotte-Mecklenburg), and Maryland.<sup>44</sup> They concluded that in the Charlotte-Mecklenburg and Kentucky programs, but not in the Maryland program, both teacher motivation and student outcomes improved. But because all three studies lacked a control group, they could not establish definitively that the program itself—and not some other factor—was the cause of the improvements.<sup>45</sup>

## Case Studies Show Merit-Pay is Not Effective Cont'd

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

*Using Performance-Based Pay to Improve the Quality of Teachers*

The Future of Children - Volume 17, Number 1, Spring 2007, pp. 87-109

Similarly Helen Ladd studied a school-based bonus program in Dallas.<sup>46</sup> The program, which began in the 1991–92 school year and continued through 1995, ranked schools by how well their students' test scores compared with state average scores, adjusting for students' socioeconomic status. To avoid teaching to the test or other gaming behavior, the program relied on multiple measures of student outcomes, including two tests given each year. Ladd compared gains in school-level test scores in Dallas with gains in other cities (adjusting for many school characteristics, such as racial mix and relative deprivation) to evaluate the impact of this bonus scheme. She found that pass rates appeared to increase more quickly in Dallas than in other cities. Effects were most positive for Hispanics and whites and insignificant for blacks. Although the study suggests that a school-based program can be effective, it was not conclusive. It had, for example, only a limited number of student and school characteristics to adjust to make the participating schools comparable to other schools in the state. In addition, the test score gains in Dallas may have been part of a trend that started before the program was implemented.

(Dividing schools into socioeconomic groups to better judge performance improvement has resulted in resistance from administrators)

The Dallas study also highlights some unintended consequences. In an earlier study, Charles Clotfelter and Ladd had reported that in the Dallas program, schools of low socioeconomic status rarely won awards.<sup>47</sup> In response, the state divided schools into five groups based on socioeconomic characteristics and rewarded the top performers in each group. But some of the lower-performing schools in the upper socioeconomic bands felt that they had been treated unfairly. Dividing the schools into socioeconomic groups also encouraged an undesired strategic response from principals who realized that their ability to gain an award was based on the socioeconomic category into which they were placed.

Finally, two studies of a South Carolina performance-based program that included both school-based and individual-based rewards found that student performance improved.<sup>48</sup> The studies, however, may overstate the incentive effects because teachers could choose whether to apply for an award. If, as would be expected, only the most productive teachers chose to apply, then part of the student gains may be attributable not to the incentives but to the fact that participants were better teachers in the first place.

## Case Studies Show Merit-Pay is Not Effective Cont'd

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

*Using Performance-Based Pay to Improve the Quality of Teachers*

The Future of Children - Volume 17, Number 1, Spring 2007, pp. 87-109

(Cited Israeli example, but I don't think it can apply to the US , especially not to the lower socioeconomic groups)

Although group-based pay, either alone or combined with individual-based incentives, has the promise of overcoming some of the difficulties inherent in implementing individual-based systems, the little causal evidence of its effectiveness is mixed. The strongest evidence comes from the Israeli experience; whether it could be replicated either in the United States or abroad is unknown.

Tying teachers' pay to their classroom performance should, says Victor Lavy, improve the current educational system both by clarifying teaching goals and by attracting and retaining the most productive teachers. But implementing pay for performance poses many practical challenges, because measuring individual teachers' performance is difficult.

Lavy reviews evidence on individual and school-based incentive programs implemented in recent years both in the United States and abroad. Lavy himself evaluated two carefully designed programs in Israel and found significant gains in student and teacher performance. He observes that research evidence suggests, although not conclusively, that pay-for-performance incentives can improve teachers' performance, although they can also lead to unintended and undesired consequences, such as teachers' directing their efforts exclusively to rewarded activities.

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section

March 2007

Poor design and planning in the past has created difficulties in implementing new performance-based pay systems. This sets up the expectation that because it hasn't worked in the past, it will not work in the future (McCollum, 2001). This is one of the few areas in the literature where a consensus is evident. Analysts, both proponents and opponents of performance-based rewards argue that previous attempts had poor design and implementation (Mohrman, Mohrman and Odden, 1996; Ramirez, 2001). Problems in developing fair and reliable indicators and the training of evaluators to fairly apply these indicators undermine any attempt to implement programmes (Storey, 2000).

## Case Studies Show Merit-Pay is Not Effective Cont'd

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

One problem identified is poor goal clarity because of a large number of criteria, which restricts teachers' understanding of the programme and makes implementation difficult (Richardson, 1999). Explanations of how, and on what criteria teachers are assessed may be difficult to articulate. When this occurs, it is almost impossible to give valuable feedback and maintain teacher support for the programme (Chamberlin et al, 2002). If administrators cannot tell workers why one worker got a bonus, while another did not, the programme would face severe pressures (Murnane and Cohen, 1986). Stress levels may also be increased when teachers are expected to work harder towards multiple goals (Kelley, 1999).

