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ABSTRACT

Traditionally, teacher compensation has been viewed in isolation from other components of organizational reform. This paper examines changes in dominant models of schooling over time using an organizational lens. The six models include scientific management, humanistic/specialization, effective schools, content-driven, high standards/high involvement, and virtual schools. Teacher compensation is examined as a piece of the organizational system to determine how compensation has or has not kept pace with changes in schools as organizations. Throughout the latter half of this century, the dominant teacher-compensation strategy supported organizational values, goals, and structures of the scientific-management model. However, teaching has become a complex task with high demands for knowledge and skills in pedagogy, subject-matter content, leadership, and management. This change requires that organizations focus structures and resources to support teachers in meeting these organizational goals and expectations. Teacher compensation is a valuable organizational component that could be used to support the skill and knowledge development of teachers, and to provide incentives for teacher teams and school faculties that improve their students' achievement. Teacher compensation should be examined as an element of school systems that can be restructured to reinforce overall reform goals and strategies. While avoiding simplistic individual incentive and merit-pay plans, policymakers should consider large components of skill-based pay, team and school performance awards, and other pay structure changes. One figure and one table are included. (Contains 29 references.) (LMI)

TEACHER COMPENSATION AND ORGANIZATION

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ABSTRACT

Traditionally, teacher compensation has been viewed in isolation from other components of organizational reform. This paper examines changes in dominant models of schooling over time using an organizational lens. The six models examined include scientific management, humanistic/specialization, effective schools, content-driven, high standards/high involvement, and virtual schools. Teacher compensation is examined as a piece of the organizational system to see how compensation has or has not kept up with changes in schools as organizations. New models of compensation are proposed which better mesh with current and potentially future conceptualizations of schools and teachers.

Teacher Compensation and Organization

Systems thinking is not new to educators. "School system" has described groups of schools and districts for many years. Systemic reform represents a recent approach to educational policy in which federal, state, and local policies are designed to support and reinforce one another and to provide for high levels of performance for all students (Fuhrman, 1993). Organizational scholars describe schools and other organizations as rational, natural, and open systems (Scott, 1992), and recommend a systems approach to organizational learning and effectiveness (Senge, 1990).

However, some components of educational organizations have received little attention despite the advancement of systems thinking in education. One such component is compensation. This paper examines the ways in which current forms of teacher compensation, designed to mesh with older organizational forms, have not kept pace with changes in schools. As a result, teacher compensation no longer supports and reinforces organizational goals, structures, and human resource needs present in schools today. This article suggests changes in teacher compensation which would utilize a systems approach, and would better align compensation with school organization.

Traditionally, teacher compensation has been viewed in isolation from other components of organizational reform. The separation of compensation in educational policy and administration is visible in a variety of ways:

- Collective bargaining agreements tend to focus on compensation apart from organizational structures, goals, and technologies.
- In the instances where labor has become involved in developing and negotiating other organizational reform, it is only after putting aside issues of compensation (Koppich & Kerchner, 1990; Smylie & Tuermer, undated).
- Personnel administration courses rarely address issues of compensation theory, and instead teach the elements of the single salary schedule without examination of alternative approaches to compensation.
- Educational administration programs teach finance and collective bargaining in isolation from other educational policy and organizational design issues.
- State and local efforts to reform teacher compensation are rarely linked to local organizational conditions or other educational reform efforts.

Researchers studying businesses have argued that compensation should be designed to support and reinforce other components of organization, such as organizational goals, structures, and processes (Lawler, 1990; 1981). However, the intellectual and practical separation of teacher compensation from other aspects of schools as organizations has resulted in an inattention to the important relationships between the design of schools and the design of teacher compensation systems. This

article attempts to bridge that gap by considering changes in the organizational design of schools over time, and their implications for redesigning compensation incentive and reward structures. It begins by discussing the various components of compensation, each of which need to be considered in the context of the organization in which they will be used to pay employees.

COMPONENTS OF COMPENSATION

Educational administration texts often treat compensation as a single one-dimensional issue in organizational finance. In fact, their are numerous ways to design compensation which enable it to mesh with other organizational goals and create desirable incentives.

