1-1-2012

Leading in Times of Change: Principals' Perspectives of their Role in a New Pay-For-Performance System

Amanda Lela Ortiz-Torres

University of Denver

Follow this and additional works at: https://digitalcommons.du.edu/etd

Recommended Citation
https://digitalcommons.du.edu/etd/488

This Dissertation is brought to you for free and open access by the Graduate Studies at Digital Commons @ DU. It has been accepted for inclusion in Electronic Theses and Dissertations by an authorized administrator of Digital Commons @ DU. For more information, please contact jennifer.cox@du.edu.
LEADING IN TIMES OF CHANGE: PRINCIPALS’ PERSPECTIVES OF THEIR ROLE IN A NEW PAY-FOR-PERFORMANCE SYSTEM

__________

A Dissertation

Presented to

the Faculty of the Morgridge College of Education

University of Denver

__________

In Partial Fulfillment

of the Requirements for the Degree

Doctor of Philosophy

__________

by

Amanda Ortiz-Torres

November 2012

Advisor: Kent Seidel, Ph.D.
The purpose of this qualitative study was to explore principals’ perspectives on how they make sense of their leadership roles in a new pay-for-performance system. The study describes the perceptions of six principals, two each from elementary, middle, and high school levels, regarding leadership in a recently changed system. Principals were asked about their leadership roles in implementing a pay-for-performance system, and responses focused on leadership styles, actions, beliefs, preparation, and experience of leading in a time of change. Four themes emerged from the data as significant aspects of leading change in a pay-for-performance system: (a) supporting a culture of excellence, (b) leading through sense making, (c) maintaining balance, and (d) providing instructional leadership.

The theme of “culture of excellence” refers to the standpoint of preparing students for higher learning expectations. Participants discussed creating a “high culture of excellence” as setting a sense of urgency for learning. Principals’ responses were generally about how to set the stage to prepare students for learning. However, there was an underlying message that leaders must be able to establish a climate for learning by involving people throughout the process. The theme of “leading through sense-making” includes ideas that the leader needs to be able to make sense of a changing system for self and others, understand the significance of the change, and work actively with others as a
change agent. The theme of “maintaining balance” describes participants’ feelings that money is not the sole motivation factor for teachers in a pay-for-performance system; it is more important to find the right balance of intrinsic and extrinsic rewards. Maintaining balance includes finding the right staff members, providing the right level of support, and balancing rewards for good teaching. Finally, the theme of “providing instructional leadership” focuses on the principal as a master of instructional practices. All of the participants felt that the most important role as a principal in a pay-for-performance system is to be an active instructional coach for their teaching staff. To foster improvement of teacher performance, the principal needs to provide instructional coaching and feedback, create a team atmosphere, and make regular visits to classrooms to establish a climate focused on improvement.
Acknowledgements

I would like to thank everyone who has made my success possible. To my mother, who instilled the importance of education and perseverance. She has given me every opportunity to become a lifelong learner. Her own dedication and wisdom has guided me to reach for the stars. To my brother, Chris, who has been an inspiration to me on what it takes to be a hard worker both academically and in daily endeavors. He has helped me develop a never-give-up attitude. He will always be the person I look up to as knowing so much about life’s lessons. To my brother Bryan, who has always been a ray of sunshine. His full-hearted love and compassion for living life to its fullest has helped balance pursuing my goals both academically and professionally. His encouragement and laughter has brightened my educational journey. To my father, who lives with us in spirit. As a first-generation doctoral student, I have made our family name proud. To my committee members, Dr. Kent Seidel, Dr. Susan Korach, Dr. Paul Michalec, and Dr. Cynthia Fukami, thank you for your commitment to excellence. Finally, thanks to my husband and our son for being supportive and patient with me throughout this process. I could not have completed this study without each one of you.
# Table of Contents

Chapter One—Introduction ........................................................................................................ 1  
Study Overview ....................................................................................................................... 3  
Definition of Terms .................................................................................................................. 4  

Chapter Two—Literature Review .............................................................................................. 6  
  Educational Pay-for-Performance Approaches ...................................................................... 7  
  Teacher Effectiveness and Motivation .................................................................................... 15  
  Leading Change ....................................................................................................................... 18  

Chapter Three—Methodology .................................................................................................. 26  
  Introduction ............................................................................................................................. 26  
  Profiles of the Participants ...................................................................................................... 27  
  Participants ................................................................................................................................. 29  
  Participants’ Leadership in a Pay-for-Performance System ........................................................ 31  
  Role of the Researcher ............................................................................................................. 34  
  Instrumentation ......................................................................................................................... 35  
  Interview Question Development ............................................................................................. 38  
  Data Collection and Analysis ................................................................................................. 40  
  Descriptive Data ....................................................................................................................... 42  
  Data Analysis ............................................................................................................................ 43  
  Assumptions ............................................................................................................................. 44  
  Limitations ................................................................................................................................. 46  

Chapter Four—Findings ............................................................................................................ 47  
  Themes ..................................................................................................................................... 48  
  Summary ................................................................................................................................... 68  

Chapter Five—Summary, Conclusions, and Recommendations ............................................. 70  
  Introduction ............................................................................................................................... 70  
  Summary of the Study .............................................................................................................. 70  
  Conceptual Framework ........................................................................................................... 73  
  Discussion of Findings ............................................................................................................. 77  
  Conclusions ............................................................................................................................... 87  
  Implications ............................................................................................................................... 90  
  Recommendations for Future Research .................................................................................. 93  
  Recommendations for Practice............................................................................................... 94  
  Summary .................................................................................................................................. 96  

References .................................................................................................................................. 98  

Appendix A—Principal Interview Consent .............................................................................. 102  
  What the Study Is About ....................................................................................................... 103  
  What We Will Ask You to Do .................................................................................................. 103  
  Risks and Discomforts ............................................................................................................. 104
Benefits.............................................................................................................................................. 104
Privacy/Confidentiality ......................................................................................................................... 104
If You Have Questions........................................................................................................................ 104
Statement of Consent .......................................................................................................................... 105

Appendix B—Qualitative Instrument................................................................................................. 106
   Demographic Questions ..................................................................................................................... 106
   Interview Questions.......................................................................................................................... 107

Appendix C—District Pay-for-Performance Survey and Results ......................................................... 109
   Pay-for-Performance Staff Survey .................................................................................................... 109
   Results ............................................................................................................................................... 113

Appendix D—Focus Group Framework............................................................................................... 120
   Introductory Question ....................................................................................................................... 120
   Linking Questions ............................................................................................................................... 121
   Key Question .................................................................................................................................... 121

Appendix E—Connections Between the Interview Questions and Research Questions ....................... 122

Appendix F—Reframing Kotter’s Change Stages.................................................................................. 124
List of Tables

Table 1. Demographics of Participants................................................................. 29
Table 2. Connections Between the Interview Questions and Research Questions....... 45
Table 3. List of Themes From Interviews.............................................................. 48
Table 4. Five Fundamental Practices Comparison Chart........................................ 88
Table C1. Pay-for-Performance Survey Results..................................................... 113
Table E1. Connections Between the Interview Questions and Research Questions ..... 123
List of Figures

Figure 1. Open-systems model. ............................................................... 22
Figure 2. Gears of change. ................................................................. 24
Figure 3. Study School District’s pay scale, from district’s website. ........... 33
Figure 4. Systemic factors for Study School District’s pay-for-performance plan. .... 34
Figure 5. Conceptual framework model. .............................................. 75
Chapter One—Introduction

The greatest leadership challenge facing school organizations is capitalizing on the development of human potential (Whitaker, 2012). It is widely agreed that student achievement must somehow be improved, and many believe that new systems to incentivize teachers are part of the answer (MacInnes, 2009). Principals are essential to the transformational process as leaders, facilitators and coaches. The transformational process is where the fundamental steps ensure the implementation and sustainability of change. A transformational leader supports changes in the culture of the school organization. The focus is on developing a collaborative culture by guiding the thinking and feelings of the staff, and research on transformational leadership provides a way to understand the leadership style of principals.

Principals that implement a change process by following steps to change organizational practices to meet the needs of all stakeholders will have a better opportunity to sustain change in a new system. Pay-for-performance is an example of organizational change occurring in many sites. Pay-for-performance systems, which aim to hold teachers accountable for student achievement by directly tying teacher compensation to student performance outcomes, have been debated as a school reform incentive (Glathorn & Jailall, 2009; MacInnes, 2009; Protheroe, 2011). The purpose of conducting this study was to gain principals’ perspectives of leadership needs in schools
that are undertaking the extensive changes required when a district implements a pay-for-performance system.

As the primary leader in a school, principals have the authority and responsibility to implement change, and a key role for the principal is to influence staff and stakeholders to implement change. How principals lead directly affects success or failure of the new system and, ultimately, the school (Whitaker, 2012). Whitaker (2012) stated that the role of a principal is to set goals, establish good hiring practices, support and evaluate teachers, and help to create a climate in which students and teachers succeed. As a school leader, the principal leads by example. Most principals are responsible for evaluating their teachers’ performance and implementing a teacher evaluation process to ensure teachers are performing effectively. A vital part of any school principal’s job is to hire the best teachers and staff possible. A principal sets the tone for a community of learners, including teachers who freely exchange information and ideas. Whitaker (2012) noted that principals recognize that staff members are learners as well as teachers, and that they need professional development experiences and materials that will support their continued learning to improve their work in classrooms. Principals have the opportunity to create a culture of adult learning (National Association of Elementary School Principals [NAESP], 2001).

There are many different types of pay-for-performance systems. However, the general purpose of pay-for-performance approaches in education is to provide incentives that reward teacher efforts in improving student achievement. The state of Colorado has mandated that in 2013 all schools must submit a plan for how they will directly tie teacher performance to student achievement.
This study examined perceptions of representative principals in one school district that has recently implemented a pay-for-performance system regarding leadership during change to a pay-for-performance system. Principals were selected and questions developed in part based on the results of a district survey about recent pay-for-performance changes. The following research questions guided the study:

1. What do principals view as their leadership role in pay-for-performance systems?

2. What are principals’ views on leadership in a pay-for-performance system with regard to raising student achievement, improving teacher performance, and promoting teacher retention?

3. What are principals’ views regarding the relationship between student academic achievement and teacher performance?

4. What differences do principals perceive between leading in a pay-for-performance system and leading in a traditional salary schedule system?

Study Overview

Chapter 2 presents a review of the literature regarding pay-for-performance systems and their relationship to teachers, motivation, leadership, and leading change; Chapter 3 presents the research methodology and instrumentation used in this study; Chapter 4 reports the results of the study; and Chapter 5 presents a discussion of the conclusions, implications, recommendations for future research, and recommendations for practice.
Definition of Terms

The following terms are used operationally in this study:

- **Adequate yearly progress (AYP):** A term from *No Child Left Behind* legislation to determine whether a school is on track in meeting state reading and math goals (U.S. Department of Education, 2009).

- **Extrinsic rewards:** Tangible rewards such as payments, promotions, or public praise; rewards for achievements.

- **Intrinsic rewards:** Rewards gained from engaging in an activity for its own sake, without some obvious external incentive; intangible rewards such as satisfaction or a sense of accomplishment for achievements.

- **Highly qualified teacher (HQT):** A term from *No Child Left Behind* legislation for a teacher who demonstrates via examination or content credits that he or she knows the subjects he or she is teaching, has a college degree, and is state-certified (U.S. Department of Education, 2009).

- **Pay-for-performance system (PFP):** A teacher compensation system that links teacher pay directly to defined elements of teacher professionalism and student academic achievement performance.

- **Motivation:** Having the desire and willingness to complete a task at the fullest potential.

- **Professional teacher:** An individual employed to guide and direct the learning experiences of students in an official education setting. This person has successfully completed a professional teaching certification program from an accredited institution and holds a teaching certificate.
• *No Child Left Behind (NCLB)*: Federal legislation enacted in 2001, which governs expectations for school, district, and state educational outcomes.

• *District common assessments*: Assessments used across the entire district to measure student academic growth throughout the academic year. Assessment sets (ASs) measure student academic growth within each semester. Common benchmark measures (CBMs) are summative assessments that measure student academic growth at the end of each semester.

• *Standardized test*: A test that is used to assess student achievement and is administered and scored according to a formal standardized protocol.
Chapter Two—Literature Review

Fullan, Hill and Crévola (2006) wrote that, as societies have faced the challenges brought about by educational issues, the critical importance of education has become obvious to all. Political leaders have taken an unprecedented interest in public education and in mandating a new mission for school systems. However, large-scale reforms cannot instill change unless capacity building is a central component of the strategy for improvement (Fullan, 2005).

This chapter describes literature regarding leading change as well as pay-for-performance systems, potentially one of the most contentious school reform changes in education today. This chapter is divided into three sections to help shape the rationale for topics that hold this study together. The first section, Educational Pay-for-Performance Approaches, provides an overview of the different types of systems that have evolved throughout the past two centuries. The Teacher Effectiveness and Motivation section reviews literature regarding how improving teacher effectiveness and motivating teachers is expected to improve student achievement. The final section of the literature review, Leading Change, addresses the primary focus of this study.

Over the past decades, educators and policy makers have used a variety of methods to design and implement teacher compensation programs. These methods have included federal incentive funds, state-level programs, and district initiatives. Educational pay systems from the nineteenth and twentieth centuries have been remarkably similar;
however, a new generation is now demanding change that starts with accountability. By collecting qualitative data from principals, this study aimed to understand the impact of system changes on 21st-century leaders in a new pay-for-performance system. According to Toch (2009), executive director of the Association of Independent Schools of Greater Washington and former guest scholar at the Brookings Institution, “Linking teacher pay to performance can’t move forward until resolution of questions regarding fairness, teacher evaluation, and the relationship of test scores to teaching quality” (p. 99).

**Educational Pay-for-Performance Approaches**

In the early years of education in the United States, the community worked together in an effort to educate students in a one-room schoolhouse with one teacher focusing on reading, writing, and arithmetic (Kelley & Odden, 1995). In later years, the one-room schoolhouse evolved into a multiroom structure with teachers in each room and students segregated by age and ability (Kelley & Odden, 1995). Teacher compensation in this timeframe consisted of a “boarding round” pay system, in which teachers were expected to live with their students’ families, often moving from one house to the next on a weekly basis (Kelley & Odden, 1995). The salaries were essentially set by schedules that were neither performance-related nor market-driven.

In 1921, Denver, Colorado, and Des Moines, Iowa, became the first two cities to successfully negotiate and introduce the single-salary schedule for teachers (Springer & Gardner, 2010). The single-salary schedule consisted of salary increases for differences among teachers in educational units, university degrees, and years of teaching experience. For nearly a century, this model has remained essentially unchanged. By the 2003-2004
school year, approximately 96% of all public school teachers were paid using a single-salary compensation schedule (Podgursky, 2009).

Single-salary teacher compensation schedules for teachers contrast with pay practices in most other professions, where merit or performance-related pay is more the norm. For example, in the medical field, the pay of doctors and nurses varies according to the practitioners’ specific skills. According to Podgursky and Springer (2011), educational salary schedules would be more cost effective if the factors rewarded teacher experience and continuing education as strong predictors of teacher productivity.

Podgursky and Springer (2011) noted that the single-salary schedule treats all teachers the same regardless of academic content taught, but that the training, working conditions, and nonteaching opportunities for teachers differ significantly among various school districts. Some researchers identify this as an inequity, and the inequitable distribution of high-quality teachers among schools within high-performing districts is arguably a consequence of uniform teacher salary schedules. Podgursky and Springer asserted that when pay is equalized, teacher quality is unequalized across schools. A more effective pay structure, the researchers argued, would focus on retaining the best teachers while pushing out those instructors not meeting the expectations (Podgursky & Springer, 2011). In the 1980s, there were two main efforts made to modify the single-salary schedule: merit pay and career ladders. Kelley and Odden (1995) stated that merit pay was designed to recognize and reward the best teachers, whereas career ladder programs tried to modify the horizontal career structure of teaching.

Merit pay is monetary incentives given to teachers for improved student performance in their own classrooms and/or on a school-wide basis (Buck & Greene,
2010). Merit pay programs typically consist of providing individual teachers with base pay increases by allocating a predetermined bonus fund to be used at administrators’ discretion upon observations and evaluations of teacher performance within the school year. Merit pay is currently used in at least 26 states (Buck & Greene, 2010). President Bush initiated the Teacher Incentive Fund in 2006, which provides grants to school districts that have promised to develop merit pay programs (U.S. Department of Education, 2012). Currently, President Obama has expanded the federal budget to support pay systems that directly measure student achievement using longitudinal data and that apply merit pay to all school-staffed teachers regardless of their years of experience (Buck & Greene, 2010).

Muralidharan and Sundararaman (2009) conducted a randomized trial of merit pay in a representative sample of 500 rural schools in India. The merit pay plan consisted of a bonus of up to 3% annual salary based on student test scores. Results indicated that after 2 years, students in merit pay schools scored significantly better than those in schools without merit pay in place.

Levin (2010) argued that linking teacher pay to student achievement is not a desirable educational policy. He writes that every human measure involves a degree of error of some kind, and empirical studies that measure merit pay incentives yield unclear results. Levin determined that a good test will report a reliability measure, but this does not necessarily give the complete picture of the students’ overall abilities. Levin also asserts that although many merit pay initiatives have been attempted, they have all lacked sustainability.
The Professional Compensation for Teachers (ProComp) program of Denver, Colorado has been regarded as a success (Parsavand, 2010). In 1999, ProComp reported with a 2-year pilot that focused on whether students were improving and then expanded to give teachers other ways to earn incentive pay (Parsavand, 2010). As a candidate, Barack Obama made national statements about Denver’s ProComp efforts (Davis & Miller, 2007):

Cities like Denver have already proven that by working with teachers, this can work, that we can find new ways to increase pay that are developed with teachers, not imposed on them, and not just based on an arbitrary test score. (Section “Reward Teachers with Increased Pay and Resources, para. 2)

In Denver’s ProComp, teachers are part of the process in developing the structure (Parsavand, 2010). This could be a variable that helped teachers avoid having to compete against each other because the pool of funds was not limited, and ProComp encouraged teachers to work in teams to develop professional development plans. Buck and Greene (2010) noted that a principal evaluator for the ProComp program found that teachers not showing progress faced no penalty under the ProComp merit pay program. Researchers at the University of Colorado at Boulder found substantial improvements on state reading and math exam outcomes in Denver Public Schools from the 2003-2004 school year to the 2008-2009 school year, but failed to tie the improvement conclusively to the additional pay in ProComp (Wiley, Spindler, & Subert, 2010).