Several proponents of performance-based reward systems argue that previous systems have been simplistic in their design and implementation. Successful strategies are needed to expand professional development so teachers can learn the new knowledge and skills that are required for skill and knowledge based pay (Odden, 2000b). As performance-based curriculum requires deep conceptual understanding of curricula content, and an array of pedagogical strategies, a great deal of strain is placed upon teachers (Mohrman, Mohrman and Odden, 1996).

One example of a recent attempt to overcome this problem is the Consortium for Policy Research in Education's (CPRE) work on sophisticated performance-indicators for teachers. They argue these tests can be applied for accurate and objective evaluation (Odden, 2000a) of core teacher skills to be completed easily and consistently both across and within school jurisdictions (Odden, 2000b). These tests control for a number of social factors such as socio-economic differences, racial differences and previous student outcomes by providing bonuses tied to school performance, which are weighted according to these factors (Odden, 2000a). Similarly, Cohn (1996) advocates the use of evaluation by arguing student test scores measures the most fundamental student achievement.

Another technique was developed by Solomon and Podgursky (2001) who use regression analysis techniques based on student results to show the effectiveness of teachers. Student scores before the start of an academic year were compared to their end of year scores, with various factors such as socio-economic indicators controlled for, to provide an evaluation of teachers (Solomon and Podgursky, 2001). Teachers can thus be assessed on how much they have added value to student outcomes, which can be considered an accurate tool for evaluation. Therefore, it is argued, evaluations can be made with minimal error, and teacher effectiveness objectively established (Solomon and Podgursky, 2001). In fact, Solomon and Podgursky (2001) argue

## Case Studies Show Merit-Pay is Not Effective Cont'd

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

“schools are probably more amenable to monitoring individual performance than are most private goods or service-producing firms”, because of the ease of measuring the ‘added- value’ of education. Furthermore, because these evaluations can be measured externally to the schools, political bias in teacher promotion is reduced (Solomon and Podgursky, 2001).

However, it has also been argued that previous financial bonuses have been comparatively small, which undermine the motivational value of the programmes. A great deal of literature has noted that the rewards offered have not been enough of an incentive to change teacher behaviour (Malen, 1999). The money rewarded has been limited and this has meant that arbitrary quotas were often established which provided only small incentives to a majority of practitioners (Chamberlin, et al, 2002). Further problems can occur when there is a belief that teachers will not get rewards even for increased performance (Richardson, 1999). This problem has been highlighted in several studies, including the Kentucky and Charlotte-Mecklenburg programmes, with scepticism about future reward bonuses evident in even well established programmes (see Kelley, Heneman and Milanowski, 2002).

<http://www.osac.state.or.us/pdf/meeting294.pdf>

OREGON STUDENT ASSISTANCE COMMISSION (OSAC)  
March 22, 2002

Disadvantages:

Merit-based programs tend to make awards disproportionately to upper-income families over lower-income families. Ethnic groups are also disproportionately awarded. In Michigan, 47% of White and 51% of Asian-American high school graduates qualified for an award, while only 8% of African-Americans and 26% of Hispanics qualified. Also merit-based programs tend to create an entitlement mindset, and, once adopted, the legislature may find those programs difficult to change or eliminate.

## **Case Studies Show Merit-Pay is Not Effective Cont'd**

<http://www.osac.state.or.us/pdf/meeting294.pdf>

OREGON STUDENT ASSISTANCE COMMISSION (OSAC)

March 22, 2002

### Precautions:

There are concerns nationally that merit-based programs are taking money from need-based programs. Georgia eliminated its need-based program in 1999 but is trying to reinstate it for 2002-03 due to the inequalities of a merit-only system. Also, college officials in Florida and Louisiana have had difficulty in getting legislators to agree to tuition increases because their state merit-based programs pay for tuition, and tuition increases would increase the cost of the states' merit-based programs.

Costs tend to escalate after program initiation as well. In Georgia, the number of participants increased 20% in the first 5 years of the program with associated cost increases. In Louisiana, costs rose from \$53.8 million in 1998-99 to \$91 million in 2001-02. New Mexico has experience budgetary shortfalls in nearly every year since the inception of its merit-based program in 1997.

---

## Merit-Pay Creates Competition Among Teachers

[http://wiki.idebate.org/en/index.php/Debate:\\_Merit-based\\_pay\\_for\\_teachers](http://wiki.idebate.org/en/index.php/Debate:_Merit-based_pay_for_teachers)

**Merit pay undercuts valuable cooperation between teachers** "No merit to merit pay". **United Teachers Los Angeles. November 9, 2007:** "Teacher unions have historically resisted merit pay proposals because they undermine one of the core principles of teaching and learning: collaboration. Whether it is the informal discussion that takes place in the lunchroom or the more formal exchanges based on grade level, department, or small learning communities, these are only successful because as teachers we understand teaching is about working together to help our students, not competition for better pay."