INSERT FIGURE ONE ABOUT HERE

Figure 1 shows seven elements of compensation that could be used in the context of an overall organizational design to reinforce other organizational goals and structures. By increasing or decreasing the size of each slice, or by varying the design of any one element, each piece of the compensation pie may be designed to reinforce and reward desirable behaviors, and to attract, retain, and motivate the workforce (Jenkins, 1994; Lawler, 1990). The components include compensation for:

- Membership in the organization: this represents the entry level of compensation offered to new members. Starting salary should be sufficient to attract qualified applicants, and retain new employees. When districts and schools set their beginning salaries, they also determine the competitive pool for new entrants to the organization (see Darling-Hammond, 1994).
- Longevity: also called tenure, years of experience, or loyalty, this provides additional compensation to employees for remaining with the organization over time. A large component of longevity pay is part of compensation in most bureaucratically structured organizations.
- Attendance: this component is useful for organizations that stand to lose substantial productivity if members of the workforce have excessive absences. Attendance might be compensated by paying employees each year for sick or personal days not used. A useful attendance policy would enable employees who are too sick to work to be able to take time off, but provide an incentive or reward for employees to avoid taking time off unnecessarily.
- Skills: This component of compensation provides additional compensation for skills and expertise deemed

desirable by the organization to accomplish its goals. It is particularly useful for organizations that need employees with specialized skills and knowledge, that exist in a context of rapidly changing skills and technologies, or that have complex jobs that require a large investment in time and training to develop.

- Behaviors or outcomes elicited at the individual, team, or organizational level: These are usually offered as bonuses for high or improved performance. They may be added to base salary or provided as bonuses, but bonuses provide a stronger incentive for continuous improvement in performance. Individual incentives are most useful when the individual can control all aspects of his own work, and be readily evaluated on individual performance, circumstances that exist in fewer and fewer of today's organizations (Lawler, 1990; 1981). Team and organizational level incentives are useful in organizations in which no one individual is responsible for meeting organizational goals, but the service or product relies heavily on the work of many individuals, and interactions among them, a characteristic of many organizations today, including schools. Individual, team, and organizational bonuses may also be given for increased efficiency (gain sharing). Gain sharing provides increments or bonuses for identifying ways to

reduce costs and maintain or improve the quality and quantity of work produced (Lawler, 1990).

Within a complex organization, compensation itself can be thought of as a system, embedded with multiple goals and incentives that can and should be linked to other organizational systems to support overall organizational goals. The specific mix of compensation elements depends on the broader organizational goals, structures, values, and human resource needs.

In education, the typical compensation system rewards membership, longevity, and skills (to the degree that they are measured by educational credits). In the 1950s, 70s, and 80s, various states and districts attempted to create individual based merit pay systems as an add-on to these basic elements of teacher compensation (Cornett & Gaines, 1992; Murnane & Cohen, 1986). These individual merit pay plans were short-lived, because they rewarded individual performance in an organization in which outcomes depended on team or organizational performance, as well as the interest and abilities of students, families and communities. In addition, the criteria for individual performance awards and means of assessing performance were vague and inconsistent (Murnane & Cohen, 1986).

In the next section, six different models of school organization are described as organizational systems. The key components of these school organizations are then assessed in

relation to the elements of the compensation model described above, and alternative forms of teacher compensation are considered which might better support and reinforce the goals and values of each model of school organization.

SIX MODELS OF SCHOOLING, 1950-2000

Organizational theory can aid in understanding the development of schools as organizations. The theory is helpful because policymakers and administrators use organizational theory to design and manage schools. In addition, in preparing future workers to function within other organizations, schools provide models through which students can learn how to operate as members of organizations. Thus, it is not surprising that changes in schools can be tracked through changes in organizational theory over time.

Beginning early in this century and continuing through the 1950s, organizations were characterized as rational, mechanistic systems (Scott, 1992). This view valued highly structured, hierarchical organizations characterized by bureaucracy and clear organizational goals. In addition, the scientific management movement emphasized the creation of a cadre of scientifically trained professionals who could design and manage organizations to optimal levels of efficiency. Specialized educational credentials were developed and produced by colleges and universities to signify expertise in the management sciences. In

addition, narrowly delineated responsibilities and clear job descriptions reduced the level of skill required of line workers and made them easily replaceable (Weber, 1946; Taylor, 1916; 1947; Fayol, 1916).