Career ladders were another popular effort to modify the single-salary schedule, beginning in the 1980s. According to Springer and Gardner (2010), career ladders codified different skill levels to reward teachers with higher salaries. Each level was associated with increased mastery or competence. Career ladders required teachers to
pass a formal or informal credentialing competency exam to demonstrate mastery of a subject or skill set. Career ladders created new roles, such as literacy coach, which would recognize increased teacher knowledge and skills as well as provide additional pay and responsibilities (Springer & Gardner 2010).

According to Buck and Greene (2010), Arizona has implemented a career-ladder, incentive payment system that allows teachers to advance in their careers while remaining in the classroom. Arizona’s career ladder program focuses on providing the opportunity for all teachers to improve their skill sets by providing the evidence of student achievement progress and higher-level responsibilities (Buck & Greene, 2010).

Hard-to-staff bonuses are also referred to as market-oriented compensations (Springer & Gardner, 2010). Within this system, teachers are rewarded a bonus based on market factors, including demand for their skills and if they choose to work in urban or remote rural areas that serve a high proportion of economically disadvantaged, minority, or low-achieving students (Springer & Gardner, 2010). Springer and Gardner (2010) found that teachers in a hard-to-staff school district are often granted financial forgiveness of student loans for years served in the district. Recruitment and retention bonuses are also part of the reward system for hard-to-staff positions. Harrison School District Two (HSD2) (2012) in Colorado started its move from traditional to conventional compensation systems by paying teachers bonuses according to their degree. According to HSD2’s superintendent in Colorado, interviewed that working in a low-income school district is tough enough, but to find quality teachers who want to work in these districts is even tougher (www.coloradospringsgazette.com).
Overall effectiveness of teachers is considered an important variable when it comes to pay-for-performance pay systems. One such system is based on knowledge and skills, which rewards teachers for acquiring additional education and certification thought to improve their overall effectiveness (Springer & Gardner, 2010). Within a knowledge-and-skills-based pay system, teachers are rewarded for pursuing an advanced degree, professional development coursework, dual licensing, completing a teaching portfolio, or completing the National Board for Professional Teaching Standards certification, to name a few examples. Knowledge-and-skills-based pay provides salary increases when the teachers demonstrate that the advanced education they have received is relevant and can be applied in the classroom (Springer & Gardner, 2010).

The intent of knowledge-and-skills-based pay is to motivate teachers to acquire and demonstrate the application of knowledge and skills that directly contribute to better school performance and student achievement (Milanowski, 2003). Knowledge-and-skills-based pay rewards individual teachers based on a predetermined set of standards, and teachers are informed of the expectations up front so they know what they need to demonstrate to be successful. Milanowski (2003) noted that knowledge-and-skills-based pay can have a potentially positive impact on student achievement by increasing teacher instructional capacity, attracting and retaining high-quality teachers, and providing a strong evaluation model for feedback on teacher performance.

External accountability pressures emphasized the need to improve student achievement in Cincinnati, Ohio (Milanowski, 2003). Motivated by voter dissatisfaction with the current teacher evaluation system and changes in the state licensing system, Cincinnati was one of the first cities to create and initiate a strategic knowledge-and-
skills-based pay plan using state proficiency tests as a benchmark for growth assessment (Milanowski, 2003).

Douglas County, Colorado, is another district that developed and implemented a knowledge-and-skills-based pay plan. Douglas County’s motivation was in response to public pressure linking teacher pay to teacher performance in order to improve accountability for the use of public funds (Milanowski, 2003). These are just two of the many districts that have used knowledge-and-skills-based pay in an attempt to improve student achievement outcomes. Douglas County teachers, administrators, and community members developed an innovative pay plan in 1993-1994, which was fully implemented the following year (Milanowski, 2003).

Research by Milanowski in 2003 noted that Douglas County still used the skill blocks bonus and outstanding teacher award. Milanowski stated that Douglas County teachers were very much a part of the design process through formal committees and that the method of knowledge-and-skills identification included deductive and inductive processes used to develop skill blocks. Essentially, in order for a Douglas County teacher to receive the outstanding teacher award, there must be a mixture of knowledge and skill descriptions and descriptions of behavior (Kelley & Odden, 1995). Teachers were assessed by completing a performance-based assessment at the end of each skill block. Douglas County does not use specific rubrics or standards to define teacher effectiveness; however, each teacher must submit a portfolio that is reviewed by the school administration to determine instructional proficiency.

In summary, the different compensation systems have all focused on paying teachers for their effectiveness, qualities, skill sets, and education level. Individual
teachers, groups of teachers, or whole schools are rewarded financial incentives based on measurable student achievement outcomes. According to Springer and Gardner (2010), pay-for-performance plans measure teacher effectiveness by giving awards for a variety of reasons—student performance outcomes, increased student attendance rates, graduation rates, decreased dropout rates, classroom observations, and portfolio completion. A key difference from knowledge-and-skill-based pay—which rewards teachers for activities thought to show a relationship with increased effectiveness—is that pay-for-performance plans reward teachers for measurable outcomes of their effectiveness. Woessmann (2010), for example, reported that the use of teacher salary adjustments for outstanding performance is significantly associated with math, science, and reading achievement across countries.

The National Education Association (NEA) and the American Federation of Teachers (AFT) are two important leading teacher associations that have been opposed to any compensation reform tactics. Despite the fact that the AFT has participated in the design and implementation of several high-profile programs, such as Denver’s ProComp and Austin’s Reach incentive. Researchers have noted that teacher pay alone will not improve the quality of teaching or improve levels of student learning. Compensation reform is just one element to be implemented in conjunction with many others, such as improved teacher hiring, removing poor practices, and improving the standards and assessments systems to align achievement (DeGrow, 2011). Without excellent teachers in the classroom, other policy reforms are likely to produce only anemic results (Koppich, 2008).
Teacher Effectiveness and Motivation

The common goal for all types of pay-for-performance systems is to improve the quality of the teacher workforce. The Effective Schools movement of the 1970s required teachers to develop new skills and competencies in order to take on new roles. School administrations were mandated to develop a set of effective teaching practices and school improvement plans. As noted in Springer and Gardner (2010) and Murnane and Cohen (1986), there is a lack of accountability tied to efficiently measuring teacher effectiveness. Springer and Gardner (2010) noted a weak correlation between teacher effectiveness and performance monitoring as one reason that pay-for-performance systems failed during that timeframe. Since then, several studies have quantified the importance of effective teaching on student learning by determining that if a student encounters an above-average teacher for five years in a row, this could overcome the achievement gap typically found between students who qualify for free or reduced-price lunches and those from higher-income backgrounds (Springer & Gardner, 2010). The Obama administration allocated billions of dollars in federal stimulus grants to encourage schools to offer merit pay to increase the number of effective teachers in buildings. However, before the effective teachers can be identified, stakeholders must still agree on what an effective teacher is (Guthrie, 2005). Identifying and/or defining teacher effectiveness is perhaps the most challenging aspect of implementing an incentive-based pay system.

Although most agree that having good teachers is important, what is considered a good teacher by some does not necessarily indicate that the teacher can effectively facilitate student learning and make a positive impact on student achievement (Preis,
2010). Meanwhile, a growing body of research on teacher effectiveness emphasizes the importance of recruiting, motivating, and retaining strong teachers (Parsavand, 2010) and the “highest quality workforce for any given level of expenditure” (Podgursky & Springer, 2010, p. 170). The latest attempt to quantify teacher effectiveness has resulted in the development of longitudinal data systems, which can track individual student performance over multiple years and multiple schools, and then match those students to their specific teachers during that time. Value-added education also has a prominent role in this new generation of evaluation systems (Podgursky & Springer, 2011, p. 170).

Studies of value-added teacher effectiveness consistently find large variations in teacher classroom performance (Podgursky & Springer, 2011). When Golhaber and Hansen (2010) analyzed the effect of using teacher value-added estimates to guide teacher tenure decisions, they concluded that if teachers with early-career value-added estimates in the bottom 25% of the distribution are dismissed, there is an educationally significant effect on the distribution of teacher quality. Goldhaber and Hansen (2009) concluded that if a compensation scheme could induce highly effective teachers to stay and ineffective teachers to leave, workforce quality and student achievement would improve.

This is a jarring transition—need a sentence or a new subhead. Whitaker (2012) noted that principals can teach, coach, and promote the professional development of teachers. Research shows that customized professional development improves student achievement when it accommodates the varying needs of teachers and is sustained and implemented over time. Professional development should be embedded and connected to what a teacher does in the classroom, not viewed as a separate entity (Fullan, 2005).
Research-based, best-practice instruction provides the materials needed to teach, support, and coach teachers. It also offers opportunities for practice in a simulated environment. Professional development should include modeling and demonstrating instructional practices and lessons. Teachers need good instructional support materials, along with diagnostic tools and research information. Teachers who receive support and coaching generally practice new strategies more frequently and develop greater skill with teaching new strategies than teachers who do not receive the same type of support (Showers, 1982).

As teacher pay models change through the generations, teacher motivation is likely to change, too. Determining teachers’ motivational factors for entering and remaining in the teaching profession today is essential for deciding how to reform the single-salary schedule. For example, in order to believe that pay-for-performance will produce greater results through monetary incentives alone, Gratz (2005) made the assumption that one must believe that a substantial number of teachers simply aren’t trying hard enough. Nor will offering teachers a pay increase or bonus necessarily motivate them to acquire the skills needed. Milanowski (2003) suggested that teachers must first believe that if they put forth the effort, they can actually acquire the specified knowledge and skills needed to succeed in the classroom effectively.

Other researchers disagree. Pink (2009) argued, “Here are people [teachers] who have explicitly chosen a profession that offers not much in the way of remuneration. Do you think you can give them 500 bucks and they’re going to work a lot harder?” (Parsavand, 2010, p. 3). Pink suggested that companies are more likely to discover creative motivational solutions by providing employees with more autonomy and the
chance to gain a sense of mastery, and that monetary incentives might even make less sense for teachers than for any other profession.

Nevertheless, some teachers explain that low pay is one of the reasons they choose to leave the profession. Jacobson’s research on teacher retention found that monetary incentives do affect recruitment and retention (Jacobson, 2006). However, Denver teachers argued strongly that they chose teaching as a profession for the intrinsic rewards rather than for the pay (Springer & Gardner, 2010).

Odden and Kelley (2002) reported that teachers are motivated by a variety of intrinsic and extrinsic rewards, including both pay incentives and the ability to help students achieve, as well as other, less obvious rewards such as being able to collaborate with their professional colleagues. As researchers are still investigating teacher effectiveness and motivation, future recommendations are forthcoming on how they relate to the new pay incentive programs that are currently being developed.

**Leading Change**

Researchers have noted that sustainable improvement depends on successful leadership. Successful educational leadership today encompasses many different aspects of changing systems. The change process needs to lead to the expected results that the organization sets out to achieve. Northouse (2010) defined leadership as a process in which an individual influences a group of individuals to achieve a common goal. Contemporary leaders operate in a context of uncertainty and complexity, and today’s solutions often become tomorrow’s problems. When changes occur in one part of the system, other parts are often affected in a cascading manner. According to Fullan (2005),
sustainable leadership is “the capacity of a system to engage in complexities of continuous improvement consistent with deep values of human purpose” (p. 41).

Leadership style can vary depending on the specific outcome the leader wants to achieve. The common thread of leadership is acting and becoming a change agent. Change in education is easy to suggest, hard to implement, and particularly difficult to sustain (Fullan, 2005).

There are many different levels of change when one acts as a change agent, starting with leaders accepting that change is needed. Once the leader has accepted that change must take place within the organization, he or she must understand how to become a change agent. A leader then needs to create steps that help ensure positive change within the system or organization. The leader must also plan on how to work with staff members who are resistant to change. A principal leading in a pay-for-performance system will endure change at every level; therefore, it is essential for school leaders to understand their role as a leader of change within a new system (Fullan, 2005).

In the current climate of educational reform, research has suggested that there is a lack of research on what makes a pay-for-performance program successful.

**Becoming an effective change agent.** One leading in a culture of change as a change agent understands change itself, first. Fullan (2001) stated that understanding the change process is less about innovation and more about innovativeness. As a change agent, the leader must identify the needs, reflect on how to implement and sustain change, and set expectations as the leader of change. An effective change agent identifies and implements a leadership style that will help develop and implement sustainable change at a reasonable pace. As a leader of change, a leader needs to be mindful of the
essential concerns that are applicable with transformational change such as emotions, values, ethics, standards, and long-term goals (Northouse, 2010). Transformational leadership involves an exceptional form of influence that motivates followers to accomplish more than what is usually expected of them (Northouse, 2010).

Kouzes and Posner (2002) developed five fundamental practices through a process of interviewing leaders about what best experiences made them successful leaders. The five fundamental practices guide leaders to ensure exemplary leadership. These five fundamental practices provide the foundational definition of “change agent” for the purpose of this study. Kouzes and Posner’s (2002) five fundamental practices are:

1. Model transparency by being clear about my own values and philosophy.
2. Inspire a shared vision that can guide staff’s behavior.
3. Challenge the status quo by stepping into the unknown with confidence.
4. Enable others to act by using distributive leadership theory to work collaboratively in groups with all levels of stakeholders such as accountability teams with parents, teachers, and other community members.
5. Lead with the heart by rewarding others for their accomplishments and successes of teaching. (p. 3)

Steps taken to ensure a positive change in the school environment. Bolman and Deal (2008) presented the fundamentals, details, and implementations relating to reframing organizations. Reframing offers organizations the chance to get beyond constricted, oversimplified views of leadership. Each component of reframing leadership consists of compelling and constructive leadership opportunities. The four frames include structural, human resource, political, and symbolic. Structural leadership often suggests
descriptions of oppressors and strict bureaucrats who never met a command or rule they did not like. The human resource frame views the leader as a facilitator and catalyst who uses emotional intelligence to motivate and empower those they are leading. The political frame portrays leaders as realists. Political leaders clarify what they want and what they can get. Political leaders know that influence begins with understanding others’ concerns and interests. The final frame is the symbolic frame, which represents both a theater aspect and temple. As theater, an organization creates the stage (school climate and culture) on which actors (leaders) play their roles and hope to communicate the right impression to their audience (staff). As temple, an organization is a community of faith, bonded by shared beliefs, traditions, myths, rituals, and ceremonies. Symbolically, leaders lead through both actions and words as they understand and reexamine their understanding and experience.

Bolman and Deal (2008) argued that change agents fail when they rely mostly on reason and structure while ignoring human, political, and symbolic elements. Kotter (2002) developed eight stages of change as successful initiatives of successful organizational change:

1. Creating a sense of urgency.

2. Pulling together a guiding team with the needed skills, credibility, connections, and authority to move things along.

3. Creating an uplifting vision and strategy.

4. Communicating the vision and strategy through a combination of words, deeds, and symbols.

5. Removing obstacles, or empowering people to move ahead.

7. Sticking with the process and refusing to quit when things get tough.

8. Nurturing and shaping a new culture to support the emerging innovative ways.

Kotter (2002) found that throughout time, stages overlapped and often needed to go back to an earlier process. Therefore, Bolman and Deal (2008) and Kotter combined their work, developing a table that identifies Kotter’s stages of change and Bolman and Deal’s four frames (see Appendix F).

In reviewing literature on leading change, it is noted that changing from a closed-systems model to an open-systems model is the leadership challenge. Open-systems model effective organization functions on the adaptation process from both internal and external forces establishing a systemic system (see Figure 1; Lunenburg & Ornstein, 2008).

Study School District Environment

Control

Inputs  \[\rightarrow\] Transformation Process  \[\rightarrow\] Outputs

Instructional Feedback

External Feedback

*Figure 1.* Open-systems model. Adapted from Lunenburg & Ornstein, 2008, p. 201.
According to Bolman and Deal (2008) open-systems model inputs consist of the factors necessary to sustain effective change, such as good communication achieved through regular collaborative face-to-face meetings that will ensure all voices are heard and by establishing a shared vision as an organization. The transformational process is where the fundamental steps take place in the implementation and sustainability of change, leading to the outputs of services, products, and factors. Using instructional feedback and external feedback loops through the entire process of change is necessary to keep the communication lines open and continuously reflect on the change taking place. As shown in Figure 1, the main structure of the open-systems model is framed by the school district’s environment. Bolman and Deal (2008) presented four frames that help to understand an organization. The first is the structural frame in which communication, realigning, and renegotiating take place. In Figure 1, the structural framework of school environment serves as the foundation for communication, realigning and renegotiating through the looping of external and instructional feedback.

The steps in the transformational process are similar to the gears on a bike; all must be in motion for it to function and continue moving forward properly. As the lead change agent, it is the responsibility of the principal to ensure a positive change by acknowledging staff members’ emotions, values, ethics, standards, and long-term goals within the process (Bolman & Deal, 2008). Figure 2 was adapted from Glickman, Gordon, and Ross-Gordon’s (2005) chaos theory research, which provides support for teachers, staff members, and stakeholders to understand the process and role of change taking place within the school district’s environment. The first main gear serves as the core component and is the self-stage. In this stage, staff members will engage in an
awareness of the change process by identifying key information about the change taking place, where they stand as an active change agent, and if they are ready to move forward. The next gear of change is the tasks stage. This is the point where management issues are adequately addressed and consequences are mapped out with a plan that includes progress monitoring toward meeting the objectives. This is where a shared vision becomes valuable because change needs to have the support of others for the process to work properly. The last gear in Figure 2 is the impact stage, where collaboration and refocusing takes place. This is the stage where all measures are evaluated and addressed for necessary changes. This last stage is essential because it leads to the outputs and results, which allows the feedback loop to continuously flow to make the transitional process stronger and ongoing.