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia  
By Lewis C. Solmon and Michael Podgursky

### **1. Performance-based compensation programs encourage competition rather than collaboration among teachers.**

Many argue that individual merit is at odds with the collegial character of effective schools, and that performance- based compensation would, in effect, stifle reform by pitting teachers against each other in search of a more lucrative paycheck. Teachers resent other teachers getting merit increases if they do not. This creates conflict and dissension at a school.

A spirit of competition would take over. Professional judgments and jealousies are human nature...high- conscience people rise above this mentality, but teachers with low morale or less ambition will feel endangered rather than empowered...I work day and night and the guy next door comes late and leaves early...the system unfortunately does not know the difference... This situation is unfortunate if the two different behaviors cause differences in student learning.

If certain teachers get merit increases, will administrators (principal) be jealous, especially if evaluators are other teachers? I guided and watched my staff grow from teachers who were very skeptical of others being in their room, or of others giving any evaluative comments to teachers who accepted and requested the feedback from their coworkers. However, when a financial reward is attached to the evaluation, teachers somehow revert to skepticism due to a fear of the judgment not being completely equitable for everyone. I'm especially interested in the comment that teachers became competitive and stopped sharing ideas and the climate of the school changed—it reminds me of what happens in a department store when employees begin to be paid on commission.

## **Merit-Pay Creates Competition Among Teachers Cont'd**

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Teachers will no longer be willing to share their hard work if they fear that someone else is going to take credit and get the extra pay. [It creates] competition rather than the cooperative effort schools are trying to foster. When teachers share their ideas and others are observed using them, sometimes the originator gets credit and sometimes not. Even if it were written that a portion of the performance-based compensation depends on sharing, less sharing will occur after performance-based compensation is implemented.

### **The Union Environment and the Collaborative Nature of Teaching**

The union environment is also cited as another reason why performance-based compensation for teachers won't work. The argument is made that unions are socialist in origin and philosophy, and just as students are not treated differently, teachers don't expect to be treated differently when it comes to pay. Performance-based compensation is inequitable by definition. If teachers wanted to change the pay structure, they would have done so years ago through negotiation.

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government

Performance-based rewards for teachers Surveys and Workforce Analysis Section

March 2007

Reduced co-operation between teachers

(There would be reduced co-operation between teachers, which is presented as an argument primarily in opposition to merit-pay)

The literature cites reduced collegiality between teachers as a major problem with performance-based reward programmes. Even proponents argue that many of the early systems of performance-based rewards had a problem with encouraging co-operation, as systems of merit-based pay are considered at odds with the team-based nature of teaching (Odden, 2000a). Hoerr's (1998) argument that programmes need to be carefully designed or competition between staff members may reduce collegiality among teaching colleagues echoes these sentiments. This, Hoerr (1998) and Odden (2000a) argue, is a function of poor programme design, rather than an inherent characteristic of performance-based rewards.

## **Merit-Pay Creates Competition Among Teachers Cont'd**

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

Nevertheless, a large body of literature argues these programmes have a negative effect on teacher collegiality. For example, Chamberlin, et al, (2002) argues that competition amongst teachers, in a profession where co-operation is essential, undermines any attempt to introduce performance-based rewards. The American Federation of Teachers (AFT, 2001), a United States teacher union, argues that previous programmes created divisions between teachers, as they were classified as either 'winners' or 'losers' (see also, Storey, 2000). It is argued that even when a school-based system is used, collegiality is adversely affected, sometimes because limited funding means the average reward is often so small it is meaningless (Malen, 1999), sometimes because of the 'free rider' problem. The 'free rider' problem occurs when some teachers who are not contributing to the outcomes of students are rewarded because of others' actions (Cutler and Waine, 2000)

---

## Teachers Will Not Want to Teach Certain Students

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

When you reward teachers for student achievement, nobody wants to teach certain kids in certain communities. How can different levels of student learning be compared? Some teachers have very difficult classes where even the smallest advances are monumental, whereas others have self-motivated, bright students. Teachers tend to seek to avoid these areas now for other reasons like safety. If student achievement is measured in a value-added sense, teachers may prefer to work where scores are initially lower because they have a lot more room for improvement. It may be easier to move from the 20th percentile to the 40th than from the 90th to the 95th. Many have pointed out that teachers have no control over what happens to students outside of the classroom. The National Commission on Teaching and America's Future has research showing the home environment is responsible for 49 percent of the factors influencing student achievement. Teachers do not want to be financially punished for having students who don't succeed. (Guinta, 1999)

According to some, performance-based compensation would increase the trend of the most difficult students being put in the newest teacher's classrooms. (Administrators.net, 1999) Opponents say that some teachers might even try to "game" the system by telling students likely to do poorly on the tests to stay home on test day. Focusing on gains rather than levels of academic achievement should take us a long way in alleviating this concern. However, it may be that gains, say, from the 20th to the 40th percentile are in fact harder to achieve than those from the 60th to 80th percentile. As schools become smarter organizations and begin to use classroom gain scores more effectively, it will soon become apparent where it is easier or harder to achieve gains. Also, state education agencies should assist in developing such information as well. This data would allow schools to establish reasonable "norms" for gain scores based on the starting point of the class.

