PLACE IN RETURN BOX to remove this checkout from your record.
TO AVOID FINES return on or before date due.
MAY BE RECALLED with earlier due date if requested.

DATE DUE	DATE DUE	DATE DUE

A GROUP PAY INCENTIVE PROGRAM IN ACADEME:
IMPACT ON FACULTY WORK AND ATTITUDES

By

Lynne Zelenski

A DISSERTATION

Submitted to
Michigan State University
In partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Higher, Adult, and Lifelong Education

2008

ABSTRACT

A GROUP PAY INCENTIVE PROGRAM IN ACADEME: IMPACT ON FACULTY WORK AND ATTITUDES

By

Lynne Zelenski

This study explores the effects of a group pay incentive system as a strategy for motivating faculty to meet department goals at a large research institution. Generally speaking, faculty work at these types of institutions is individually oriented and this investigation explored whether an alternative pay scheme can influence faculty behavior and motivate them to work cooperatively to meet established group goals.

Group incentive systems are common in business but not in higher education. The research on group incentive systems in business settings together with research on faculty provided the research and theoretical foundation for the study. The heuristic framework utilized by Bullock and Lawler (1984) to study 33 gainsharing (a type of group incentive contract) cases was utilized to analyze this incentive system. This framework encourages a holistic investigation of the phenomenon through an analysis of the structural components of the incentive system (what was done), an examination of the implementation factors (how it was done), and looking at the situational or contextual aspects of the organization (where it was done). As evident by the literature, these factors can contribute to the success or failure of a group incentive system.

This investigation utilized a case study approach to provide an in-depth understanding of the department's incentive system and explore its influence on how individual faculty members approach their work. Data collection involved multiple

sources of evidence including interviews with the department chairperson, review of appropriate department documents, interviews with the faculty, review of performance data as it relates to the established unit goals, and participant observation.

The analysis of the data revealed several key findings. The department did not meet the established goals and few faculty members reported behavior changes as a result of the incentive system. The examination of the incentive system uncovered several critical factors that contributed to these end results: the faculty did not feel as though they were involved in the development of the incentive system; they were uncomfortable with the financial bonus; the implementation of the program and performance feedback were not timely; there was uncertainty over the goals; and elements of the incentive system were not congruent with key organizational practices and norms. Based upon the literature, the researcher believes these were serious flaws in the DIS and in combination contributed to the program's failure.

This dissertation is dedicated to my Dad, Jack Rudolph, who passed away April 28, 2007.
My daughters always said that I was smart because of Grandpa.

ACKNOWLEDGEMENTS

First, I want to thank my husband, Paul, and daughters, Jill and Jamie, for all of their love and support. I know it has sometimes been difficult to manage all of our family activities with me in school. I additionally want to thank Paul for his listening ear and editing. I know reading drafts of my papers was not always on the top of his to-do list, but he always did it without hesitation or complaint. By the way, I appreciate all of the A+'s.

Although I dedicated my dissertation to my Dad, I must acknowledge and thank both of my parents. My parents instilled in me a strong work ethic and this has served me well. I am appreciative of all of their love, encouragement and support over the years.

I also must acknowledge my three brothers. Having to keep up with them was not always easy and I must admit they were not always the best of company. This said however, they toughened me up and taught me some very valuable lessons that have helped me along the way. Although I often complain about you guys, it's all in good humor and believe me, I know how lucky I am to have you.

I want to thank my dissertation committee members- MaryLee Davis, Ph.D., Marilyn Amey, Ph.D., Roger Baldwin, Ph.D., and Bob Banks, Ph.D. Thank you for having faith in me and supporting me through this endeavor. I also need to thank Lou Stamatakos, Ph.D. for planting the seed in my head that I ought to pursue doctoral studies.

TABLE OF CONTENTS

LIST OF TABLES

CHAPTER ONE

Introduction and Problem Statement

Introduction

Evidence is growing that institutional survival in the 1990s and beyond will require that colleges sharpen their priorities, focus their energies, and redefine how they contribute to the collective good. These goals cannot be accomplished in a culture made up of fragmented, isolated bands of academic entrepreneurs, beholden only to the scholarly standards imposed by their disciplines. Academic departments should be treated as teams, which collectively are held responsible for carrying out the mission of the institution (Braskamp & Ory, 1994).

This study explores the effects of a group pay incentive system as a strategy for motivating faculty to meet department goals at a large research institution. Generally speaking, faculty work at these types of institutions is individually oriented and promotion and pay have reinforced this individual approach to work (Braskamp & Ory, 1994; Maehr & Braskamp, 1986). This investigation explores whether an alternative pay scheme can influence faculty behavior and motivate them to work cooperatively to meet established group goals.

As institutions of higher education struggle with funding challenges and calls for accountability, attention has often focused on the work of the faculty. Some perceive a mismatch between the interests of the faculty and those of policy makers and the general public. As noted by Fairweather (1996) faculty have been criticized for being too narrowly focused on individual research interests with little concern for teaching or the welfare of the general public. In responding to this growing consumerism, as noted by Braskamp and Ory (1994) above, colleges and universities will need to establish appropriate goals and priorities and rally the faculty around these. Education scholars, institutional leaders and policy makers have posited that the traditional and individual

approach that faculty have taken toward their work will no longer be sufficient in meeting the demands placed on higher education.

Faculty work has not always been under such close scrutiny, but over the years changes in both society and academe have influenced changes in the job responsibilities of the faculty. This study takes place in an academic department within a large, research university where faculty work tends to be individually centered and rewards and incentives are linked to individual performance. Tenure, promotion and pay are linked to individual achievement in research, teaching and service. Although not true of all institutions, this pattern is consistent with large research oriented institutions (Braskamp & Ory, 1994). An understanding of the evolution of faculty roles and responsibilities helps to illustrate this current pattern.

Although research, teaching and service are currently recognized as the main job responsibilities of faculty, it was not always this way. Faculty roles have evolved over time. The first commonly accepted responsibility of the faculty was teaching, then public service, with research being a relatively newer part of the faculty tradition (Boyer, 1990). The evolution of the academic profession has been greatly influenced by changes in society and the national agenda and as a result, the roles and responsibilities of the faculty changed, developed and expanded. As colleges and universities grew and enrollment increased, institutions became more bureaucratic and administrative staff was hired and took over many of the administrative duties previously performed by faculty. By World War II the research activities and contributions of faculty were becoming highly valued and more broadly recognized (Finkelstein, 1984). Along with these changes, faculty became more specialized, and with the increased specialization of the faculty came more

2

of a sense of professionalism and a collective identity among faculty as a whole and within academic disciplines (Alpert, 1985). Professional associations centering on disciplinary specializations developed and strong allegiances to academic disciplines resulted.

As a result of the growing sense of professionalism, and like other occupational communities (for example doctors, lawyers, guilds etc.) a distinctive work culture developed that included self-control and collective autonomy for the membership (Van Maanen & Barley, 1984). Faculty have come to value autonomy, academic freedom and collegial governance, and a reward and socialization system has developed to reinforce these behaviors and values (Kuh & Whitt, 1988). These values are protected by academic freedom and the tenure system, which define the boundaries of membership, socialize new members, and provide a structure that defines goals, power and authority, and the rules for success in the profession (Tierney & Bensimon, 1996). These rules currently emphasize individual achievement in research and publication, which reward systems have reinforced (Fairweather, 1993, 1995, 1996). Thus, as discussed earlier, the public perception of faculty as narrowly focused, although not always true, is understandable.

Given these strong cultural and contextual forces, how can the faculty be encouraged to work collectively toward institutional goals and interests that may be in conflict with these norms? Several approaches have been attempted and recommended. One approach has been to change the socialization of faculty and the preparation of graduate students for careers in academe. In her study of new faculty, Austin (2003) reports that new faculty characterize their work lives as competitive and isolated. Gaff,

Pruitt-Logan and Weibl (2000) argue that the emphasis on disciplinary specialization and achievement has had a negative impact on institutional commitment and involvement. All advocate for changes in the socialization process. Their recommendations include educating graduate students and new faculty about the history of the roles and responsibilities of the faculty. Also suggested in this literature is providing aspiring faculty with skill training beyond their disciplines, in areas such as conflict mediation, time management, running meetings and other such areas that will help prepare new faculty for roles and responsibilities within the institution and community. Advocates of this perspective argue that changes must be made in the socialization process in order to change professional behavior and then building upon this, changes need to be made in the evaluation and promotion process to reflect institutional priorities and to promote desired faculty behavior.

The Department of Computer Science at Oregon State University has tried another tactic. They have encouraged teamwork by taking a flexible approach to the assignment of job responsibilities to build upon individual strengths and interests, resulting in greater efficiency and effectiveness of the department as a whole (Rudd & Pancake, 1997). By reassigning tasks and responsibilities to members of the faculty with interest and skill in the particular area, they say they have been able to meet unit goals without sacrificing individual personal and professional development. Key to the success of this arrangement is changing group norms and making teaching, research and service activities equally valuable, and then supporting this with a reward structure consistent with this belief. The authors indicate that raises are based upon individual achievement in the assigned tasks and all areas are given equal weight.

Another approach has been to examine the situational factors that inhibit teamwork. Based upon their interviews with 300 faculty members, Massy, Wilger and Colbeck (1994) identified three factors that hinder the faculty from working together on undergraduate education- fragmented communication; limited resources which cause tension between faculty and limit opportunities; and evaluation and reward structures that do not support a favorable environment for faculty interaction. They also identified characteristics of academic departments that have succeeded in supporting undergraduate education despite these identified detractions. Key ingredients included a supportive culture for undergraduate teaching, frequent interaction among colleagues, tolerance of differences, generational respect and workload equity, and frequent teaching rotation of courses. (Fairweather, 1993)

Missing from these efforts is the use of financial incentives to encourage collective performance and teamwork. This study investigates an example of such an approach. This project examines the effects of a newly developed group pay incentive system adopted by an academic department within a large research institution. In business, rewarding group performance through pay incentive systems is commonplace. There have been numerous research studies of these group incentive systems and overall, these plans have had a positive impact on individual and organizational performance. Based upon these studies, it might be assumed that a group pay incentive system for faculty in a higher education setting would also be effective in motivating employees to meet unit or organizational goals. However, there are several factors in this setting that make this a very different environment. This research will explore this academic department's experience with the incentive system and its impact on faculty behavior.

Research Problem Statement

As noted in the introduction, institutions of higher education are struggling with demands for accountability. Institutions are being asked to respond to different outcomes and measures of productivity. In response, some colleges and universities are finding that the traditional, individual approach faculty have taken toward their work is no longer sufficient in meeting the demands placed upon them. The problem is most acute in undergraduate teaching and public service (Fairweather, 1996). In order to meet established institutional goals and objectives, many believe it requires that faculty work cooperatively and that they should be held collectively responsible for accomplishing these. The problem is that employment and reward systems are not always in sync with the institutional missions, priorities and goals (Diamond, 1993). The traditional socialization and reward systems in place for faculty recognize individual achievement and do not reward cooperative work toward organizational goals. The tenure system emphasizes research productivity and publication for promotion (Blackburn & Lawrence, 1995; Braskamp & Ory, 1994; Fairweather, 1996); and as noted earlier, promotion and tenure in higher education are the main extrinsic motivating factors behind faculty work.

Given the aforementioned cultural and contextual norms, how can faculty be encouraged to work together toward institutional goals that may be in conflict with these norms? Can a business model for employee motivation work with faculty in a higher education setting? The expression "herding cats" is commonly used to describe attempts to organize and manage faculty. Given faculty culture, will this group pay incentive

system motivate faculty to meet group goals? The calls for accountability in education make this is a timely and important topic of study.

Significance of the Study

This study should be of interest to researchers of faculty work, as well as to department chairs, deans, human resource professionals, administrators, and policy makers. The study explores the effects of a group pay incentive system as a strategy for motivating faculty to work collectively to meet unit goals. This type of incentive system has been successful in business settings and this research investigates the applicability of a group pay incentive system with university faculty. The results of this study identify the important elements of such incentive systems and the factors within the work environment and culture that should be given careful consideration when designing and implementing programs of this nature with faculty.

Overview of the Study and Research Questions

This study focuses on an academic department in a large, midwestern research university that instituted a group pay incentive system to encourage teamwork in meeting specifically set departmental goals. Through a case study the researcher provides an in-depth understanding of the department's incentive system and explores its influence on how individual faculty members approach their work. In addition to the insight provided by the detailed description and analysis of the incentive program, the researcher addresses the following questions:

1)   What do faculty report doing differently in their work since the start of the incentive system?

2)   Did the program motivate the faculty to change work attitudes and

behaviors? If so, what provided the motivation (the money, the goals,

both the money and goals, fear of disappointing colleagues, etc.)?

3)   Did the department achieve the group goals? What happened to

departmental performance and productivity?

Concepts from the business literature on group incentive systems and concepts

from the literature on faculty help guide this study. The study examines the incentive

system from three perspectives including: 1) the formal, structural components of the

incentive system, 2) the way the system was actually implemented and carried out, and 3)

the situational or contextual factors that impact it. The data collection consists of

interviews with the department chairperson, interviews with the faculty, document

analysis, and participant observation.

<div align="center">*Definition of Terms*</div>

Group Pay Incentive System

Milgrom and Roberts (1992) define group incentive contracts as a pay system in

which the performance of the whole group together determines the incentive payment,

and the payment is divided among employees according to a formula or set of criteria that

does not depend upon individual performance. Commonly known group incentive pay

systems include profit sharing, in which employees receive bonuses based upon company

profitability, and gain sharing plans whereby employees receive a financial bonus if

established goals are met.

In a nutshell, these systems are built on the belief that individuals are financially

motivated and providing rewards based upon group performance maximizes productivity

by setting up a system that encourages the involvement of all employees. Milgrom and Roberts (1992) cite several reasons for why an organization might utilize a group pay incentive system as opposed to one based upon individual rewards. Group incentive contracts are often used when individual contributions are difficult to measure. They also are used when the employees know more about each other's performance than does the employer. In this scenario group incentives motivate employees to monitor each other's performance and discourage individual slacking on the job. Group pay incentive systems are also effective in promoting employee cooperation and the desire to help each other. Finally, it may be difficult for individuals to make a difference in organizational productivity unless they have cooperation from coworkers. Thus, a group incentive encourages all employees to be involved in accomplishing the organization's goals.

The term group pay incentive system is used synonymously in this report with the terms group pay incentive program, and group pay incentive contract.

Limitations

Although all limitations of the study are discussed in chapter five, there is one particular limitation that the researcher feels is important to address here in the introduction. The researcher is a staff member in the unit studied and because of this some readers may discount the study because they may question the ability of the researcher to obtain open, honest feedback from the faculty participants. As stated by Locke, Spirduso and Silverman (2000), it is important that the researcher understand the limitations and assure the reader that they have been considered in the study design. This potential limitation has been given great consideration and accommodation in this investigation. First, it is important to point out that the researcher has a staff position in

the unit and has no supervisory responsibility or authority over the faculty. Secondly, as discussed in greater detail in the methodology section of this report, safeguards were taken to encourage the faculty to answer questions openly and honestly. To assist participants in developing a sense of trust and comfort with the researcher, all participants were given information about the study in advance, including information regarding how confidentiality was to be maintained (see appendix B). The researcher explained that the study has nothing to do with the researcher's duties within the unit and is a personal endeavor as part of a doctoral dissertation. In addition, participants could back out at any time without consequence.

Contrary to the opinion that being a member of the unit is a limitation, the researcher believes it was an asset to the study. In this particular instance, being a member of the unit allowed the researcher to have access to information that someone outside of the organization may not have known about or may not have known to ask for. Also, it allowed the researcher to perceive reality from the point of view of someone inside the organization. Yin (2003) considers these both to be strengths of participant observation.

Overview of the Dissertation

This dissertation includes five chapters followed by researcher observations, references, and appendices. In chapter one the researcher provides an introduction to the study and its significance. In chapter two the researcher identifies the important literature guiding the study and the conceptual framework used to analyze the phenomenon. In chapter three the researcher provides the rationale for the research methodology utilized and describes in detail the research process. Chapter four is a presentation of the research

findings, and in chapter five the researcher discusses the findings of most significance, implications for policy and practice, study limitations, and recommendations for future study. The researcher concludes the dissertation with additional information about the incentive system beyond the parameters of this study and personal reflections.

CHAPTER TWO

Review of the Literature

Introduction

This chapter discusses the literature on group pay incentive systems along with related literature on faculty that will guide this study. The majority of the research on group pay incentive systems was found in business literature. The incentive system literature is organized by the type or focus of the research, and is interspersed with the related concepts or findings from the research and literature on faculty. After this set of literature, the researcher discusses the research findings from studies of group pay incentive systems in secondary education studies. The chapter ends with a presentation of the conceptual model that guides this investigation.