Figure 2. Gears of change.

By holding true to the open-systems model and the gears of change, principals can ensure that the communication lines will be open and the change process is transparent by
creating a positive experience for staff and adding a constructive contribution to the educational reforms of the twenty-first century.

Lunenburg and Ornstein (2008) identified one of the most typical responses to any change as resistance. They noted that school administrators need to understand the common causes of resistance to change, which include interference with need fulfillment, fear of the unknown, threats to power and influence, knowledge and skill boundaries, organizational structure, limited resources, and collective bargaining agreements.

Research shows that there are multitudes of ways an effective school leader can respond to resistance. The most effective way to foster change in an organization is through the development of relationships (Fullan, 2010). With a strong network of support, change can be more manageable (Bolman & Deal, 2008). Building networks and networking are essential to providing a support system for those experiencing resistance and providing pushback. Overall, as an educational leader, one would have to adapt to different systems and the people involved. It would be up to the school principal, as a leader of change, to develop and encourage all staff members to serve as agents of change. Research suggests that principals should provide the open structure, be knowledgeable about the fundamentals of change, and implement change by working through a continuous process (Whitaker, 2012). As Fullan (2001) wrote, “Ultimately, your leadership in a culture of change will be judged as effective or ineffective not by who you are as a leader but by what leadership you produce in others” (p. 137).
Chapter Three—Methodology

This chapter contains the rationale for the methods used in this study and an overview of relevant qualitative research methods. This qualitative study gathered principals’ perspectives on their leadership roles in a newly instituted pay-for-performance system. The qualitative data included conducting interviews and conducting a focus group to help the researcher identify principals’ perspectives about how they make sense of their leadership roles. This chapter is divided into four sections: the first section introduces the study and research questions; the second describes the conceptual framework for the study; the third describes the participants, the particular pay-for-performance system in which they are leading, and the role of the researcher; and the final section discusses data collection and analysis.

Introduction

It is important to interview principals in the new pay-for-performance systems because they have an important role in leading implementation of this new approach. How principals lead directly affects success or failure of the new system and, ultimately, the school. Because the pay-for-performance system directly ties teacher performance to student achievement, it is essential to inquire about the leadership roles of current principals leading in the system of change to provide insight for future leaders. By interviewing principals in both individual and group settings, the researcher was able inquire about principals’ views on their leadership roles in a new pay-for-performance
system from both a personal perspective and a group perspective. The interview and focus group questions were designed to learn about different perspectives of leadership in a pay-for-performance system by gathering open-ended data about the leaders’ views. A qualitative approach is appropriate to the goals of this study—qualitative researchers “work to make sense of the big picture by discovering underlying meanings, clusters of data, major topics, and unique topics” (Creswell, 2003, p.).

The following research questions guided the study:

1. What do principals view as their leadership role in pay-for-performance systems?

2. What are principals’ views on leadership in a pay-for-performance system with regard to raising student achievement, improving teacher performance, and promoting teacher retention?

3. What are principals’ views regarding the relationship between student academic achievement and teacher performance?

4. What differences do principals perceive between leading in a pay-for-performance system and leading in a traditional salary schedule system?

**Profiles of the Participants**

This study was situated in a large urban school district in Colorado that recently implemented a new pay-for-performance system. The researcher used the district’s recent survey about the pay-for-performance system as reference data to help shape the interview questions. The researcher conducted face-to-face interviews with two elementary school principals, two middle school principals, and two high school
principals to gather views from a representative range of K-12 administration. A focus group protocol was developed from the interview process as the final stage. The purpose of the focus group was to follow up on and clarify themes that emerged from the interview process.

The researcher chose six principals across educational levels with varied age, gender, ethnicity, education level, professional teaching experience, and years of experience as a principal, in order to add to the richness of perspectives collected. The researcher sent out demographic questions to the district’s e-mail distribution list of 20 principals. The e-mail indicated that the demographic questions served as a preliminary screening for participants to be invited to participate in the study. All 20 principals responded. The researcher then selected six principals based on their responses to the demographic questions to include a wide range of experience and perspectives. To confirm demographic information, the researcher included the demographic questions in the first section of the interview session.

Participant demographic data are presented in Table 1.
Table 1  
*Demographics of Participants*

<table>
<thead>
<tr>
<th>Category</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>3</td>
</tr>
<tr>
<td>Female</td>
<td>3</td>
</tr>
<tr>
<td><strong>Ethnicity</strong></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>3</td>
</tr>
<tr>
<td>Hispanic</td>
<td>2</td>
</tr>
<tr>
<td>Multiracial</td>
<td>1</td>
</tr>
<tr>
<td><strong>Age group</strong></td>
<td></td>
</tr>
<tr>
<td>31-40</td>
<td>1</td>
</tr>
<tr>
<td>41-45</td>
<td>1</td>
</tr>
<tr>
<td>46-50</td>
<td>1</td>
</tr>
<tr>
<td>51-55</td>
<td>3</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>5</td>
</tr>
<tr>
<td>PhD</td>
<td>1</td>
</tr>
<tr>
<td><strong>Experience (years)</strong></td>
<td></td>
</tr>
<tr>
<td>0-5</td>
<td>3</td>
</tr>
<tr>
<td>6-10</td>
<td>2</td>
</tr>
<tr>
<td>11-20</td>
<td>1</td>
</tr>
<tr>
<td><strong>Teaching experience (years)</strong></td>
<td></td>
</tr>
<tr>
<td>6-10</td>
<td>1</td>
</tr>
<tr>
<td>11-20</td>
<td>5</td>
</tr>
</tbody>
</table>

**Participants**

Principal A (PA) is a White male principal between the ages of 51 and 55. He has 7 years of experience as a school principal and is currently the principal of a middle school. His highest level of education is a master’s degree. He taught school for 16 years prior to entering into school leadership.
Principal B (PB) is a White male principal between the ages of 51 and 55. He has 20 years of experience as a school principal and is currently the principal of a high school. His highest level of education is a master’s degree. He taught school for 9 years as a language arts teacher prior to entering into school leadership.

Principal C (PC) is a Hispanic female between the ages of 41 and 45. She has eight years of experience as a school principal and is currently the principal of a high school. Her highest level of education is a master’s degree. She taught school for 12 years prior to entering into school leadership.

Principal D (PD) is a Hispanic male between the ages of 46 and 50. He has 4 years of experience as a school principal and is currently the principal of an elementary school. His highest level of education is a master’s degree. He taught school for 15 years prior to entering into school leadership.

Principal E (PE) is a White female between the ages of 51 and 55. She has a year of experience as a school principal and is currently the principal of a middle school. Her highest level of education is a master’s degree. She taught school for 20 years prior to entering into school leadership.

Principal F (PF) is a Hispanic female between the ages of 31 and 35. She has 5 years of experience as a school principal and is currently the principal of an elementary school. Her highest level of education is a doctoral degree. She taught school for 10 years prior to entering into school leadership.
Participants’ Leadership in a Pay-for-Performance System

The Study School District in Colorado received a 5-year, $3.7 million grant to implement a new program to reward the most effective teachers of at-risk youth. The new program provides monetary incentives for performance in three areas: raising student achievement; acquiring endorsements, knowledge, and skills that enhance mathematics and reading instruction across the curriculum; and filling high-need and hard-to-staff positions (National Center on Performance Incentives, 2008).

DeGrow (2011) reported that the school district had fully implemented its pay-for-performance system in the fall of 2010, and that because teachers may either increase or decrease their current earnings based on measured instructional effectiveness, this school district’s plan is a true pay-for-performance system. The school district eliminated the outdated single-salary schedule for a new pay-for-performance plan. The school district enrolls more than 11,000 students and employs more than 800 full-time teachers. The district does not have a collective bargaining agreement with a teachers’ union due to the local freedom granted in Colorado state law.

DeGrow (2011) noted that this school district’s pay-for-performance plan focuses on five main aspects:

• Training principals as instructional leaders who are held accountable for the quality of instruction;

• Creating and maintaining a culture of regular, consistent, and effective instructional feedback based on frequent observations by principals and other professional instructional staff members;
• Effective teacher evaluation instruments that make useful distinctions based on measureable goals and observations using a common rubric system to establish equalization in scoring;

• A system that collects and analyzes data used to improve student instruction; and

• A system that provides professional development support for teachers and principals to work together to improve instruction.

Measures in the pay-for-performance plan are divided into two equal parts. The first half of the evaluation is determined by the quality of classroom performance, which is measured by instructional rubrics and common evaluation forms. Other professional responsibilities, such as contributions to the profession, leadership roles within the building or district, continuing education, and community involvement are included within this instructional evaluation portion. The second half of the evaluation is based on an eight-part student achievement data template, adjusted for each staff member’s teaching situation. A high school English teacher, for example, would have a template that incorporates the appropriate student achievement measures for his or her students, such as the Colorado English Language Assessment. Each template includes four parts that determine academic growth or status as determined by the Colorado State Assessment Program (CSAP) and other external assessments.

The other four of the eight parts of the template are measured by common district assessments, as defined in chapter 1, that are set to measure state standards as quarterly benchmarks by the district. The assessments also include the data to filter into academic peer groups that are based on students’ reading proficiency level. For example, if a
student has proficiency CSAP reading level of “unsatisfactory,” the student is placed in the unsatisfactory peer group so that all unsatisfactory students are compared within their learning level peer group.

Based on the above measures, teachers are assigned one of nine teacher effectiveness levels in both performance and achievement. The nine levels include Unsatisfactory, Progressing (I), Progressing (II), Proficient (I), Proficient (II), Proficient (III), Exemplary (I), Exemplary (II), and Master, with an accompanying pay range of $35,000 to $90,000, as shown in Figure 3.

Research has suggested that a rigorous evaluation system can be used to effectively manage individual teacher performance (Parsavand, 2010). The study’s school district’s pay-for-performance plan purpose is to assess teacher performance fairly and accurately by conducting continuous observations, providing feedback, coaching, and providing professional development to help teachers be successful. Research from the Study’s School District research team indicates that the Colorado superintendent and his administrative team established the system through a theoretical lens of developing a systemic reform plan (see Figure 4).

![Figure 3. Study School District’s pay scale, from district’s website.](image-url)
With the current demand for school reform and pay-for-performance compensation plans, it is essential to focus on the education process of effective teaching as well as student achievement results. Otherwise, the temptation to teach to the test can be difficult to overcome. Understanding the entire pay-for-performance process will enable stakeholders to develop a systemic pay-for-performance compensation plan that includes key variables such as instructional practices, motivation, and teaching philosophy, as well as student performance. A new understanding is slowly emerging as school districts attempt more innovative strategies to develop sustainable pay plans and boost student achievement outcomes.

**Role of the Researcher**

It is important to note that the researcher knows the participants as both a researcher and through professional association, as she is also employed in the study’s
school district. This could have affected participant responses, reactions, and viewpoints in many ways—potentially obtaining perspectives that complete outsiders would not have heard, as well as the potential for participants editing their remarks. It is not possible to know if participants changed their comments in any way.

**Instrumentation**

The instruments used for this study were two question protocols, one for the interviews and one for the focus group. The focus group protocol was developed in part based on the themes uncovered in the one-on-one interviews. The researcher was intrigued that interview responses did not emphasize the technical aspects of leading in a pay-for-performance system, but rather, participants discussed broader aspects of leading in a time of change. The researcher organized the focus group in an attempt to refocus participants back to the overarching topic of pay-for-performance. In the focus group data, however, the broader themes of leading change emerged as most important.

The interview questions were designed to elicit responses about the role of leadership in a pay-for-performance system, following a semistructured interview process. The questions and order of presentation were determined, questions were open ended, and the interviewer (researcher) recorded each response (Creswell, 2011). The time for each individual interview was approximately 30 minutes, totaling about 3 hours of interview time.

The focus group protocol was developed based on the interview outcome themes reported in the data analysis section. The researcher identified themes that needed additional follow up to deepen the understanding of leadership in a new pay-for-
performance system. In the focus group, the six participants from the interview process were invited to join a group discussion about leadership roles in a pay-for-performance system. The researcher conducted one 45-minute focus group session (see Appendices A through E). The interviews and the focus group were audio recorded and documented through researcher notes. All recordable data are only accessible by the researcher and will be kept confidential and on file for 5 years per IRB regulations.

Interviews were recorded, transcribed, and analyzed for common ideas, viewpoints, and/or procedural tasks, and these were then merged into interview themes. The final phase was to conduct a focus group addressing identified themes and asking participants to discuss aspects of pay-for-performance systems to provide a deeper understanding of their leadership roles.

The survey instrument, which was distributed by the Study School District, allowed the researcher to utilize the survey results that were made available to the researcher as precoded data with no identifiable information. The consent to participate in both the interview and focus group phases was obtained in a formal consent letter from the researcher, indicating that participation is voluntary and nonthreatening to their employment (see Appendix A). All signed consent forms will remain on file with the researcher.

Data displayed in Appendix C relate to the researcher’s methodology with regard to the development of interview questions. Without the survey results, the researcher would not have been able to draw specific conclusions needed for this study. Appendix C presents descriptive data from the pay-for-performance district-wide survey results. This survey was given to the district employees in 2010 and then again in 2012. Therefore,
comparison data are included to show the change over the 2-year implementation phase that influenced the researcher to develop questions that would help identify why survey participants disagreed with particular questions.

The researcher identified survey questions that related to leadership capacity and used the reported results to develop the interview questions for the next research stage. The survey was from the Study School District’s current pay-for-performance system, which directly ties to the study’s purpose. After reviewing the survey, the researcher found survey results leading to leadership roles. Therefore, it was essential that the researcher choose principals as participants for the study because they serve as the overall leader of the building. The researcher found the survey questions to be general questions that measured knowledge of the system and general perspectives of leadership implementation processes. For that reason, the researcher used the survey results, as reported in Appendix C, to develop interview questions to understand principals’ views of leadership in the new pay-for-performance system.

The researcher assumed that individual interviews would give individual viewpoints. However, interview responses did not directly focus on leadership in a pay-for-performance system; rather, the responses geared toward leading in a changing system. Instead, the respondents discussed leading in a changing system. In response to this, focus group was established in an attempt to redirect the participants to discuss specific leadership roles in a pay-for-performance system versus a traditional system. Questions were developed to elicit responses that the researcher though would help answer the study’s original research questions. Once analyzing data, however, the researcher understood that the most important aspects of leadership in a pay-for-
performance system were more universal and related to leading major change in a system, and so this study’s findings follow the participants’ perspectives.

**Interview Question Development**

The researcher identified the following topics from the district-wide survey results that influenced the development of 11 interview questions. First, the following question was interpreted on the district-wide survey: “A pay for performance plan will contribute to our students’ academic success”; 57% of the survey participants agreed with the statement. The researcher wrote the following interview questions: “How do you implement the use of pay-for-performance system to help raise student academic achievement?” and “What do you think is key about being a principal in a pay-for-performance system in regards to raising student academic achievement?” These questions attempt to identify reasoning for the 43% of participants that disagreed with the survey question.

Next, the following question was reviewed on the district-wide survey: “The pay-for-performance plan has motivated me to provide the best instruction possible for my students.” Seventy percent survey participants agreed with the statement. The researcher wrote the following interview questions: “How do you implement the use of pay-for-performance system to help improve teacher performance?” and “What do you think is key to improving teacher performance in a pay-for-performance system?” These questions seek different perspectives on how to motivate teachers to perform at their best level possible.
Subsequently, the following question was analyzed on the district-wide survey: “I understand the achievement template for my grade and discipline”; 44% of the survey participants agreed with the statement, leaving 56% of the participants neutral or disagreeing. The researcher found this to be vital in understanding the role of the principal in a pay-for-performance system. Therefore, the researcher wrote the following interview question: “What is the role of a principal’s leadership in a pay-for-performance system?” This question was to identify key roles of a principal in a pay-for-performance system. After that, the following question was analyzed on the district survey: “The achievement templates generally include the right mix of student achievement data to accurately measure student academic achievement”; 35% of the survey participants agreed that the right measures are being used to measure teacher effectiveness, leaving 65% of the survey participants neutral or disagreeing that the right measurements are being used.

The researcher wrote the following interview question: “What are some measures that your school has implemented to raise student achievement and how do you feel about these measures?” This question was designed to obtain a general perspective about what is being used to successfully measure teacher effectiveness, because ultimately if you are raising student achievement, teacher effectiveness should also be an outcome. Finally, the following three survey questions were analyzed: “The Assessment Sets and CBMs are aligned to the District Curriculum Map”; “Overall, the assessment sets and CBMs accurately measure what my students know and are able to do”; and “Results of the assessment sets and CBMs should be part of how a teacher’s effectiveness is measured.” In a synopsis of all three questions, an average of 45% of the participants disagreed that
the district assessment sets and CBMs are accurately measuring student achievement. Therefore, the following interview question was written: “How do you implement the use of pay-for-performance system to promote teacher retention?” This question was designed to gain insight into how teacher retention is related to tying teacher effectiveness to a compensation system. This was based on knowing that 45% of the survey participants indicated that the district implemented measures that do not accurately represent student growth and teacher effectiveness, which influences overall teacher retention.

The researcher then wrote three more interview questions: “What do you think as a leader is the best way to promote teacher retention”; “Based on your experience, what do you feel is the relationship between students’ low academic achievement and teacher performance”; and “What do you feel is different in leading in a pay-for-performance system versus a traditional compensation salary schedule system?” These questions were designed to explore the general perspectives regarding the leadership role of a principal in a pay-for-performance system to enrich any themes that arose throughout the research study.

**Data Collection and Analysis**

Data collection procedures for this qualitative study included sampling procedures, obtaining permission, interviewing, categorizing data, collecting information, recording data, and administering the procedures. Data were organized and prepared for analysis. Interviews and notes taken during interviews were transcribed and typed. Data were sorted and arranged in order to gain general ideas and impressions from the
participants. Through this process, the researcher was able to determine the tone or mood of the study and the data developed depth and credibility (Creswell, 2003). Data were organized into clusters of information based on the perspectives held by the participants. This allowed themes to develop for more complex analysis and shaped the general description of the central qualitative study concept. Interconnected themes, patterns, and relationships of meaning were analyzed and shaped into general descriptions of perspectives of leadership in a pay-for-performance system represented in chapter 4.