A somewhat analogous situation occurs with student evaluations of faculty in universities. Student evaluations are regularly used to evaluate faculty for the purposes of performance-based compensation and promotion (as well as other types of teaching rewards). Faculty committees and department chairs are well aware that the means of these scores vary systematically with respect to factors which are not directly under the control of the instructor, e.g., large lecture versus small class, required versus elective, lower versus upper undergraduate or graduate, more or less quantitative subject matter. Hence they "norm" these scores when assessing faculty. For example, Professor X is teaching Intermediate Microeconomics, a notoriously unpopular course required of finance and accounting majors. Over the years the mean evaluation for this course is below that of other upper-level undergraduate courses. Thus, Professor X's seemingly low score, as compared to the department mean, may be above the historical average for the course.

## Creates Bias and Favoritism

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Some have pointed out that the several quick visits most principals pay classrooms during the school year aren't enough to show who is doing good teaching. Performance-based compensation is seen as having more to do with getting along with the principal than anything else. "Good teaching is not the same thing as being willing to take extra bus duty or prompt in getting paperwork back to the central office." (Shanker, 1995)

Promotion will be based on personality, politics, religion, friendships, who has done the administration's bidding etc. Would lead to teachers "brown nosing" administrators in charge of judging their performance. Some ineffective people who "get along" may receive merit increases, while some highly effective teachers who do not get along will not.

Performance-based compensation for teachers would only strengthen the good old boy network. Since the talented teachers are often considered to be the ones rocking the boat, they are not usually members of the good old boys club. Therefore they would not be the teachers earning the performance-based compensation.

However, if the principal is also rewarded based on student achievement, he or she will have incentives to reward true merit.

How would anyone be able to assure teachers that the determination of who gets performance-based compensation would not be based on some form of "you scratch my back and I'll scratch yours?" Even when the determining group is a group of peers, many people would worry that their "buddies" would be considered more favorably than others.

I don't believe that performance-based compensation will ever be equal or done on a fair basis. Just too many cliques in the system and jealousy will cause friendships to be on hold and colleagues to stop sharing. This is not what we need in education today. We need people working together to achieve a common goal. WELL EDUCATED CHILDREN!

In the San Marino (CA) schools, there was performance-based compensation from the 1950s to the 1970s. It ended when an outstanding teacher, who did not receive performance-based compensation, went to the public records and posted at the schools the names of all those receiving performance-based compensation. All the coaches were receiving performance-based compensation while many teachers who did outstanding work were not receiving. Personalities and favoritism will always cloud teacher pay.

## Creates Bias and Favoritism Cont'd

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Many principals and teachers do not have unconditional positive regard for all the people they are associated with. Often the schools have administrators who act and react like teenagers. This is not a good thing when people must be evaluated on their effort, creativity, and love of students NOT their looks and personality. Many people in the schools where the administrators are like military personnel and intimidate anyone

who tries to be creative and work outside the dots (who would be candidates for extra benefits) find their lives always being condemned for being creative, working in groups, looking for new ways to motivate classes and teachers who have everyone in little straight lines, no noise, no excitement, little education are the ones who will be rewarded.

In this type of situation the question is always "What have you done for me lately?" I have seen excellent teachers that get sick with a protracted illness and suddenly become the low person on the principal's list of able teachers because they are not in school to defend themselves.

In 1984 the Gallup Poll asked teachers who should determine which teachers receive performance-based compensation. Sixty-three percent favored a committee of teachers, 57 percent favored the school principal, 42 percent would prefer a committee of outside educators and one in five teachers wanted the decision to be made by either students or parents. (Gallup, 1984)

No teacher is perfect. Everyone makes mistakes. At anytime, any administrator could make a case against any teacher. Isn't this the way it is in business?

I know the risk that educators would face if there were a change in administration once they have moved to a performance-based compensation system. That seems to be the rule in the new century.

Many administrators, who will have a major say in determining merit, were poor teachers and so, became administrators—they cannot recognize quality.

How does a teacher rate a colleague low and then have to see him every day? Even administrators want to be liked and often give satisfactory evaluations only for this reason.

## **Creates Bias and Favoritism Cont'd**

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

I think objectivity is the main concern. Therefore, awarding performance-based compensation must be the result of more than just the principal's single evaluation. Certainly if one could involve peers, outside evaluators, etc. the program might be better accepted.