Group Pay Incentive Systems

As introduced earlier, group incentive contracts are a pay system in which the performance of the whole group together determines the incentive payment, and the payment is divided among employees according to a formula or set of criteria that do not depend upon individual performance (Milgrom & Roberts, 1992). Commonly known group incentive pay systems include profit sharing, in which employees receive bonuses based upon company profitability, and gain sharing plans whereby employees receive a financial bonus if established goals are met. Although there is a great deal of variety in the structure of these group incentive systems, in a nutshell they are built on the belief that individuals are financially motivated and providing rewards based upon group performance maximizes productivity by setting up a system that encourages the

involvement of all employees. A great deal of research has focused on these incentive systems and the concepts that guided this case study will be presented in this section.

The research on group incentive systems has been approached from three basic perspectives: socio-psychological, organizational, and economic. All three provided some insight into this research study and provided guidance in the development of the research methodology.

Socio-Psychological Research

The research that has examined group incentive systems from a socio-psychological perspective has focused on how the incentive systems affect the employee personally. Several theoretical views fit under this umbrella including human relations/participative management, expectancy theory, need theory, operant conditioning, social dilemma, equity theory, and procedural justice theories (Welbourne & Mejia, 1995). Welbourne and Mejia (1995) reviewed the literature in these areas and summarized the key concepts and findings.

In their review of the literature, Welbourne and Mejia (1995) examined ten studies which drew upon the human relations or participative management school of thought. Almost all of these studies were done in organizations that implemented a group incentive pay system known as a Scanlon Plan. Joseph Scanlon, who was a cost accountant in a steel mill, developed the Scanlon Plan in the 1930's. It is based upon the belief that employee participation in the design and implementation of work processes will have positive results for the company. Scanlon believed that if employees put their heads together they would come up with strategies for reducing production costs and thus increase company profitability. Although Mejia and Welbourne cite some problems with

causality and methodology in these studies, for the most part they conclude that employee participation may be an important variable in the organizations that have had success with these programs. Not only is participation in the organization important, but also critical to program success is employee involvement in the design and implementation process of the incentive plan itself (Bullock & Lawler, 1984). Faculty members typically participate in the institution through the academic governance system; however, there is variation between institutions and even within colleges and departments at the same institution. Thus, as suggested by the literature, faculty participation in the unit and in the development of the incentive program are important variables to investigate.

One of the methodological criticisms of the participative management oriented studies is that the researchers did not separate out the motivational impact of the financial bonus (Welbourne & Mejia, 1995). Group pay incentive systems operate in a bonus fashion. Employees still maintain their original wage or salary, but are rewarded with a financial bonus if goals are achieved. Milgrom and Roberts (1992) cite that if the pay is weakly related to performance it will limit the effectiveness of the group incentive system. For the group pay incentive system to have the intended motivational impact, the employees must deem that the money is worth the effort. Group pay incentive systems are based upon the assumption that the financial reward will motivate employees, however money may or may not motivate faculty.

The literature on whether or not faculty members are motivated by money is mixed. Amey and VanDerLinden (2002) claim that the working condition most dissatisfying to faculty is their salary. In contrast, Clark (1987) states that the "richness" of a faculty member's career overshadows financial rewards. Hearn (1999) asserts

intrinsic rewards overshadow the financial rewards and cites a study done by the U.S. Department of Education of university faculty in the late 1980s found that faculty are satisfied or very satisfied with their salaries. Tierney (1997) states that job security and autonomy offset any perceived deficits in pay. Consistent with this perspective, McKeachie (1979) says that rank, tenure, recognition by peers, and working conditions take precedence over salary for faculty. Youn (2005) claims that the prestige of the hiring institution is more important to faculty than the salary. These findings however, do not mean that financial rewards are not motivating for faculty. As noted in the research on group compensation systems, perhaps the reward must be perceived as significant for it to have the desired motivational affect. Also Hearn (1999) comments that faculty complacency with existing salaries may change if they have an external job market where the salaries are much higher, and their comfort with their salaries may decrease if job security is threatened. Staw (1983) also indicates that faculty have become more in tune to financial rewards as institutions have struggled with distributing a shrinking pool of resources. The increased use of merit pay in annual salary increases also implies that faculty are financially motivated (Hansen, 1988). More recent data also suggest that faculty with strong research and publication records have higher salaries than their teaching colleagues (Fairweather, 1993, 1995, 1996; Gomez-Mejia & Balkin, 1992), so although some research may indicate that faculty may not be financially motivated, the organizations treat them as though they are. By differentially rewarding faculty, it appears organizations are using financial incentives as motivational tools to encourage certain sets of behavior.

Although only a few studies have been done from the expectancy theory and need theory perspectives, both theories suggest that individual and demographic differences might mediate the effects of group incentive systems (Welbourne & Mejia, 1995). From an expectancy theory point of view, the effectiveness of a group incentive system could be contingent upon the individual employee's perception that the goals can be achieved. Staw (1983) writes that in order to meet organizational goals faculty must believe they can perform the desired roles and tasks, and in order to build faculty confidence the necessary support mechanisms need to be in place. Additionally, individual needs could also have an impact on the effectiveness of the incentive plan. Welbourne and Mejia (1995) cite a study by Dreher that measured four needs: achievement, autonomy, affiliation and dominance and found that all except for affiliation were correlated with job satisfaction and job involvement. These perspectives suggest the importance of understanding the beliefs and needs of the individual faculty members in relation to the group pay incentive system.

In addition to individual needs, there is literature to support the argument that there may be group differences among the faculty that could potentially have an impact on the success of the group incentive pay system as well. Baldwin (1990) articulates four distinct developmental stages that faculty go through, each with different issues and concerns. These issues and concerns could potentially have an impact on how the faculty perceive and respond to the group pay incentive system. For example, faculty in the early part of their careers are focused on adjusting to new jobs, getting established as an academic professional, and obtaining tenure (Baldwin, 1990; Menges, 1996; Olsen & Sorcinelli, 1992). Stress is a common theme in the literature on new faculty and it would

seem logical that a group pay incentive system that is not totally in sync with the requirements for promotion and tenure might create even more stress, and thus an adverse reaction to the group pay incentive system. However, at the same time, the financial reward promised through the system may be more meaningful to a younger person beginning their career, establishing a family and home, and perhaps coming out of years of low graduate student wages. It seems logical that these factors could potentially mediate the response of newer faculty to the group pay incentive system. Likewise, concerns of mid-career and later career faculty might do the same. Given this possibility, faculty responses were examined by rank and additionally by years in the professoriate.

Several other socio-psychological points of view also guided this study. The operant conditioning perspective highlights the importance of the timing of the bonus pay in the success of the program. The social dilemma perspective introduces the potential negative impact that "free riders" can have on the group pay incentive system (Welbourne & Mejia, 1995). If some employees can reap the benefits of the work of others without contributing themselves, then this may serve as a disincentive for others thus having an impact of the overall effectiveness of the group pay incentive system. Studies done based upon equity and justice theories have found that the perceived fairness of the program mitigates the employee response to the program (Welbourne & Mejia, 1995). Studies of faculty compensation also assert the importance of equity in compensation practices (Amey & VanDerLinden, 2002; Moore & Amey, 1993). These issues were taken into consideration as interviews were conducted, documents were studied, and data was analyzed.

Organizational Research

From an organizational perspective incentive systems are analyzed based upon contextual factors. Within this perspective, structural models look at group incentive plans to understand organizational factors or conditions that may influence the incentive plan. Research has indicated that certain conditions within the organization may contribute to the success of the incentive system for example, participative decision making, fair pay, managerial competency, organizational climate, union relations, unit size, etc. (Welbourne & Mejia, 1995). However, Welbourne and Mejia (1995) claim that many of the studies conducted from this vantage point are inconclusive because of problems with causality and the difficulty in measuring some of the organizational factors. In a study somewhat related to the researcher's project because it focused on faculty working together, Massy, Wilger and Colbeck (1994) investigated the organizational factors that support or inhibit the ability of faculty to work together on undergraduate teaching and learning. They identify three factors that make it difficult: fragmented communication as a result of faculty autonomy, isolation, specialization within the academic discipline, generational divisions, and personal politics; limited time and financial resources; and evaluation and reward methods that prioritize research and publication. Although there have been challenges to some of the research from this perspective, these studies point out the importance of not looking at group incentive plans as independent, detached programs. Organizational conditions must be taken into consideration when studying incentive programs.

Also from the organizational viewpoint, the contingency theory perspective suggests that the incentive system must fit with other organizational practices and is most

likely to be effective if other practices within the organization are complementary (Welbourne & Mejia, 1995). Also, the reward system will be less effective if it is not consistent with the organization's strategy and goals (Gomez-Mejia, 1992). In their study of gain sharing as a collective performance pay incentive system, Welbourne and Mejia (1995) found that consistent, interrelated practices within the organization are critical to the success of the incentive system; however in research universities, there are often competing reward systems in place. Although organizations may boast the importance of teaching, service, and outreach, promotion and tenure emphasize individual research productivity. Compensation practices also favor research accomplishment and studies have shown that faculty with strong research records have higher salaries (Fairweather, 1993, 1995, 1996; Gomez-Mejia, 1992). Another problem is that unlike business organizations, goals in higher education tend to be as Hearn (1999) describes as "contested, multiple and ambiguous" (p. 398). So although collective performance systems have worked in business organizations, their success in higher education settings in less certain due to the nature of these environments.

Economic Research.

From an economic perspective, concepts from agency theory provide insight into the study. In an agency relationship, one person, the agent, is supposed to act on behalf of another person, the principal. Often the principal is unable to ascertain whether or not the agent is acting in his or her best interests or if the agent is acting on behalf of their own personal self-interests. In the case of faculty, it can be very difficult for the unit administrator to monitor the time and activities of faculty given the independent nature of faculty work. Besides set class, office hour, and meeting times, members of the faculty

typically have a great deal of freedom in regard to when and where they work. Department chairpersons, who commonly are assigned the task of evaluating faculty members, are most typically faculty members themselves, and have not only department leadership and administrative tasks, but regular faculty duties as well (Creswell, Wheeler, Seagren, Egly, & Beyer, 1990; Dyer & Miller, 1999; Tucker, 1981). These factors make it difficult for a chairperson to monitor the work of the faculty. A group incentive contract is one way some employers have attempted to put checks and balances on employee behavior. Group incentive contracts encourage group members to monitor each others' performance and thus reduce the costs of monitoring and supervision on behalf of the employer (Milgrom & Roberts, 1992). Although not the motivation of the department in this case, this theory suggests that if employees think their colleagues are watching over them, this might motivate the employees to work harder.

Group Incentive Systems in Other School Settings

Evidence of group incentive programs was not found in higher education. There have been incidents where entire institutions or units are financially rewarded for performance, but examples of individual compensation for overall unit attainment of group goals were not found in the literature. However, a few examples were found in secondary education settings. Several states and school districts have implemented, or are experimenting with group pay incentive plans. The overall motivation behind these plans is to increase student achievement and is believed that student achievement will be greater when the entire school works together to meet the stated educational goals (Raham, 2000). The majority of the studies found do not apply to the research questions of this proposed study. Most of the studies focused mainly on the improvement of

20

student performance and overall the results are mixed (Raham, 2000). Although these secondary settings are also educational environments, there are significant differences between higher and secondary education, and because of these differences these studies are limited in their applicability.

However, there were a couple of studies with some relevancy. Two studies focused on the motivational impact of these reward programs and found that although the financial reward is motivating to some teachers, the stronger incentives are clearly stated and specific goals, the personal satisfaction of meeting the goals, the personal satisfaction of student achievement, and the public recognition received when goals are reached (Kelley, 1999; Kelley, Odden, Milanowski, & Heneman, 2000). These studies used expectancy theory (teachers perceive goals as attainable), goal-setting theory (teachers are motivated more by understandable, specific goals than by vague or conflicting goals), and systems theory (teachers will be motivated to work toward program goals if policies and resources are in alignment) as the conceptual framework guiding the research. As with faculty in higher education, these studies call into question the motivational impact of financial incentives with educators and provided further rationale for exploring the motivational impact of the group incentive system with faculty.

Also in these studies there is some inkling that group pay incentive programs increase teamwork in K-12 schools. Like faculty in higher education, teachers in secondary schools also report feeling isolated from their teaching colleagues and that their work is individually oriented. Kelley (1999) reported that teachers identified the opportunity to work collaboratively with other teachers in planning and implementing curricular changes as a beneficial outcome of the group pay incentive plans. Hall and

Caffarella (1997) report in their evaluation of the Douglas County Colorado system that teachers have said the program has helped decrease classroom isolation of teachers and has helped to increase collegiality. So although these educational environments are quite different from business settings, there is some information that indicates that group incentive systems may have some of the same desirable outcomes. This reinforces the importance of studying group incentive systems in higher education.

Literature Summary

The business literature makes a strong case for the use of group incentive programs; however their fit within academia is less certain. There has been extensive research regarding the socio-psychological, organizational, and economic factors that contribute to or detract from the effectiveness of these programs in business settings; however, no literature was found documenting the use of group incentive pay programs with faculty in higher education. The concepts from the literature presented in this chapter provided insight that helped the researcher develop the case study protocol and analyze the data collected.

Conceptual Framework

Bullock and Lawler (1984) analyzed 33 gainsharing (a type of group incentive contract) cases found in the literature by asking the fundamental questions of a case study in organizational development: What was done? How was it done? Where was it done? These questions are answered through an analysis of the structural components of the incentive system, an examination of the implementation factors, and looking at the situational or contextual aspects of the organization. As pointed out in the review of the

literature, studies have found that these factors can contribute to the success or failure of

a group incentive system.

Bullock and Lawler (1984) present the following model for exploring case studies

of gainsharing:

Figure A: Bullock and Lawler Model

Structural Factors
(Involvement structure, financial formula,
Payout percentage, etc.)

Implementation Factors
(Employee involvement. objectives, ──────────▶   **Success Outcomes**
use of interventionist, etc.)   (Innovation, productivity, pay,
                                                                                     cooperation, etc.)

Situational Factors
(Size, union status, management style,
Technology, environment, etc.)

Incorporating the concepts from the literature, this model has been adapted to

guide the case study. As described by Bullock and Lawler, the structural factors category

includes the factual, descriptive information regarding the program. This first category

will be expanded to also include an investigation of the origins of the program. Additions

have also been made to the second category, implementation factors. First, as described

by Bullock and Lawler, this category will include details about how the program was

implemented. As Bullock and Lawler (1984) write, "...it is important not only what you

do but how you do it" (p.27). In addition, this category will be expanded to include

information about what actually occurred and faculty perceptions of what happened.

Argyris and Schon (1977) point out how organizations may often have espoused theories,

or actions and beliefs that the organization publicly announces as important, but that the

actual organizational behavior is often different. Additionally, the group incentive

literature indicates that there are several psycho-social factors that may mediate the impact of the incentive program and this second area has been expanded in order to draw attention to these in the case study. The third category of analysis, the context of this study, is of special interest because although group incentive programs are commonplace in business and industry, their success in higher education is less certain. The situational factors category draws attention to the contextual factors that may have an impact on the success of the incentive program. The literature points to several areas worthy of exploration including organizational culture, motivational influences, the impact of competing reward systems, and potential differences by rank and career stages.

As Bullock and Lawler's model points out, what happens in these three areas can have an impact on the success of the program. Success, according to the authors, is whatever the organization has indicated as goals for the incentive program. In this particular case, success outcomes are being defined as the faculty working cooperatively toward goal achievement and the accomplishment of the stated unit goals. Taking the original model and literature into consideration, the customized model guiding the case study is illustrated in Figure B on the following page.

Figure B: Adapted Bullock and Lawler Model

<u>What was done? (Structural Factors)</u>
Origin/history of the program
Description of the program
Goals
Participation in development
Criteria for awarding bonus
How/when will it be awarded
Structures put in place for communication
      or problem solving

<u>How was it done? (Implementation Factors)</u>
Timing of bonus
Communication and problem solving strategies
      that actually occurred
Perception of involvement (compare to what
      was said would be done)
Perception of bonus (worth the effort, fair)
Perception of goals as attainable
Influential factors/barriers- free riders,
      isolation, autonomy, divisions by specialization,
      generational differences, personal politics,
      limited time, limited financial resources

<u>Success Outcomes</u>
Working cooperatively
Accomplishing goals

<u>Where was it done? (Situational Factors)</u>
Characteristics of the organization
Conflicting reward system (did the promise
      of a bonus motivate faculty to do
      anything differently?)
What motivates? (tenure system, money,
      having goals, perception people
      are watching you)
Differences by rank
Differences by career stage

25

CHAPTER THREE

Research Design and Methods

Introduction

The purpose of this research study is to explore the effects of a group pay incentive system as a strategy for motivating faculty to meet department goals at a large research institution. This investigation explores whether an alternative pay scheme can influence faculty behavior and motivate them to work collectively to meet established group goals. This chapter explains the research methodology, describes the unit that is the focus of this study, details the data collection and data analysis procedures, and presents the study timeline.

Research Strategy

This investigation utilizes a case study approach. Case studies are done in order to gain in-depth insight into a particular situation and are an intensive description of a program, event, community, group, or intervention (Merriam, 1998). The case study method is important because of the researcher's emphasis on the contextual situation (Mertens, 1998; Yin, 2003). As already noted, group incentive programs are commonplace in business settings, but are not common in higher education thus the setting is extremely important. This study provides an in-depth understanding of this academic department's group pay incentive system, and explores its influence on how individual faculty members approach their work.

