

PAY FOR PERFORMANCE (MERIT PAY) IS NOT THE SOLUTION

Introduction

Schools CEO J.C. Brizard, said, in March, 2011: “The model for a teacher’s union is that it’s a union of professionals, and to be a professional you have to be treated as one. You don’t have first in, last out. That’s a Teamster mentality. If you do more, you get paid more, and if you’re more effective, you get paid for more.”¹

The simple-sounding idea that “if you’re more effective you get paid more” ignores the fact that teaching is a complex endeavor. To promote academic, social and emotional growth, schools need:

- research-based curricula and instructional practices;
- supportive, collaborative school staff and environment;
- stable, personalized and manageable classes;
- a structured process of professional development;
- engaged families and a supportive home and community environment.

Support, across and throughout these essential factors, will enable teachers to drive school improvement. An effective and appropriate pay schedule must reflect the commitment teaching requires—one that honors longevity and professional growth, and establishes equity and professionalism amongst teachers. The schedule currently used in the Chicago Public Schools encourages stability and advanced course work. However, many corporate education reformers advocate pay schedules determined by teachers’ performance ratings.

Merit Pay Does Not Work

Merit pay (“pay for performance”) does not address any of the supports necessary for a high quality education, nor does it reflect that teachers’ primary motivation comes from their students. Not only the details of implementation, but the entire concept of merit pay is flawed. The preponderance of evidence from merit pay research shows no student achievement benefit. Tying student test scores to pay is another in a long list of test-based accountability “reforms” that have skewed instruction towards test prep but not produced student achievement gains.²

Support for merit pay in education is guided by two fundamental beliefs. First, payments to educators based on student outcomes, such as test scores, improve teaching by motivating teachers to achieve those outcomes; second, merit pay improves the teacher workforce by promoting the

retention and attraction of highly effective teachers.³ Merit pay has had a very poor but persistent history in the public sector.⁴ Evidence of neutral or negative impact of merit pay in education has also been accumulating and recently become more decisive after large-scale experimentation in several large urban districts.^{5,6,7}

Because the evidence indicates that merit pay does not raise student performance, merit pay supporters instead emphasize these potential benefits to teacher workforce composition:

- retaining the most effective teachers through the prospect of higher salaries
- identification and removal of ineffective teachers through firings or through the disincentives of reduced pay
- entrance of effective candidates into teaching who are attracted to the prospects of high merit-based salaries

Differentiated Pay

Alternatives to the traditional salary schedule that make use of career-based incentives and differentiated pay have the same problems as pay for performance. The “tiered pay and career structure” framework retains pay steps but imbeds them within successive tiers that are differentiated by increasing responsibilities, evidence of increased knowledge and instructional effectiveness.⁸ The top tiers include teachers with expanded roles in school leadership.

However, differentiated pay is not simply about paying more for more work and responsibility. In implementation, funding limits the number of top tier spots available and advancement relies heavily on a teacher’s evaluation. An analysis of Baltimore Public Schools’ career pathways indicated that limited funding could exclude roughly 92% of the teaching staff from attaining the “model” and “lead” teacher pathways.⁹ The Baltimore career ladder is also affected by a problem common to many recent union-district contracts: tying pay and career advancement to undefined teacher evaluation systems. The highest evaluation ranking is the basis for an advanced pay step. With the state of Maryland working on a teacher evaluation system that will give 50% weight to student achievement, career advancement can become heavily linked to the unreliable value-added models that are used to estimate teacher effectiveness.



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Using student growth measures as the fundamental barrier to step advancement and promotion up career ladders can have detrimental consequences to the quality of teaching. The tiered pay and career ladder, or “merit-based differentiation” can become as harmful as merit pay if its implementation limits the advancement of teachers to a select group rather than emphasizing the development of all teachers. Successful teacher recruitment and development does not rely on differentiating teachers. In Finland’s highly touted education system, teachers are not separated into a hierarchy of career routes. All teachers teach while handling diverse responsibilities and the only major differences in compensation are based on experience. The high level of compensation, autonomy, and strong regard for teaching drives the process of teacher development from their high-status teacher universities to the experience gained working in schools as part of a stable, respected and collaborative unit of equal teachers.¹⁰

Merit Pay and Student Achievement

The expectation of merit pay is that teachers motivated by financial gain will increase their efforts and, as a result, students’ standardized test scores will increase. This expectation implies a fundamentally false belief that teachers without a financial incentive are holding back on their best practices. The evidence does not support this expectation. An evaluation of two years of the Chicago TAP program found no evidence of student achievement gains in either reading or math in the schools that implemented the performance-based bonus system.¹¹