Teachers don't trust administrators to make decisions about who—or what—deserves performance-based compensation. There is a fear that performance-based compensation programs would give administrators the ability to reward teachers they consider to be performing well. Union members believe that might result in arbitrary decisions. (Education Week, 1999)

Establishing pay based on "market-value" is not seen as a good way to determine pay scales because it can reflect race and sex bias. (NEA, 1999)

Even when teachers are co-evaluators, they may have been co-opted by the administration. Basically there will always be suspicion of evaluators. Even of master teachers.

Performance-based compensation is often seen by teachers as a chance to hammer schools, rather than to help schools improve. States are often seen as spending a lot of time developing rewards and sanctions and less time developing plans for school improvement. (Houtz, 1997)

## **Merit-Pay Doesn't Improve All Teachers**

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Performance-based compensation programs reward the top 15-20 percent of performers without making any effort to improve all teachers.

First, if there is a program it must be open to all, not limited to ten percent or some artificial percentage to limit cost. It should not be apportioned throughout the faculty, one for languages, one in social studies, etc. A single department might have all excellent, deserving teachers. It should not depend upon some artificial minimum number of years of experience; there are some great teachers with three years of experience, some take six, etc. to develop their skills. It should not be just a reward for hanging around.

The real question should be how do you get people out of the classroom who should not be there, thus creating a teaching force where all deserve performance-based compensation and then pay all teachers salaries that begin in the mid- to high-thirties and end in the seventy- to eighty-thousand range. Shouldn't we all be excellent? Or shouldn't we all at least be trying to be?

If everyone is made a master teacher, no one is judged more effective than others. This is just not true. It is idealistic. Maybe just a way to get all teachers more pay.

## Merit-Pay is a Large Expense

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

The costs of implementing a performance-based compensation system are very large.

One element that concerns me is finding funds to provide this performance-based compensation. Where does it come from? In my district, money is always an issue. Paper is rationed because there is not enough money in the budget to adequately provide all the schools. How can a district justify paying teachers performance-based compensation when there is not even enough money to purchase enough paper? I'd give up any performance-based compensation in order to have enough paper. But would you give up across-the-board raises?

Still, I noticed that there would come a time when the number of advanced teachers at a site would be limited by space available and by finances, rather than by merit. That's one of my major concerns with performance-based compensation. What happens when teachers get the results in a class (measured by whatever inevitably political rubric emerges), yet are denied pay increases due to financial constraints? The costs of implementing the Tennessee Career Ladder Program were tremendous.

One of the reasons voters are reluctant to put more money into education is because they have not seen student achievement improve. They see teachers demanding more money as a right. If they saw new money going only to highly productive teachers, they are more likely to be willing to provide more money.

Under current salary schedules, school districts incur major costs from one year to the next simply because teachers are one year older. A very large share of payroll is taken off the table each year simply to reward seniority. Similarly, school districts spend billions of dollars each year to reward the accumulation of academic course credits which may bear little relationship to current performance. For example, many teachers accumulate graduate credits in education administration but never become principals. They are, nonetheless, rewarded with pay increases on salary schedules even though these classes have little benefit for their current teaching assignments.

In order to make funds available for performance-based compensation, school districts could eliminate or "flatten" salary schedules. A merit pool would be created without any increase in total payroll costs.

## Merit-Pay is a Large Expense Cont'd

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Programs where there is a limited amount of money to be shared by a limited number of people can create situations where there is an incentive to hoard rather than share good ideas. "Why reveal a successful strategy for teaching a math topic to a competitor? Students end up being the losers." (Shanker, 1995) Others point out that small pilot programs to be expanded later incur resentment toward those few teachers selected to participate or to be given awards. (Ellis) Implementing performance-based compensation in certain schools and not others implies that the teachers in that school are not quality professionals. "It's insulting to make professionals continually prove their worth, and merit is such a fuzzy idea that it will be used unfairly." (Van Moorlehem, 1999)

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

*Using Performance-Based Pay to Improve the Quality of Teachers*

The Future of Children - Volume 17, Number 1, Spring 2007, pp. 87-109

**Risks Posed to Teachers Could Increase Costs.** The risks posed to teachers by performance-based pay could lead them to demand high compensation, which could in turn raise the cost of education.<sup>24</sup> Unlike relatively risk-free input-based payment, performance-based pay exposes employees to earnings variability beyond their control. If teachers, like other workers, are risk averse, inducing them to accept a risky compensation package will entail higher average pay overall.

**Teachers Are Motivated by Nonfinancial Incentives.** A frequent criticism of performance-based pay is that teachers, as professionals relatively immune to motivation by pecuniary rewards, will not respond to financial incentives. Monetary rewards could thus simply inflame resentment toward management and decrease employee loyalty, both of which could reduce productivity. One study suggests that nonmonetary rewards, such as additional holidays, may be better motivators.<sup>25</sup>

**The High Cost of Performance-Based Pay Schemes.** Finally, implementing performance-based pay is easier in small organizations, such as private schools, than in large public school systems with sizable teaching staffs. System size therefore impinges on the observed high cost of performance-related pay, making the program infeasible. One study argues that adequate evaluation of every teacher, expensive in itself, would require considerable resources if performed regularly.<sup>31</sup> The time alone required to administer a pay-for-performance system would have severe budgetary implications.<sup>32</sup> More-over, as a research study points out, improved productivity in the private sector can generate added income to help mitigate budget problems, but enhanced productivity in public schools has no such effect.