In reaction to the depersonalized bureaucratic character of the rational model, a new model emerged and became dominant in the 1960s in which organizations were viewed as natural, humanistic systems serving human growth, development, and sustenance needs (Scott, 1992; Maslow, 1943; McGregor, 1957). In this view, outcomes were considered a by-product of the true role of organizations, which was to provide purpose and interaction among human beings as social animals.

About the same time, a variety of theoretical approaches to organizations appeared which viewed organizations as open systems, interacting with their environments (Scott, 1992). Among these, institutional theory suggested that schools and other organizations organize themselves in ways that illustrate their effectiveness and legitimacy to external constituents (Meyer & Rowan, 1977; Powell & DiMaggio, 1991). For example, when taxpayers lack the knowledge and access needed to judge whether schools are effective, they look for signs of effectiveness in the form of specialists, popular management reforms, and course offerings present in their local schools. The presence of a gifted and talented coordinator, open classrooms, and new math signified to taxpayers in the 1960s that

their local schools were modern and efficient. (Today we might look instead for social service coordinators, site-based management, and advanced placement calculus, but the principle is the same.)

In the 1980s and 1990s, two trends emerged in the organizational literature. First, one line of organizational thought continued to view organizations as increasingly open systems. For example, network theory examined the relationships among organizations and among professionals to identify important working relationships that crossed traditional organizational boundaries (Powell, 1990). The rapid diffusion of information within networks make them increasingly important as the pace of innovation and discovery quickens, and as competition for scarce resources heightens. The advancement of computer and telecommunications technologies has reinforced this trend by eliminating location as a barrier to meaningful and frequent interaction among individuals. This open systems trend built on earlier views of organizations as loosely coupled systems, with individual initiative and influence dominating, rather than rationally defined organizational goals.

In contrast, a concurrent trend in business has been to focus within the organization on developing and directing employee expertise in support of shared organizational goals. Organizational structures, goals, and values are aligned and made explicit to enhance the motivation and involvement of all

employees and to recognize experience-based expertise throughout the organization. This new focus within the organization is an effort to improve efficiency and performance in light of increasing international competition, to create "high performing" organizations (Lawler, 1986; 1992).

These stages of development of organizational theory are readily visible in the investigation of schools as organizational systems, which follows. Table 1 shows the organizational features of five models of schooling, which were predominant between 1950 and the present, and a sixth model, which describes a possible future scenario given current trends in organization and technology. The six models include scientific management, humanistic/specialization, effective schools, content-driven, high standards/high involvement, and virtual school models. These models were chosen because they have been characteristic of a significant cross-section of schools in the United States, or they represent models of schooling around which a professional concensus has emerged. When the key components of these different school models are used to design a compensation structure that is aligned with them, they illustrate how teacher compensation can be designed to mesh with other organizational goals, values, and structures in schools.

INSERT TABLE 1 ABOUT HERE

Scientific Management. Scientific management, typical of schools in the 1950s, described a formalized, hierarchical school in which decisions were made by the superintendent, who delegated responsibility for carrying them out to district and school-level administrators. Teachers were expected to implement what was essentially a teacher-proof curriculum, and to follow the rules (which pertained to anything from classroom organization to dress to after hours lifestyle and activities). Those interested in making education a career rather than just a job--mostly men--earned administrator credentials and were promoted up and out of teaching to the administrative ranks.

This school model reflected and served a community which valued respect for authority and individualism. Schools developed basic and stable skills needed to support a single lifelong career.

Because the scientific management model valued authority and scientific expertise, human resource policies supported formalized training and credentialing of teachers and administrators for entry into specific, narrowly defined jobs. Teacher credentials were needed to identify scientifically trained teachers for placement in schools. The bureaucratic model emphasized clearly and narrowly defined job responsibilities. Workers were selected for placement based on their ability to demonstrate that they had mastered the entry-level skills associated with a particular job (often signalled by

possession of the appropriate education credential). Once in the job, career development occurred through promotion to more complex, higher level management positions. Thus, scientific management schools rewarded membership and longevity in compensating teachers. Textbooks and curriculum guides created a teacher-proof curriculum, eliminating the need for significant investment in teacher development and planning time. Additional educational credentials were needed for career advancement out of teaching and into other jobs, i.e., administrative positions.