The sampling site was located in a large urban Colorado school district of about 11,000 low-socioeconomic students, where 78% of students are on free and reduced-price lunch. The school district is known for low student achievement records, high teacher turnover rate, and high student mobility through the district. The current pay-for-performance system in this school district is aimed to addresses these issues. Therefore, this study intended to provide evidence on the role of the school principal for stakeholders implementing a pay-for-performance system. The participants for the study were current principals leading a pay-for-performance system with experience in leading in a traditional system as well. Six principals were purposefully selected based on demographic questions and interviewed, with even representation from each school level. Recruitment strategies to get participants to participate included an initial e-mail with demographic questions and a follow-up invitation to participate in the study, have face-to-face interaction, set the purpose for participants, and promote their opportunity for contributing to the growing research field of pay-for-performance systems.

The researcher went through all University of Denver and institutional review board (IRB) research procedures to conduct the study. The researcher obtained
permission from each participant by gaining permission in a formal consent letter given at the time of the interview (see Appendix A). Data were collected through open-ended interviews in a semistructured framework, recording the essence of each response using an audio recorder (see Appendix B). The researcher did not have any data collection issues. All participants participated in both the face-to-face interviews and the focus group structure.

**Descriptive Data**

After all six principals accepted the invitation to participate in the study, the researcher set the date for the initial interviews. The interview questions were designed to elicit responses regarding the role of school leadership in a pay-for-performance system following a semistructured interview process, during which the questions and order of presentation were determined, questions were open-ended, and the interviewer recorded the essence of each response (Creswell, 2011). Interview questions were derived from the survey results as reported in earlier in chapter 3; all other interview questions were derived from gaps in current research on leadership in a pay-for-performance system. The timeframe for each individual interview was estimated at 30 minutes per interviewee, totaling approximately three hours of interviewing time. The researcher examined each interview response and identified themes to develop the focus group questions. The researcher also looked for similarities and differences in each participant’s responses. The researcher noted that participant responses were not directly related to leadership in a pay-for-performance system, but rather on how they make sense of their leadership roles in a pay-for-performance system.
Data Analysis

The researcher used statements gathered through the interview process from each participant and interpreted the meaning of those statements by tying responses back to the current literature reported in chapter 2. The researcher applied the interpretational analysis approach to look for patterns within data to explain the themes and to organize the data. This approach involved extensive examination of data for recurring ideas and themes (Gall, Gall, & Borg, 2006). The data were categorized according to each research question by creating a connection table to illustrate the connection between the interview questions and research questions (see Table 2). All participants were asked open-ended questions in the interview. These questions were constructed to directly answer the research questions outlined in this study.

After collecting the data, the researcher recorded each interview transcript in a Microsoft Word database to code and identify themes among interview responses to derive the focus group structure. The researcher then examined and studied each participant’s response thoroughly to assess principals’ perceptions of how they make sense of their leadership roles in a new pay-for-performance system. The researcher further examined the focus group questions to compare and contrast the perceptions of each participant. For identification purposes, each participant was assigned a letter. Subsequently, the researcher highlighted key themes that derived from the focus group questions that could shed light on the study research questions Table 2 illustrates the relationship between the open-ended interview questions and the research questions for this study. Question 9 of the interview questionnaire is not listed in the table because it is not directly related to any one of the research questions.
Assumptions

1. All participants in the study have had leadership experience in both a traditional salary system in addition to the pay-for-performance system in which they now work.

2. The questions or the interview process allow the researcher to assess principals’ perspectives on the leadership role in a pay-for-performance system.

3. The principals answer honestly to all interview questions and in the focus group that followed.
Table 2  
*Connections Between the Interview Questions and Research Questions*

<table>
<thead>
<tr>
<th>Interview questions</th>
<th>Research questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How do you implement the use of pay-for-performance system to help raise student</td>
<td>2. What are principals’ views on leadership in a pay-for-performance system in regards to raising student achievement, improving teacher performance, and promoting teacher retention?</td>
</tr>
<tr>
<td>academic achievement?</td>
<td></td>
</tr>
<tr>
<td>2. What do you think is key about being a principal in a pay-for-performance pay system in regards to raising student academic achievement?</td>
<td>1. What do principals view as their leadership role in pay-for-performance systems?</td>
</tr>
<tr>
<td>3. How do you implement the use of pay-for-performance system to help improve teacher performance?</td>
<td>2. What are principals’ views on leadership in a pay-for-performance system in regards to raising student achievement, improving teacher performance, and promoting teacher retention?</td>
</tr>
<tr>
<td>4. What do you think is key to improving teacher performance in a pay-for-performance system?</td>
<td>2. What are principals’ views on leadership in a pay-for-performance system in regards to raising student achievement, improving teacher performance, and promoting teacher retention?</td>
</tr>
<tr>
<td>5. How do you implement the use of pay-for-performance system to promote teacher retention?</td>
<td>2. What are principals’ views on leadership in a pay-for-performance system in regards to raising student achievement, improving teacher performance, and promoting teacher retention?</td>
</tr>
<tr>
<td>6. What do you think as a leader, is the best way to promote teacher retention?</td>
<td>4. What differences do principals perceive between leading in a pay-for-performance system and leading in a traditional salary schedule system?</td>
</tr>
<tr>
<td>7. What are some measures that your school has implemented to raise student achievement, and how do you feel about these measures?</td>
<td>2. What are principals’ views on leadership in a pay-for-performance system in regards to raising student achievement, improving teacher performance, and promoting teacher retention?</td>
</tr>
<tr>
<td>8. Based on your experience, what do you feel is the relationship between students’ low academic achievement and teacher performance?</td>
<td>3. What are principals’ views regarding the relationship between students’ academic achievement and teacher performance?</td>
</tr>
<tr>
<td>10. What is the role of a principal’s leadership in a pay-for-performance system?</td>
<td>1. What do principals view as their leadership role in pay-for-performance systems?</td>
</tr>
<tr>
<td>11. What do you feel is the difference in leading in a pay-for-performance system versus a traditional salary schedule system?</td>
<td>4. What differences do principals perceive between leading in a pay-for-performance system and leading in a traditional salary schedule system?</td>
</tr>
</tbody>
</table>
Limitations

The following limitations are inherent in this research study:

1. The data used in this research study are limited to one school district in Colorado and six principals’ perspectives, and so should not be generalized to other principals or to other school districts.

2. The researcher knows the participants both professionally and as research participants. The researcher has tried to avoid biased interpretations or conclusions.
Chapter Four—Findings

This chapter contains the results of analysis of the data collected from the study participants. Data included the responses given by the six principal-participants in their semistructured interviews. The purpose of this study was to explore principals’ perspectives about their leadership within a context of significant change as they implemented a new pay-for-performance system. A qualitative study approach was used throughout the study in an effort understand how participants viewed pay-for-performance programs and ho such programs affected their leadership roles. In this chapter, the findings include the themes that emerged from the voices of the participants. The purpose of this chapter is to provide an overview of the emergent themes from the interview process and focus group discussion related to current literature.

Data were organized by identified themes that emerged based on the perspectives held by the participants. The development of themes during the data analysis created a more complex analysis that shaped into general descriptions of the central study concept. The analysis focused on key portions of the participants’ responses that emerged from each of the interview questions. The responses reflect the various perceptions of the participants regarding the principals’ understandings of their role in a new pay-for-performance system. The researcher applied the interpretational analysis approach to look for patterns within data to identify themes and to organize data. This approach involved extensive examination of data for recurring ideas and themes (Gall et al., 2006).
The following themes emerged in the study: (a) culture of excellence; (b) leading through sense making; (c) maintaining balance; and (d) instructional leadership. This section addresses each theme individually and presents examples of the themes as evident in participant responses from the focus group. Although there was a great deal of information that the researcher gained from the participants’ responses, these themes are representative of the entire scope of the study.

Table 3
List of Themes From Interviews

<table>
<thead>
<tr>
<th>Theme title</th>
<th>Participant code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture of excellence</td>
<td>PA, PB, PC, PE, PF</td>
</tr>
<tr>
<td>Leading through sense making</td>
<td>PA, PB, PC, PD, PF</td>
</tr>
<tr>
<td>Maintaining balance</td>
<td>PA, PC, PE, PF</td>
</tr>
<tr>
<td>Instructional leadership</td>
<td>PA, PB, PC, PD, PE, PF</td>
</tr>
</tbody>
</table>

Themes

**Culture of excellence.**

The participants felt that establishing a culture of excellence is an important role in the successful implementation of a pay-for-performance system. Participants used the phrase “high culture of excellence” as a common phrased used by principals in the district. The researcher concluded the phrase “high culture of excellence” is part of the Study’s School District “official language” that came directly from the school’s superintendent. In terms of the school district, culture of excellence examines the standpoint of preparing students for higher learning. Participants discussed creating a “high culture of excellence” as setting a sense of urgency for learning. Principals’ responses were generally about how to set the stage to prepare students for learning.
However, there is an underlying message that leaders must be able to establish creating a climate and culture of learning by involving people throughout the process.

Participant responses describe how creating a “high culture of excellence” is important for supporting teacher retention. During the interview, participants were asked, “How do you implement the use of pay-for-performance system to promote teacher retention?” PA stated that he felt a pay-for-performance system helps promote teacher retention because it is parallel to other business models. He mentioned that allowing teachers to get paid for their successes help enable them to meet the competition out in the business world. His response focused on the leadership aspect of developing a high culture of excellence that highlights good teaching. Principals felt that as a leader their goal was to set up a culture in the building that expects and welcomes feedback and coaching.

The researcher found it interesting that principals answered the question in general terms and not really providing specific information directly tied to a pay-for-performance system, but rather focusing on leadership roles in developing a “culture of excellence.” Principal F mentioned the importance of creating a “high culture of excellence.” She indicated that by creating a “high culture of excellence,” teachers would want to return every year with high hopes and aspirations to influence positively student outcomes. She stated, “Creating a high equality of excellence is essential to where people are going to want to be part of the team that has a positive impact on all student outcomes.”

Based on the evidence from the interviews, the researcher wrote a follow-up question for the focus group to examine the theme further. When asked, “In general, what
are characteristics of ‘high culture of excellence’ in a pay-for-performance system K-12,” participants had a slow starting conversation to a well-developed response. Participants initially answered in short general phrases, and then, the longer the researcher waited, the more the participants contributed to providing a detailed response. PB stated that it comes down to building leaders. Several principals reiterated that in an effective pay-for-performance system, must first establish a “high culture of excellence” with expectations and transparency. Building leaders can still have their personality of leadership, but the “high culture of excellence” is the expectation of the district. It is essential for the district to have principals to ensure congruency that each building is instilled with the same expectations. In a high culture of excellence, all stakeholders need to be held accountable for ensuring success for all students, and this is done in this district by setting a “high culture of excellence” of transparency and culture of learning.

In general, participants feel that as part of understanding their leadership roles, accountability within the high culture of excellence is essential—and achieved by having teachers, administrators, secretarial staff, custodian staff, and any other staff members within the building support creating and establishing change within a new pay-for-performance system. The theme of culture of excellence describes the standpoint of preparing students for higher learning expectations and accountability.

**Leading through sense making.** The participants felt that their leadership roles needed to focus on sense making as the foundation for implementing and sustaining change within an effective pay-for-performance system. The theme of sense making includes these concepts: the leader needs to be able to make sense of a changing system
for self and for others; the leader must understand the significance of change; and the leader must work actively with others as change agents. Participants were asked, “How do you implement the use of pay-for-performance system to help raise student academic achievement?” PD feels that there should not be an emphasis on the pay-for-performance system itself but rather do right by students and the rest will fall into place. His response is based on reinforcing a common vision and expectations. He stated, “The primary focus is that you know what needs to be done and how to get it done.” He felt that his leadership is not about the new system but rather how he was going to direct teachers, students, and other staff in the right direction.

PD’s response was interesting to note because there was not an emphasis placed on the new system either. However, research shows that any leader must place some level of emphasis on implementing a new system or no changes will take place. Therefore, the researcher asked a probing question on key roles of leaders in pay-for-performance systems. Participants were asked, “What do you think is key about being a principal in a pay-for-performance system in regards to raising student academic achievement?” PB’s response was very short and to the point. His posture when answering this question was low in his chair with his head down as if his body language was telling a different story. He answered in a quiet voice: “The key to being a principal in a pay-for-performance system is to be a sense maker—helping the teachers understand the process, reasoning, procedures, benefits, and provide feedback.”

The researcher feels that this response was answered at a surface level to save exposure for the district and the new system even though the question was asked in individual interviews. PB, whose answer was straightforward and to the point, stated that,
“pay-for-performance systems can be good if they are done right and I am not sure this one is being done right.” PC’s response was in reflection to her actions as a leader of change. She stated, “I think that the integrity again plays a significant role of making sure that the system is rigorous and fair.” Principals felt that it is important to make sure assistant principals are part of the process of leadership by getting them on the same page and being congruent in terms of the lenses that are evaluating teacher effectiveness.

PC feels that it is important to talk to staff to help them make sense of the system and their role within the new system. She indicated that you have to put a twist on it to sell the concept of “what gets feedback gets done better” with regard to improving teacher performance. She felt it was the role of a principal to sell to staff that what gets feedback gets done better and keeping the morale of the building up with positive understandings and outlooks. Principals in general felt the need to ensure that people feel valued. Principals must celebrate the big and small accomplishments to ensure the progress of moving in the right direction. Principals felt that enduring trust with staff is the first priority by going through philosophy, core beliefs, and the morale of the building. PE felt that implementing the use of a pay-for-performance system to help raise student academic achievement should be done methodically and systemically. She felt that in order for the principal to start implementing a new system, the principal must start building awareness and setting a vision. Principals felt that having a solid plan and getting all stakeholders involved in the process of developing, implementing, and sustaining the system would support leading the change itself. When asked what she thinks is key about being a principal in a pay-for-performance system with regard to raising student academic achievement, PE indicated principals must know the system
themselves. Principals should make it priority to know the teacher evaluation system and tools understand the process behind the calculations and identify effective teaching.

PF feels that the best way to implement the use of a pay-for-performance system is to help raise student academic achievement by focusing on the data and teacher performance. She indicated that an important factor to implementing a new system as a leader is to see both positives and negatives of instruction and growth. She said you have to make it work for students. PE demonstrated that keeping students at the forefront is the main purpose of teaching, and the leader must make sense of that for the teachers when they do not want to have the low group because that will affect their pay, or they do not want to have the ELD kids because they will not grow as fast, or whatever that might be. Principals must come back to core beliefs and students as a main purpose.

Participants were asked about their role in implementing a pay-for-performance system to help improve teacher performance. PA stated that sense making is part of the role as a leader in a pay-for-performance system. He mentioned the fact that in a pay-for-performance system, the biggest change in mentality is the idea of getting a raise every year. Principals felt it is important to help change the mentality that teachers get a raise because they did not die. They discussed that in the traditional system, a teacher gets a raise every year whether they perform or not, which does not stimulate improvement. Any job one must complete should be done well and one should get rewarded for that; this is what a pay-for-performance system does. In the end, the new system helps teachers shape the mentality that teachers are going to be rewarded for how they actually teach, which should get rid of the old excuses of, “It is just the kid I have this year,” or “It will not work with special education or second-language learners.”
PB feels that building relationships are very important for any system to be successful. He stated that any pay-for-performance system needs “relationships and a fair system.” He felt that this pay-for-performance system is missing the relationship piece. He stated that teachers would want to return to the building if you are a sense maker and do right by all students by establishing a philosophy. PC felt that promoting teacher retention goes back to philosophy and core beliefs to influence changes of the new system. She said that a big role in a changing system is implementing checks and balances—teachers are going to implement engagement strategies and follow up on the expectations for all students. Principals felt that the integrity piece included making sure that the curriculum is aligned to instruction. Creating rigorous common assessments to measure student growth, good lesson planning, and good instruction go hand in hand.

Participants were asked about the measures that their school implemented to raise student achievement and their feelings behind them. PA’s response was short and to the point. He stated that a variety of assessments that the district uses helps track student progress and that is all the measures needed. PB felt students are measured by a variety of assessments, benchmarks, progress monitoring, and district-aligned assessments that the system implements. He felt that students are given a fair chance to succeed in the pay-for-performance system because they are placed in achievement buckets based on their reading level which allows students to compete with their academic peers versus grade-level peers. He stated, “Achievement buckets allow goals to be attainable for all students.” PD felt that a variety of measurements is important to establishing a strong foundation for measuring student academic growth. He indicated that he has implemented several measures in his school for the purpose of raising student achievement. These
measures include “progressing monitoring, district assessments, benchmarks, state assessments, and pulse checks in the classroom.”

Principals felt the most important role when implementing a pay-for-performance system is the role of a sense maker. Principals discussed the implementation process when the new system was rolled it out 3 years ago: There was a “the sky is falling” feeling going around, but it was up to the school leaders to make sense of the system with regard to why we are doing it, what it will look like, core beliefs, and philosophy. That is the place where all principals’ conversations need to start. Overall, principals felt the purpose of being a sense maker is to develop a team perspective in order to support each other in the progress. There is an underlying message in this response. A sense maker is part of the role when leading change, but an underlying role is to create a sense of urgency for proficiency as well as a way to “filter” out ineffective teachers.