## **Merit-Pay is a Large Expense Cont'd**

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

Financially irresponsible

(It would be an expensive programme, which is presented as an argument against all systems of performance-based rewards that offer a significant financial reward)

The literature argues performance-based reward schemes require significant performance-related supplements in salary if they are to be implemented successfully. On these arguments, increased salaries would require increased education revenue, which may be politically difficult (Hoerr, 1998; Holt, 2001; Chamberlin, et al, 2002). Furthermore, if evaluation and reward is expensive, any attempt to level the salary schedule and supplement rewards is ignoring past failed attempts at performance-related pay (Barber and Klein, 1983).

Even some proponents of performance-based rewards acknowledge that administering such a system would also require an extensive bureaucracy. For example, Odden (2000) argues that it would be expensive to adequately evaluate every teacher, and would require considerable resources if this evaluation were to be completed regularly. Furthermore, the time needed to administer this kind of a system would have severe budgetary implications (Cutler and Waine, 2000).

## **Teachers Shouldn't Want to Teach For the Money**

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Teachers should want to teach to serve kids, not for money. We want teachers who love teaching, and who are not in it for the money.

I think our rewards as teachers come in other forms. It is great pay! I always felt that in some way I was getting "performance-based compensation" as my understanding of and practice of "education" evolved.

Because of the way in which I was able to interact with the administrative echelon and also the community, and because my teaching approach seemed to serve my students well and connected us to the community and drew parents into our work, my life was enriched. My life and work as an educator taught me over the years to live in an undivided way, without artificial borders between my life and my work. With such an undivided way-of-being there was a great smoothing of the hills and valleys and it made life less stressful. I thought that was great "pay"...Few of us are in the profession for pay.

Not many would dispute this. But the real question is who is not in the profession because of low pay? We are called to teach and find it difficult to believe that we are being paid to do what we love doing. When someone institutes a set of criteria to determine our worthiness to receive more pay, they take away our freedom to do what is best for children. Look at the ways that teachers can supplement their salaries now: club sponsorship, coaching, becoming an administrator, moonlighting, etc. All these diminish the teacher's role in the classroom.

The real issue revolves around supplementing the salaries of teachers whose students learn more, not of teachers who coach, unless the latter falls under "more pay for more tasks."

## Merit-Pay Creates Extra Work for Teachers

[http://web.missouri.edu/~podgurskym/articles/files/Pros\\_cons.pdf](http://web.missouri.edu/~podgurskym/articles/files/Pros_cons.pdf)

The Milken Family Foundation, University of Missouri-Columbia

By Lewis C. Solmon and Michael Podgursky

Performance-based compensation forces teachers to work harder to get more pay—but the extra pay is not sufficient for the extra work required.

"Professionalization" (raising salaries and creating expanded roles for teachers) is seen as adding to an already demanding schedule. Teachers now must become counselors, administrators and researchers. Often, teachers under these systems are given the authority to experiment with teaching and outreach but not given the time to prepare and evaluate the new methodology (i.e. extra training & extra time to plan). (Carvin)

Some teachers will exert more effort in order to earn performance-based compensation; others will not. Those who work harder have judged the monetary reward worth the effort. However, some educators may simply be gifted teachers and achieve higher gains for their students without any extra effort whatsoever. It is important to reward such individuals as we do gifted practitioners in other occupations. Under the single salary schedule, aside from seniority, the only way a gifted teacher can raise her pay is to accumulate academic credits. In other words, she needs to exert extra effort to earn an MA simply to demonstrate that she is a superior teacher. Of course, teachers who are not gifted teachers can readily earn MA's as well. Therein lies the problem.

This had led some to propose National Board Certification of superior teachers. Unfortunately, it has not yet been demonstrated that the National Board Certification process actually identifies teachers whose students have larger achievement gains (or that it is a cost-effective way to identify superior teachers). In addition, the National Board Certification process imposes a very costly time burden on teachers themselves, and, in fact, requires them to expend substantial amounts of time preparing portfolios and preparing for external assessments simply to demonstrate that they are gifted teachers. It may be that many highly talented teachers will find this cost too high and simply choose not to undergo the process.

True performance-based compensation simply rewards superior teachers for doing a good job. It does not require large investments of time from the teacher to demonstrate her superiority. College professors who are outstanding instructors are not expected to divert large amounts of time from their classroom or research preparing portfolios and taking external assessments to demonstrate their merit to others. On the contrary, their outstanding teaching is readily recognized and documented by their students, peers, and supervisors.