Modern schools formed around this notion of scientific management (Callahan, 1972). The emphasis of the scientific management model on the development of clear and consistent goals, and attention to structures to support and reinforce these goals meant that school structures were created to be consistent with the goals and values implicit in the scientifically managed school.

Teacher compensation, designed in this era, rewarded teachers for longevity (years of experience) and supported "scientific" preservice training for teachers. Since starting salary was at least fifty percent of total salary, this structure placed a high value on membership. Indeed, membership and longevity were the two major components of teacher compensation in this structure. There was no component of compensation for individual, team or school results, since results were the responsibility of top management. Although compensation for

education units "loosely" reflected skills, it represented a small portion of overall compensation and initially was taken advantage of by few teachers. Indeed, the extra units were most often tapped as a way to earn extra compensation while taking the courses needed to leave teaching and enter the administrative ranks.

As other models of schooling emerged over time, they paid less attention to the changing organization of schools. Thus, gradually, some elements became outdated, no longer supporting the goals and values implicit in new models of schooling. As a specific organizational feature of schools, compensation did not change to reflect, support, and reinforce changes in the organizational goals and values of new models of schooling. While this article focuses on compensation, other structures could also be chosen for focus: the emphasis on Carnegie units, the lack of planning time structured into teachers' work schedules, and low levels of investment in the development of teachers relative to other professions represent three other structures designed to support values implicit in the scientific management model. Like compensation, these structures have also become dated as they have failed to change to reflect newer models of schooling.

Humanistic/Specialization. The next major school model emerged in the 1960s. The new humanistic focus of schools shifted emphasis from a rational, structural model of

organization to one which focused more on the needs of students and teachers as thinking, feeling human beings. Teachers began to focus more on recognizing children's emotional, developmental, and unique educational needs, rather than simply transmitting knowledge to them. The focus on the individual or human side raised issues of equity and diversity which had not been dominant in the earlier model. Thus, this was an era of the birth and growth of categorical programs to address different pupil needs.

Despite massive social changes outside, and a new focus on the human side within, schools retained a hierarchical, bureaucratic character, and continued to value professional training and specialization. The specialization mentality that developed under the scientific management model proliferated in the 1960s and early 70s, as specialized training and new certification were aligned with new school roles created by federal and state categorical programs (e.g., special education, bilingual education, compensatory education, reading specialists, gifted and talented, etc.).

Human resource needs continued to focus on formalized training of teachers for entry level job skills typical of a bureaucracy, with a new added focus on the training of a cadre of specialists who could work with specific populations of students, in specific subjects, and on a plethora of human growth needs.

How might teacher compensation have been modified to reinforce and support these changes in the school organization?

The organizational goals, values, and structures in the humanistic/specialization model suggest that a more appropriate compensation structure might have included increased rewards for membership, and rewards for longevity and attendance. The basic bureaucratic structure of schools changed very little in the humanistic/specialization model, so rewards for membership and longevity continued to be appropriate. However, the additional preservice training needed to become a certified specialist suggests that this slice of the compensation pie might have been enlarged over the scientific management model in order to attract highly qualified individuals to fill the variety of new and more complex positions available. With the proliferation of specialists, attendance becomes increasingly important since it is much more difficult to find substitute specialists than it is to bring someone in to implement the "teacher-proof" curriculum characteristic of the previous era.

Although a small amount of compensation might have been allocated to reward teacher specialists for keeping current with new developments in their specialized fields, the bureaucratic character of the organization continued to emphasize preservice training for narrowly defined job responsibilities (membership) rather than continuing professional development (skills).

Effective Schools. Effective schools, a third major model of schooling, emerged in the 1970s. The effective schools model retained a focus on equity, but represented a shift from human

growth needs toward the development of a result-oriented goal in education--mastery of basic skills in reading and math for employment, particularly among low income and urban populations.

The focus on human growth needs initiated in the humanistic/specialization era was developed further as schools began to be viewed more as communities. While effective schools retained the top-down focus of earlier models, school-level leadership from the principal began to emerge as a new force for effective school management.