In addition to the program description and analysis, the researcher addresses the following research questions:

1) What do faculty report doing differently in their work since the start of the incentive system?

2) Did the program motivate faculty to change work attitudes and behaviors? If so, what provided the motivation (the money, the goals, both the money and goals, fear of disappointing colleagues, etc.)?

3) Did the department achieve the group goals? What happened to departmental performance and productivity after the implementation of the incentive system?

The Unit of Study

This study took place in an academic department within a large public midwestern research university. The department consists of 27 regular faculty members (26 faculty members plus the chairperson), two non-tenure track faculty members, three academic specialists (non-tenure track staff with teaching and administrative responsibilities), four clerical support staff members, 18 full-time doctoral students, and numerous part-time student employees who provide teaching and clerical support. Of the 26 regular faculty members, 13 are full professors, eight are associate professors, and five are assistant professors (see appendix C). The department is highly regarded within its disciplinary communities. The rankings considered most relevant by the department are those done by one of the leading trade publications of the profession. The name of the publication cannot be included here because the title of this publication would reveal the academic department and risk revealing the identity of the study participants. In the 2005, edition of this publication the undergraduate program was ranked among the top 10 programs in the nation, and the masters and doctoral programs were both ranked among the top 15.

The rankings are published annually and are a result of a national survey of academics in the field. In addition according to a respected research database in the field, the department ranked among the top 15 in the nation for the number of publications over the last five years in the top five academic journals for their main field of study. The department also has a group of faculty who publish in another area, and they ranked third in the nation over the last five years in this set of journals.

The site was chosen because in the fall of 2005 the department implemented a group pay incentive system. Department discretionary funds were set aside to individually reward faculty with a financial bonus if established departmental goals were met. This is a cultural shift for the faculty who in the past were only rewarded for individual accomplishment. This reward program was designed to benefit all faculty if, as a whole, the teaching scores improved, a specific number of publications were obtained, and if all service assignments were completed. In a review of the literature and through discussion with several leaders and experts in the field of higher education, no other examples of this specific type of group pay incentive system were found in higher education.

Data Collection

It is recommended that data collection be holistic (Merriam, 1998), and to meet this goal the study includes interviews with the department chairperson, review of appropriate department documents, interviews with the faculty, review of performance data as it relates to the established unit goals, and participant observation. These multiple sources of evidence are necessary in order to analyze the case from the perspective of the

conceptual model and provide methodological triangulation to increase confidence in the data collected (Stake, 1995; Yin, 2003).

The conceptual framework presented earlier guided the investigation of the incentive system and the research questions. In order to conduct the study the researcher obtained background information regarding the incentive system and the academic department. This information was obtained through participant observation, interviews with the chairperson, and the review of organizational documents including bylaws, written documents regarding the incentive program, and appropriate meeting minutes.

Faculty thoughts and reactions to the department's group pay incentive system were obtained through semi-structured interviews. All 26 of the faculty members agreed to be interviewed. Interviews were audio taped and transcribed verbatim. The researcher allowed interview participants to review and revise the transcripts to insure their accuracy and to increase reader confidence in the data collection (Stake, 1995; Yin, 2003).

As a staff member in the unit, the researcher recognized that this might create a challenge in the faculty interview portion of the data collection process. It was anticipated that some faculty members might be reluctant to answer questions openly and honestly. However, because the researcher has a staff position in the unit and has no supervisory responsibility or authority over the faculty it was not expected to create a major obstacle for participation. To account for this issue and in order to assist participants in developing a sense of trust and comfort with the researcher, all participants were given information about the study in advance, including information regarding how confidentiality was to be maintained. The researcher explained that the study had nothing to do with the researcher's duties within the unit and that the study was a personal

endeavor as part of a doctoral dissertation. This information was presented along with the required informed consent document (see appendix B) conforming to the Social Science, Behavioral, Educational Institutional Review Board (SIRB) requirements for informed consent of research participants. The consent form included an acknowledgement that participation is voluntary, refusal to participate will involve no penalty, and that the subject may discontinue participation at any time. The researcher allowed each faculty participant to review his or her interview transcript for accuracy and make any additions or changes necessary to make certain the interview was accurately represented. Faculty members were given an alias in the interview transcripts and are not identified by name in this published document. All electronic versions of the research materials are kept on a password protected personal laptop computer with back-up copies saved on a password protected external hard drive device. Hard copies and audiotapes are stored in a file cabinet in the home of the researcher. These procedures were approved by the SIRB and documentation of this approval can be found in appendix C.

The final aspect of data collection was the review of the performance reports to ascertain whether or not the unit was successful in meeting the established performance goals. These reports were sent to members of the department via email by the department chairperson. As a staff member in the department, the researcher had access to this information and the department chairperson consented to its use in the study.

Study Organization

Several steps were taken to insure this was an accurate, well-organized and documented case. First, the researcher developed and followed a pre-established study protocol or research plan (appendix A). This protocol served as a road map to the

project. Yin (2003) recommends that a protocol includes an overview of the study, specific field procedures, and the study outline for the resulting case study report. Much of this information is already included in this document.

Secondly, the researcher developed a database for storing the collected information that allows readers to understand the derivation of evidence and the basis for the conclusions made (Yin, 2003). The database consists of both electronic files and hard copies. First, all interview participants were tracked in an Excel spreadsheet. This spreadsheet includes the interviewees name, the assigned alias, their sex, professorial rank, the number of years he or she has been in the professoriate, the date of the interview, notes about the status of the transcript, and the date the transcript was approved by the interviewee. This spreadsheet was critical in helping the researcher keep track of the interviews and transcripts.

As part of the database, the researcher maintained several Microsoft Word files. One file contained all of the interview transcripts. Each transcript was placed in an electronic file folder named "Interviews". Each transcript document was saved under the alias of the interviewee. When the transcript was approved by the interviewee, the researcher moved it to a new file named "Approved Interview Transcripts". The researcher did this so that original transcripts and approved transcripts did not get confused. Another file titled "Documents" was created and contained electronic copies of all departmental documents collected for the study.

The last electronic data file maintained by the researcher was a file titled "Sorted Data". This file was used to store data as it was sorted. As will be described in the next section on data analysis, the data was sorted initially into Excel spreadsheets, and then

again in Microsoft Word. Copies of the sorted data in both of these formats were maintained in this file.

Once the data was sorted, the researcher printed hard copies of the Word files. These hard copies were then used for coding. For example, in the set of remarks addressing barriers to participation, each response was coded as to the type of barrier discussed. These codes (for example time, support structures, tenure etc.) were then tallied. The tallies were written on a note page along with other researcher thoughts, observations and ideas. The note pages were attached to the hard copy of the sorted data and these copies were kept in a file folder. These hard copies were then utilized when writing the research report.

Data Analysis

In order to analyze all of the data from the interviews and documents involved in the case study, the researcher first organized all of the data into a case study database as described in the preceding section. All of the data was first organized as suggested by Bullock and Lawler (1984) into the three main groupings: what was done, how was it done, and where it was done. Hard copies of department documents were reviewed and divided into these categories based upon their fit with this schema. Interview transcripts were broken down by interview questions and put in Excel spreadsheets. These were then printed and the hard copies were divided into these same categories. This organization provided the initial structure for the data analysis.

Excel was initially chosen as a tool for the data analysis because it would allow the researcher to later sort the data by rank and years in the professoriate. The literature on career stages suggested that there could potentially be differences in responses based

upon these factors and the researcher wanted to develop a system that would allow the data to be sorted by these characteristics.

Once organized into these three categories, the researcher began to read once again the interview responses. In the process, the researcher realized that the Excel format had limitations on the number of words that could fit into a data field. Some of the interview responses were too long and were cut off in the printed document. To correct this, the researcher took each response and transferred it into a Microsoft Word document organized by each interview question. The Excel file was still maintained however so that the data could later be sorted if deemed necessary.

The researcher then utilized the themes from the literature to assist in the development of categories for grouping the data beyond the initial sort by interview questions (for example reactions to financial bonus, barriers, participation in the development of the DIS, etc.) and the researcher utilized the constant comparative method to do so. Each unit of data was compared to these categories, and to each other, to make thematic groupings. This was all done in Microsoft Word by cutting comments from the initial sorted documents and pasting these comments into documents organized by the themes that emerged.

Once divided into the smaller thematic groupings, the researcher printed hard copies and again read the responses. The data in these smaller thematic groupings was then coded and tallied. For example, in the set of remarks addressing barriers to participation, each response was coded as to the type of barrier discussed. These codes (for example time, support structures, tenure etc.) were then tallied. The data was also further examined for unique patterns based upon career stage and rank as suggested by

the literature. This was easy to do because as the researcher sorted and moved interview comments around, she included with each piece of data the alias, rank, and number of years in the professoriate.

Study Timeline

The incentive system was implemented in the fall of 2005 and the final determination of whether or not performance goals were met occurred during the summer of 2006. This time period provides the boundaries for the case study. Data collection began in the fall of 2006 after UCHRIS and dissertation committee approvals were obtained. The researcher completed data collection in January of 2007. The data analysis and writing of the research report were completed in November of 2007.

CHAPTER FOUR

Research Findings

Introduction

This purpose of this study was to explore the effects of a group pay incentive system as a strategy for motivating faculty to meet department goals at a large research institution. The goal of the study was to provide an in-depth understanding of the department's group pay incentive system and to answer these three questions:

1) What do faculty report doing differently in their work since the start of the incentive system?

2) Did the program motivate faculty to change work attitudes and behaviors? If so, what provided the motivation (the money, the goals, both the money and goals, fear of disappointing colleagues, etc.)?

3) Did the department achieve the group goals? What happened to departmental performance and productivity?

The findings, which are based upon interviews with the department chairperson; the review of departmental documents including bylaws, policies, and meeting minutes; interviews with the faculty; and review of the performance data as it relates to the goals of the incentive system are presented in this section. First, the findings are presented in detail utilizing the conceptual framework presented in the methodology section as a guide. Secondly, the findings are narrowed to specifically address the three research questions.

What Was Done? (Structural Factors)

Origin of the program

In the fall of 2005 the academic department implemented what was officially

known as the Department Incentive System (DIS). Essentially, the DIS is a group pay

incentive system. All faculty would be rewarded with a financial bonus if departmental

goals were met. The emphasis of the DIS is on collective performance. The preamble of

the departmental document describing the DIS states: "In recognition that the current

merit review system rewards individual but not collective achievement, the Department

(name omitted) is adopting the following department incentive system to motivate and

focus cooperation in achieving the department's teaching, research, and service

missions."

The chairperson of the department developed the idea for the DIS after

participating in a training and development experience over the summer with one of the

department's major employers of students. The exercise was part of a discussion

regarding teamwork in meeting organizational goals. The participants of the training and

development experience were divided into simulated NASCAR pit crews. Each pit crew

member was given a task involved in a race car pit stop. Each crew was timed to see how

long it took to complete the pit stop tasks and get the car back in the race. The pit crews

were then challenged to improve their time. The crew the chairperson was involved in

tried the pit stop again and found little improvement in their time. They realized

something more needed to be done to make a significant difference in their performance.

They looked more critically at the tasks and reassigned jobs. They helped those who

needed help. His group discovered that in order to improve their time, they needed to

approach the pit stop holistically. Regardless of how good one person was at a given task, if other teammates struggled, the group did not improve their time. This experience had an impact on how the chairperson viewed the performance of his academic department.

The chairperson reported that the NASCAR experience was not the sole source of inspiration for the DIS however. He also said that the department's external advisory board influenced his thinking. Over the last few years, this particular academic unit has solicited feedback regarding unit goals and objectives from its external advisory board. The external advisory board consists of alumni who are successful professionals working in the field. At the department's request, the board meets twice a year to provide input and guidance to the unit.

The chairperson reported that he had been engaged in a conversation with board members regarding his vision and goals for the department since he assumed the chairperson position. As a member of the board and coordinator of board meetings, the researcher was also well aware of these conversations. As part of this ongoing discussion that started back in the fall of 2002 with a conversation regarding college and department strategic plans, at the spring 2005 meeting the board was asked "What will it take to get the department to the next level? How can the board help?" The pursuant discussion focused on identifying and developing benchmarks for success. Items discussed included the placement of graduates; being a strategic recruiting school for major employers; rankings; having a current curriculum; faculty involvement in the practitioner, college, and university communities; and having recognition from the college and university as being a successful unit.

The dialog then turned to academically oriented scales of measurement. Faculty and board members discussed the three basic components of faculty work: teaching, research and service. As discussion continued, the researcher observed that the board members were not aware of the individualistic nature of faculty work. It was explained to the board members that individual faculty members had assignments in each of the three areas and annual raises were merit-based contingent upon individual achievement. The researcher observed that the board members were astonished that there were no group goals. Board member felt there should be explicit unit goals and objectives, and that individual objectives should fit within this defined set of departmental goals. Board members spoke about the need for specifically defined measures of success. Faculty pushed back and talked about the difficulty in quantifying and measuring their work. The faculty spoke about the entrepreneurial nature of their work and attempted to explain faculty customs and norms to the business executives. In the end, board members encouraged the department to examine this issue more closely and pushed for the establishment of unit academic goals. In their mind, success as a whole was the key ingredient to taking the department to the next level.

These two events served as the inspiration behind the DIS. The chairperson talked about the NASCAR experience and reflected back upon the external advisory board meeting at the annual fall faculty retreat on August 25, 2005. He proposed to the faculty his idea for promoting collaboration and the attainment of departmental goals by using departmental discretionary funds to financially reward all individuals if group goals were met. Discussion ensued as to the details of such a program and in the end, the faculty voted to approve the general structure (21 in favor, 0 opposed and 6 abstentions)

of the incentive system with the caveat that the Departmental Advisory Council (DAC) would review the plan and make a final recommendation to the faculty regarding the goals. According to the department's bylaws, DAC membership consists of five elected faculty members, one representative of the staff, one undergraduate representative, and one graduate student representative. The bylaws state, "An important purpose of the DAC is to serve as a means of participation by faculty, staff, and students in the policy making of the Department." The department bylaws describe the scope of DAC activities to include:

> 7.2. Scope of Activities
>
> 7.2.1. The DAC shall make general policy recommendations pertaining to the teaching, research, and service missions of the Department.
>
> 7.2.2. The DAC shall act as the Departmental grievance committee in matters arising between faculty, staff (when not covered by other University procedures), and students.
>
> 7.2.3. The DAC shall undertake additional duties as deemed necessary by the Chairperson, regular faculty, College, and University.
>
> 7.2.4. The DAC shall have shared responsibility with the Chairperson of the Department for the agenda of Department meetings.
>
> 7.2.5. The DAC shall establish channels for meaningful communication among faculty, staff, and students.
>
> 7.2.6. The DAC shall make recommendations on policies regarding implementation of the *Assignment, Evaluation, and Merit Salary Increases.*

According to departmental records the DAC met three times to discuss the proposed incentive system. The council provided feedback to the chair regarding who should be included in the incentive system; they provided affirmation for the proposed two-step system consisting of basic goals and a second higher level of goals; and they discussed at length the specific goals and how to measure these. At one point DAC

members were charged with collecting opinions from their faculty colleagues regarding the list of journals to be included in the measurement of the research goal. Among the faculty, there are specialty areas or "tracks" as they informally refer to these specializations. A member from each track happened to be on the DAC, so each faculty member of the DAC was assigned to collect feedback regarding the journals from his or her track colleagues. The DAC debated and voted on each component of the DIS and then provided a final recommendation to the chairperson.

The DAC is an advisory group to the department chairperson and as such, the chairperson is not bound by their recommendations. However, the chairperson reported that he takes their advice seriously and said that "any chairperson would be foolish not to." The chairperson said that he accepted most of the recommendations made by the DAC regarding the DIS. The only one that he recalled not accepting was the goal as it pertained to service. This is discussed in greater detail in the following section.

A final version of the DIS was then distributed to the faculty and on October 21, 2005, a faculty meeting was held to vote on the details of the incentive system. All 20 faculty members present at this meeting voted in approval of the finalized incentive system proposal.

Description of the Incentive System

The incentive system was designed to reward collective achievement of departmental teaching, research and service goals. Two sets of goals were established: basic goals and additional goals. Some faculty in the department referred to the additional goals as "reach" or "stretch" goals. If the basic goals were met a financial bonus of $3,000 was to be awarded to all full-time employees with teaching

responsibilities, and $1,500 to part-time employees with teaching responsibilities and to full-time non-teaching employees. If the additional goals were achieved, an additional $2,000 would be awarded to full-time employees with teaching duties, and $1,000 would be given to part-time employees with teaching responsibilities and to each full-time non-teaching employee. The unit's formal document describing the program which is included in the appendix, gives further details regarding eligible employees including those on sabbatical, administrative leave, and those approaching retirement in their consultantship year. The program started in the fall of 2005 and covered the time period of August 16, 2005 to August 15, 2006.