## Unions and Teachers Oppose Merit-Pay

[http://muse.jhu.edu/login?uri=/journals/future\\_of\\_children/v017/17.1lavy.html](http://muse.jhu.edu/login?uri=/journals/future_of_children/v017/17.1lavy.html)

*Using Performance-Based Pay to Improve the Quality of Teachers*

The Future of Children - Volume 17, Number 1, Spring 2007, pp. 87-109

Union and Teachers' Opposition. Teacher unions worldwide strongly oppose performance-based pay.<sup>26</sup> Unions view wage differentiation on the basis of subject taught, as well as any sort of subjective evaluation of teachers, as threats to their collective bargaining strategies and therefore reject them outright. And union views weigh heavily: lobbying by unions has often halted efforts to legislate performance-based rewards.<sup>27</sup> Union objections appear to reflect opposition voiced by teachers directly.<sup>28</sup> Teachers see performance-based pay, supported by unfair evaluation, as a threat to their autonomy. Sanctions against poorly performing schools, which are included in some performance-based schemes, are another major source of union and teacher opposition.<sup>29</sup>

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

Widespread unionisation of teachers

(Unions have shown a definite tendency to oppose merit pay models)

The literature consistently argues that one of the major difficulties in the implementation of performance-based reward programmes has been the existence of teacher unions who have been strong opponents of these programmes (Ballou and Podgursky, 1993; McCollum, 2001). Schools are typically highly unionised workplaces, and teacher unions have traditionally rejected movements towards merit pay (Tomlinson, 2000; AFT, 2001). Wage differentiations on the basis of subject taught, and any sort of subjective evaluation of teachers for rewards has been rejected outright, possibly because of existing collective bargaining strategies (Ballou and Podgursky, 2001). Typically, unions employ a range of arguments to reject attempts to introduce performance-based rewards, particularly focusing on doubts about accurate evaluation of teachers.

By lobbying legislatures against merit pay, unions have frequently changed the shape of systems or reduced the number and frequency of performance-based reward programmes (Ballou and Podgursky, 1997). Ballou (2001) reported that a common feature of schools with performance-based reward systems were the lack strong unions, which suggests that teacher unions can exert strong influences on school reform. This means radical reforms can be difficult to implement where union presence exists.

## Unions and Teachers Oppose Merit-Pay Cont'd

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

Contemporary efforts to introduce performance-based rewards therefore have to consider unions before implementation. However, this has been possible, as there are a group of teacher unions in the United States who now support the Consortium for Research and Policy in Education's (CRPE) efforts to introduce knowledge and skills based pay (Odden, 2001b).

Teacher opposition

(Active opposition by teachers, especially in terms of unfair evaluation)

Another reported reason for the failure of performance-based reward programmes is the apparent opposition of teachers. Ballou and Podgursky (1993) argue teachers have been opponents of performance-based pay. Explanations for this opposition vary widely, with some attributing this opposition to the reduction of autonomy of teachers because of constraints on their teaching style and outputs (Firestone and Pennell, 1993). When teachers' autonomy is threatened, they are likely to respond negatively which may impact on student outcomes (Firestone and Pennell, 1993). Furthermore, Malen (1999) argues there is a fundamental tension between the policy makers and the public, and teachers, since the most attractive component of performance-based pay with policy makers and the public has been the individual and differentiated selection criteria, whereas teachers often have deep-seated concern about the fairness of individual evaluation. This is also one of the most common concerns cited within the literature, which suggests that there is a conflict between past programmes of individual performance-based rewards, and teacher motivation (Firestone and Pennell, 1993).

Highly politicised and sanctioning programmes can increase the stress levels of teachers which can cause further teacher opposition. For example, the Kentucky School-Based Performance Award (SBPA) had statistically significant less anticipation of positive outcomes than the Charlotte–Mecklenburg SBPA and a distinguishing feature between the systems was the existence of sanctions for poorly performing schools in Kentucky (Kelley, Heneman and Milanowski, 2002). When these programmes become politicised, there appears to be a greater likelihood of teacher opposition. Other analysts argue staff room culture is inimical to a form of performance pay system. Hence, staff room culture must be changed before any performance-based systems of reward can be implemented successfully (Storey, 2000). This may be overcome relatively easily by including teacher input in the design and implementation of performance-based reward programmes (Firestone and Pennell, 1993).

## Unions and Teachers Oppose Merit-Pay Cont'd

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

A study of teachers' attitudes towards performance-based rewards was conducted by Ballou and Podgursky (1993) (Refer to Annex 4 for methodology and discussion of this study). They found that most teachers surveyed were in favour of additional pay for additional duties, and as part of a career ladder where performance dictated the speed of advancement (Ballou and Podgursky, 1993). However, there was some concern that the evaluation process could be seen as unfair or inadequate. This means performance-based rewards, in particular pay, is considered to be difficult to administer objectively and fairly (Ballou and Podgursky, 1993). Unsurprisingly, performance-based rewards are reported to be more popular when it is viewed as supplementing, rather than replacing, other forms of salary (Ballou and Podgursky, 1993).