The teacher's role in the effective schools model was to provide services, teach basic skills, develop a set of generic pedagogical "effective teaching" skills (Cohen, 1983), and become involved in school improvement planning. Teacher input in school councils and school improvement plans were needed to identify and overcome specific barriers to learning. For the first time, human resource needs extended beyond placement and promotion to the development of teachers as pedagogical experts with the ability to reach and teach all students, regardless of socio-economic background. School districts began to become an important source of staff development to train teachers in the development of effective teaching skills (Rosenshine, 1983) and to provide techniques to address local student learning needs. Effective schools continued to provide services to students, if those services were perceived to enhance the learning process.

Teacher compensation designed to support the goals, values and structures of effective schools might have included compensation for membership, skills, team or school-level performance, attendance, and longevity.

The membership component continued to be important as a means to attract dedicated teachers to schools. But, at this point in the evolution of schools, the professional development of teachers begins to become important. Thus, a component of skill-based pay might have been added to reward teachers who learned a variety of pedagogical approaches for teaching at-risk student populations. Finally, some rewards for team and possibly school-level performance might have been added to reward teachers for working together to achieve the tenets of effective schools, such as the implementation of plans to develop schools as safe and orderly environments, and to develop pedagogical approaches which enable students to have multiple opportunities to master basic reading and math skills. In addition, group-based incentives might have been implemented to reward teachers for student improvement or mastery of minimum competencies.

Attendance and longevity might also have been rewarded as they contributed to the development of schools as communities, and to the teachers' ability to participate meaningfully in school site councils and in developing and implementing school improvement plans.

Content-Driven. During the 1980s, several events began to shift the emphasis away from the effective schools' focus on basic skills and at-risk populations toward a richer curriculum for all students. The State of California (Guthrie, Kirst & Odden, 1989) and the National Council of Teachers of Mathematics (1989) initiated this trend by developing and implementing curriculum content standards, which provided a framework for teaching high levels of subject-matter competency and problem solving skills to all students.

The new content-driven model supported notions of student preparation for work in an increasingly competitive and rapidly changing world. High levels of competency and problem solving skills were thought to better prepare students for multiple careers and lifelong learning.

The shift in teacher training needs from generalized pedagogical skills to specialized content knowledge enhanced the position of teachers as professionals. The teacher's role expanded to the implementation of a challenging curriculum for all students, participation in site councils, and active participation in the development and implementation of curriculum and instruction. While the school workplace remained bureaucratic, the professional stature of teachers was enhanced. The principal now led with significant input from teachers.

The content-driven model of schools signified an important shift in the teaching profession, as the knowledge and skill

requirements of teachers became much more complex. Ongoing training and professional development was essential to raise the level of knowledge and skills of new and existing teachers. The new emphasis on, and need for improvements in preservice training, and continuing professional development of teachers is evident in the creation of a variety of state and national teacher examinations. Many of these required fairly low levels of skill mastery, but some reflected the increased levels of knowledge and skills being required of teachers in the content-driven school. Model standards for beginning teacher licensing and development, created by the Interstate New Teacher Assessment and Support Consortium (INTASC), and a series of assessments developed by the National Board for Professional Teaching Standards (NBPTS) to certify expert teachers, represent two efforts outside schools which recognized the increasing knowledge and skill requirements placed on teachers beginning with the content-driven schools model.

In addition, teacher licensing and certification requirements in some states shifted from the older undergraduate teacher education model to a newer model in which teachers were trained in a discipline, and received pedagogical instruction in a post-baccalaureate program or as a more limited undergraduate focus. Districts continued to be involved in teacher training, but teachers relied increasingly on professional development from a variety of sources, since it was difficult for district staff

to be depth experts in all content areas. With the rise of the content-driven model, educators began to question the value of the traditional (scientific management) career path from teacher to administrator.

Teacher compensation designed to support the goals, values and structures of content-driven schools might include compensation for membership, skills, team and organization-level behaviors, and attendance. The membership slice of the compensation pie might be larger than in other models, as the content-driven model seeks to attract teachers who are highly qualified content experts. The skill component is critical in this model of schooling because it provides rewards and incentives for teachers to develop and maintain high levels of current knowledge and skills; the skill component could legitimately replace the longevity component. Skill components reward existing teachers for continuing to develop knowledge and skills throughout their teaching careers. This component of skill-based pay might reward teachers for developing specific teaching skills identified by the school or district, or for certification by an external body, such as the National Board for Professional Teaching Standards.