Studies of New York City’s School-Wide Performance Bonus Program, which randomized schools into treatment and control groups, came to similar conclusions.¹² The group-based merit pay system, which offered bonuses linked to school-level achievement, failed to produce any sustained increase in student performance. In fact, the researchers found that schools using merit pay had slightly lower student achievement in math than schools in the control group.¹³

Individual level incentives also have no impact on student performance, as shown by the recent study in the Nashville School System by the National Center on Performance Incentives.¹⁴ Teachers were randomized into control and treatment groups, with sizeable awards of up to \$15,000 for student achievement gains by teachers in the treatment group. Nevertheless, no positive impact was found.

Merit Pay Interferes with Successful Practices

Research has extensively confirmed that interpersonal factors such as collegiality, unity of purpose and collaboration are central to the success of professional development and the effectiveness of schools.¹⁵ Collaborative relationships among teachers are a crucial component in effective school improvement.¹⁶ Environments that foster collaborative norms, de-privatized teaching practices, shared values and collective efficacy help improve teachers’ commitment, instructional practices and student achievement.^{17,18,19}

Basing merit pay on student test scores or teacher evaluations (commonly, also based on student test scores) interferes with policies which give teachers an opportunity to continually learn more and align their craft with current best practices. Teachers trying to upgrade their instructional practice and content knowledge require an environment of trust and cooperation, which is undermined by pay-for-performance.²⁰ Policies based on economic incentives dampen intrinsic motivation, collaboration, social relations and efforts motivated by fairness, all of which play important roles in the advancement of excellent instructional practices.²¹

Public school teacher salaries for experienced and educated professionals have been declining relative to other professions for over a decade.²² Implementing merit pay will not resolve this issue and make teaching an attractive career option. A competitive salary base and an experience- and education-based salary schedule awards longevity and the commitment to attaining skills for improved teaching practices. When the teaching profession also fulfills the need for professional development, teacher leadership opportunities, and a supportive, collaborative and stable work environment, the profession will attract candidates interested in teaching as a long-term career.

Merit Pay and Student Equity

Due to historical and current racial and economic inequities in education, housing, health care and other important aspects, low-scoring students are disproportionately poor students of color. Policy makers turn a blind eye to such long-term causes of low achievement for poor minority students and expect school staff to overcome these social factors, often in the narrow time frame of a politician’s electoral session. They base their expectations on “research” and rhetoric about achievement gaps, ignoring the fact that the conditions faced by truly disadvantaged students cannot be adequately measured by the socio-economic variables collected by schools.^{23,24} In reality, the superior effectiveness of a teacher or group of teachers cannot be distinguished from the effects on student achievement of a more advantageous student background.

Merit pay practices undermine equity goals by incentivizing test prep. High stakes, test-based accountability systems distort both instructional practices and time allocation.²⁵ For example, evidence from Chicago and other districts reveals that No Child Left Behind (NCLB) pressures led teachers to focus on raising the achievement levels of students near proficiency, rather than low-achievers who were less likely to improve the school’s test scores.²⁶

Policies that tie teachers’ pay to their students’ test scores will have a larger impact on the instruction of those who teach low-scoring students, because they will be under more pressure to focus on test preparation at the expense of a rich curriculum. While increased test preparation is a typical response to test pressure, this practice has a negative impact on achievement because it takes time away from instruction and assignments that involve higher order thinking.²⁷ Deep poverty erodes the educational supplements available to children, so that many grow up without parents that read to them, without access to alternative pursuits such as music and arts, and without books or computers at home – all of which are significantly related to student achievement.^{28,29} An additional

incentive to make standardized tests the focus of instruction for low-achieving students will further ingrain the two-tiered, inequitable education system.

Merit Pay and the Sorting of the Workforce

No evidence supports the idea that a more effective crop of teachers will be attracted to a profession in which the risks of being mistakenly “ranked” are high, and benefits for longevity, experience, and further education and credentialing are non-existent. Yet, merit pay supporters continue to advance this theory, which defies common sense as well as evidence.

While the impact of merit pay on the sorting of the teacher workforce is expected to occur by both retention of highly-effective teachers and the attraction of highly-qualified candidates to the profession, there has so far been no evidence that the introduction of merit pay has a causal impact on the composition of the workforce. In fact, the TAP study³⁰ failed to find any sustained impact of TAP on teacher retention. No study has come close to a rigorous investigation of this particular question, but pundits place inordinate weight on this potential impact of merit pay.