The Goals

Goals were established in each of three areas: teaching, research, and service. According to the chairperson, the general philosophy used in the setting of the goals was to establish goals that would be attainable but would still require some attention and effort to be accomplished. The teaching goal was to be evaluated using what the institution refers to as SIRS scores. SIRS stands for the Student Instructional Rating System. It is a standard, university-provided survey which collects feedback from students to provide faculty and department administrators with feedback on their instructional practices. The department currently uses SIRS scores when evaluating faculty for promotion, tenure, and salary increases so utilizing SIRS scores was a practice already in place by the unit. Although the forms can be customized, the department involved in this study uses only the two standard questions provided on the form: 1) Rate the instructor's overall teaching effectiveness, and 2) Rate the overall quality of the course. Students have five options for rating their instructors on these questions: far

above average, above average, average, below average, and far below average. Each rating is given a numerical score from one to five, with the response of "far above average" assigned a score of one, and "far below average" assigned a five. Students also have the opportunity to write comments on the form. The forms are distributed in class to students at the end of the semester, and students respond to these questions using a computer scan answer form. Typically within a couple weeks of administering the forms, the department chair receives a summary of the results for each course taught. The report includes a numeric score for the mean, the standard deviation, and the number of evaluation forms completed. Forms with comments are also returned. After these are reviewed and recorded by the department chair, the results are distributed to the individual faculty member.

In order to set the teaching goals, the DAC reviewed the last five years of SIRS data. The chairperson reported that there was a great deal of conversation in the DAC regarding how to set this goal. The members felt that the faculty in the department were already excellent teachers based upon SIRS scores. In reviewing reports that had been compiled and distributed by the college administrators, they saw that they had the highest SIRS scores of all the other academic departments within the college. The DAC members felt it would be difficult to improve on what they already considered high performance. Thus as they reviewed the SIRS data from the last five years, the DAC decided to choose as the basic goal, the fourth best performance over the last five years. The additional goal was set at the average SIRS score over the last five years. The basic goal in the incentive system for teaching was a SIRS score of 1.91 on question number one (instructor's teaching effectiveness) and 2.05 for question two (overall course

quality). The goal would be considered met if the average SIRS scores of all eligible participants reached these targets. The additional goal would be considered met if the average SIRS score on question one was equal to or less than 1.89, and 1.98 on question two.

The basic research goal was considered achieved if two conditions were met. First, it would be considered met if the total number of coauthored publications was 27 or more. Secondly, in addition to this, the total number of publications in specific, targeted journals must be nine or more. The additional goal target was set at 31 or more publications with 10 or more in the targeted journals. These numbers were arrived at in the same fashion as the teaching targets. The fourth best year was chosen as the basic goal, and the average number of publications over the last five years was the additional goal. Publications were counted at the time the acceptance letter was received from the journal editor, not by the date of the printing and distribution of the actual journal. Target journals are defined in the formal department incentive system document as:

> "Target journals are refereed, highly visible, multidisciplinary, scholarly journals, including but not limited to the following journals in which department employees have published over the last five years. Similar journals can be added to this list by recommendation of the department chairperson in consultation with the DAC."

Following this definition in the formal DIS program document was a list of specific journals. The names of these journals have been deleted from the formal incentive system document contained in the appendix (see appendix D) in order to protect confidentiality.

Another critical part of this goal was the use of the term coauthored. Coauthored meant that even if the article was written with another person or persons, it still counted as a publication. This applied to co-authorships both within and outside the department. If for example, two faculty members in the department coauthored a published journal article, it was counted as two articles in the tally. In the case of publications with more than one author, each faculty member who served as an author received credit for having published an article.

As with the teaching goal, the department chairperson reported that there was a great deal of discussion over the research goal. The minutes of the DAC also reflect this. Debate occurred over whether or not to have two tiers of publications, what publications belonged on the lists, and what types of publications would count (e.g. book chapters and published proceedings). The debate over whether or not to have a two-tiered list of publications appeared to be the most contentious issue and in the end was approved by only one vote. The DAC vote was four members in favor of having the two-tiered goal, and three against it.

The service goal, at both the basic and additional goal levels, was considered met if all service assignments were completed on or before May 15, 2006. This date was established because most of the faculty have academic year or nine month appointments. These appointments have a time period of August 15th through May 15th, thus it was established that service assignments needed to be completed by the end of the academic year appointment date. According to DAC minutes, there was some concern expressed in the DAC that the goal was too rigid and would be difficult to attain. If one person did not complete his or her service assignment, the goal would not be met. The DAC

recommended to the chairperson that the goal should be considered met if n-2 (where n equals the number of faculty in the unit) completes his or her service assignments. The chairperson reported that he rejected this recommendation because "he did not want to give anyone an excuse for not participating." Instead, a clause was put in the incentive document that stated that if extenuating circumstances existed, the chairperson along with a majority vote of the DAC, could exclude certain service assignments from affecting whether or not the goal was met.

Participation in the Development of the Program

Participation in the development of the incentive system occurred at three levels, incorporating both formal and informal means of participation. This first formal level of participation was through discussion and voting at faculty meetings. The DIS was first introduced and discussed with the entire faculty at the department's annual fall faculty retreat, which is an annual meeting of the faculty before the start of the new school year. As mentioned previously, the department chairperson proposed the idea and his thoughts regarding the details of the incentive system at this meeting. Discussion ensued as to the details of such a program and there was a great deal of discussion and debate regarding the goals.

After considerable debate, the faculty voted to approve the general structure (21 in favor, 0 opposed and 6 abstentions) of the DIS with the caveat that the DAC would review the plan and make a final recommendation to the faculty regarding the goals. All regular faculty members (defined in the bylaws as all persons appointed under the rules of tenure and who hold the rank of professor, associate professor, assistant professor, or instructor) were present at this meeting. After DAC review, the entire faculty once again

had a formal opportunity to discuss and vote on the DIS. At a faculty meeting on October 21, 2005, the revised version of the DIS was presented to the faculty. Twenty regular faculty members were in attendance at this meeting and all voted in approval. A quorum is defined in the bylaws as one more than a simple majority. At this time there were 27 regular faculty members in the department, so 16 faculty members were needed in order to take any action requiring a vote of the faculty.

Review of the incentive program by the DAC was the second type of formal faculty participation in the development of the DIS. As mentioned earlier, the DAC consists of five elected faculty members, one representative of the staff, one undergraduate representative, and one graduate student representative. Its purpose is to serve as a means of participation by faculty, staff, and students in the policy making of the Department.

The DAC met three times to discuss the DIS. According to DAC meeting minutes and as also reported by some faculty members in their interviews, throughout the DAC deliberations, members of the DAC engaged their colleagues in conversation regarding how to measure the research goal. The DAC provided recommendations about the DIS back to the chairperson and based upon these suggestions the DIS was revised.

The informal participation included casual conversation between the department chairperson and certain faculty members. Two members of the faculty reported in their interview that they were at the same training session as the chairperson and they too participated in the pit crew exercise. Both reported having informal conversation with the chairperson over the applicability of this exercise to their academic department. Both reported that the chairperson asked for their feedback regarding the feasibility of an

incentive system with their unit. Several others reported having "lunchroom" conversations with the chairperson about the DIS. These conversations were reported to have occurred casually over lunch in the cafeteria frequented by the faculty. Four other faculty members with academic expertise related to employee incentives mentioned that the chairperson had asked them for feedback and ideas on implementing an incentive program within the department.

The Bonus

If the basic goals were met, a financial bonus of $3,000 was set be awarded to all full-time employees with teaching responsibilities, and $1,500 to part-time employees with teaching responsibilities and to full-time non-teaching employees. An additional $2,000 would be awarded to full-time employees with teaching responsibilities, and $1,000 to part-time employees with teaching duties and to each full-time non-teaching employee if the higher goals were met (the department referred to these as the "additional goals".) The financial bonus, if awarded, was designated to come from department discretionary funds. These discretionary funds come from private and corporate donations given to the academic unit to be used at the discretion of the department chairperson. The chairperson reported that this pool of money had grown over the years and there was ample money to carry out the DIS at this time. Although the chairperson claimed to have the authority to use these discretionary funds as he deemed appropriate for the department, he reported that he had discussed the DIS with the college's dean and had the dean's full support.

How Was It Done? (Implementation Factors)

Timing and Communication

Although discussed and given preliminary approval by the department faculty at

the faculty retreat in August of 2005, the faculty did not approve the specific details

regarding the goals until the following October of that year. At the retreat the faculty

approved the idea of an incentive system, endorsed the financial bonus, and agreed upon

the general concept of having teaching, research and service goals. At the retreat the

chairperson had proposed his ideas for the specific goals and there was discussion about

these, but because of lack of time and data, the faculty voted to have the DAC review the

goals more thoroughly and come back to the group with a recommendation.

After the October approval of the DIS, the next formal communication about the

incentive system was a progress report sent via email to the faculty and staff on March

20, 2006. At this time it was reported that the faculty had 19 publications, of which nine

were in the list of targeted journals. The basic goal would be considered met if there

were at least 27 publications and at least nine had to be published in the list of targeted

journals. The additional goal was 31 publications and 10 from the list of targeted

journals. As of March, the faculty needed eight more publications to meet the basic

research goal.

This same progress report indicated that the fall semester student evaluation

scores did not meet the goals. The average score on the first student evaluation question

(instructor's teaching effectiveness) was 1.94 and was 2.04 on the second question

(overall course quality). The basic goal would be considered met if the scores were 1.91

and 2.05 or lower respectively. The additional goal would be considered met if the

scores were 1.89 and 1.98 or lower. Although the fall scores did not meet the goal, the spring semester evaluation scores would also be figured in to the average so there was still time to accomplish the goal.

The progress report also included an update on the completion of service assignments. The report included a complete list of service assignments broken down by university, college, and departmental levels. The list included a check mark (√) next to those departmental assignments completed at the time of the progress report. Service assignments outside of the department were considered completed unless contrary information was provided by the outside group being served. At the time of the progress report no such contrary report had been received, thus the university and college service assignments were considered on course to be completed at this time. Out of the 44 departmental service assignments, 33 had been completed at the time of this report.

The next formal communication about the DIS came via email on April 26, 2006. This report was identical to the first progress report, but provided a more recent account of the progress toward the DIS goals. It appeared as though the same report was used, but with bolded text drawing the reader's attention to the updated goal information. At this time, the basic research goal had been met as the chairperson reported 32 total publications of which nine were in the targeted journals. With one more publication in the targeted journals, the additional goal would be met. The status of the teaching goal remained the same because spring semester teaching evaluation scores would not be available until the end of the semester, and the chairperson reported that all but two service assignments had been completed.

On June 29, 2006, another progress report was sent via email. This report was also identical in format to the previous two. The status of the research goal remained the same. They were still one publication short on the targeted journal list from meeting the additional goal. The spring semester teaching evaluation scores were now available and the chairperson reported that the fall and spring average scores were 1.97 on question one, and 2.07 on question two. At this point neither the basic nor the additional goal had been met. To meet the basic goals the scores would have needed to be 1.91 or lower on the first question and 2.05 or less on the second. The chairperson indicated that there was still time to achieve the goals because summer teaching scores would also be included in the computation. The remaining two service activities had been completed and the chairperson received no information to indicate that outside service activities had not been accomplished, thus the basic and additional service goal had been met. At this time, the basic goal had been met in research, neither goal had been met in teaching, and both service goals had been met.

On July 17, 2006, the final report was issued. Since the last report, the chairperson had received notification of several more publications, one of which was a publication on the list of targeted journals. Thus it was reported that both the basic and additional research goals had been achieved with 37 total publications, 10 of which were in targeted journals. Student evaluation scores for the first summer session were now available and the department average on the first question was 1.96 and 2.05 on the second. There were only a couple classes that extended into the second summer session and as the chairperson's progress report stated, not even "superhuman performance" in

these classes would permit the goals to be met. Thus, the basic goal was missed by .05 on the first question, but was met on the second question.

The chairperson's report went on to say that these results had been presented to the college deans in a meeting scheduled to discuss faculty evaluations. The college deans include the dean of the college, and an associate dean for undergraduate programs, an associate dean for graduate programs, and a dean for faculty affairs. The chairperson informed the deans that he would not be authorizing a bonus this year because the teaching goal had not been met and as stated in the DIS, all three goals had to be achieved in order to receive the financial bonus. The report stated that the deans were impressed by the department's performance in the research and service areas. They also felt that although the unit did not hit the target, a 1.96 score on question number one of the student course evaluation form was still very good. The deans suggested that the bonus should be given anyway. The chairperson reported that he expressed reservation to the deans over the integrity of giving the bonus when the goals had not been fully achieved. Also, if this were to happen, he felt the bonus should be less than what would have been awarded had the goals been achieved. Discussion ensued, but the deans still felt the bonus should be given.

The chairperson documented in his report three reasons why the deans felt the bonus should be given. The first reason was that they felt the incentive system was a good idea and they wanted to see it continued. They thought that perhaps the metrics that had been set were not "well calibrated" and needed to be reviewed. Secondly, they thought the overall performance of the department was noteworthy and deserving of recognition, and finally, they felt that with an additional year the department might learn

to work more collaboratively to meet the goals. In his interview as part of this study, the chairperson said the deans were afraid that without some success, the faculty would give up on the DIS and they felt it was a good idea and should be continued. After this explanation of the deans' reaction in the report, the chairperson went on to write that he had decided to take the deans' recommendation and award a bonus. He announced that an award of $2500 was to be awarded to all full-time employees with teaching responsibilities, and $1250 would be awarded to part-time employees with teaching responsibilities and also to full-time employees without teaching responsibilities. Had the basic goals been achieved, the award would have been $3000 and $1500 respectively.

Faculty Perception of their Involvement in the Development of the DIS

When asked to describe their involvement in the development of the DIS, 13 of the 26 faculty members interviewed replied that they had none. When asked if they had attended the faculty meetings where it was discussed all thirteen answered yes, they had attended these meetings. These members of the faculty did not perceive the discussion at the faculty meetings as a form of involvement in the development. As one faculty member stated, "I was there at the retreat and so forth where we spent some time on it. I never felt like I was part of creating it so much as I just was one of 35 people discussing it together."

Eight faculty members described limited participation in the development through faculty meetings and/or informal conversations with the chairperson. When asked to describe their involvement, all of these eight mentioned the faculty meetings, but all minimized this form of involvement. For example, when asked to describe his involvement one person said, "None other than participating in the faculty meetings that

designed it. I wasn't on any special committee or anything." Another said, "None outside of regular faculty meetings." Two of these eight faculty members also mentioned informal conversation with the chairperson but downplayed this as a form of involvement as well. When asked to describe his involvement one said "Only in the sense of once, maybe twice [chairperson name omitted] talked with Ellen and Amy and I at lunch, and you know, it was kind of a lunch conversation about it. He sort of laid it out and he told us the race car story, and asked for our reaction because he said 'you guys do research on this kind of stuff.'" The other person mentioned that the chairperson had come to his office and asked him his general opinion of the idea. These eight faculty members seemed to view the meetings and the informal conversations as a form of involvement, but their tone of voice and choice of words, for example "none other than...", "only in the sense of...", created the impression that they did not view this involvement as significant.

The five faculty members who were on the DAC indicated they were involved in the development of the DIS. Each alluded that the task was difficult and some indicated there was conflict during the deliberations. One person said, "Most of the votes that we took were three to two. It wasn't the same three or two people on different issues. So people were very unsure as to whether this was a good idea, how to implement it, what should be the basic goal, what should be a stretch goal, in everything there was some disagreement." Another said, "And as with any incentive plan when you are starting out, it's hard to know, it's very, very hard to know how these decisions ought to be made. And so you kind of make them and see how they work out. And, it's not perfect." Two of the five mentioned that the chairperson was actively involved and exerted a great deal

of influence in these meetings. One member was angry with this and said, "[chairperson's name omitted] forced a list he was not willing to bargain on although he told the DAC he was." The five DAC members were the only faculty members who without hesitation or qualification, said they were involved in the development of the DIS.

Faculty Perception of the Goals.

The faculty was asked about their feelings regarding the goals, and 19 of the 26 reported that they thought that the research goal was reasonable. In general, they thought the goal made sense and was attainable. A few people in this group mentioned that research might have to be measured over a longer period of time because the publication cycle can take several years, but they thought the goal was okay for the initial round of the incentive system.

The other seven members of the faculty reported mixed responses. One faculty member said he was not sure how he felt about the goal because he was not an active researcher and did not think he could make a contribution in this area. Another faculty member thought the goal was superficially set with not enough time spent in analyzing prior performance. This same person thought that if the overall goal was to promote teamwork, the set goals would not accomplish this. He felt the goals were more likely to encourage the faculty to hunker down in their offices and work independently on their research. Another faculty member thought the goal was set too high. Another was against the whole incentive system and was especially upset by the tiered list of journals. One person said that he was not able to comment because he was not sure how the goals were determined and set. Another person said he did not like the goal because he was not

in favor of group goals for the faculty. He was of the opinion that faculty work is independent and goals should be individually based. And finally, one person said that he agreed with wanting to improve scholarly output, but he disagreed with the stratification of the journals.

Fewer faculty members thought the teaching goal was reasonable. Of the 26 faculty members interviewed, 13 faculty members thought that the teaching goal made sense and was attainable. Although no one disagreed with the intent to improve teaching, the other 13 faculty members had problems with the mechanics of the teaching goal.