PF provided a detailed description of measurements she uses to ensure academic success. She stated that it is essential to implement several measures at her school to raise student achievement including student reading level and thinking skills. PE’s perspective was different from the rest. She felt that the measures her school takes to raise student achievement are not based on assessments but rather on creating and maintaining a safe culture of learning for all students to learn. She stated that discipline was the roadblock to learning in her school because discipline was the focal point. It was her role as a principal to help teachers get through the distraction. She implemented a measure for monitoring behavior to allow students to learn by following strict rules in the hallways and classrooms.
As a leader of change, PE needed to establish a new climate of safe learning for her school to begin the process of the new system. Participants were asked to think about their own experience as a leader and then discuss their perception of the relationship between student low academic achievement and teacher performance. PA stated he felt there is a strong correlation between student’s low academic achievement and teacher performance. He stated that a poor teacher negatively influences the student more than the year they have them. The single most important tool in the school is a quality teacher in the classroom. Principals felt in general that the most effective teacher would embrace student skills. PB felt that based on his experience, the relationship between student low academic achievement and teacher performance will reflect the quality of the teacher. He believes teachers have the greatest impact on students whether it is a good impact or a negative impact. He stated impressions are everlasting and good teachers are going to impact students. Principals felt overall there are other factors that support the relationship such as attitude, student motivation, and other learning needs.

PC approached her response from a different angle: she felt that the teacher-student relationship is the foundation of achievement. PC focused on relationship building between student and teacher in order to achieve results. He said he thinks it starts with the relationship piece. If students cannot or don’t connect well with the teachers, then that hinders the learning. Principals discussed there is a motivation aspect for learning that is not going to be tapped if there is no relationship between the teacher and the student. PE also felt that relationship building also plays a big role on teacher performance in relation to student performance by also developing relationships, but
more specifically, building relationships with students in an academic and professional manner.

PD felt that it is teacher attitude that contributes to the relationship between student low academic achievement and teacher performance. Principals said from their experiences that any teacher that does not accept feedback well—who comes into the building doing whatever he or she wants to do because they feel that it is right—will not succeed. An administrator can then look at the data and determine that the students are not making progress at the same rate as other peers because the teacher lacks the buy-in to the educational system in the building. This is where leading change is essential. Principals felt a good leader of change is able to identify teachers that will not succeed based on attitude and buy-in with core beliefs. PF also made a connection to attitude and belief. She stated that teachers must believe that at-risk students can perform at their best potential given good instruction.

Participants go back to their leadership role as a leader of change. PD stated that the role of the principal needs to be as a sense maker. He stated that there are similarities and differences in leading in traditional versus pay-for-performance systems, but no matter what, good teaching reflects a good leader who helps make sense of change. PF made a connection to leading change as a leader that makes sense of the new system starting with the teacher and student relationship.

The researcher then shifted the participants to think about the old system versus the new system as a sense maker. Participants were asked what they perceive as the difference in leading in a pay-for-performance system versus a traditional salary schedule system. PC believed that it is harder to work in a pay-for-performance system because of
the accountability and “creative attention.” Principals felt that the role was to identify their views of new versus old systems. Principals felt that it is definitely harder to lead in a new system that holds so much accountability across the board. With more accountability there comes more creative attention. PC referred to it as creative attention because it can motivate instead of instill fear:

When accountability is high and people know that their results are going to be made public. There is something about that. That will push us to be better. So just being transparent and being okay with the transparency. Embracing the culture of feedback and really being students of data.

Principals thought that is the key: learning from the data, making a commitment to using the data, embracing it if it is good or bad, and being responsible for the results by making the necessary changes. PF also felt that the roles are different as well as the actions behind them. As leaders in both systems, a few principals viewed the pay-for-performance system as a way to do a better job of screening the right people to hire for the school. Principals especially felt that when the expectations are addressed at the beginning, where applicants apply for positions and are well aware of the new pay-for-performance system. If they do not agree with it, they do not need to apply. The principal needs to provide leadership opportunities for the teachers to show their strengths outside the classroom, which is one of the requirements for distinguished teacher.

PB believed that it is easier to lead in a pay-for-performance system because of the structural frame of clear guidelines and procedural steps to ensure success. He felt that the leader is going to be good in either system if they are effective influential leaders.

Due the extent of the participants’ responses, the researcher developed a follow-up question that was asked during the beginning of the focus group: “Core beliefs, mission statements, school visions, attitudes, and values are key indicators in education today.
How do these indicators align with implementing a pay-for-performance system?” In summation, the participant responses are as follows:

Our core beliefs are the foundation for success of our pay-for-performance system. We have five core beliefs that were developed—providing a place for learning, no excuses for poor instruction, at-risk students can learn at the same rate as not at-risk students, every teacher will provide the best instruction to all students, and the main goal is to ensure student academic achievement for all students. Our district philosophy sets a stage for implementing a pay-for-performance system with no room for diversions. If we did not have our core beliefs, the system would be broken which would allow schools to become islands of their own with their own approach and actions, similar to a traditional system where schools operate at their own beat resulting in leaving gaps in the district, instruction, and achievement.

Participant responses generally indicate that the principal’s role is to make sense of a changing system for self and for others, to understand the significance of the change, and to work actively as a change agent with a set of core beliefs as the foundation.

**Maintaining balance.** The theme of maintaining balance describes how participants felt that money is not the sole motivating factor for teachers in a pay-for-performance system; it is more important to find the right balance of both intrinsic and extrinsic rewards. Maintaining balance includes finding the right staff members, providing the right level of support, and balancing the rewards for good teaching.

Participants described what they thought was key to improving teacher performance in a pay-for-performance system. PC stated that the pay-for-performance system speaks for itself with the money incentive and the results.

Although PB felt that teachers should be rewarded for their achievement, he did not agree that it should be done in specialized programming. He strongly believed that alternative programs do not fall under the general mold of this system. With the
background information the researcher has, a conclusion can be drawn that PB felt that pay-for-performance systems need to look at special population programs before adding to the mold of regular education. He said that the system itself can be a good concept, but this system went at it all the wrong way. Principals felt that new pay-for-performance systems could be difficult in specialized programming because the system in place now does not support just student achievement. Student attendance is factored into the achievement piece, which is represented on a teacher’s performance data. This is a problem for a specialized program because although the students may be performing at a higher level due to instruction, the data are not available for the teacher’s performance piece because of the policies on attendance. This creates a problem for good teachers who have no control over student attendance in a specialized program. Therefore, these teachers are not at the proficiency ranking they should be because of the system.

Participants were then asked what they think is the best way to promote teacher retention. PE stated that teacher retention is important for sustaining the pay-for-performance system by attracting and retaining proficient teachers. PE believed that in any successful pay-for-performance system, teacher retention would fall into place because of the motivational factors behind the system. This is assuming that money is the motivation. PF believed that an effective pay-for-performance system needs instructional coaching and strong leadership. She feels that the best way to promote teacher retention in general is by providing instructional feedback and coaching. Principals indicated that it is all based on the principal’s leadership role of being an active coach. The system will be very systemic and outlined with what you are going to achieve.
The researcher discovered an underlying theme of maintaining balance throughout the responses. When asked during the focus group what the “right balance” is in a pay-for-performance system with regard to motivation and good teaching, the participants responded in a crowded burst of comments. Principals first started with defining the phrase “right balance,” by indicating that in this district it is the right balance of hiring the right people, providing the right amount of support needed for each teacher to be successful, setting up the right high culture of excellence for learning, and providing the right amount of pay for teacher effectiveness. Principals felt that leaders need to provide extensive training on how to hire the right people from the start:

Our hiring process is an intensive process weighing heavily on our core beliefs. Our goal is to identify teachers who believe our students can learn and what to teach the district’s wide range of student population. This is essential because there are many things an instructional coach can provide for support, but teaching relationships, attitude, and other soft traits are not as coachable. Another aspect to keep in mind is the fact that the teacher needs to be a ‘right fit’ for the school leadership as well. So overall, finding the right balance with hiring, supporting, and motivating teachers in a pay-for-performance system can be successful.

**Instructional leadership.** The theme of instructional leadership focuses on the principal as a master of instructional practices. All of the participants feel that the most important role as a principal in a pay-for-performance system is to be an active instructional coach for their teaching staff. Concepts and ideas of providing instructional support, feedback, improving teacher performance, creating a team aspect, regular visits in the classroom, and setting the tone of instructional leadership help leaders build a new culture to support new ways of teaching. Participants were asked how they perceive the implementation of a pay-for-performance system to help raise student academic
achievement. Principals first discussed the importance of having a clear evaluation tool to use to judge what the pay-for-performance is going to be based on. A pay-for-performance system must have an evaluation tool that the administrator understands as well as the ability to make sense of the tool to teachers.

As a principal, you need to be able to provide feedback to your teachers. It is not a process that is looked at lightly. It takes a few years to process and implement. It needs to be decided what constitutes student achievement and where the goals are. You have to set the goals and make sure they are aligned. So it is a process that goes hand in hand with evaluation and achievement. You must be clear, set goals of where you are headed, and make sure that teachers know this is what you are going to be evaluated on and that they are trained on. It is about a process that takes a few years to implement. It is not about “got you” or about what you didn’t do.

PC’s views included a systemic system that provides the best quality education by having a common teacher evaluation system. She stated that the focus has to be instruction: “Instruction has to be rigorous and taught with integrity.” She also mentioned that preplanning before instruction was key to implementing a systemic system. The first thing principals felt is critical is the teacher evaluation system because it has to be rigorous and used with integrity. Principals need to be in the classrooms on a regular basis. Principals have to be visible because as a leader, you cannot know where a teacher needs to improve if you do not have regular visits in the classroom to observe instruction. Principals want leaders to think about how to follow up in a culture of people wanting feedback without threatening their professional reputation. PA said the answer is to have a positive approach by always talking to the teacher with respect and providing constructive feedback about what they are doing well and what they need to polish. He continued to say that building teachers up and letting them know that you are there to support them will ensure developing a culture of feedback.
Teacher performance is another important aspect of leading change. Participants were asked how they view their leadership role when improving teacher performance. PD stated that in order to improve teacher performance in a pay-for-performance system, a principal must focus on instruction, providing feedback, providing professional development, and providing leadership opportunities to demonstrate teachers’ strengths. Principals felt that the best way to improve teacher performance is to develop a better way of providing staff development. PA said that the instructional calendar should start doing what other districts do, like embedding a professional development day into the work day so that teachers can attend whatever they need support on. Professional development a la carte will provide teachers the opportunity to learn during the instructional calendar.

PE indicated that teacher incentives promote teacher improvement. She felt that teachers are going to want to improve to make more money. She also stated that coaching is the key aspect to improving teacher effectiveness and instruction in the classroom. PF felt that in order to improve teacher performance the school leader must provide instructional feedback and instructional coaching. Principals indicated that teachers need to have constant feedback so they know how they are doing and so they can know what they need to improve—and that means being in the classroom constantly. Principals cannot do it from afar nor do the data piece from afar. The principal needs to be in the classroom helping figure out why students are having trouble learning. Focus in on the resources, instructional supports, and/or the instructional approach that is being used.

PB stated that coaching is a big part of improving teacher performance as well as coaching administrators on how to provide feedback in a constructive manner. PA felt
that the main role is to be an instructional coach that sets the foundation for success.

Principals in general felt that the main role of a principal is having the conversation by setting up the framework for teachers to understand and interpret the system. The principal needs to have the abilities and the talents to evaluate people fairly. It takes time by getting out of your office, taking the time to answer questions, getting into the classrooms, sense making of the process, understanding the curriculum, and being visible to all staff and students. As an instructional leader, the principal must understand the curriculum to a point that they are able to coach teachers to the next level. It does not require a principal to be an expert in every subject, but it does take a general understanding of the different levels and concepts that need to be demonstrated in the classroom. Principals must play the role of head coach, find the best players, and set them up for success. They must find teachers that complement the principal’s vision and the school’s purpose. Principals should build a staff that understand the purpose of feedback and make certain that they understand the central piece and that it is not personal.

PE also felt that leading in a pay-for-performance system takes on the role of being an instructional coach, providing feedback, and being a sense maker. The role of a principal is taking a big shift from a traditional system because in many places the role of the principal is to be a manager. In a pay-for-performance system, there is a lot of responsibility on the principal for helping achievement occur by making sure teachers are coached, supported, and led in a direction of good instruction. Principals coach teachers out of the business or coach teachers to stay in the business of teaching. The researcher noted the different term of coaching teachers out of the profession instead of coaching teachers to be better at their profession.
PC felt that the role of a principal in pay-for-performance is to make sense of the process and support through coaching. She felt that standing in front of the staff to say, “I truly believe that pay-for-performance will truly impact student achievement” and “my pay is also determined on their performance and I own that and I embrace it, so let’s do it,” will make them buy into the system. But will it really just take a short pledge to help teachers understand and make sense of a new system? The researcher was not able to ask a follow-up question in this particular situation because no matter how the participant rephrased the line of questioning, PC provided the same answer as before.

Instructional coaching was a major theme discovered through the interview process. The researcher developed a key question for focus group participants to discuss and expand on. During the focus group session the researcher asked, “What are the key indicators of instructional coaching? How does instructional coaching shape and mold an effective pay-for-performance system?” The principals participated in a heavy discussion about key indicators of instructional coaching, providing support, and being a competent leader, demonstrator, sense maker, and lifelong learner. PC stated that providing support is identifying the needs of instruction and following through with how to address the needs. PE pointed out that historically, administrators say what is wrong and leave it to the teachers to correct it. However, with instructional coaching, the principal identifies the needs and provides supports on how to make changes. Principals agree that working as a team will affect student academic achievement and teacher performance. Principals addressed another indicator of being a competent leader: they stated that by knowing and modeling instructional strategies, understanding curriculum, knowing about the system, knowing the expectations, and knowing how to provide positive constructive feedback,
principals will demonstrate effective instructional leadership. It is just not enough to say what needs to be improved. Principals as leaders will lose accountability in a pay-for-performance system if they say what needs to improve and then do not provide actions to help support the improvement. As a principal in a pay-for-performance system, he or she has to set the standard of what good instruction looks like, how to achieve it, and what good teaching does not look like—backed up with feedback and consistency. Modeling the concept of getting feedback is also essential for creating a culture of feedback. As a leader, the principal must be able to accept feedback as well demonstrate a team atmosphere.

Through the discussion, the researcher asked a follow-up question on shared leadership. The researcher felt it was essential to clarify the principals’ perspectives on what shared leadership actually looks like in a pay-for-performance system because it was brought up as a key element of leading in a pay-for-performance system. As Fullan (2001) stated, “Ultimately, your leadership in a culture of change will be judged as effective or ineffective not by who you are as a leader but by what leadership you produce in others” (p. 137). The summary response is as follows:

It is part of the system to share leadership roles. In fact, it is on the Proficient III rubric of contributing to the profession. Shared leadership in this system gives teachers roles and duties that directly affect instruction, building action plan, and/or teacher development. This allows us as a team to have a ‘collective brain’ to sustain the system.

In the second part of Focus Group Question 3, the researcher asked leaders to think about how instructional coaching shapes and molds an effective pay-for-performance system. PA stated, “Well, we are on the pay-for-performance scale too. So it is my pay too.” As a whole, the principals felt that good leadership is good leadership.
Effective leadership happens when a team effort is in place within the school. You lose as a team and win as a team. This allows each principal to own his or her building’s data. Principals feel that philosophy will shape and mold the system, and instructional coaching will sustain the system. It is noteworthy to state that problems do arise within an incentive-based system such as data handling. The researcher noted that principals acknowledged that some buildings adjusted their school’s data to better represent the building. Those leaders that mishandle the data are under review. Overall, the principals feel that it goes back to core beliefs and philosophy to sustain the best pay-for-performance system. To foster improvement of teacher performance, the principal is to provide instructional coaching and feedback, create a team atmosphere, and make regular visits to classrooms to establish a climate focused on improvement.

In accordance with the NCLB of 2001, school success is measured by student achievement assessments, the results of which are translated into a letter grade representing the overall achievement of the school. For that reason, the last interview question that was written was to obtain data that supports the implementation of NCLB. Interview Question 9 was written to measure compliance with state regulations of NCLB. The researcher felt it is noteworthy to report the responses. The participants were asked, “Briefly describe your school’s experiences with meeting AYP criteria and how do you think this will impact efforts in implementing a pay-for-performance system?” For this question, participants’ responses varied depending on years at the current building and years as a principal. When the researcher asked this question, many of the participants had a look of worry on their faces as if there were going to be a direct correlation from their school to their role as a principal. It was interesting that not one principal stated the
exact AYP grade or score. The researcher clarified to all participants that the question was for qualitative data only to help draw conclusions in the overall study. PB indicated that his building generally does okay meeting the criteria because of his alternative school environment.

PD described his school’s experience with meeting AYP criteria as a previous event. He indicated that his school did not meet AYP criteria 4 years ago and was placed on “academic watch” per the state of Colorado. PE indicated a very interesting response. In her interview, she stated,

I do not see meeting AYP as impacting pay-for-performance directly because I think it should happen naturally if your focus is on raising student achievement. You should continue to raise AYP growth as well as raise student achievement within your building which will support teachers on the pay-for-performance aspect.

There was no direct connection to identified themes that emerged from other responses. However, the participant perspectives are noted due to the importance of meeting AYP as a school performance level.

Summary

The purpose of this study was to explore principals’ perspectives on how principals make sense of their leadership roles in a new pay-for-performance system. The purpose of this chapter was to provide an overview of the emergent themes that helped shape and mold the interview questionnaire, conduct individual interviews, analyze themes that emerged from interview responses, create a focus group structure, and conduct a focus group discussion. Participants in the study were employed as elementary, middle, and high school principals in a large urban school district in Colorado. In
reviewing the themes, direct quotes from the participants’ interviews and focus group responses were presented and interpreted accordingly. In chapter 5, the researcher provides current literature on themes presented in chapter 4 and draws conclusions back to the research questions set forth at the beginning of the study.
Chapter Five—Summary, Conclusions, and Recommendations

Introduction

This chapter provides current literature on the themes that emerged from the participants’ responses in chapter 4 as well as summarizes the entire study with concluding comments. The purpose of this study was to explore principals’ perspectives on how principals make sense of their leadership roles in a new pay-for-performance system. The study describes the different perspectives of sense making and leadership roles in a recently changed system. Findings discovered perspectives on leadership in a changing system, how to be a change agent, stages of change, and how to make sense of a new system. At the end of chapter 5, the researcher discussed the implications of this study and made recommendations regarding future research on leadership needs in a pay-for-performance system. A qualitative study approach was used throughout the study in an effort to truly understand the perspectives of the principals in their roles in a pay-for-performance system. The findings in this study reflect the views of principals in a large urban school district in Colorado.