Departments, grade levels, and entire schools might receive performance awards for increasing student access to challenging content. For example, teachers might receive bonuses for increasing enrollments in college preparatory courses.

Attendance might also be an important component of a compensation policy in a content-driven school, since it is difficult to find substitute teachers who are subject-matter experts and who could teach the challenging curriculum in the absence of the regular teacher.

High Standards/High Involvement. The high standards/high involvement model combines elements of systemic reform (Fuhrman, 1993) and site-based high involvement management (Mohrman, Wohlstetter & Associates, 1994). It builds on the content-driven model, with its intense demands for professional expertise, and adds a new focus on high outcomes for all students, rather than just the availability of a rich curriculum for all students. In addition, school leadership is the role of teams of teachers, rather than leadership from administrators as in earlier models, which means that the teacher assumes a variety of new tasks, such as curriculum development, professional development, counseling, and budget development.

The teacher's role in this model is the most complex of the models so far. Teachers are responsible for producing high levels of student achievement, and for participating in shared decision making for curriculum, instruction, and school management. The complexity of the teaching job places high demands on human resource policy, with the primary emphasis on development of current teachers, and some emphasis on preservice training for placement. The older model of teaching, in which

the career educator eventually moves out of teaching into administration, is replaced in this model with a teaching career, in which teachers develop and hone their teaching skills. "Master" teachers take on additional leadership responsibilities, but remain connected to the classroom throughout their careers.

Along with leadership responsibility, staff development moves from the district to the school site level. In addition, teachers develop knowledge and skills through ongoing education (both formal and informal), action research, and participation in professional activities and associations. Ongoing training is needed in content, pedagogy, and management/decision-making.

The high standards/high involvement school continued the trend begun with the effective schools model for increasing the professional development needs of teachers. The extremely high skill and knowledge requirements in this type of school mean that the alignment of structures and resources to support the ongoing professional development of teachers is crucial. Thus, the compensation structure should include rewards for knowledge and skill development, team and organizational outcomes, membership, and attendance. The complexity, depth, and breadth of skills required to teach in a high standards/high involvement school demand a large and continuing investment in teacher professional development. Thus, compensation for teachers in this type of school should include a large skill component, which rewards the development of content, pedagogical, management, and community-

building skills and knowledge. This skill-based pay could reward teachers for certification by the NBPTS, but also might require the local development and assessment of skill and knowledge requirements specific to the local school.

For the first time, under the high standards/high involvement school model, organizational goals shift to a strong emphasis on student outcomes. Thus, teacher bonuses for improvements in student performance should be rewarded at the team and school-level, with teams determined by the natural working groups within schools.

Membership remains an important component, since the highly complex teaching job in these schools requires a well trained, highly intelligent, and highly motivated workforce. And finally, attendance should be rewarded. As teachers become more and more highly skilled in the specific needs of the school organization, they become impossible to replace with substitutes. Thus, the organization has a stake in keeping its talented workforce in school.

Furthermore, the size of the pie itself might be increased in a high standards/high involvement school, since teachers are assuming teaching, leadership, and management responsibilities. They are taking on a larger role in the management and operations of schools, and they are increasingly crucial to the achievement of school organizational goals.

Virtual. The last school model describes a hypothetical school system that reflects current trends in work organizations, technological capabilities, and organizational theory. The virtual school values high outcomes for all students, high competency, versatility, and problem solving skills. It prepares students for a world in which work organizations often have no layers and no walls, but represent location independence, and participation in work teams that emerge as different types of skills are needed to address work issues. Beyond valuing diversity, this organization operates in an international society, in which multi-cultural skills are a major asset of the United States.

The teacher's role in the virtual school is to facilitate and guide individual initiative, to link students with high quality instructional materials, probably embedded in computer technologies, and to participate in shared decision-making. The organizational structure is a network of skilled individuals, led by teams of teachers, students, parents, business, and community members.

Human resource needs include training in content, pedagogy, technology, and decision-making. Teachers are trained before and during their service through professional development networks and higher education in new information and technologies, content and pedagogy. "Placement" needs are replaced by entry skills, since schools may no longer occupy locations in which teachers

could be "placed." Students might learn at home, at a community center, at a more traditional school site, at a workplace, or on the road, connecting to teachers electronically or face-to-face in any of these settings.