Three faculty members felt that the use of SIRS scores was not the best measure of teaching performance. SIRS scores are based upon student ratings of the instructor's teaching effectiveness and overall course quality, and these three faculty members did not like the fact that the goal was based solely upon these. One person cited that they felt it reduced risk taking and experimentation in the classroom. One person cited that they felt there was a link between the ease of the course and SIRS ratings (e.g. the easier the course, the better the rating.) Another told a story about a colleague who brought donuts to class each week and he felt this positively influenced his student evaluation scores. They did not feel this was the most accurate way to evaluate a teacher's performance.

Another six faculty members did not disagree with the use of SIRS scores, but felt the goal was not well calibrated and because of this they were not sure if the goal was attainable or not. Several people in this group commented that the department already had very good teaching scores and felt it might be difficult to make a significant change in these scores. These people thought that more consideration needed to be given to what it would take to be able to reach the stated goals. As one person said, "the goals were

superficially set." Another person in this group mentioned that not enough thought was given to the variety of factors that could impact SIRS scores in a given year, for example class sizes and changes in the faculty. This person's comment poignantly summarizes the issue for these six faculty members, "This department talks about things like SIRS scores all the time, but they have a simplistic discussion and never ask, what's the distribution look like? Is it normal? Is it uniform? Is it skewed? What's the standard deviation? What's the range? What's the mean? Most of the faculty hasn't got a clue. And yet we worship this thing and have these stupid discussions about well 1.6 is good and 1.8 is bad. Well, tell me what the mean is. What's the distribution look like? They haven't got a clue. So I wasn't quite sure about how realistic, how much incremental effort we would have to put out to achieve this new target."

Contrary to those who were unsure about the attainability of the teaching goal, two faculty members thought the goal was not set high enough. As the one person said, it was "too reasonable." These faculty members had little doubt that the teaching goals would be achieved.

Of the two remaining faculty, one person said he could not offer an opinion on the teaching goal because he said he needed more information about how they were set. He didn't recall how they were determined and because of this had no thoughts to share on this topic. The last person did not like the goal because he was not in favor of group goals for the faculty. As stated previously, this person was against the incentive system because he was of the opinion that faculty work is independent and goals should be individually based.

Most of the faculty never even mentioned the service goal as they responded to this question. Only two people mentioned it in their response without being prompted. When prompted, everyone agreed that the goal was reasonable and easily attainable. One person said it was a "no-brainer", another said it was a "gimme", another said it was "pretty meaningless." It was clear that the service goal was given very little thought and attention by the faculty.

Perception of the Financial Bonus

In this particular study not a single person responded that they were motivated by the financial bonus. In the interviews the faculty were asked to react to the financial bonus. In the DIS, if the basic goals were achieved each faculty member would receive $3,000. If the additional goals were met each would receive a $5000. Only one person admitted that the financial bonus initially excited him, but he admitted he did nothing different in response to the DIS. As he continued to reflect upon the incentive system and his behavior, he concluded that at his age (he was one of the older midcareer faculty members in the study), he really did not care about getting raises anymore and perhaps he really did not care about the money after all.

Although no one said the financial bonus motivated them, six people commented that the amount was sufficient or enough to attract attention. One person described it as "credible", another said it was "nothing to sneeze at." Seventeen people did not think the amount was enough to matter to them. Five of the 17 specifically said the amount would have needed to be higher to motivate them. One person joked that if it were enough to put a new roof on his house, or pay his child's college tuition for the year then it might

57

have had an impact on his behavior. Three faculty members did not comment specifically on the amount.

Nine people, including both faculty members who thought the amount was insignificant and those who thought it was a significant amount, expressed discomfort in regard to the financial bonus. Four of these nine faculty members thought it was wrong to be paid extra for what you already are compensated for doing. These people felt they were doing nothing special or out of the ordinary to warrant the extra financial bonus. Two of these same four people also expressed that other faculty at the university were being paid much less for doing the same work and in that sense they thought it was not fair. Along with these opinions, were two faculty members simply felt they were already well paid and thus they were uncomfortable with the bonus.

Three of the nine faculty who expressed discomfort with the financial bonus attributed their uneasiness to the source of the bonus money. The financial bonus was taken from discretionary funds given to the department by donors. One person had very strong feelings in this regard, he said, "How can you look your donors in the eye and say 'we took all the money you folks donated and paid it to ourselves as a bonus for doing our jobs.' That's why when listening to these people at the advisory board I had all I could do to say 'I don't think you people get it! You are asking brand new staff to make contributions to enrich the faculty!'" These faculty members felt that donated funds should not be used to enhance faculty salaries and that this practice was not aligned with donor intentions.

Perceived Barriers

In the examination of their thoughts regarding the DIS, the faculty was asked if there were any barriers that kept them from working toward the goals of the incentive system. The perceived barrier most commonly mentioned was the lack of support structures to assist people in meeting the goals. Eight faculty members talked about this in their interviews. Several people mentioned that there should have been workshops or structured forums for discussion, especially in the area of teaching. Three people mentioned that no one extended him or herself to assist them or provided mentoring. One person even told the story of specifically asking a colleague who was known for being a good teacher if he could sit in on his class. The faculty member turned down this request.

Another person commented that formal support structures were needed because she felt people were not comfortable asking for help. She attributed this to what she perceived as an independent work culture. She said that people do not feel like they can ask colleagues for help because they seem to think that by doing so they are wasting the colleague's time. She felt that specific structures needed to be put in place to encourage broader interaction and discussion because these things would not happen otherwise. A couple people mentioned that the department has research workshops, but that these workshops focus on research critique and do not assist with the mechanics of getting published, which in their opinion is where the need is. The lack of structured support to coincide with the goals of the DIS was perceived as problematic for many. As one person said, "I don't think there were any barriers, but I also don't think there was any help provided. I don't think anything was done to move it along after the fact."

Five faculty members mentioned the lack of time as a barrier. They felt that they did not have time to take on any additional work. One person cited the burden of administrative work, three people mentioned their heavy teaching loads, and another person reported feeling generally too busy. He said, "Time is the scarce thing. Free up time." Two of the three people who mentioned their heavy teaching loads also brought up another issue. They felt that workloads were not balanced so that everyone could make a contribution to the achievement of the goals. The faculty who were active in research had smaller teaching loads and in the opinion of these two faculty members, this allowed these members of the faculty to devote more time to research, thus making them better able to contribute on this goal. Also, because they had a smaller teaching load, which typically included multiple sections of the same course, this allowed them more time to concentrate on their teaching assignments as well. As one person said, "I honestly think that most people understood that the system was rigged in a sense so that only certain people could do certain things, and I think it actually de-motivates people rather than motivates people for achieving the goals."

A variety of other barriers were also discussed. Of the five assistant professors in the study, three mentioned that they were more concerned with achieving tenure than achieving the goals of the incentive system. One person said she felt a great deal of pressure anyway and that the incentive system increased her stress. One person said, "If somebody said to me if you get three A's [publications in top tiered journals] then we are going to tenure you no matter what. That would have gotten my attention a lot more than a 5000 dollar bonus when we are all probably overpaid anyway, right?" The other person

said, "I guess at my career stage I am just so concentrated on research that it just didn't matter."

Along these same lines, three tenured faculty members felt that the incentive system was misaligned with the individual reward system that was already in place. In this system, each faculty member meets with the chairperson annually and an individual plan for the year is developed. Teaching, research and service are given a certain weight. At the end of the year, the faculty member's performance is evaluated in each area and he or she is given a rating in each area. This rating is then multiplied by the weight and the three scores are then added together for a total score. This total score is then used to determine the annual raise of the individual faculty member.

Added to this is something they call a market adjustment. Market adjustments are additional raises given to faculty members who are at risk of leaving the institution given his or her attractiveness in the larger academic job market. This is most typically because of their research productivity and the positive reputation he or she has achieved in the academic discipline. Colleges are given a certain amount of money each year in order to give these additional raises to faculty members in hopes of retaining them in the department and at the university. In their interviews, three faculty members mentioned that these two reward systems that were already in place provided ample motivation and outweighed the DIS.

Three faculty members thought the goals did not fit with academic culture and they perceived this as a mental barrier. Two faculty members mentioned that the group goals of the DIS were in conflict with what they perceived as the autonomous nature of faculty culture. Along those same lines but with a slightly different twist, another person

said it felt too business-like, she said, "…it almost felt too corporate. I mean we choose this career and this academic lifestyle. I mean, you too right? We choose this for a certain reason and because we like it. So it just seemed too sort of competitive, too corporate."

Another person felt his own personal attitudes served as a barrier to his participation. He really did not want to share some of his ideas because he felt that certain things he was working on and doing made him unique and distinguished him compared to others. He also said he did not really care about the money and he did not really see how his individual performance would have much of an impact on the overall performance.

One faculty member said that the management style of the chairperson was a barrier to her participation. This person felt that the chairperson "micromanaged" and tried to manipulate the research agenda of some faculty members. This person felt the chairperson's involvement and criticism was negative and curtailed the creative process.

Finally, one person thought the DIS was too short termed to influence people's behavior. She specifically cited the research and publication cycle, which she said took at least two to three years. She felt this needed to be considered in the DIS and that the research goal did not have any impact on her behavior because in order to get a publication in that year, the project would have had to be started a couple years prior.

Where Was It Done? (Situational Factors)

As already described this study took place in an academic department at a large, midwestern research university. The department is highly regarded within its disciplinary communities. At the time of the study the undergraduate program was ranked 8th in the

nation and the masters and PhD programs were both ranked 11th in one of the leading

trade publications of the field. In addition, the department ranked highly in terms of the

number of publications appearing over the last five years in the top academic journals.

These ratings are important to the department and are consistent with the unit's mission

statement which is, "To be known nationally and internationally for excellence in

educating students and creating and disseminating knowledge through research and

outreach, relevant to the [name of discipline omitted] communities."

Governance

The department is governed by bylaws. The bylaws are a 14 page document

containing 11 sections or topics. The first section defines the composition of the faculty,

how appointments to the faculty are made, faculty participation in academic governance,

and the powers of the faculty. The second section defines the staff, how staff

appointments are made and their participation in the academic governance of the unit.

The third section defines the student constituents of the department and their involvement

in the academic governance of the department. The fourth section details what the

document refers to as "modes of participation". There are four modes defined including

consultation, advisory, shared responsibility, and delegated authority. These definitions

guide the following portions of the bylaws which define governance and the type of

participation department members have in various activities. The fifth section describes

the governance of the department including the selection, duties and responsibilities of

the chairperson; and describes who participates in the various matters of the department

and the mode of that participation. The sixth section describes the procedures for

departmental meetings. The seventh section describes the roles and composition of the

Department Advisory Council. The eighth section describes department committees and their composition. The ninth section describes the department's responsibility for the curriculum. The tenth section covers the process for promotion and tenure, and finally the last section explains the process for interpretation and amendment to the bylaws.

The department has two other governing documents: one is a 13 page document that specifically dictates the promotion and tenure process for faculty; and the other is a six page document that describes the process by which faculty work assignments, evaluations, and merit raises are made. Both of these documents are separate from the bylaws but are referred to in the bylaws document as governing these proceedings. All documents are quite detailed and specific and are reflective of the nature of the discipline. The professional field that the faculty study and teach is very rule bound and it appears as though this orientation has spilled over into how they have organized their work life.

The document of most relevance to this study is the one detailing the procedures and process by which faculty work assignments, evaluations, and merit raises are determined. These procedures have been in place since 2003. This document was initially introduced by the chairperson at the time, then vetted and revised by the faculty. It then went before the entire faculty for a vote and was officially approved. It can only be changed by a vote of the faculty in the same manner as amendments to the bylaws. This process for assignments, evaluation and merit raises was in place at the same time the DIS was instituted. As discussed previously, several faculty members referred to this in their interviews. Understanding this procedure and process helps to understand the faculty commentary on this subject and provides an insight into department norms.

To determine faculty work assignments, each member of the faculty has an annual meeting with the department chair to discuss their goals for the year. The assignment, evaluation, and merit document states:

A. Each faculty member is to prepare the following two items annually in writing and attach them to his or her annual activity report:

    1. A proposed two-year teaching, research and service percentage allocation that totals 100% each year, within the following intervals:
- Teaching 30%-60%
- Research 20%-60%
- Service 10%-30%

    2. A proposed teaching, research, and service assignment (e.g. proposed courses to be taught, service activities to be undertaken and a research plan) for the following two years that is consistent with the proposed percentage allocation and focuses on outputs consistent with a 100% full-time academic year appointment.

B. After all faculty members have submitted their proposed percentage allocations and related assignments, the Chairperson will evaluate each individual proposal and the combined set of proposals in relation to the Department and College needs and strategic plans. The Chairperson will then confer with each faculty member to set final percentage allocations and make assignments for the following year.

C. When departmental needs or unforeseen circumstances arise, the Department Chairperson may make additional assignments or change the original assignments after conferring with affected faculty members.

The individual meetings occur in August or early September at the start of each new academic year.

As referred to in the previous section, at the end of the year each faculty member submits an activity report for the year. This report is very structured and each faculty member in the department and entire college uses this reporting mechanism. This report is then used as the basis for the annual evaluation. The document states:

A.   Each faculty member will prepare an annual faculty activity report in a specified format. The format will include separate sections for each of teaching, research, and service. Information will be provided for the current year and the two preceding years. The form will provide a faculty member an opportunity to provide evidence of both quality and quantity for teaching, research, and service.

B.   Each assistant and associate professor will submit his or her annual faculty activity report along with a current resume and any other information the faculty member feels is relevant for the annual review of assistant and associate professors under Section 4.6 of the Promotion Standards and Process.

C.   Associate and full professors will provide input to the Department Chairperson for the annual evaluation of assistant professors at the same time as the discussion of the faculty member's progress toward reappointment, promotion and tenure under Section 4.6 of Promotion Standards and Process. Similarly, full professors will provide input to the Department Chairperson for the annual evaluation of associate professors during the discussion of the faculty member's progress toward promotion.

D.   The Department Chairperson will evaluate each faculty member on research, teaching, and service for the three-year period using an eight-point scale from 0 to 7 where 7 is the highest performance level. It is acceptable to use .5, such as 3.5. In making the evaluation the Chairperson will consider the assigned allocation percentages and the nature of the assignments for teaching, research, and service.

E.   For an Assistant professor in the first three years of his or her academic career or for any faculty member who has not been participating in normal research, teaching and service assignments (i.e. administrative assignments or leaves or absence), the Chairperson will determine the annual evaluation scores considering their special circumstances consistent with the spirit of this document.

F.   A composite evaluation score will be calculated for each faculty member by multiplying his or her evaluation score by his or her assigned allocation percentages for teaching, research and service and summing the total. For example, a faculty member with evaluation scores of 5.0, 4.0, and 6.0 and weights of 50%, 20% and 30% for teaching, research, and service respectively, receives a composite evaluation score of 5.1 [=(5x.5)+(4x.2)+(6x.3)].

G.   If the Dean and Chairperson agree that the Chairperson has inappropriately evaluated a faculty member, the evaluation will be changed.

H.   Each faculty member will be informed of and provided an explanation for his or her annual composite evaluation score as well as his or her

individual scores for teaching, research, and service. The Chairperson also will provide each faculty member with the mean, median, and range of scores in each category for the most recent year and for the most recent three-year period.

The assignment and evaluation process then provides the foundation for the distribution of annual merit raises. The document states:

A. Merit salary increases are given in absolute amounts, are independent of rank, and are not a percent of salary.

B. Each faculty member's merit salary increase is determined by three factors:

1. The Department's raise pool allocated by the Dean.
2. The faculty member's composite evaluation score.
3. The sum of composite evaluation scores for all faculty in the Department.

C. Each faculty member's annual merit salary increase will be determined by B. 2. divided by B. 3. times B. 1. For example, if the total composite evaluation score for all faculty in the department is 100 and the department raise pool is $100,000, the raise for the faculty member with a composite score of 5.1 will be $5,100 [(5.1/100)*$100,000].

D. A faculty member's salary increase may be reduced at the Department Chairperson's discretion for consistent failure to perform normal faculty responsibilities. See the section of this document entitled "Normal Faculty Responsibilities."

Merit raises fluctuate on any given year due to the amount of money provided to units for raises, but this procedure helps the chairperson distribute the raises in what is perceived as a fair and equitable manner.

Faculty Motivation

As discussed in the literature review, some authors suggest that faculty are not necessarily financially motivated (Clark, 1987; Hearn, 1999; McKeachie, 1979; Staw, 1983; Tierney, 1997). In this case study it became apparent that the financial bonus did not motivate the faculty. However, it is unclear why. Some research suggests that the amount must be deemed attractive enough to warrant effort (Milgrom & Roberts, 1992).

However, as mentioned previously, although several members thought the bonus was credible, the majority (17) did not think the amount was significant. Other research indicates that faculty are satisfied with their pay (Hearn, 1999), and this is indeed the case with this group.