Summary of the Study

Leadership is a process that involves influence and goal attainment which occurs in a group context (Northouse, 2007). Today’s solutions often become tomorrow’s problems. Leadership is the lever for change: “Give me a lever long enough . . . and
single-handed I can move the world” (Archimedes). Northouse (2010) defined leadership as a process in which an individual influences a group of individuals to achieve a common goal. Fullan (2005) defined sustainable leadership as “the capacity of a system to engage in complexities of continuous improvement consistent with deep values of human purpose” (p. 41). The conceptual framework structures the study as leading change as the big picture that frames components of leadership such as being a change agent, system learning, professional learning, and leadership capacity. The conceptual framework was developed for the researcher to conceptualize the important ways to think about leadership in a new pay-for-performance system. The conceptual framework structures the study as leading change as the big picture that frames components of leadership such as being a change agent, system learning, professional learning, and leadership capacity. A school leader’s ability to visualize ways to lead change depends on an understanding of existing and potential connections between leading and learning.

A pay-for-performance system, which aims to hold teachers accountable for student achievement by directly tying teacher compensation to student performance outcomes, has been a widely debated school reform incentive measure (Glathorn & Jailall, 2009; MacInnes, 2009; Protheroe, 2011). Principals were asked about their leadership roles in implementing a pay-for-performance system, but responses focused on leadership styles, actions, beliefs, preparation, and experience of leading in a time of change. Four themes emerged from the data as significant aspects of leading change in a pay-for-performance system: (a) culture of excellence, (b) leading through sense making, (c) maintaining balance, and (d) instructional leadership.
The theme of culture of excellence describes the standpoint of preparing students for higher learning expectations. Participants discussed creating a “high culture of excellence” as setting a sense of urgency for learning. Principals’ responses were generally about how to set the stage to prepare students for learning. However, there is an underlying message that leaders must be able to establish a climate of learning by involving people throughout the process. The theme of leading through sense making includes ideas that the leader needs to be able to make sense of a changing system for self and for others, understand the significance of the change, and work actively with others as a change agent. The theme of maintaining balance describes how participants felt that money is not the sole motivation factor for teachers in a pay-for-performance system; it is more important to find the right balance of both intrinsic and extrinsic rewards. Maintaining balance includes finding the right staff members, providing the right level of support, and balancing rewards for good teaching. Finally, the theme of instructional leadership focuses on the principal as a master of instructional practices. All of the participants felt that the most important role as a principal in a pay-for-performance system is to be an active instructional coach for their teaching staff. To foster improvement of teacher performance, the principal is to provide instructional coaching and feedback, create a team atmosphere, and make regular visits to classrooms to establish a climate focused on improvement.

Conducting research from this viewpoint will greatly affect administrators, policyholders, educators, and students. The ultimate goal of this research was to produce a study that promotes the leadership characteristics and qualities of what it takes to lead in a pay-for-performance system; subsequently the study findings provide a guide toward
principals’ understanding of how they make sense of their leadership roles in a pay-for-performance system. The results of this study are used to recommend further study on the topic of pay-for-performance systems.

**Conceptual Framework**

This study sought to understand representative principals’ views of the leadership roles and demands when leading a school in a district that has recently implemented a pay-for-performance system. Implementing and sustaining the new system will depend on how principals lead the change with teachers, students, and families. A school leader’s ability to visualize ways to lead change depends on an understanding of existing and potential connections between leading and learning (Whitaker, 2012) The inner frame of the conceptual framework (Figure 5) was developed by the researcher to conceptualize the important ways to think about leadership in a new pay-for-performance system with different components of learning. However, the researcher added to the conceptual framework, based on emerging data, after the analysis was complete. The researcher expected to discover more about pay-for-performance systems, but instead discovered that the participants talked more about change. Therefore, two outer frames were added to deepen the study and focus the conceptual framework toward leading in a time of change. The conceptual framework was first structured with leadership in a new-pay-for-performance system as the big picture focusing on the components of learning a new system and the professional learning behind it. The study was set up to interview principals on their leadership roles in a new pay-for-performance system with regard to improving student achievement, teacher performance, and teacher retention. However,
emerging data from the interviews brought to light the principals’ focus on leadership capacity and leading change. In response, the researcher realized the necessity of shifting the focus from “pay-for-performance systems” to issues of “leading change.”

The researcher turned back to the literature to find a conceptual framework that help her understand and contextualize what the participants were telling in their story. The participants discussed their understanding of how to be a change agent through systems learning, professional learning, and learning to lead through sense making. Systems’ learning focuses on a leader’s need to understand the political, symbolic, human resource, and structural frame of a new system. Professional learning focuses on a leader’s need to know how to promote teacher effectiveness, teacher motivation, and professional development. Finally, learning to lead through sense making focuses on how leaders need to lead the new system by making sense of changes, purpose, and implications of the new system. A school leader’s ability to visualize ways to lead change depends on understanding existing and potential connections between leading and learning.

Principals can have a positive effect on professional development when they offer a vision of learning, support collaborative change, and research best instructional practices with their teachers. Principals perceived that sustainable leaders were one of the important to roles as leaders in a new pay-for-performance system. The researcher felt that sustainable leader should also be part of the conceptual framework within the learning to lead through sense making. According to Fullan (2005), sustainable leadership is “the capacity of a system to engage in complexities of continuous improvement consistent with deep values of human purpose” (p. 41).
Researchers have noted that sustainable improvement depends on successful leadership. Northouse (2010) defined leadership as a process in which an individual influences a group of individuals to achieve a common goal. Educational leadership today encompasses many different aspects of changing systems. The change process needs to lead to the expected results that the organization sets out to achieve. There are many different levels of change when one acts as a change agent, and change must begin with participants accepting the need for change. Once the leader has accepted that change
must take place within the organization, one must understand how to become a change agent, to create the steps that need to take place to ensure a positive change in the organization and have a plan on how to deal with staff members who are resistant to change. A principal leading in a pay-for-performance system will endure change at every level; therefore, it is essential that one of their roles is as change agent.

Educational leadership today deals with many different aspects of changing systems. The change process needs to lead to the expected results the organization sets out. There are many different levels of change when one acts as a change agent, and it starts with accepting the need for change. Once the leader has accepted that change must take place within the organization, the leader must understand how to become a change agent, know how to create the steps necessary to ensure a positive change in the organization, and have a plan to deal with staff members who are resistant to change.

This study’s school district has been undergoing systems change for the past 5 years and yet still suffers from a closed organizational system with teachers still resistant to classroom doors being open for transparent instructional practices. For a leader of change, researchers have identified three stages to tackling the issue of leading change. The purpose of conducting this study was to gain principals’ perspectives of leadership needs in the most recent school reform effort of leading change in a new pay-for-performance system. However, one must know the challenges and signs of progress when leading in a system of change. Therefore, this study illustrated perceptions on how the leadership role needs to view the different stages of change through lenses of performance, teacher effectiveness, intrinsic and extrinsic motivation, and evaluation tools.
Stakeholders who are far removed from the classroom make many decisions regarding education policy. In his 2011 State of the Union address, President Barak Obama declared an urgent need to improve the public school education system by demanding teacher and administrator accountability (Obama, 2011). The Obama administration’s 2011 budget request designated an additional $950 million for a new Teacher and Leader Innovation Fund that would support the development and implementation of performance-oriented approaches to recruiting, retaining, and rewarding highly effective educators (Springer & Gardner, 2010). In addition, accountability pressures are forcing school districts to address the inefficiencies built into performance-pay compensation systems and to rethink how they are spending roughly $250 billion annually for compensation of instructional personnel (Podgursky & Springer, 2011).

**Discussion of Findings**

Data analyses were based on statements gathered from the interview process from each participant. The researcher applied the interpretational analysis approach to look for patterns within data to explain the themes and to organize the data. This approach involved extensive examination of data for recurring ideas and themes (Gall et al., 2006). The data were categorized according to each research question by creating a connection table to illustrate the connection between the interview questions and research questions (see Appendix E). All participants were asked open-ended questions in the interview. These questions were constructed to directly answer the research questions outlined in this study. This study was developed to be conducted in a current pay-for-performance
system that has been in full implementation stage for at least 2 years. In participant responses, principals highlighted their own understanding of how their leadership roles impact and sustain a new pay-for-performance system. Participants used examples to make their points clear but still left room for underlying interpretations. Using Kotter’s change stages, the researcher made connections to the themes that emerged as part of the understanding of leading in a changing system. Bolman and Deal (2008) identified four frameworks of reorganizing organizations within change. The four frames are structural, human resource, political and symbolic. Later Kotter developed eight stages of change as initiatives of successful organizational change. They are as follows:

1. Creating a sense of urgency.
2. Pulling together a guiding team with the needed skills, credibility, connections, and authority to move things along.
3. Creating an uplifting vision and strategy.
4. Communicating the vision and strategy through a combination of words, deeds, and symbols.
5. Removing obstacles, or empowering people to move ahead.
7. Sticking with the process and refusing to quit when things get tough.
8. Nurturing and shaping a new culture to support the emerging innovative ways.

Therefore, Bolman and Deal (2008) and Kotter (2002) combined their work and developed a table that identifies Kotter’s stages of change and Bolman and Deal’s four frames (see Appendix F). The researcher referred to the table as a reference point to make sense of participant responses.
**Theme 1: Culture of excellence.** Five of the participants felt that creating a culture of excellence was essential to establishing a sense of urgency of change. In Kotter’s (2002) first stage of change, one must set a sense of urgency. Participants stated that being a part of the process was important. In Stage 1 of Kotter’s stages, the human resource frame is to involve people throughout the organization and solicit input. In the political frame, it is essential to network with key players and use power-based decisions. One principal participant stated that their pay-for-performance system was developed by one person to satisfy the political realm of things. This participant also stated that if teachers, staff members, community members, and outside political people were to be involved in the development process, then the system could work—but for right now, it is a system that makes a selective few look good. Although most agreed that having good teachers is important, what is considered a good teacher by some does not necessarily indicate that the teacher can effectively facilitate student learning (Preis, 2010). Meanwhile, a growing body of research on teacher effectiveness emphasizes the importance of recruiting, motivating, and retaining strong teachers (Parsavand, 2010) and the “highest quality workforce for any given level of expenditure” (Podgursky & Springer, 2011, p. 170).

A follow-up question was created for the focus group structure that aimed to guide participants to the direct correlation of a pay-for-performance system. The participants in this study, whose responses led to the formation of this theme, are not alone in their thinking. There is a much larger group of educators and policyholders who support creating an environment of pay-for-performance systems to raise student academic achievement. The Obama Administration’s 2011 budget request designated an
additional $950 million for a new Teacher and Leader Innovation Fund that would support the development and implementation of performance-oriented approaches to recruiting, retaining, and rewarding highly effective educators (Springer & Gardner, 2010). Opponents of teacher incentive programs and/or pay-for-performance systems argue that teacher incentives lead to “teaching to the test.” It goes without saying that pay-for-performance incentives are meant to reward teachers’ efforts in improving student achievement. Milanowski (2003) cited a number of previous studies that reported “teacher instructional capacity” as a key variable in the success of educational reforms to improve student achievement (p. 2).

Principals feel that in an effective pay-for-performance system, a leader must first establish an environment of excellence with high expectations and transparency. In Kotter’s (2002) Stage 3, uplifting vision and strategy is key. In the principals’ perspectives of implementing a pay-for-performance system, the school leader must create a “high culture of excellence” with all stakeholders being held accountable for ensuring success for all students—and this is done by setting an environment of transparency and culture of learning by maintaining an open system. An open-systems model is effective when the organization functions on the adaptation process of both internal and external forces (Lunenburg & Ornstein, 2008). According to Bolman and Deal (2008), in their book, Reframing Organizations, open-systems model inputs consist of the materials necessary to sustain effective change by conducting regular collaborative meetings that will ensure all voices are heard and by establishing a shared vision as an organization (Bolman & Deal, 2008). The transformational process is where the fundamental steps take place in the implementation and sustainability of change.
Accountability within the environment is essential by holding teachers, administrators, secretarial staff, custodian staff, and any other staff members within the building accountable. According to Lortie (1975), the practice of monitoring instruction and holding teachers and administrators accountable is critical in promoting change within the school.

**Theme 2: Leading through sense making.** Participants perceived that leading through sense making includes ideas that the leader needs to be able to make sense of a changing system for self and for others, understand the significance of the change, and work actively with others as a change agent. Participants stated that their district developed and implemented five different core beliefs to create a common language of instruction practice, which include the following:

- Providing a place for learning;
- No excuses for poor instruction;
- At-risk students can learn at the same rate as non-at-risk students;
- Every teacher will provide the best instruction to all students; and
- Main goal is to ensure student academic achievement for all students.

Kotter’s (2002) Stage 4 of change focuses on communicating the vision and setting a strategy through words, deeds, and symbols. Many participant responses fall under this stage, and their focus was to establish and communicate a vision rather than how to create and implement a vision. According to Lunenburg and Ornstein (2008), a vision that reflects only the leader’s view is bound to fail because it lacks motivational appeal with which people can identify. Stakeholders, including teachers, administrators,
board members, and community members, must buy into the vision (Lunenburg & Ornstein, 2008, p. 301). Research on leadership is widespread, however; the foundation of effective leadership styles must embed a certain vision or philosophy to be successful. Pay-for-performance can influence multifunctional work teams, team-based leadership, collaboration, and professional learning communities because the team, not the individual, is held accountable for the results—creating added value to their professional role. “Value-added” education—teachers who go “above and beyond” standard expectations and offer something “more”—also has a prominent role in this new generation of evaluation systems (Podgursky & Springer, 2011, p. 170).

**Theme 3: Maintaining balance.** The theme of maintaining balance describes how participants felt that money is not the sole motivation factor for teachers in a pay-for-performance system; it is more important to find the right balance of both intrinsic and extrinsic rewards. As teacher compensation models change throughout the generations, teacher motivation is likely to change, too. Podgursky and Springer (2011) stated that when pay is equalized, teacher quality is unequalized across schools. There is little research on the compensation differential needed to balance differences in teacher characteristics.

Determining teachers’ motivational factors for entering and remaining in the teaching profession today is essential for deciding how to reform the single-salary schedule. For example, in order to believe that pay-for-performance will produce greater results through monetary incentives alone, one must believe that a substantial number of teachers simply aren’t trying hard enough (Gratz, 2005). Nor will offering teachers a pay
increase or bonus necessarily motivate them to acquire the skills needed, stated Milanowski (2003), who suggested that teachers must first believe that if they put forth the effort, they can actually acquire the specified knowledge and skills needed to effectively succeed in the classroom. Teachers, it turns out, are motivated by a variety of intrinsic and extrinsic rewards, including both pay incentives and the ability to help students achieve, as well as other, less obvious opportunities, such as being able to collaborate with their professional colleagues (Odden & Kelley, 2002).

Other researchers disagree. Pink (2009) argued, “Here are people [teachers] who have explicitly chosen a profession that offers not much in the way of remuneration. Do you think you can give them 500 bucks and they’re going to work a lot harder?” (as cited in Parsavand, 2010, p. 3). Pink suggested that companies are more likely to discover creative motivational solutions by providing employees with more autonomy and the chance to gain a sense of mastery, and monetary incentives might even make less sense for teachers than for any other profession.

Yet, some teachers explain that low pay is one of the reasons they choose to leave the profession, and Jacobson’s 1995 research on teacher retention found that monetary incentives do positively affect recruitment and retention (as cited in Jacobson, 2006). However, Denver, Colorado, teachers argued strongly that they chose teaching as a profession for the intrinsic rewards rather than for the pay (Springer & Gardner, 2010). This study provides data for the researcher to conclude there is a significant change in attitude toward teaching, teaching incentives, and motivational factors. Researchers have noted that teacher pay alone will not improve the quality of teaching or improve levels of student learning. Compensation reform is just one element to be implemented in
conjunction with many others, such as improved teacher hiring, implementing new teaching strategies, and improving the standards and assessment systems to align achievement (DeGrow, 2011).

Koppich (2008) stated that without excellent teachers in the classroom, other policy reforms are likely to produce only anemic results. The researcher concluded, based on participant responses and current literature, that teacher motivation based solely on compensation incentives should not be the focus of a pay-for-performance system; rather, the focus should be on how to support teachers to reach their highest level of efficiency to shape and mold effective teachers. DeGrow (2011) stated that because this study’s school district teachers may either increase or decrease their current earnings based on measured instructional effectiveness, the pay-for-performance plan is a true pay-for-performance system.

**Theme 4: Instructional leadership.** All of the participants felt that the most important role as a principal in a pay-for-performance system is to be an active instructional coach for their teaching staff. The theme of instructional leadership focuses on the principal as a master of instructional practices. To foster improvement of teacher performance, the principal is to provide instructional coaching and feedback, create a team atmosphere, and make regular visits to classrooms to establish a climate focused on improvement. One important aspect of NCLB is that it has established the notion that school leaders in the twenty-first century must be strong curriculum and instructional leaders (Glatthorn & Jailall, 2009). The study identified a few indicators of instructional coaching that include providing support and being a competent leader, demonstrator,
sense maker, and life-long learner. In order for any principal to act as an instructional coach, he or she must first be an instructional leader. Northouse (2010) defined leadership as a process in which an individual influences a group of individuals to achieve a common goal. In the current educational reform of alternative compensation pay systems for teachers in education, research has suggested that there is a lack of research on what makes a program successful. Podgursky and Springer (2006) stated that the empirical literature is not sufficiently robust to prescribe how instructional systems should be designed. Often, a closed organizational system with teachers who are resistant to classroom doors being open for transparent instructional practices affects whether program change is possible. According to Bolman and Deal (2008) open-systems model inputs consist of the materials necessary to sustain effective change by conducting regular collaborative meetings that will ensure all voices are heard and by establishing a shared vision as an organization (Bolman & Deal, 2008).