Teacher compensation in support of a virtual organization might focus on the development of skills, and on team (or individual, depending on the student-teacher arrangement) rewards for high or improved student outcomes. The nebulous structure of schools means that districts may contract with professional teachers to provide educational services to a specified group of students, much like lawyers and other professionals work on a contractual basis, charging for time and tasks, with overhead built in for training and development expenses, capital equipment, meeting rooms, materials and supplies.

COMPENSATION AND ORGANIZATION: CONCLUSIONS

Throughout the latter half of this century, the dominant compensation strategy in schools has been to reward membership, longevity, and course taking. This design supported and reinforced organizational goals, values, and structures of the scientific management model of schooling in which teachers had a fixed set of entry level skills, the curriculum was teacher-proof, the dominant career path for educators was out of teaching into administrative positions, and goal accomplishment was the responsibility of management and not teachers.

However, over time, dominant models of schooling have evolved to develop teaching as a complex task with high demands for knowledge and skills in pedagogy, subject-matter content, leadership, and management. The complexity and demands placed on teachers in this type of school organization require that organizations focus structures and resources to support teachers in meeting these organizational goals and expectations. This analysis suggests that teacher compensation is a valuable organizational component that could be used to support the skill and knowledge development of teachers, and to provide incentives and rewards for teacher teams and school faculties that produce improvements in the achievement of their students.

As education reform remains on the policy agenda and continues to increase in its complexity, educational policymakers should examine teacher compensation as an element of school systems that can be restructured to reinforce overall reform goals and strategies. While avoiding simplistic individual incentive and merit pay plans, policymakers should consider large components of skill-based pay, team and school performance awards, and other pay structure changes that would reduce or replace the years of experience and education units measures now part of the single salary schedule. A single salary schedule should be retained, but it should use measures for pay differentials more related to the strategic thrusts of education reform and attendant school organization.

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Figure 1. Components of Compensation