In the interviews, the faculty were asked how they felt about their pay. Everyone thought they were well paid. A few people mentioned that they were dissatisfied with their pay only when they compared themselves to other faculty in the department. The chairperson and several faculty members explained in their interviews that due to the demand for faculty in this particular academic area, new assistant professors often make more than more senior faculty. Also, the market raise adjustments in the current evaluation and reward system as mentioned previously, give financial advantage to faculty members who are successful in research and getting their work published in the field's top journals. As a result, some faculty make more than some of their senior colleagues. This has resulted in some atypical salary patterns. The average assistant professor salary in the department is considerably higher that the average associate professor salary. Also, many of the more senior faculty members have lower salaries than some faculty members with fewer years in the professoriate due to the market raises.

To put these preceding comments in perspective, according to salary figures published by the university, the average salary for the faculty of this unit in the 2005-06 academic year was $145,121. The average salary for the full professors was $159, 837, the average for the associate professors was $127,393, and the average for assistant professors was $135,939. In contrast, the average salary for faculty at public universities in the same state during the same time period was $81,719. The average for full

professors was $106, 950, for associate professors the average was $75,972, and the average salary for assistant professors at public universities in the state was $63,384 (*The Chronicle of Higher Education Almanac*, 2005). The bonus at the basic level was approximately 2% of the average salary, and the bonus if the reach goals were achieved was 3.4% of the average salary.

Rank and Career Stage

Based upon the literature, the researcher looked for differences based upon rank and career stages in the findings. Of the 26 faculty members interviewed in this study (not including the chairperson), 13 are full professors, eight are associate professors, and five are assistant professors (see appendix C). Baldwin (1990) describes four faculty career stages: novice, early career, midcareer and late career. Of the full professors in this study, four could be considered late career faculty defined by Baldwin as those in the later years of their career and approaching retirement. One of the associates would also fall into this category. The remaining 16 full and associate professors would be considered midcareer faculty. Of the five assistant professors, two would be considered in the novice phase as they are just starting out in their careers, and the other three would be considered early academic career faculty, approaching the end of their probationary period and a tenure decision. As the researcher sorted the data thematically, she also sorted again by rank. The only time a discernable difference appeared based upon rank or career stage was in the discussion of barriers. As already mentioned, three of the five assistant professors said they were more concerned with obtaining tenure than achieving the goals associated with the DIS. In contrast, none of the associate professors mentioned

concern over promotion as a barrier. All other interview responses seemed to be mixed across the various ranks and career stages.

<div align="center">*Research Questions*</div>

In addition to providing a detailed description of the incentive system, this study set out to answer three research questions.

1) What do faculty report doing differently in their work since the start of the incentive system?

2) Did the program motivate faculty to change work attitudes and behaviors? If so, what provided the motivation (the money, the goals, both the money and goals, fear of disappointing colleagues, etc.)?

3) Did the department achieve the group goals? What happened to departmental performance and productivity?

Although the answers to these questions are mentioned to some extent in the previous discussion, the findings will be specifically addressed here.

Did the Faculty Approach their Work Differently?

Of the 26 faculty members interviewed, six reported approaching their work differently as a result of the DIS. Five reported changes in their behavior toward their research activities, one reported changes in their behavior toward teaching, and no one reported any changes in behavior as it related to their service activities.

Research. Five faculty members exclusively reported changes in their approach to their research work. Of these five faculty members, four reported hurrying research projects along in order to help the department meet the research goals. As one person said, "...it also influenced me to work a bit sooner on revise and resubmits for those

journals as opposed to stuff in other journals." Another said, "...now I wanted to see if I can push things through the system faster." In addition to acting more quickly on research projects, one person also said that he thought more strategically about on which journals to focus. He said, "I took a hard look at the exact target journals and I said, maybe I won't send this article to this journal, I'll send it to one of those instead." The fifth person who reported changes said that the DIS influenced her to think more about collaborating with other faculty in the department because it would count as a publication for each of them. Under the rules of the DIS, if a publication was coauthored by two people in the department, it counted as a publication for each of them, thus it counted as two publications in the total. This faculty member was thinking strategically about potential coauthors in order to help reach the departmental research goals.

Teaching. Only one of the six faculty members who reported changes in their behavior said it had an impact on their teaching. This same person reported no effects on their approach to research. This person reported that the incentive system made them feel more comfortable asking for help from other faculty members. He named several faculty members that he had approached for advice regarding problems he was having in class. He said that in the past, the only person he would have consulted was the person who taught the class in previous semesters. He also mentioned that because of the incentive system he was motivated to attend university workshops on teaching. He recognized that his performance would impact the group as a whole so he was more concerned about his teaching performance than he normally would have been.

Faculty Motivation and the DIS

The basic purpose of an incentive program is to motivate employees. The incentive should serve to motivate the employees to perform in such a way that meets the goals of the organization. However, not a single person in the study reported that they were motivated by the financial bonus. Only six reported that they changed their behavior as a result of the incentive system and when asked about what in the DIS motivated them, several different responses were given.

Personal reputation. Two faculty members reported that they did not want to look bad in their colleagues' eyes if their performance did not contribute to the goal attainment. As one person said, "I didn't want to be the slacker."

Disappointing colleagues. One person reported that they did not want to disappoint their colleagues. The financial incentive was not important to him, but he thought perhaps it was important to others and he did not want to let colleagues down. As this person said, "I did not want to spoil it for others."

Group goals. Three people were motivated by the group goals. They liked the idea of having departmental goals and working towards these. As one person said, "But certainly in the beginning I felt this was something the group was rallying around and I wanted to be apart of that." Another said, "You might say 'look how we have done compared to yesterday.' Therefore, to some extent, if as a group you are doing better, it is motivational."

Goal Achievement

The department achieved two of the three goals. The basic and additional research goals were met, the service goal was met, but the teaching goal was not achieved.

Research goals. As discussed earlier, the research goal was established through an examination of the department's publications over the last five-year period. Also taken into consideration was the type of publication. The department spent considerable time discussing not only the number of publications, but also where these were published. As a result of this discussion, a list of targeted journals was established. Based upon this analysis, the basic research goal was set at the number of publications achieved in the fourth best year out of the past five. The additional goal was set at the five-year average. This resulted in a basic goal of 27 or more publications, with nine or more being publications in the targeted list of journals. The additional goal was set at 31 publications with 10 or more in the targeted journals. The faculty achieved both the basic and additional research goals. As a group they succeeded in having a total of 37 publications for the year, with 10 of these publication being accepted into the targeted list of journals.

Service goal. The service goal would be considered met if all service assignments were completed by May 15, 2006. Although as already discussed the faculty thought this goal was a "no-brainer", the chairperson said this was not the case. He said that the faculty are not always aware that their colleagues do not always complete assigned service activities, but the chairperson is aware of this because he is responsible for the individual's annual evaluation. By the May 15th deadline, all service assignments had been completed and the service goal was considered met.

Teaching goals. As written about previously, the teaching goal was established using scores from the Student Instructional Rating System (SIRS). As with the research goal the faculty set this goal based upon a review of the last five years worth of course evaluation data. The basic goal was set at the fourth best year and the additional goal was set at the five-year average. The basic goal was considered met if an average score of 1.91 or lower was obtained on the question regarding teacher effectiveness, and a score of 2.05 or lower was obtained on the second question regarding overall course quality. The additional goal would be considered achieved if the scores were 1.89 or lower and 1.98 or lower respectively. The faculty did not meet either teaching goal. The average score on the first question was 1.96, and 2.05 on the second. The faculty missed the basic goal by .05 on the first question.

Findings Summary

This chapter presented the major findings of the study. The findings provide a detailed case study of the incentive system instituted within this academic department. The case study has been approached by the examination of three components as suggested by Bullock and Lawler (1984): 1) the structural components of the incentive system, 2) the details regarding how the system was actually implemented and faculty perceptions of the incentive system, and 3) contextual factors that may have influenced the department's incentive system. Additionally, three specific research questions were addressed.

The formal description of the program and the factual account of its development and implementation were obtained through document analysis and an interview with the department chairperson. Through the factual account of the DIS, it

appeared as though there was widespread faculty approval of the DIS and extensive faculty involvement in the development of it. However, the faculty interviews regarding the DIS revealed a different story. In the interviews many faculty members expressed reservations regarding the goals and how the goals would be measured. It also became apparent that many of the faculty did not feel as though they were involved in the development of the DIS. Although the DIS was discussed by the whole group at faculty meetings and also by their representatives in the Department Advisory Council (DAC), it became clear that despite these events, many faculty members did not feel as though they were involved in the development of the DIS. It also became obvious that although they approved of the DIS, not a single person reported that the financial bonus motivated them. In fact, several faculty members reported that they were uncomfortable with the bonus. The interviews revealed another side of the DIS story that would not have been apparent by only looking at structural components of the DIS.

Through the analysis of the department as a group, contextual factors appeared that might have had an impact on the incentive system. The department appeared to be a very structured organization with detailed bylaws and operating procedures. One of these procedures was a system for the assignment of job duties, performance evaluation, and assignment of merit raises. Another was the process for promotion and tenure. In their interviews three out of five assistant professors commented that making tenure was more of an incentive than the DIS, and three tenured professors said the standing evaluation and merit raise system provided ample motivation and outweighed the DIS. Also, not a single person reported that the financial bonus provided motivation. This could be for a variety of reasons including the fact that the salaries of this faculty were considerably

higher than the average salaries of faculty at other public universities in the state; the faculty reported an overall satisfaction with their pay; and as discussed in the literature review, some research suggests that faculty are not motivated by money.

Three research questions were asked. First, the study explored whether or not the faculty changed their behavior as a result of the incentive system. Six out of the 26 faculty members reported changes in their behavior. Secondly, the study explored what in the incentive system motivated the faculty. Not a single person reported being motivated by the promise of a financial bonus. Of the six who reported changes in their behavior as a result of the DIS the source of motivation varied. Two were concerned about their own personal reputation, one was motivated by the concern that others would be disappointed if the goals were not met and the bonus was not awarded, and three were motivated by having stated group goals. The intent of the incentive system was not only to improve department performance as a whole, but also to promote teamwork among the faculty. As stated in the preamble of the DIS, the purpose of the DIS was to "motivate and focus cooperation in achieving the department's teaching, research, and service missions." However, of the six who reported behavior changes, only one person reported changes in their behavior consistent with this overall intent. Finally the study investigated whether or not the department met the stated incentive system goals. The department only met two of the three DIS goals. They met the research and service goals, but did not achieve the teaching goal. These findings will be discussed in greater detail in the following section.

CHAPTER FIVE

Summary and Discussion

Introduction

The purpose of this study was to explore the effects of a group pay incentive

system as a strategy for motivating faculty to meet department goals at a large research

institution. Generally speaking, faculty work at these types of institutions is individually

oriented and promotion and pay have reinforced this individual approach to work

(Braskamp & Ory, 1994; Maehr & Braskamp, 1986). This investigation explored

whether an alternative pay scheme could influence faculty behavior and motivate them to

work cooperatively to meet established group goals. These incentive systems have been

successful in business settings and this research investigates the applicability of a group

pay incentive system with university faculty.

The previous section presented in detail the findings of this study and the answers

to the research questions. Interestingly, although approved by the faculty, members

reported making no changes in their work behavior as a result of the Department

Incentive System (DIS), and the department did not meet all of the DIS performance

goals. This is not a study of causality and there are no absolute answers as to why this is

so. However, based upon the in-depth examination of this program and the literature,

certain factors or issues appear to be especially significant and these will be presented in

this chapter. In many instances, additional questions are generated that warrant further

discussion and perhaps future study. In this section these will be discussed along with

study limitations, and reflections. It is hoped that this study contributes to the

understanding of faculty and in a practical sense provides some guidance for academic leaders as they struggle with issues of accountability and faculty management.

Employee Participation

The literature points to certain factors that may impact incentive systems, one of which is employee participation. The literature review suggests that employee participation in the design and implementation of work processes is an important variable in organizations that have had success with incentive programs (Welbourne & Mejia, 1995). Bullock and Lawler (1984) found that employee participation in the development and implementation of the incentive program is also important to its success. One of the first discoveries made when analyzing the data was that it became clear to the researcher that there was a difference between the participation described in the formal DIS related documentation, and what the faculty perceived as participation. As evident by the bylaws and the other documents guiding the operation and governance of the department, the faculty are very involved in their department. The faculty, with the exception of certain leadership and supervisory authority granted to the chairperson, shares governance of the unit. However, of particular interest in this case is not participation in the organization, but involvement in the development of the incentive program. It appears as though the faculty members had many opportunities to be involved in the development of the DIS. The DIS was introduced and discussed at the fall retreat. The general idea was voted on and approved by the faculty at the retreat. The Department Advisory Council (DAC) was involved in refining the program. In their deliberations of the DIS, documentation and interview data shows DAC members consulted their fellow faculty members. Informal participation was evident as several members of the faculty reported casual conversations

with the chairperson about the DIS. After all of this activity, it was discussed yet again at a subsequent faculty meeting and was officially approved by a vote of the faculty at this time.

Although there were observations of involvement and meeting minutes that indicated faculty discussion regarding the DIS, 13 of the 26 faculty members interviewed said they had none. Eight others mentioned limited participation. Only the five faculty members on the DAC reported unequivocally that they were involved in the development of the DIS. The faculty did not seem to view discussion at faculty meetings and DAC involvement as participation on their part. As important decisions are made in academic units, this is something of which leaders should be cognizant. Formally, it is easy to argue that faculty participation existed in this case; however, the faculty did not recognize and have a sense of ownership over these formal mechanisms of participation. This does not seem to be an unusual occurrence on college campuses. It is not uncommon to hear about similar situations where faculty and even students complain that they were not involved in decisions. Leaders and administrators are often dismayed by this feedback, and point to various committees and other forums where the decisions were vetted and feedback was obtained. The findings of this case study indicate that most of the faculty did not feel as though they were involved in the development of the DIS and the literature suggests this may have had an impact on the program's success. If faculty participation is deemed important to an activity, then academic leaders need to give careful thought and consideration as to how faculty involvement is implemented and how the faculty perceives it.

Financial Rewards

Another noteworthy finding has to do with the financial incentive. Milgrom and Roberts (1992) say that if pay is weakly related to performance, it will limit the effectiveness of the incentive. In order for the bonus to promote the desired behavior, the employees must deem that the money they will earn is worth the effort. In this particular case, many of the faculty did not think the bonus was significant. Seventeen people did not think the amount was enough to matter to them. Five of the 17 specifically said the amount would have needed to be higher to motivate them. Although they were not motivated by the bonus, only six people commented that the amount was sufficient or enough to attract their attention.

As noted in the findings, the salaries of this group of faculty were relatively high and all reported a level of satisfaction with their pay. The simplistic way to view this finding would be to say that the bonus was not large enough to motivate them. However, the researcher does not believe it is so clear-cut. Some of the literature on faculty suggests that faculty are not motivated by money. Clark (1987) states that the "richness" of a faculty member's career overshadows financial rewards. A study done by the U.S. Department of Education of university faculty in the late 1980s found that faculty are satisfied or very satisfied with their salaries (Hearn, 1999). Tierney (1997) states that job security and autonomy offset any perceived deficits in pay. Consistent with this perspective, McKeachie (1979) says that rank, tenure, recognition by peers, and working conditions take precedence over salary for faculty. Some of the findings support these viewpoints.

Over a third of the faculty people expressed discomfort in regard to the financial bonus. Some thought it was wrong to be paid extra for what one is already are compensated for doing. Two faculty members thought it was not fair because there are so many other faculty members on campus doing the same work but getting paid less. Some were uncomfortable with the fact that the financial bonus was taken from discretionary funds given to the department by donors.

Also supporting this literature is that three of the five assistant professors said they were more concerned about achieving tenure than they were about the DIS. Also, of the six faculty members who reported changes in their behavior in response to the DIS, not a single person reported it was because of the bonus. Instead, they reported being motivated by the desire to maintain a positive personal reputation, the fear of disappointing colleagues, and working toward group goals.

The examination of the financial bonus elicits further questions. Given that 17 people thought the amount was insignificant, would a higher amount have produced different results? If it came from another source of money (not donor given discretionary funds) would it have mattered? If all faculty on the campus had similar salaries and the same opportunity, would they have felt differently? Was it the right type of incentive or would another type of incentive worked better to motivate the faculty? The literature and findings of this study suggest that academic units considering incentive programs should not make the assumption that a financial incentive will motivate employees and appropriate incentives should be discussed with the group. In this case, as the department debated and discussed the DIS, concern over the incentive was never raised. It is curious why given that so many people after the fact expressed being uncomfortable with the

financial bonus, that no one talked about this while the DIS was being proposed and discussed. This study suggests that discussing the appropriate incentive would be prudent for academic units exploring programs of this nature. The financial reward associated with this program may not have been a suitable incentive.