The level of pay in a school district appears to have no influence on teachers' attitude towards merit pay, yet it was more likely to be supported by teachers with low salaries and by ethnic minorities such as black and Hispanic educators (Ballou and Podgursky, 1993). Attitudes towards merit pay were found to be independent of the number of students eligible for free lunches, suggesting the socio-economic status of the students does not affect teacher views in the United States. Ballou and Podgursky (1993) reported a distinction between private and public school teachers, with private school teachers being more in favour of performance-based pay. This research suggests that teacher attitudes are more malleable than is argued by some analysts, since this research points towards different teacher attitudes depending on programme design.

## School Administration Becomes Hierarchical

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

It is argued that proper employee evaluation requires an equal participation and relationship between the key participants. When pay is linked to performance, any equality is undermined because there is inevitably a judgmental aspect that makes this equal relationship obsolete (Cutler and Waine, 2000). Teachers, on the one hand, use evaluation as a formative process, allowing them to see how they are performing, and how they can improve. Administrators, on the other hand, use evaluation for summation, which considers evaluation as a process used to gauge teachers worth (Barber and Klein, 1983). This is supported by Murnane and Cohen (1986) who argue principals in the 1980s United States school system were found to prefer giving better evaluations than the teachers actually deserved to build trust between the administrators and the teaching staff, and also as a form of formative evaluation. Thus, it is argued that a functioning professional relationship between the principal and the teachers would be undermined by the use of performance-based rewards.

It is also argued morale can be reduced because merit pay creates unfair competition between teachers (AFT, 2001). Teachers who have not been rewarded can question the fairness of evaluation, as there are frequently no transparent criteria. Even if the evaluation process is completed accurately and fairly, teachers may still feel aggrieved if they are not considered competent (Ramirez, 2001) and new hierarchies can be evident in administrators who now have power over teachers and the curriculum (Holt, 2001).

## The Incentive Systems do not Motivate Teachers

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

(It s a given that money is not a motivating factor for most teachers, if it was they would be in a different profession)

Another common criticism is that teachers are not particularly motivated by pecuniary reward so they will not respond to financial incentives. If money is a relatively small motivator for teachers, attempts to focus on monetary-reward systems can have the consequence of increasing resentment towards management, and reducing employee loyalty, resulting in a reduction in productivity (Ramirez, 2001). This is supported by numerous surveys that suggest intrinsic rewards are very important to teachers (Firestone and Pennell, 1993). Firestone and Pennell (1993) argue that evaluation can undermine the intrinsic rewards for teachers, as the “feedback in the form of performance evaluation undermines intrinsic motivation, even when the evaluation is positive” (emphasis in original). It is argued that non-monetary rewards may be better motivators, such as extra holidays. This has been observed in Canada, where many teachers take up the opportunity for unpaid leave. This raises the question of whether the current models of performance-based rewards are flawed because they fail to recognise actual teacher motivations (Chamberlin, et al, 2002). However, Odden (2001) argues that while research has shown current teachers to be motivated by intrinsic rewards, this does not mean potential teachers would not be motivated by financial rewards. These potential teachers could well be talented, but have hitherto been employed within the private sector because of inadequate financial rewards available for teachers.

## Political Opposition to Merit-Pay

[http://www.dest.gov.au/sectors/school\\_education/publications\\_resources/profiles/documents/Performance\\_Based\\_Rewards\\_for\\_Teachers\\_pdf.htm](http://www.dest.gov.au/sectors/school_education/publications_resources/profiles/documents/Performance_Based_Rewards_for_Teachers_pdf.htm)

Department of Education, Employment and Workplace Relations, Australian Government  
Performance-based rewards for teachers Surveys and Workforce Analysis Section  
March 2007

Political opposition

(Providing funds will be difficult , especially in times of economic recession , like now)

Traditionally a wide range of political groups have been involved in the organisation and promotion of performance-based reward programmes. Implementation can be difficult because any one of a number of bodies can discontinue programmes. For example, Ballou (2001) argues legislators, school superintendents and school boards all have the power to discontinue performance-based reward programmes in the United States. As supporting legislators leave office, the political will to continue what can be a costly enterprise can disappear, particularly in times of economic recession (Ballou and Podgursky, 1997; McCollum, 2001). As Cohn (1996) argues, in times of economic recession it can be difficult to implement new performance-based strategies, and existing programmes come under political attack. One possible explanation is the dollar costs of these programmes are more easily measured than the more vague benefits in student outcomes, so a cost-benefit analysis cannot be completed easily by policymakers (Chamberlin, et al, 2002).