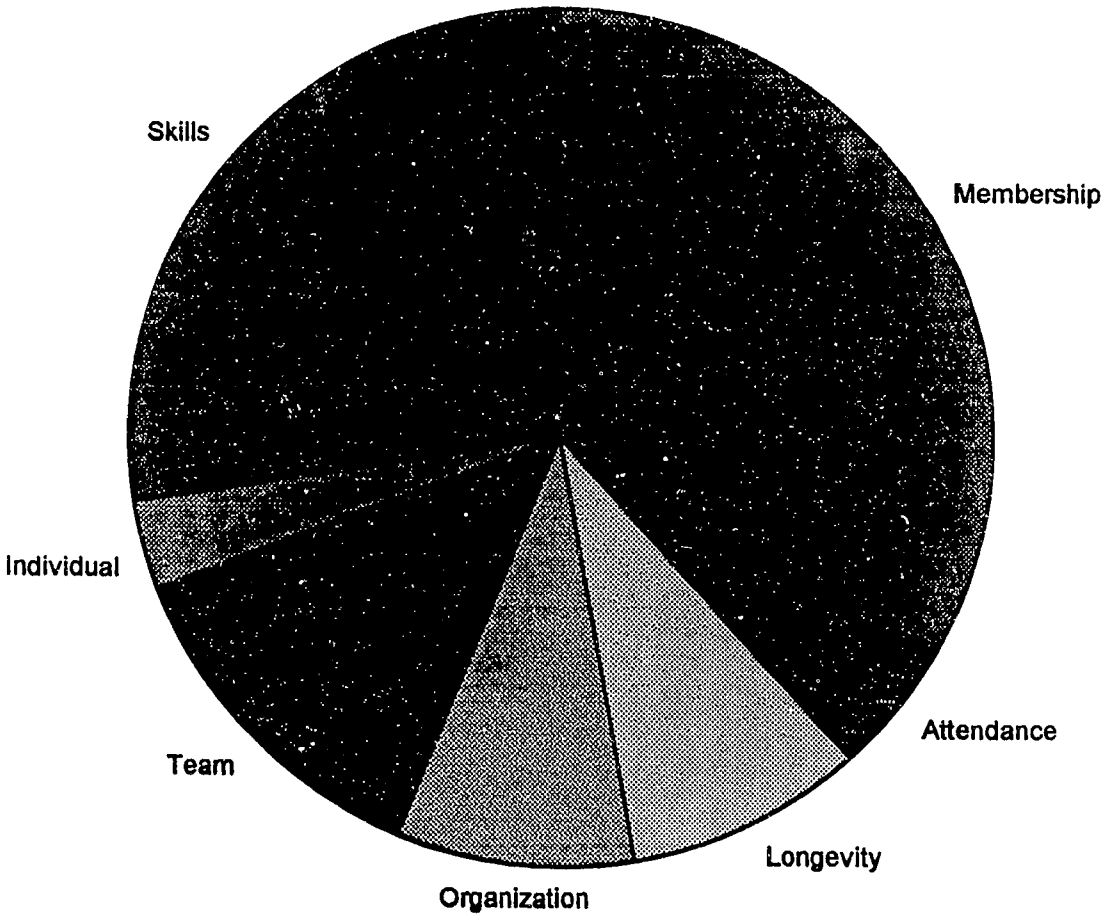

TABLE 1
ORGANIZATIONAL FEATURES OF SIX MODELS OF SCHOOLING

Characteristic of:	Scientific Management 1950s	Humanistic/ Specialization 1960s-70s	Effective Schools 1970s-80s	Content-Driven 1980s	High Standards/ High Involvement 1990s	Virtual 2000
Organizational Goals, Values, and Culture	- Conformity in a Hierarchical Work Organization - Basic & Stable Skills - Lifelong Career - Individualism	- Human Growth Needs - Equity - Specialization - Individualism - Hierarchy	- Basic Skills for Employment - Focus on Low Income & Urban Populations - Schools as Communities - Top-down Mgmt	- Rich Curriculum for all Students - High competency and problem-solving skills - Training for Multiple Careers - Teacher Professionalism	- High Outcomes for all Students - High competency and problem-solving skills - Flexibility and Diversity in the Workforce - Teacher Professionalism - Decentralized/ Participative Work Organization	- High Outcomes for all Students - High competency Versatility, Problem Solving Skills - Individual Initiative, Teams, Technology - Location independent, Emerging Work Teams - Build & Develop Multi-Culturalism
Teacher's Role	- Implement Teacher-Proof Curriculum - Teacher is Replaceable	Provide Services for all Children	- Provide Services - Teach Basic Skills - Develop Schools as Communities (SIP)	- Implement a Challenging Curriculum - Teach all kids - SIP - Teacher Control of Curriculum & Instruction	- Produce a High Level of Student Achievement - Shared Decision Making for Curriculum, Instruction & Management	- Facilitate & Guide Individual Initiative to High Performance - Link Students w/ High Quality Instructional Materials - Shared Decision-Making
Organization & Management Structure	Bureaucratic	Bureaucratic	Bureaucratic	Bureaucratic/ Professional	Decentralized & Flat	Network
Leadership	Superintendent	Superintendent	Principal (Vision)	Principal with Teacher Input	Teacher Teams	Teams of Teachers, Students, Parents, Community
Human Resources Policy Goals	- Training in the Science of Teaching - Training in the Science of Admin for Career Advancement (men)	- Training of Specialists - Administrator Training for Career Advance	- Training in Pedagogy - Administrator Training for Career Advance	- Training in Content - Administrator Training for Career Advance	- Training in Content, Pedagogy, & Mgmt/Decision-Making	- Training in Contant, Pedagogy, Technology & Decision-Making
Source	- Higher Education (Preservice) Teacher and Administrator Credentialing Programs	- Higher Education (Preservice) Teacher and Administrator Credentialing Programs	- Higher Education Teacher & Admin Credentialing - District Staff Development	- Higher Education Disciplines & Teacher Training (M.A.) - District Staff Development - Professional Development	- Higher Education Disciplines & Teacher Training (M.A.) - School Staff Development - Professional Development	- Professional Networks - Higher Education - State/District Staff Development
Needs Served	1. Placement 2. Promotion	1. Placement 2. Promotion	1. Placement 2. Promotion 3. Development	1. Placement 2. Development 3. Promotion	1. Development 2. Placement	1. New Information and Technologies 2. Development 3. Entry Skills

Source: C. Kelley. (1995). Teacher Compensation and Organization. CPRE, University of Wisconsin-Madison.