Timing

Another particularly relevant finding has to do with the timing of the program. In the literature, studies of incentive programs approached from the operant conditioning perspective (Welbourne & Mejia, 1995) suggest that the timing of the bonus pay or other reinforcements may be important to the success of the program. In this particular case, the timing of the program was well defined. The faculty knew the DIS time frame and understood when the bonus would be awarded. The researcher did not think this caused any concern for the faculty. What seemed problematic though, was the general timing of the program. The program was not even discussed until late August, and was not officially approved until October. Faculty already had fall classes planned and making any changes at this point would not have necessarily been easy to do. Also, as commented upon by some of the faculty in their interviews, the research to publication cycle can take several years. Any research that would have been published during the year would have already been underway and the ability to have an impact on publications for that particular year would have been minimal. Another timing issue had to do with the progress reports. The first progress report came out on March 20, 2006. This was well into the second semester. As discussed in the findings, only six people reported any behavior changes in response to the DIS. The timing of the program may have been a contributing factor. The late start and lack of timely feedback made it hard for faculty to

make any responsive changes. The case study findings seem to support the literature in this respect and suggest the importance of program timing and timely feedback to the success of an incentive program.

Goals

A close examination of the goals and the faculty perception of the goals led to another important finding. Studies undertaken from an expectancy theory point of view demonstrate that the effectiveness of a group incentive system could be contingent upon the individual employee's perception that the goals can be achieved (Welbourne & Mejia, 1995). Staw (1983) writes that in order to meet organizational goals faculty must believe they can perform the desired roles and tasks, and in order to build faculty confidence the necessary support mechanisms need to be in place. Nineteen of the 26 (73%) faculty members interviewed felt the research goal was attainable, 13 (50%) thought the teaching goal was attainable. Although many did not even mention the service goal, those who did thought it was a "no-brainer". It is difficult to make a judgment about these responses for a couple reasons. First, the research to publication cycle as talked about by several faculty members takes two to three years. Thus, so many of the faculty may have thought the goal was reasonable because they knew what was in the publication pipeline. Secondly, these interviews took place after the goal results were announced. The faculty knew they had met the research goals but did not reach the teaching goals. Thus, the researcher does not have confidence that the responses were not influenced by this information. Thus it is not really clear whether or not they felt the goals were achievable.

What is clear though, is that many people did not think the goals were well calibrated. Several people mentioned this in their interviews. When asked for their

reaction to the DIS goals even many of those who thought they were attainable qualified their response by saying that they were okay for a first attempt. As reported by the department chairperson, even the college deans in their response to the DIS results felt the goals needed to be reviewed more carefully. This particular person's comments on this subject pointedly summarize the issue: "This department talks about things like SIRS scores all the time, but they have a simplistic discussion and never ask, what's the distribution look like? Is it normal? Is it uniform? Is it skewed? What's the standard deviation? What's the range? What's the mean? Most of the faculty hasn't got a clue. And yet we worship this thing and have these stupid discussions about well 1.6 is good and 1.8 is bad. Well, tell me what the mean is. What's the distribution look like? They haven't got a clue. So I wasn't quite sure about how realistic, how much incremental effort we would have to put out to achieve this new target." In this particular case there was a considerable amount of uncertainty regarding the goals and this finding lends support to the literature. The department wanted to implement the DIS that very semester and because of this, the goals were not given enough attention. Groups considering incentive systems should not underestimate the importance of well thought out goals to the success of the incentive program.

The literature also mentions the importance of support mechanisms to help instill confidence in the faculty that the goals can be achieved (Staw, 1983). In the examination of their thoughts regarding the DIS, the faculty was asked if there were any barriers that kept them from working toward the goals of the incentive system. As discussed in the findings, the most commonly mentioned barrier was the lack of support structures to assist people in meeting the goals. One third (eight people) of the faculty members talked

about this in their interviews. Nothing formally was done to help people improve their teaching or research performance, and although the DIS was supposed to encourage teamwork in meeting departmental goals, nothing formally or informally was done to encourage this. The second most common barrier mentioned was time. Five faculty members mentioned this as a problem. Again, no changes were made to assignments or expectations to help people free up time. As one person said, "I do not know how I could work any harder." These findings give credence to the literature and emphasize the importance of providing support and other infrastructure that will back the incentive program and instill confidence in program participants that the goals are achievable. This will be discussed again in the following section as well.

Incongruence with Organizational Practices and Culture

Although the business literature makes a strong case for group incentive systems, the researcher was uncertain of the fit with academic environments because of particular cultural and contextual norms. Several issues arose during the study that verified this suspicion.

First, there was already an evaluation and merit raise procedure in place. The DIS was implemented on top of this existing practice. Like the DIS, this existing process was also based upon teaching, research and service; however, as described in the findings, the weight given to each activity varied by individual. Thus, a person might conceivably put more effort into higher weighted activities and not as much effort into lower weighted areas. The DIS emphasized all three activities. The literature suggests that the incentive system must fit with other organizational practices and is most likely to be effective if other practices within the organization are complementary (Welbourne & Mejia, 1995).

The incentive system should have reinforced the current practices or the practices in place should have been revised to be consistent with the incentive program.

Also, the reward system will be less effective if it is not consistent with the organization's strategy and goals (Gomez-Mejia, 1992). The market adjustment practice in the evaluation and merit process clearly put a higher value on research and publication. Comparing the salaries of faculty members in the department makes this readily apparent. The researcher, because of her position in the department, knows who is considered a "teacher" and who is a "researcher". As mentioned in the findings, some people in the department informally label themselves and others in this way depending upon the area in which he or she spends most of his or her time. In comparing salaries, the researcher found two faculty members with a similar number of years of service to the university. One has a reputation as a talented teacher, the other as an accomplished researcher. Both are full professors. The "teacher" had been awarded teaching honors at the university, college and department level and had 26 years of service to the university at the time of the study. He publishes regularly, but his work appears most frequently in practitioner publications. This particular faculty member's academic year salary was listed as $147,688. The "researcher" with 24 years of service to the university had an academic year salary of $170,779. She is well known for her work in the top academic journals and her service to the national professional association.

The researcher does not presume to know everything that has gone into the compensation decisions of these two individuals, however both are accomplished faculty members and the difference in their salaries is remarkable. This information supports the research which suggests that faculty with strong research and publication records have

higher salaries than their teaching colleagues (Fairweather, 1993, 1995, 1996; Gomez-Mejia & Balkin, 1992). So although the DIS rewarded teaching, research and service, internal salary practices favored research and publication. As mentioned earlier, some people commented in their interviews that the current system provided ample motivation and the DIS bonus just was not significant in comparison. As Amey and VanDerLinden (2002) assert, designing compensation practices requires thought and should be multifaceted taking into consideration mission, goals, base compensation, faculty evaluation practices, merit and market raises, and equity issues. In this case, the DIS was instituted without a thorough consideration of these other factors.

Not only does the market raise practice favor research, but also so do the rules for tenure in the department. This is consistent with the research that indicates the same (Blackburn & Lawrence, 1995; Fairweather, 1993, 1995, 1996). The chairperson reported in his interview that the department does not even give any service assignments to assistant professors. The researcher also knows because of her position in the department that assistant professors are also given limited teaching assignments (three course sections per year) so that they can have more time to concentrate on their research. Three out of the five assistant professors in the study specifically mentioned that achieving tenure was more important to them than the DIS. So again, although the DIS had teaching, research and service goals, other unit practices emphasized research.

There was also incongruence between the intent of the DIS and the typical working behavior of the faculty. The intent of the DIS was to encourage teamwork in meeting department goals, however practices within the department emphasized individual achievement and the faculty reported that they work fairly independently.

This is consistent with the broader faculty culture as well and studies of faculty have documented this (Austin, 2002; Olsen & Sorcinelli, 1992; Tierney & Bensimon, 1996). Faculty value autonomy, academic freedom and collegial governance, and reward and socialization processes reinforce these behaviors and values (Kuh & Whitt, 1988). As noted in the findings, only six people changed their behavior as a result of the DIS, and only two of the six reported changes that could be construed as behaviors oriented toward teamwork. One person reported thinking about research projects she could work on with other faculty in the department, and another person reported seeking advice from colleagues about problems he was experiencing in the classroom. The other four all reported more intense individual research activity. As noted previously, nothing was done within the department to help faculty meet the goals or to encourage teamwork. The individual orientation of the faculty appeared strong and nothing was done to counteract it.

Not only was this an observation of the researcher, but several faculty commented on this as well. One person commented that if the overall goal was to promote teamwork, the set goals would not accomplish this. He felt the goals were more likely to encourage the faculty to hunker down in their offices and work independently on their research. Another person said he did not like the goal because he was not in favor of group goals for the faculty. He was of the opinion that faculty work is independent and goals should be individually based. Three faculty members thought the goals did not fit with academic culture. One person said it felt too business-like, or corporate.

Given these comments, one might assume that the faculty was opposed to the DIS and its intent; however this was not the case. As part of the interviews each person was

asked for their general reaction to the DIS. Eleven people specifically commented that they liked the idea of working more collaboratively with each other. Only one person reacted negatively to the DIS because he felt faculty work is independent and he was not in favor of group goals. Any other negative remarks had to do with the mechanics of the DIS, not the intent. In general, although some people had problems with certain aspects of the DIS, the researcher had the impression that most people thought that the DIS was an innovative idea worth trying.

Discussion Summary

The department did not meet the established goals and few faculty members reported behavior changes as a result of the incentive system. This is surprising to the researcher given that the faculty overwhelmingly approved of the DIS without a single vote against it. However, upon a closer examination of the DIS several critical factors appeared. The faculty did not feel as though they were involved in the development of the DIS, they were uncomfortable with the financial bonus, the implementation of the program and performance feedback were not timely, there was uncertainty over the goals, and elements of the DIS were not congruent with some organizational practices and norms. Not only did the DIS establish group goals, but also its intent was to foster teamwork in achieving the departmental goals. This was a serious departure from the previous long-standing focus on individual achievement and nothing was done to support it. Based upon the literature, the researcher believes these issues were serious flaws in the DIS and in combination contributed to the program's failure.

Implications for Practice

This study has provided insight into the effect of a group pay incentive system implemented with faculty in higher education. As demonstrated in this case study, just because a program has been successful in business does not mean it can be automatically transplanted into other settings. The conceptual framework utilized to guide this investigation emphasizes the importance of giving careful consideration to structural components of a given program, the reality of how the program is actually implemented and contextual dynamics that may have an impact on the program. In this particular case, poorly thought out goals, untimely implementation and communication, lack of perceived faculty participation, the wrong incentive, and the incongruence with other departmental practices contributed to the failure of the group pay incentive system. Specific recommendations for practice have been made in each of these areas in the preceding discussion section. The researcher believes the program could have achieved its goals if given more careful consideration, and thinks it is worthwhile to continue experimenting with programs of this nature.

As noted in the discussion of the timing issues, it seems as though a program of this nature should have a longer period of commitment with the agreement that the first year serve as a planning or pilot year. Especially in regard to research and publication, a single year goal is incongruent with the nature of these activities. Also, as with any new activity or program there is bound to be unanticipated issues. A longer commitment to the program with the understanding that what was learned in the initial year would be used to perfect the program in future years might have enhanced faculty participation and commitment.

A longer commitment to the program might have also abated a concern over departmental and program leadership. Although not discussed earlier in this research publication because it occurred outside of the defined time boundary of this study, the department chairperson left the department at the end of the summer of 2006. The program lost its champion and it fell apart in the fall of 2007. This is discussed in greater detail in the later section entitled "Reflections"; however the researcher would be remiss not to make mention of the impact of leadership in this section on implications for practice. Given that department chairpersons typically serve in their leadership positions for three and five years (Gmelch, 2002; Hecht, 2002), it is important to give careful consideration to issues such as timing, duration, and faculty commitment if leaders want programs to continue beyond their term of leadership. This incentive system did not have the time and commitment needed to give it a fair trial, and without the chairperson who championed the program, it faded away.

Implications for Policy

As noted in the quote used in the introduction, institutions of higher education are being asked to "sharpen their priorities, focus their energies, and redefine how they contribute to the collective good" (Braskamp & Ory, 1994). In order to do so, leaders have found that the individual orientation of faculty work can be a detriment to meeting these new demands. However, traditional socialization, promotion and reward systems support this individual approach to work. The fact that changes need to be made is old news. As apparent in the literature review, this discussion has been going on for at least 20 years. However, widespread changes have not occurred. Just today as this dissertation is being written, the college in which the researcher works distributed a

teaching policy for new faculty. It is now a policy that new assistant professors throughout the unit are to be assigned only three class sections per year. The intent of this policy is to protect their time for research in order to facilitate their success in obtaining tenure.

This case study makes a contribution to this discussion. If institutions of higher education want faculty to behave differently, changes need to be made to the faculty socialization process and the promotion and reward system. Although this unit tried to encourage teamwork and collective effort through the group pay incentive system, the program was placed on top of already existing practices and policies. This new incentive system was incongruent with many of these standing practices and norms. Although a valiant effort and positive step, it did not go far enough. There is a great deal of rhetoric in the academy of having more inclusive promotion and reward systems, however, pervasive changes have not occurred.

The author realizes that this argument may be considered a moderate viewpoint. It presumes that the tenure system, which is the current promotion and reward system for faculty, is viable but merely needs modifications. Some people might argue that the heart of the problem is the tenure system itself and feel it should be abolished. Tenure has been blamed for protecting unproductive faculty and for allowing faculty to do whatever they please regardless of institutional goals and priorities. Incentive programs like the one described in this study could potentially replace the traditional evaluation and reward procedures for faculty. Is this possible or realistic? Are there ways to protect the positive attributes of tenure, for example, freedom of intellectual inquiry, while at the same time allowing leaders and administrators flexibility to be responsive to problems,

opportunities, and societal needs? Tenure has long been a source of controversy in

higher education and the debate is ongoing. This study has relevance to this issue and

provides further thought to this policy debate.

Limitations

Do case studies, but do them with the understanding that your methods will be
challenged from rational (and irrational) perspectives and that insights from your
case studies may be underappreciated. (Yin, 2003)

Some people may challenge the legitimacy of a case study as a research project or

its overall contribution to scholarly knowledge. The debate over case study research and

the merits of other qualitative research is extensive and often heated. The researcher has

read a great deal of this discussion and felt that the chosen research method was the best

way to approach the subject because the contextual conditions were very important to the

study of this incentive program and that there were many variables of potential interest.

The researcher wanted to not only describe the incentive system, but to portray it from

the perspective of the faculty in this academic unit. There are distinct differences

between faculty groups and certainly the faculty and the academic unit involved in this

study are not representative of all faculty and academic departments. The goal of this

study was not to make generalizations to other individuals and groups of faculty, but to

provide an understanding of this unique phenomenon. As noted in the methodology

section, case studies are done in order to gain in-depth insight into a particular situation

and are an intensive description of a program, event, community, group, or intervention

(Merriam, 1998). From a practical standpoint, the researcher hoped that the description

and detail provided in the study would be useful to academic leaders as they manage and

work with faculty in their institutions.

Also limiting the study is the possibility that some important variables or perspectives may have been missed. The case study model of Bullock and Lawler was utilized to direct the exploration and the researcher recognizes there may have been other ways to approach the study. As the researcher struggled with these ideas at the onset of the project, the writings of Alan Peshkin (2001) became helpful and reinforcing. Peshkin wrote:

> From the vast array of things to perceive in my research field, I make choices that reflect a basic understanding: I just cannot attend to everything, and generally, I should not try to....The selection of a category is a form of sampling that focuses the reader's attention, interest, time, and energy in a particular direction and in a particular way, as I will elaborate below. Our research products are the outcome of decisions we make about what to sample. They incorporate what we have learned about and have chosen to experience from within the breadth of our research setting. (p. 240)

Perhaps if the study had been approached from another perspective, other findings may have been discovered.

The researcher is a staff member in the unit studied and because of this some readers may question the ability of the researcher to obtain open, honest feedback from the faculty participants. The researcher has a staff position in the unit and has no supervisory responsibility or authority over the faculty. As mentioned in the methodology section, safeguards were taken to encourage the faculty to answer questions openly and honestly. To compensate for this potential problem and in order to assist participants in developing a sense of trust and comfort with the researcher, all participants were given information about the study in advance, including information regarding how confidentiality was to be maintained. The researcher explained that the study has nothing

to do with the researcher's duties within the unit and is a personal endeavor as part of a doctoral dissertation. The participants could back out at any time without consequence.

Also because the researcher was a staff member in the unit, some may criticize the participant-observation methodology in some of the data collection. The researcher was a participant-observer in many of the meetings regarding the incentive system. Participant-observation can be a strength of the study, but can also create problems (Yin, 2003). In this particular study, it was a positive because the researcher was able to gain access to information that someone outside the organization may not have known about or have known to ask for. Yin (2003) also claims it to be a strength because the researcher has the opportunity to perceive reality from the point of view of someone inside the organization. The potential negative aspects of participant-observation have to do with the creation of potential biases because the researcher takes on advocacy roles; struggling with the task of observation when also participating; and if the group is dispersed, being at the right place at the right time. (Yin, 2003). These were not issues in the study.