Leadership style can vary depending on the specific outcome the leader wants to accomplish. The common thread of leadership is acting and becoming a change agent. In connection with current research, we could align instructional leadership with a transformational leader. Transformational leadership involves an exceptional form of influence that motivates followers to accomplish more than what is usually expected of them (Northouse, 2010). As a transformational leader of change, a leader needs to be mindful of the essential concerns that are applicable with transformational change, such as emotions, values, ethics, standards, and long-term goals (Northouse, 2010). Participants responded that part of an instructional leader is to be a sense-maker, and sense-making is a trait of transformational leadership. Transformational leadership
involves an exceptional form of influence that motivates followers to accomplish more than what is usually expected of them (Northouse, 2010). One leading in a culture of change as a change agent understands change itself, first. Fullan (2001) stated that understanding the change process is less about innovation and more about innovativeness.

As a change agent, the leader must identify the needs, reflect on how to implement and sustain change, and set expectations as the leader of change. As the lead change agent, it is the responsibility of the principal to ensure a positive change by acknowledging staff members’ emotions, values, ethics, standards, and long-term goals within the process. Figure 2 was adapted from Glickman et al.’s (2005) chaos theory research, which provides support for teachers, staff members, and stakeholders in understanding the process and role of change taking place within the school district’s environment.

In the leadership section of the literature review in chapter 2, the researcher noted the five fundamentals of leadership practice developed by Kouzes and Posner (2002), which were developed through a process of interviewing leaders on what best experiences made them successful leaders. The five fundamental practices guide leaders to ensure exemplary leadership. Table 4 shows the interesting correlation between the five fundamentals of leadership practice and responses from current practice in a pay-for-performance system.
Conclusions

The evidence outcomes of this study are based on the perceptions of six school principals regarding how they make sense of their leadership role in a pay-for-performance system, which demonstrates a varied range of perceptions and some congruency between perceptions and current research. Preis (2010) reported that consideration of pay-for-performance compensation begins with the need to define effective teaching because the level of education and years of experience are not shown as strong predictors of positive student achievement outcomes. The researcher found limited research on the leadership role in a pay-for-performance system as well as minimal research on the importance of paying teachers’ pay-for-performance pay for student academic achievement outcomes. The little bit of research that does exist on these topics is narrow and limited in design. Participants from this study believed that without core beliefs and insight from all stakeholders, the pay-for-performance system will have no solid foundation on which to build. They felt that without a foundation to base all actions and decisions on, the system is essentially an illusion. Whether or not extrinsic rewards or intrinsic rewards motivate teachers best is not the major issue affecting our educational system today; rather, it is how to implement an effective pay-for-performance system and what kind of leaders we need to drive such systems.
<table>
<thead>
<tr>
<th>Kouzes and Posner’s five fundamental practices</th>
<th>Participant responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model transparency by being clear about my own values and philosophy.</td>
<td>“Must be clear, set goals of where you are headed, have to make sure that teachers know this is what you are going to be evaluated on and that they are trained on.”</td>
</tr>
<tr>
<td></td>
<td>“The key to being a principal in a pay-for-performance system is to be a sense maker. Helping the teachers understand the process, reasoning, procedures, benefits, and provide feedback.”</td>
</tr>
<tr>
<td></td>
<td>“I think it goes back to really making sure that staff is on the same page with you and your philosophy. My personal philosophy as a principal is aligned with district philosophy and spending the time you need to understand the system.”</td>
</tr>
<tr>
<td>Inspire a shared vision that can guide staff’s behavior.</td>
<td>“I think in order to implement a pay-for-performance system it needs to be done methodically and systemically. In order for you to start implementing it you have to start building awareness. Having a really solid plan and getting all stakeholders involved in the process of developing, implementing, and sustaining the system. Making sure that all staff members understand how it makes a difference and conduct an analysis on the way you plan to implement the system.”</td>
</tr>
<tr>
<td>Challenge the status quo by stepping into the unknown with confidence.</td>
<td>“With more accountability there comes more ‘creative attention.’ I like to call it creative attention because it can motivate instead of instill fear. When accountability is high and people know that their results are going to be made public. There is something about that. That will push us to be better. So just being transparent and being okay with the transparency. Embracing the culture of feedback and really being students of data. I think that is the key, learning from the data, making a commitment to using the data, embracing it if it is good or bad and being responsible for the results by making the necessary changes. Challenging the status quo.”</td>
</tr>
<tr>
<td>Enable others to act by using distributive leadership theory to work collaboratively in groups with all levels of stakeholders such as accountability teams with parents, teachers, and other community members.</td>
<td>“Coaching and involving a lot of eyes to collaborate a ‘culture of high excellence.’ You can never under estimate the power of opening the classroom doors. You really minimize how powerful the opening of the doors is. Allowing teachers to be part of the leadership role in peer coaching.”</td>
</tr>
<tr>
<td></td>
<td>“It is part of the system to share leadership roles. In fact, it is on the Proficient III rubric of contributing to the profession. Shared leadership in this system gives teachers roles and duties that directly affect instruction, building action plan, and/or teacher development. This allows us as a team to have a ‘collective brain’ to sustain the system.”</td>
</tr>
<tr>
<td>Lead with the heart by rewarding others for their accomplishments and successes of teaching.</td>
<td>“A pay-for-performance system can be good but it must be the right thing for all students. I believe that a pay-for-performance system is good. I feel this system is in the beginning stage. A relationship piece must be added into the system to have a true impact on students.”</td>
</tr>
<tr>
<td></td>
<td>“I think that the integrity again plays a significant role of making sure that the system is rigorous and fair.”</td>
</tr>
</tbody>
</table>
As noted in chapter 2, DeGrow (2011) reported that the Study School District’s plan focuses on five main aspects to ensure effectiveness:

- Training principals as instructional leaders who are held accountable for the quality of instruction;
- Creating and maintaining a culture of regular, consistent, and effective instructional feedback based on frequent observations by principals and other professional instructional staff members;
- Effective teacher evaluation instruments that make useful distinctions based on measureable goals and observations using a common rubric system to establish equalization in scoring;
- A system that collects and analyzes data for use in improving student instruction; and
- A system that provides professional development support for teachers and principals to work together to improve instruction.

An overarching concept that emerges throughout the study is that it will take collaborative efforts of dedicated, highly qualified teachers, instructional school leaders, parents, and students investing in a college- and career-ready mindset to impact student achievement and raise our nation’s education system to the level that becomes competitive with other nations. Research has suggested that a rigorous evaluation system can be used to manage individual teacher performance effectively (Parsavand, 2010). Participants indicated that in order for an effective systemic pay-for-performance system to work successfully, teacher pay must be linked to teacher performance to push teachers harder. According to Toch (2009), an executive director of the Association of
Independent Schools of Greater Washington and former guest scholar at the Brookings Institution, “Linking teacher pay to performance can’t move forward until resolution of questions regarding fairness, teacher evaluation, and the relationship of test scores to teaching quality” (p. 99).

As teacher pay models change throughout the generations, teacher motivation is likely to change, too. Determining teachers’ motivational factors for entering and remaining in the teaching profession today is essential for deciding how to reform the single-salary schedule. For example, in order to believe that pay-for-performance will produce greater results through monetary incentives alone, one must believe that a substantial number of teachers simply aren’t trying hard enough Gratz (2005). Therefore, teacher effectiveness should be highly predictable based on students achieving academic success and the leadership support they are given. Schmoker (1999) showed that if teachers are effective, then their results should be relatively predictable. However, there are not many studies currently published that support this concept. It is predicted that research will be taking place in Colorado school districts to identify key variables that will be able to correlate teacher effectiveness with student achievement. According to Lortie (1975), the practice of monitoring instruction and holding teachers and administrators accountable is critical in promoting change within the school.

Implications

The findings of this study imply that the new system needs to be understood better. Principals must lead change, make sense of changes, act as change agents, and make sense of their leadership roles in a pay-for-performance system. It is about
understanding change, how to be a change agent, the stages of change, the model of leadership, and incentivizing. Although some of the research discussed in this study suggests the leadership role in a pay-for-performance system must include instructional coaching, sense making, and instilling a shared vision, this angles more toward the leadership model in a new climate that is not specific to a pay-for-performance system. According to Bolman and Deal (2008), in their book, *Reframing Organizations*, open-systems model inputs consist of the materials necessary to sustain effective change by conducting regular collaborative meetings that will ensure all voices are heard and by establishing a shared vision as an organization (Bolman & Deal, 2008). More research needs to be conducted on these topics. Building networks and networking are essential to providing a support system for those experiencing resistance and providing pushback. Lunenburg and Ornstein (2008) said one of the most typical responses to any change is resistance. They stated that school administrators need to understand the common causes of resistance to change, which include interference with need fulfillment, fear of the unknown, threats to power and influence, knowledge and skill boundaries, organizational structure, limited resources, and collective bargaining agreements. While the word resistance wasn’t use by any of the principals, several principals did make statements that suggested they understood that teachers had to understand why the change was being made:

I think it goes back to really making sure that staff is on the same page with you and your philosophy. My personal philosophy as a principal is aligned with district philosophy and spending the time you need to understand the system.
Must be clear, set goals of where you are headed, have to make sure that teachers know this is what they are going to be evaluated on and that they are trained on. These statements suggest that principals need to take steps to prevent resistance by the teachers and sell the new plan so that there would be agreement.

In December 2013, Colorado Senate Bill 191 will become law, compelling all school districts in Colorado to turn in a plan of implementation on how the district will directly tie at least 50% of student academic achievement to teacher effectiveness. It is safe to say that financial incentives by themselves may not assist school districts in establishing a sustainable pay-for-performance system where quality educators want to join the profession or help retain effective teachers that are in the profession now. A more effective pay structure, researchers have argued, would focus on retaining the best teachers while pushing out those instructors not meeting the expectations (Podgursky & Springer, 2011). The findings suggest that incentives in isolation will not sustain a system. The system must be congruent to core beliefs and strong leadership. But first the model of leadership must be clear and understandable. School administrations were mandated to develop a set of effective teaching practices and school improvement plans. As noted in Springer and Gardner (2010), Murnane and Cohen (1986) documented a lack of accountability tied to efficiently measuring teacher effectiveness. Springer and Gardner (2010) noted that this weak correlation between teacher effectiveness and performance monitoring is one reason that pay-for-performance systems failed during that timeframe.
Recommendations for Future Research

This section offers recommendations for future research on the topic of understanding leadership roles in new systems. The leadership model should support assessing teachers’ motivational needs and should value teachers as important members of the organizational community by establishing continuous dialogue regarding the change process. As a transformational leader of change, a leader needs to be mindful of the essential concerns that are applicable to transformational change—such as emotions, values, ethics, standards, and long-term goals (Northouse, 2010). Suggestions for future research include the following:

1. Research should examine the process of implementing a pay-for-performance system with regard to affecting student academic achievement in high-performing schools.

2. Perform a mixed-methods study that correlates teacher effectiveness, proficiency placement, and area of teaching focus. This would include, for example, identifying the quantitative proficiency placement of a special education teacher and triangulating the data with qualitative data from the participant on their view of direct correlation between their teaching and their placement on the proficiency scale.

3. This same study can be conducted to study teachers’ perspectives of school leadership in a pay-for-performance system with regard to improving teacher effectiveness, teacher retention, and motivation.

4. This same study can be conducted with the findings that arose. Therefore, instead of developing an understanding of principals’ views on leadership
roles in a pay-for-performance system, an outside researcher who does not know any of the participants professionally could directly talk to principals about how they make sense of their leadership roles in a changing climate.

5. Research indicates that it is a problematic task to classify teachers’ individual contributions toward student achievement. Further research is needed on “the data and methodological requirements for using student achievement tests as a gauge of teacher effectiveness” (Goldhaber, 2006).

**Recommendations for Practice**

The following recommendations for practice are offered in the areas of leading change, change agents, stages of change, and leadership models. By holding true to the open-systems model and the gears of change, principals can ensure that the communication lines will be open and the change process is transparent by creating a positive experience for staff and adding a constructive contribution to the educational reforms of the twenty-first century. Once the leader has accepted that change must take place within the organization, one must understand how to become a *change agent*, to create the steps that need to take place to ensure a positive change in the organization, and to have a plan on how to deal with staff members who are resistant to change. A principal leading in a pay-for-performance system will endure change at every level; therefore, it is essential that one of his or her roles is change agent. With a strong network of support, change can be more manageable (Bolman & Deal, 2008).

The following recommendations for practice are offered:

1. Principals leading in a pay-for-performance system must play an active role as instructional leader. An instructional leader is visible every day in the
classrooms, providing constructive feedback and providing support to help teachers attain the goal. Instructional leaders are competent in the systems policies and procedures, curricula, best practices, and communication.

2. Understand and design programs that have the four frameworks of Bolman and Deal to ensure human resource, political, structural, and political elements are addressed in establishing a sustainable system.

3. Establish leaders to be sense makers. The most effective system has sense makers talking, teaching, and reinforcing the system. It is essential to create a culture of understanding. When a rumor is floating around, have staff go straight to the source and defuse any rumors before they become toxic.

4. Align curricula, assessments, instruction, and resources to the same outcome. If you have teachers who are not utilizing curriculum maps for instruction, there will be a gap in achievement and instruction which will reflect on teacher effectiveness.

5. Develop and implement an effective evaluation tool that all stakeholders can understand and interpret. Often one department creates the curriculum, another creates the assessments, and another creates the evaluation tool. All these departments are very good at what they do, but there is nothing connecting them. A recommendation would be to gather the teams together to brainstorm—to develop a theoretical framework for creating a systematic system with congruency.
Summary

This study was used to understand representative principals’ views of the leadership roles and demands when leading a school in a district that has moved to a new pay-for-performance system. It was important to talk to principals because they have an important role in leading implementation of this new approach. How principals lead directly impacts success or failure of the new system and, ultimately, the school. The principal is charged with setting goals: hiring, supporting and evaluating teachers and helping to create a climate in which students and teachers succeed. This study describes the different perspectives of sense making and leadership roles in a recently changed system. The four themes from this study are (a) high culture of excellence, (b) sense making, (c) maintaining balance, and (d) instructional leadership. These themes emerged from the data in this study as significant concepts leaders in a pay-for-performance system should understand before becoming a successful principal leading in times of change. All the themes provide different roles leaders should make sense of and implement when leading in a pay-for-performance system.

The researcher believes the findings of this study will lead to further studies on understanding leadership needs in pay-for-performance systems. Conducting research from this viewpoint will greatly impact administrators, policyholders, educators, and students. The ultimate goal of this research was to produce a study that encourages leaders to think about how their leadership roles make sense in a changing system. The Obama Administration’s 2011 budget request designated an additional $950 million for a new Teacher and Leader Innovation Fund that would support the development and implementation of performance-oriented approaches to recruiting, retaining, and
rewarding highly effective educators (Springer & Gardner, 2010). The researcher feels it is important to note that effective teaching is not determined solely by obtaining a highly qualified licensure as required by the NCLB law passed in 2001, but rather it is about highly effective teaching that produces the student academic growth and building relationships. The most effective way to foster change in an organization is through the development of relationships (Fullan, 2010).
References


Appendix A—Principal Interview Consent

Dear Participant,

I am asking you to participate in a research study. This form is designed to give you information about this study. I will describe this study to you and answer any of your questions.

Project Title:
Leading in Times of Change: Principals’ Perspectives of Their Roles in a New Pay-for-Performance System.

Principal Investigator:
Amanda Ortiz-Torres
Denver University Doctoral Candidate
amandaortiz2006@yahoo.com
Phone: (719) 200-4107

Faculty Advisor:
Kent Seidel, PhD
Education Department
kent.seidel@du.edu
Phone: (303) 871-2496
Fax: (303) 871-3027
What the Study Is About

This study was developed to be conducted in a current pay-for-performance system that has been in full implementation stage for at least 2 years. The ultimate goal of this research is to produce a study that will promote the leadership characteristics and qualities of what it takes to lead change in a new pay-for-performance system. The results of this study will be used to recommend further study on the topic of pay-for-performance systems.

What We Will Ask You to Do

The researcher is asking you to participate in a face-to-face 30-minute interview. This interview is designed to inform the researcher of principals’ perspectives and experiences on implementing pay-for-performance system to raise student achievement, improve teacher performance, and promote teacher retention. For the purposes of this study, a “pay-for-performance system” is defined as a system that uses funding to provide support for placement and movement on the pay-for-performance proficiency scale based on their professional performance and for direct correlation to student academic achievement levels as indicated by standardized test scores or other forms of assessment. The data produced from this interview will allow the researcher to make conclusions and recommendations regarding the use of pay-for-performance system and their perceived impact on student achievement, teacher performance, and teacher retention.

It is important for you to know that the information you provide during this interview will be kept confidential and the findings will be reported anonymous.
**Risks and Discomforts**

I do not anticipate any risks from participating in this research.

**Benefits**

The research anticipates that the findings from the study will result in an increased knowledge about what school leaders face in implementing a pay-for-performance system and the implications it takes to lead in a pay-for-performance system adding to the field of research.

**Privacy/Confidentiality**

This research will involve face-to-face interview following semi structured protocols; we anticipate that your participation in this interview will present no greater risk than everyday interaction with people.

**If You Have Questions**

The main researcher conducting this study is Amanda Ortiz-Torres, a doctoral student at the University of Denver. Please ask any questions you have now. If you have questions later, you may contact me at amandaortiz2006@yahoo.com or at (719) 200-4107. You can also contact my faculty advisor, Dr. Kent Seidel at kent.seidel@du.edu or at (303) 871-2496. If you have any concerns or complaints about how you were treated during the interview, please contact Paul Olk, Chair, Institutional Review Board for the Protection of Human Subjects, at 303-871-453. Or du-irb@du.edu, Office of Research and Sponsored Programs at 303-871-4050 or write to either at the University of Denver, Office of Research and Sponsored Programs, 2199 S. University Blvd., Denver, CO
80208-4820. You may also report your concerns or complaints anonymously through Ethicpoint online at www.hotline.cornell.edu or by calling toll free at 1-866-293-3077. Ethicpoint is an independent organization that serves as a liaison between the University and the person bringing the complaint so that anonymity can be ensured.