Denver’s ProComp results are often touted as evidence that financial incentives for student achievement boost test scores and improve the composition of the teacher workforce. However, Pro Comp encompasses a wide range of eligible incentives, including those usually recognized under traditional salary schedules such as length of service, degree attainment, certification, and professional development. Compensation for such activities and qualities matters because they advance teachers’ capacity and professionalism. Teachers that participated in the earlier Pay for Performance Pilot and those who participated in Pro Comp felt that the changes in the district’s support of teaching and learning were what mattered, not the financial motivation for higher test scores, which many found “insulting”.^{31,32}

Survey evidence has shown that financial incentives are not sufficient to draw highly accomplished teachers to low-performing schools. In fact, organizational characteristics of the school, such as strong and fair leadership, a collegial and collaborative staff, and a supportive parent community were found to be the most important factors in attracting National Board Certified Teachers.³³ High-needs schools in tough neighborhoods do not need teachers induced through a merit pay scheme. The effects of poverty on attainment need to be addressed with more resources and dependable services.

Research shows that the most successful efforts to improve teacher quality were those undertaken to support existing teachers: a strategy of retain and develop rather than attract and sort.³⁴

What Matters for Teachers?

Psychological research shows that preferences based on self-interest alone are poor motivators relative to behaviors based on notions of fairness and group preferences.³⁵ Further, intrinsic

motivation, collaboration and efforts motivated by equity can be dampened by policies based on economic incentives.^{36,37} Among teachers, individual motivations are largely based on higher-order needs such as autonomy, expression of creativity, and participation in decision-making.³⁸

In the context of a large array of accountability policies that tie job security to performance, erode teachers’ due process protections, and undermine experience and seniority, it is unlikely that teachers can satisfy their higher-order needs nor sustain long-term expectations. Several surveys have found the primary reason for teacher attrition to be “unreasonable standards and accountability.”³⁹ The same over-reliance on standardized tests and unproven measures for teacher accountability are components of many merit pay proposals. In such a context, merit pay will likely further deteriorate trust and professional standards of the teaching profession, thereby undermining the teacher effectiveness it purports to promote.

The Potential for Lowering Teacher Salaries

Proponents of merit pay favor a salary schedule with bonuses for meeting performance thresholds along with diminished pay and potential dismissal for those not meeting thresholds. The merit thresholds cannot be easily attainable if they are to sort and reward—a low merit pay threshold would make the program too expensive.

Instead, expect to see plans similar to that introduced in the Missouri House of Representatives. The “Teacher Continuing Contract Act” bill strips tenure from teachers and grants contracts determined by teacher rankings. Teachers would be assigned by evaluations and student test scores into four salary tiers, with the highest receiving 4-year contracts and the lowest tier receiving just a 1 year contract. Simulations showed that roughly 2 out of 3 teachers in St. Louis would earn less than \$40,000 a year under the plan.⁴⁰ In this system, instead of being assessed on their own merits, teachers are competing against each other.

Summary & Recommendations

Overwhelming evidence of research on the use of merit pay, or pay for performance, to improve student achievement shows that such incentive schemes do not work. They fail because they ignore or undermine the collaboration, experience-based growth and supportive school and community environment essential to teacher growth.

Changes to the compensation structure and the development of differentiated career pathways must be based on validated measures of teacher effectiveness rather than unstable and narrow measures of student achievement, such as standardized test scores. Any systematic change to the salary schedule must also take into account the fairness of the system in rewarding dedicated and career-oriented teachers, and whether the average salary under the proposed system would be sufficiently competitive relative to other

professions. The traditional salary schedules and seniority policies award longevity, increased content and pedagogical knowledge through advanced education, and commitment. They are based on multiple measures and objective criteria.

Wholesale changes to this salary schedule, wherein career advancement and higher pay would benefit a small fraction of teachers, will diminish the attractiveness of the profession for many prospective educators. Salary reforms must be designed to ensure

that the compensation structure supports teaching as a professional career—not a series of cheap, replicable, unstable short-term assignments.

Alongside an experienced, and dedicated teacher workforce, a successful school system needs a balanced curriculum devoted to learning and exploration, not testing; equitable financing that ensures communities receive resources based on need; small classrooms to provide students with individualized instruction; and schools amply staffed by social workers and programs that support student’s social and emotional needs. ■

Notes

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