Statement of Consent

I have read the above information, and have received answers to any questions I asked. I consent to take part in the study.

Participant Signature___________________________________________ Date_______

Your Name (printed)_______________________________________________

Signature of person obtaining consent_____________________________ Date_____________

Printed name of person obtaining consent_____________________________

I agree to be audio recorded for my interview. ___ yes or ____ no

This consent form will be kept by the researcher for at least 5 years beyond the end of the study.
Appendix B—Qualitative Instrument

Principal Interview Questions

Researcher: Amanda Ortiz-Torres

Leading in Times of Change: Principals’ Perspectives of Their Role in a New Pay-for-Performance System

This interview is designed to inform the researcher of principals’ perspectives of how they make sense of their leadership role in a new pay-for-performance system. For the purposes of this study, a “pay-for-performance system” is defined as a system that uses funding to provide support for placement and movement on the pay-for-performance proficiency scale based on their professional performance and for raising student academic achievement levels as indicated by standardized test scores or other forms of assessment. The data produced from this interview will allow the researcher to make conclusions and recommendations regarding the use of pay-for-performance system and their perceived impact on student achievement, teacher performance, and teacher retention.

It is important for you to know that the information you provide during this interview will be kept confidential and the findings will be reported anonymous.

Demographic Questions

1. Gender F or M
2. Select your age category:
   __21-25 years__ _26-30 years__ __31-35 years__ __36-40 years__ __41-45 years__
   __46-50 years__ __51-55 years__ __56-60 years__ __61+

3. Which best describes your ethnic background _______________________
   (Asian, Black, Hispanic, Native American/Alaskan Native, White, Multiracial)

4. What is the highest degree that you have earned?____________________

5. How many years have you been employed as a school principal?__________

6. What is your teaching background and experience?____________________

**Interview Questions**

1. How do you implement the use of pay-for-performance system to help raise
   student academic achievement?

2. What do you think is key about being a principal in a pay-for-performance pay
   system in regards to raising student academic achievement?

3. How do you implement the use of pay-for-performance system to help improve
   teacher performance?

4. What do you think is key to improving teacher performance in a pay-for-
   performance pay system?

5. How do you implement the use of pay-for-performance system to promote teacher
   retention?
6. What do you think as a leader, is the best way to promote teacher retention?

7. What are some measures that your school has implemented to raise student achievement and how do you feel about these measures?

8. Based on your experience, what do you feel is the relationship between students’ low academic achievement and teacher performance?

9. Briefly describe your school’s experiences with meeting Adequate Yearly Progress criteria and how do you think this will impact your efforts in implanting a pay-for-performance system?

10. What is the role of a principal’s leadership in a pay-for-performance system?

11. What do you feel is the difference in leading in a pay-for-performance system versus a traditional salary schedule system?
Appendix C—District Pay-for-Performance Survey and Results

Pay-for-Performance Staff Survey

March 2012

1. I believe licensed professionals should be compensated based on performance and student achievement results:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree

2. A pay for performance plan will contribute to our students’ academic success:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree

3. I support the pay-for-performance plan:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree
4. I believe I have been or will be placed at the right proficiency level of the pay-for-performance plan:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree

5. The pay-for-performance plan has motivated me to provide the best instruction possible for my students:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree

6. I understand the achievement template for my grade and discipline:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree
7. The achievement templates generally include the right mix of student achievement data to accurately measure student academic achievement:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree

8. The Assessment Sets and CBMs are aligned to the District Curriculum Map:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree

9. Overall, the assessment sets and CBMs accurately measure what my students know and are able to do:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree
10. Results of the assessment sets and CBMs should be part of how a teacher’s effectiveness is measured:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree

11. The District teacher performance evaluation instrument helps improve job performance:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree

12. The District evaluation instrument assesses standards and benchmarks that are important to improving the quality of instruction:
   - Strongly agree
   - Agree
   - Neutral
   - Disagree
   - Strongly disagree
## Results

Table C1  
*Pay-for-Performance Survey Results*

<table>
<thead>
<tr>
<th>District-wide survey question</th>
<th>Participant response</th>
<th>Comparison data (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2010 results</td>
</tr>
<tr>
<td>1. I believe licensed professionals should be compensated based on performance and student achievement results:</td>
<td>Strongly agree</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>3</td>
</tr>
<tr>
<td>2. A pay for performance plan will contribute to our students’ academic success:</td>
<td>Strongly agree</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>3</td>
</tr>
<tr>
<td>3. I support the pay-for-performance plan:</td>
<td>Strongly agree</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>4</td>
</tr>
<tr>
<td>4. I believe I have been or will be placed at the right proficiency level of the pay-for-performance plan:</td>
<td>Strongly Agree</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>7</td>
</tr>
<tr>
<td>5. The pay-for-performance plan has motivated me to provide the best instruction possible for my students:</td>
<td>Strongly agree</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>—</td>
</tr>
<tr>
<td>6. I understand the achievement template for my grade and discipline:</td>
<td>Strongly agree</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>5</td>
</tr>
<tr>
<td>7. The achievement templates generally include the right mix of student achievement data to accurately measure student academic achievement:</td>
<td>Strongly agree</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>4</td>
</tr>
</tbody>
</table>


| 8. The Assessment Sets and CBMs are aligned to the District Curriculum Map: | Strongly agree | — | 8 |
| Agree | — | 54 |
| Neutral | — | 27 |
| Disagree | — | 9 |
| Strongly disagree | — | 2 |

| 9. Overall, the assessment sets and CBMs accurately measure what my students know and are able to do: | Strongly Agree | — | 3 |
| Agree | — | 32 |
| Neutral | — | 28 |
| Disagree | — | 28 |
| Strongly Disagree | — | 8 |

| 10. Results of the assessment sets and CBMs should be part of how a teacher’s effectiveness is measured: | Strongly Agree | — | 9 |
| Agree | — | 46 |
| Neutral | — | 27 |
| Disagree | — | 14 |
| Strongly Disagree | — | 4 |

| 11. The District teacher performance evaluation instrument helps improve job performance: | Strongly Agree | 16 | 13 |
| Agree | 40 | 50 |
| Neutral | 28 | 22 |
| Disagree | 11 | 6 |
| Strongly Disagree | 4 | 2 |

| 12. The District evaluation instrument assesses standards and benchmarks that are important to improving the quality of instruction: | Strongly Agree | — | 13 |
| Agree | — | 58 |
| Neutral | — | 22 |
| Disagree | — | 6 |
| Strongly Disagree | — | 2 |

General perspectives were drawn from the pay-for-performance survey results to develop 11 interview questions. The survey was given at the beginning of 2010, which was the first year the pay-for-performance system was unveiled. The pay-for-performance conceptual framework was introduced and piloted in 2010 while teachers were still on the traditional salary compensation schedule. In 2012, the survey was given again to measure any changes in perception of the district’s pay-for-performance system. In 2012, the pay-for-performance system was fully implemented and all of the teachers were placed on the pay-for-performance proficiency scale. The following survey questions were analyzed to help the researcher develop interview questions for the
principals’ interviews based on survey participant discrepancy of agreeing or disagreeing. The researcher first identified the survey question followed by the participants’ responses.

**Survey Q1. I believe licensed professionals should be compensated based on performance and student achievement results.**

The response was heavily weighted in the agree section of the scale, where 69% of the responses agreed or strongly agreed that licensed professionals should be compensated based on performance and student achievement. Comparing 2010 and 2012, there was an overall positive change in attitude, showing a 4% gain in respondents agreeing.

**Survey Q2. A pay for performance plan will contribute to our students’ academic success.**

The survey results indicated that 57% of the respondents agreed or strongly agreed. Comparing 2010 and 2012, there was an overall positive change in attitude, showing a 3% gain in respondents agreeing.

**Survey Q3. I support the pay-for-performance plan.**

The response was heavily weighted in the agree section of the scale where 56% of the respondents agreed or strongly agreed that they support the pay-for-performance plan. Comparing 2010 and 2012, there was a growth of respondents moving from neutral to the agree section. There was a 5% drop in respondents disagreeing from 2010 to 2012—from 18% to 13% of respondents disagreeing or strongly disagreeing.
Survey Q4. I believe I have been or will be placed at the right proficiency level of the pay-for-performance plan.

The survey results indicated that in 2010, 60% of the respondents agreed or strongly agreed and 41% of the respondents were neutral, disagreed, or strongly disagreed. In 2012, 53% of the respondents agreed or strongly agreed and 45% were neutral, disagreed, or strongly disagreed. Comparing 2010 and 2012, there was a movement of responses from the agree section to disagree section of the scale, which would correlate as adverse movement—leaving stakeholders to think about the process and what influenced such responses.

Survey Q5. The pay-for-performance plan has motivated me to provide the best instruction possible for my students.

There is no comparison data for this question. Survey results indicated that 15% of the respondents strongly agreed, 34% agreed, 27% were neutral, 19% disagreed, and 6% strongly disagreed that the pay-for-performance plan motivated them to provide the best instruction possible for the students.

Survey Q6. I understand the achievement template for my grade and discipline.

The survey results indicated that in 2010, 58% of respondents agreed or strongly agreed, and 42% were neutral, disagreed, or strongly disagreed. In 2012, 70% of respondents agreed or strongly agreed and 30% were neutral, disagreed, or strongly disagreed. Comparing 2010 and 2012, there was a movement of responses from the disagreed section to agree section of the scale, which would correlate as an optimistic
change of 12% moving from the disagree section to the agree section; this suggests the achievement template is understood by the majority of participants.

Survey Q7. The achievement templates generally include the right mix of student achievement data to accurately measure student academic achievement.

The survey results indicated that in 2010, 42% of agreed or strongly agreed and 58% of respondents were neutral, disagreed, or strongly disagreed. In 2012, 43% of respondents agreed or strongly agreed and 57% were neutral, disagreed, or strongly disagreed. Comparing 2010 and 2012, the change was minimal by a few percentage points. The change was so small it was not significant enough to say participants had a change in belief that the achievement templates contain the right mix of student achievement data to accurately measure student academic achievement.

Survey Q8. The Assessment Sets and CBMs are aligned to the District Curriculum Map.

There is no comparison data for this question. Survey results indicated that 8% strongly agreed, 54% agreed, 27% were neutral, 9% disagreed and 2% strongly disagreed that the assessment sets and CBMs are aligned to the district curriculum maps.

Survey Q9. Overall, the assessment sets and CBMs accurately measure what my students know and are able to do.

There is no comparison data for this question. Survey results indicated that 3% of respondents strongly agreed, 32% agreed, 28% were neutral, 28% disagreed, and 8%
strongly disagreed that overall, the assessment sets and CBMs accurately measure what students know and are able to do.

**Survey Q10. Results of the assessment sets and CBMs should be part of how a teacher’s effectiveness is measured.**

There is no comparison data for this question. Survey results indicated that 9% of respondents strongly agreed, 46% agreed, 27% were neutral, 14% disagreed, and 4% strongly disagreed that the results of the assessment sets and CBMs should be part of how a teacher’s effectiveness is measured.

**Survey Q11. The District teacher performance evaluation instrument helps improve job performance.**

The survey results indicated that in 2010, 56% of respondents agreed or strongly agreed, and 43% were neutral, disagreed, or strongly disagreed. In 2012, 63% of respondents agreed or strongly agreed, and 36% were neutral, disagreed, or strongly disagreed. Comparing 2010 and 2012, there was an overall movement of 7% in both sections of the scale, representing a positive change in the belief that the district teacher performance evaluation instrument helps improve job performance.

**Survey Q12. The District evaluation instrument assesses standards and benchmarks that are important to improving the quality of instruction.**

There is no comparison data for this question. Survey results indicated that 13% of respondents strongly agreed, 58% agreed, 22% were neutral, 6% disagreed, and 2%
strongly disagreed that the district evaluation instrument assesses standards and benchmarks that are important to improving the quality of instruction.
Appendix D—Focus Group Framework

Focus Group Questions

Researcher: Amanda Ortiz-Torres

*Leading in Times of Change: Principals’ Perspectives of Their Role in a New Pay-for-Performance System*

This focus group is designed to follow up with key issues that arose in the interview process to gather evidence of principals’ perspectives and roles on implementing pay-for-performance system to raise student achievement, improve teacher performance, and promote teacher retention. For the purposes of this study, a “pay-for-performance system” is defined as a system that uses funding to provide support for placement and movement on the pay-for-performance proficiency scale based on their professional performance and for raising student academic achievement levels as indicated by standardized test scores or other forms of assessment. It is important for you to know that the information you provide during this focus group will be kept confidential and the findings will be reported anonymous.

**Introductory Question**

1. In general, what are characteristics of “High Culture of Excellence” in a pay-for-performance system K-12?
Linking Questions

1. Core Beliefs, Mission statements, School Visions, Attitudes, and Values are key indicators in education today. How do these indicators align with implementing a pay-for-performance system?

2. “Right Balance” was stated many times during the interview process. What is the “right balance” in a pay-for-performance system in regards to motivation and good teaching?

Key Question

1. Throughout the interview process the researcher concluded that one of the most significant roles a leader was to be an instructional coach. What are the key indicators of instructional coaching? How does instructional coaching shape and mold an effective pay-for-performance system?
Appendix E—Connections Between the Interview Questions and Research Questions

All participants were asked open-ended questions in the interview. These questions were constructed to directly answer the research questions outlined in this study. Table E1 illustrates the relationship between the open-ended interview questions and the research questions for this study. Question 9 of the interview questionnaire is not listed in the table because it is not directly related to any one of the research questions.
<table>
<thead>
<tr>
<th>Interview questions</th>
<th>Research questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How do you implement the use of pay-for-performance system to help raise student academic achievement?</td>
<td>2. What are principal perceptions regarding a pay-for-performance system and raising student achievement, improving teacher performance, and promoting teacher retention?</td>
</tr>
<tr>
<td>2. What do you think is key about being a principal in a pay-for-performance pay system in regards to raising student academic achievement?</td>
<td>1. What is the role of principals’ leadership in a pay-for-performance system?</td>
</tr>
<tr>
<td>3. How do you implement the use of pay-for-performance system to help improve teacher performance?</td>
<td>2. What are principal perceptions regarding a pay-for-performance system and raising student achievement, improving teacher performance, and promoting teacher retention?</td>
</tr>
<tr>
<td>4. What do you think is key to improving teacher performance in a pay-for-performance system?</td>
<td>2. What are principal perceptions regarding a pay-for-performance system and raising student achievement, improving teacher performance, and promoting teacher retention?</td>
</tr>
<tr>
<td>5. How do you implement the use of pay-for-performance system to promote teacher retention?</td>
<td>2. What are principal perceptions regarding a pay-for-performance system and raising student achievement, improving teacher performance, and promoting teacher retention?</td>
</tr>
<tr>
<td>6. What do you think as a leader, is the best way to promote teacher retention?</td>
<td>4. What differences do principals perceive about leading in a pay-for-performance system versus in a traditional salary schedule system?</td>
</tr>
<tr>
<td>7. What are some measures that your school has implemented to raise student achievement and how do you feel about these measures?</td>
<td>2. What are principal perceptions regarding a pay-for-performance system and raising student achievement, improving teacher performance, and promoting teacher retention?</td>
</tr>
<tr>
<td>8. Based on your experience, what do you feel is the relationship between students’ low academic achievement and teacher performance?</td>
<td>3. What are principal perceptions regarding the relationship between students’ academic achievement and teacher performance?</td>
</tr>
<tr>
<td>10. What is the role of a principal’s leadership in a pay-for-performance system?</td>
<td>1. What is the role of principals’ leadership in a pay-for-performance system?</td>
</tr>
<tr>
<td>11. What do you feel is the difference in leading in a pay-for-performance system versus a traditional salary schedule system?</td>
<td>4. What differences do principals perceive about leading in a pay-for-performance system versus in a traditional salary schedule system?</td>
</tr>
</tbody>
</table>
Appendix F—Reframing Kotter’s Change Stages

<table>
<thead>
<tr>
<th>Kotter’s change stage</th>
<th>Structural frame</th>
<th>Human resource frame</th>
<th>Political frame</th>
<th>Symbolic frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sense of urgency</td>
<td></td>
<td>Involve people throughout the organization; solicit input</td>
<td>Network with key players; use power-based</td>
<td>Tell a compelling story</td>
</tr>
<tr>
<td>2. Guiding the team</td>
<td>Develop coordination strategy</td>
<td>Run team-building exercises for guiding team</td>
<td>Stack team with credible, influential members</td>
<td>Put commanding officer on team</td>
</tr>
<tr>
<td>3. Uplifting vision and strategy</td>
<td>Build implementation plan</td>
<td>Hold meetings to communicate direction, get feedback</td>
<td>Create arenas; build alliances; defuse opposition</td>
<td>Craft a hopeful vision of future rooted in organization history</td>
</tr>
<tr>
<td>4. Communicate vision and strategy through words, deeds, and symbols</td>
<td>Create structures to support change process</td>
<td></td>
<td>Visible leadership involvement; kickoff ceremonies</td>
<td></td>
</tr>
<tr>
<td>5. Remove obstacles and empower people to move forward</td>
<td>Remove or alter structures and procedures that support the old ways</td>
<td>Provide training, resources, and support</td>
<td>Stage public hearings of counterrevolutionaries</td>
<td></td>
</tr>
<tr>
<td>6. Early wins</td>
<td>Plan for short-term victories</td>
<td></td>
<td>Invest resources and power to ensure wins</td>
<td>Celebrate and communicate early signs of progress</td>
</tr>
<tr>
<td>7. Keep going when going gets tough</td>
<td>Keep people on plan</td>
<td></td>
<td></td>
<td>Hold revival meetings</td>
</tr>
<tr>
<td>8. New culture to support new ways</td>
<td>Align structure to new culture</td>
<td>Create a “culture” team; broad involvement in developing culture</td>
<td></td>
<td>Mourn the past; celebrate heroes of the revolution; share stories of the journey</td>
</tr>
</tbody>
</table>