Recommendations for Future Research

As mentioned in the introduction to this study, at the time of this study, this was the only known case the researcher could find of a group incentive program implemented with faculty within higher education. If other cases of incentive systems in academic units were found, it would be interesting to study these. Of special concern would be to study the experience in another academic discipline. Also, it would be interesting to study an incentive system in a unit in which the faculty were not so highly paid. As noted in the literature, causality has often been problematic in studies of incentive

programs and it is difficult to say with confidence what did or did not contribute to the success or failure of the incentive program. However, if other instances were found, it would provide a basis for making comparisons and perhaps then some more definitive statements could be made.

The intent of this study was to explore the program and its impact on the faculty in the tenure system. As noted in the description of the program, faculty outside of the tenure system and office staff were also included in the program. The researchers chose not to study these participants because the employment characteristics of these employees are very different from the faculty. Although this group was relatively small, it would be interesting to expand the study to explore their experience with the DIS.

What Happened to the DIS after the Initial Year?

Beyond the time frame of this study, the researcher had access to additional information due to her role in the organization. In the fall of 2006 the faculty voted not to continue the incentive system under its current form. The discomfort with the financial bonus was too strong. The faculty liked the idea of having departmental goals and decided that they would review the incentive program and explore alternative incentives. It was decided that it would be discussed in the DAC. In November of 2006 the DIS was brought up again at a faculty meeting. Due to other business (the department was busy with a search for a new chairperson and two faculty positions) the DAC did not have time to attend to the DIS. Again, there was consensus that having departmental goals was a good idea, but the group just felt due to other department priorities they just could not give it the attention it needed at this time. The department meeting minutes stated, "At the fall faculty meeting, the faculty had voted to not renew the incentive program implemented last year. But there was a consensus that Departmental goals are a desirable thing. The DAC has suggested that we set this issue aside for now, given that we are working on Departmental goals as part of the Strategic Visions for the College."

The researcher believes the DIS needed the support of the department leader in order to be continued. The department chairperson who initiated the DIS left the department to take a new job at the end of the summer of 2006. The acting chairperson did not have strong feelings about the DIS, but she did have great discomfort with the financial bonus. Her argument was, "how would we all feel if this made the front page of

the student newspaper?" She also felt that she did not want to make any firm departmental commitments because she was only in an acting chairperson capacity. The researcher believes that because there was enough faculty interest in the departmental goals portion of the DIS, that had the acting chairperson advocated more strongly for it, the faculty would have revised and reinstituted a version of the DIS. The faculty felt overwhelmed with the time and commitment required by the chairperson and faculty search processes (along with their regular responsibilities), and without the prodding of the chairperson, no one felt up to the task of revising the DIS at this time.

Lessons Learned

The researcher initially wondered if some faculty members would feel comfortable with the research project and be forthright and honest with their answers due to the researcher's position in the department. This was addressed in the methodology section and strategies were put into place to deal with this concern. As it turned out, each and every faculty member was happy to participate in the study. People made themselves readily available for interviews and were timely in their review of the interview transcripts. The researcher was pleasantly surprised with their interest in the study and their very frank, honest comments. At times, the researcher was even surprised at the feelings and candid commentary some people revealed.

The researcher first approached this research project with great trepidation. Quite honestly, the researcher was intimidated by her research subjects. The faculty members that she was to interview mostly do quantitative research and in her opinion generally approach their work from a positivistic view of the world. The researcher had commonly heard them use the term "soft" to describe courses and research in her field of study. She

anticipated that they might ask her about her study and as a new researcher, she felt

woefully inadequate should she need to justify her study and debate research approaches

with them. Her role in the organization complicated her feelings even further. She

wanted her work colleagues to think highly of her. In the end, she learned her fears were

uncalled for. The faculty was interested in her study, supportive of her work and

supportive of her personally as she strived to complete her doctoral program. No one

criticized her work. There's a quote that the researcher frequently reads in times of

doubt: "It's not who you are that holds you back, it's who you think you're not" (author

unknown). This research project and doctoral program were yet another life lesson in

perseverance and the importance of believing in yourself. The researcher reveals this

with the hope of providing encouragement to others who may have similar misgivings

and feelings of inadequacy.

A GROUP PAY INCENTIVE PROGRAM IN ACADEME:
IMPACT ON FACULTY WORK AND ATTITUDES

CASE STUDY PROTOCOL

Overview of the Study

The purpose of this research study is to explore the effects of a group pay incentive system as a strategy for motivating faculty to meet department goals at a large research institution. This investigation will explore whether an alternative pay scheme can influence faculty behavior and motivate them to work collectively to meet established group goals despite having other conflicting reward systems in place. This study will use a case study approach to provide detailed description and analysis of the group pay incentive program, and to explore its influence on how individual faculty members approach their work. In addition to the description and analysis, the study will address the following research questions:

1. What do faculty report doing differently in their work since the start of the incentive system?
2. Did the program motivate the faculty to change work attitudes and behaviors? If so, what provided the motivation (the money, the goals, both the money and goals, fear of disappointing colleagues, etc.)?
3. Did the department achieve the group goals? What happened to departmental performance and productivity?

These questions will be explored through a case study, which will include interviews with the department chairperson, review of appropriate department documents, interviews with the faculty, and review of performance data as it relates to the established unit goals.

Field Procedures

1. Before research can begin approval must be given by the dissertation committee and the Social Science, Behavioral, Education Institutional Review Board (SIRB). A copy of the SIRB application is included at the end of this protocol. This application includes details regarding study procedures and information regarding risks to participants, strategies for minimizing the risks, protecting the privacy of the participants, ensuring confidentiality of the research participants, consent procedures, and data security.
2. Researcher will contact research participants, distribute consent forms and schedule interview appointments.
3. Researcher will schedule an appointment with the department chairperson and request access to background documents and goal progress reports.

4. The researcher will have interviews transcribed as soon as possible after the actual interview so that data can be reviewed and any warranted changes can be made to the study procedures.

5. In order to analyze all of the data from the interviews and documents involved in the case study, the researcher will first organize all of the data into a case study database. The information will be organized into three main groupings: what was done, how was it done, and where it was done. This organization will provide structure for the data analysis.

6. Within these three categories, the researcher will utilize the constant comparative method to analyze the information. The researcher will utilize the themes from the literature to assist in the development of categories for grouping the data and each unit of data will be compared to these and each other to make thematic groupings. The data will also be analyzed to see if there are unique patterns based upon career stage and rank as suggested by the literature.

7. The data will need to be coded and broken down so that it can be grouped as described above. The exact process for this is still undetermined and the researcher is exploring doing this manually or with the aid of a software package.

Faculty Interview Protocol

1. Background/Demographic Information
   - Sex
   - Professorial rank
   - Years in the professoriate

2. What is your understanding of the department incentive system?

3. What are your thoughts about the department incentive system?

4. Are you in favor of the incentive system, opposed to it, or don't care about it?

5. Describe your involvement in development of the incentive system.

6. How do you feel about the goals built into the incentive system?

   Probe: are the goals attainable?

7. What impact has the department incentive system had on you and the conduct of your work?

8. What have you done differently in your approach to work since the start of the incentive system?

   Probes: interaction with colleagues, how you conduct your research, approach to teaching, handling of service assignments, time management, etc.

9. What, if anything, in the department incentive system is motivational? (Give examples if interviewee struggles with the question.)

> Probes: the financial incentive, the setting of unit goals, fear of disappointing colleagues, the feeling that people are watching over your work, etc.

10. What is your reaction to the financial bonus built into the incentive system?

> Probes: was the bonus amount significant, was it fair?

11. What, if any, barriers kept you from working toward the incentive system goals?

12. As a result of the incentive system, did you feel like you were more aware of your colleagues work as it related to the performance goals?

13. Do you have any other comments you would like to share with me?

Department Chairperson Protocol

Documents needed:
> Bylaws
> Faculty evaluation and promotion documents
> Incentive program documents
> Progress reports
> Meeting minutes relating to incentive program
> > Department Advisory Committee
> > External Advisory Board
> > Faculty meetings
> Others? (Ask chairperson for any other pertinent documents.)

Questions and issues to explore with the department chairperson
1. Explain the incentive system and its origins.
> Where did the idea come from?
> How it was developed?
> How were the goals determined?
> How was the bonus was determined?
> What was the faculty participation in the process?
> How and when bonus will be awarded?
> Were any structures put in place to support the program?

2. What factors do you think have shaped the willingness of the faculty to give this incentive system a try?

3. Describe the incentive structure as it stood prior to the group incentive system. (Researcher will also have the department documents describing the evaluation and promotion scheme utilized by the department.)

4. Describe any unanticipated problems experienced with the incentive system.

Research Report

The research report will comply with the guidelines for doctoral dissertations in the Higher, Adult, and Lifelong Education department in the College of Education at Michigan State University.

PARTICIPANT CONSENT FORM

A GROUP PAY INCENTIVE PROGRAM IN ACADEME: IMPACT ON FACULTY WORK AND ATTITUDES

You are being invited to participate in this research project because you are a faculty member in the Department of Accounting and Information Systems at Michigan State University.

The purpose of this research project is to explore the effects of the group pay incentive system instituted in the Department of Accounting and Information Systems at Michigan State University. It is designed to study the impact the incentive program has had on faculty attitudes and behaviors. If you agree to participate you will be asked to participate in an interview where you will be asked questions about your attitudes and reactions to the incentive program.

Details of Participation in this project:
If you agree to be in this study you will be asked to participate in an interview that will take about 30 minutes of your time. You will be asked questions about the incentive system and your reactions to it. The interviews will be audiotape recorded and transcribed. You will not be asked to identify yourself on the audiotape. All information gathered from you will be confidential. Your privacy will be protected to the maximum extent allowable by law. To protect confidentiality, all interviewees will be given an alias and the tapes will be marked with this alias. The tapes will be secured in a locked file cabinet in the home of the researcher for the duration of the study and will be destroyed upon completion of the study. In any sort of report that might be published, only assigned aliases will be used.

Your participation is *entirely* voluntary. This means that you are free to choose whether or not you want to participate in this study, *and* you are free to withdraw your participation at *any* time without penalty. Additionally you may refuse to answer certain questions without any penalty or may ask to have the audiotape stopped at any time.

If you have any questions or concerns about participating in this study, or if questions or concerns arise, please feel free to contact Ms. Lynne Zelenski, (517) 699-8088, zelensk2@msu.edu or Dr. MaryLee Davis (517) 353-1717, davisml@msu.edu. If you have questions or concerns about your rights as a study participant or are dissatisfied at any time with any aspect of this study, you may contact Dr. Peter Vasilenko, Director of the Human Subject Protection Programs at Michigan State University by phone: (517) 355-2180, fax: (517) 432-4503, e-mail: irb@msu.edu, or mail: 202 Olds Hall, East Lansing, MI 48824.

Thank you for your time and interest in this study.

You indicate your voluntary agreement to participate in this study by signing below.

Signature _____ Date _____

You indicate your voluntary agreement to have your interview audio taped by signing below.

Signature _____ Date _____

APPENDIX C

SIRB APPROVAL

MICHIGAN STATE
U N I V E R S I T Y

**Initial IRB
Application
Approval**

September 27, 2006

To: Marylee DAVIS
        420 Erickson

Re: IRB # 06-731   Category: EXPEDITED 7
        Approval Date: September 25, 2006
        Expiration Date: September 24, 2007

Title: A GROUP PAY INCENTIVE PROGRAM IN ACADEME: IMPACT ON FACULTY WORK AND
        ATTITUDES

The Institutional Review Board has completed their review of your project. I am pleased to advise you that
your project has been approved.

The committee has found that your research project is appropriate in design, protects the rights and welfare of
human subjects, and meets the requirements of MSU's Federal Wide Assurance and the Federal Guidelines
(45 CFR 46 and 21 CFR Part 50). The protection of human subjects in research is a partnership between the
IRB and the investigators. We look forward to working with you as we both fulfill our responsibilities.

Renewals: IRB approval is valid until the expiration date listed above. If you are continuing your project, you
must submit an *Application for Renewal* application at least one month before expiration. If the project is
completed, please submit an *Application for Permanent Closure*.

Revisions: The IRB must review any changes in the project, prior to initiation of the change. Please submit an
Application for Revision to have your changes reviewed. If changes are made at the time of renewal, please
include an *Application for Revision* with the renewal application.

Problems: If issues should arise during the conduct of the research, such as unanticipated problems, adverse
events, or any problem that may increase the risk to the human subjects, notify the IRB office promptly. Forms
are available to report these issues.

Please use the IRB number listed above on any forms submitted which relate to this project, or on any
correspondence with the IRB office.

Good luck in your research. If we can be of further assistance, please contact us at 517-355-2180 or via email
at IRB@msu.edu. Thank you for your cooperation.

Sincerely,

Peter Vasilenko, Ph.D.
SIRB Chair

c: Lynne Zelenski
        2605 Hummingbird Lane, Holt, MI 48842

MICHIGAN STATE
U N I V E R S I T Y

Renewal
Application
Approval

August 15, 2007

To: Marylee DAVIS
        420 Erickson

Re: IRB # 06-731   Category: EXPEDITED 7
        Renewal Approval Date: _ August 14, 2007
        Project Expiration Date: August 13, 2008

Title: A GROUP PAY INCENTIVE PROGRAM IN ACADEME: IMPACT ON FACULTY WORK AND
        ATTITUDES

The Institutional Review Board has completed their review of your project. I am pleased to advise you that the renewal has been approved.

This letter notes approval for data analysis only (contact with subjects and data collection is complete). Any further recruitment, data collection or contact with subjects will require IRB review and approval via a revision before implementation.

The review by the committee has found that your renewal is consistent with the continued protection of the rights and welfare of human subjects, and meets the requirements of MSU's Federal Wide Assurance and the Federal Guidelines (45 CFR 46 and 21 CFR Part 50). The protection of human subjects in research is a partnership between the IRB and the investigators. We look forward to working with you as we both fulfill our responsibilities.

Renewals: IRB approval is valid until the expiration date listed above. If you are continuing your project, you must submit an *Application for Renewal* application at least one month before expiration. If the project is completed, please submit an *Application for Permanent Closure*.

Revisions: The IRB must review any changes in the project, prior to initiation of the change. Please submit an *Application for Revision* to have your changes reviewed. If changes are made at the time of renewal, please include an *Application for Revision* with the renewal application.

Problems: If issues should arise during the conduct of the research, such as unanticipated problems, adverse events, or any problem that may increase the risk to the human subjects, notify the IRB office promptly. Forms are available to report these issues.

Please use the IRB number listed above on any forms submitted which relate to this project, or on any correspondence with the IRB office.

Good luck in your research. If we can be of further assistance, please contact us at 517-355-2180 or via email at IRB@msu.edu. Thank you for your cooperation.
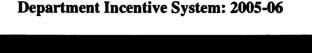
Sincerely,

Peter Vasilenko, Ph.D.
SIRB Chair

c: Lynne Zelenski
        2605 Hummingbird Lane, Holt, MI 48842

APPENDIX D

Department Faculty

Alias	Sex	Rank	Years in Professoriate
Amy	F	Associate	9
Barry	M	Full	26
Bob	M	Associate	30
Cliff	M	Associate	24
Collin	M	Full	18
Daniel	F	Full	29
Diane	F	Associate	14
Don	M	Full	29
Ellen	F	Full	14
Eric	M	Full	15
Erin	F	Full	17
Evan	M	Assistant	9
Jeff	M	Full	34
Jenny	F	Full	25
Jim	M	Associate	26
Julie	F	Associate	11
Keith	M	Full	38
Liz	F	Assistant	2
Lou	M	Full	40
Mark	M	Assistant	2
Mary	F	Assistant	5
Peter	M	Associate	18
Rich	M	Full	11
Roger	M	Associate	30
Scott	M	Assistant	7
Walt	M	Full	29

Department Incentive System: 2005-06

█████████████████████████████████

PREAMBLE

In recognition that the current merit review system rewards individual but not collective achievement, the ████████████████████████████████ is adopting the following department incentive system to motivate and focus cooperation in achieving the department's teaching, research, and service missions.

DEPARTMENT INCENTIVE SYSTEM

The 2005-06 department incentive system specifies two sets of department level goals relating to our teaching, research and service missions: *basic goals* and *additional goals*. Bonuses will be awarded to specified department employees upon the achievement of each set of goals. The bonus award for achieving all the *basic goals* will be $3,000 for each full-time, teaching employee and $1,500 for each part-time, teaching employee and each full-time, non-teaching employee. If all of the *additional goals* are met, a further bonus award will be paid consisting of $2,000 for each full-time, teaching employee and $1000 for each part-time, teaching employee and each full-time, non-teaching employee. Awards earned normally will be paid in the fall semester of 2006. However, if an eligible participant is not employed by the department in fall 2006 but is employed in spring 2007, that employee will receive the award in spring 2007.

Department employees on sabbatical leave will be included in the system. Department employees on full time administrative assignment outside the department and those in their consultantship year will be excluded from the system. Those on other types of leave and similar assignments will be included in or excluded from the system on a case-by-case basis based on an evaluation by the Department Chairperson, and consultation with the Department Advisory Council (DAC) if deemed necessary. To be included in the system full-time (part-time) employees must have been employed by the Department in both the fall and spring semester (fall or spring semester) of the academic year to which the bonus relates and be so employed on a full-time or part-time basis by the department in the month of payment.

Unless otherwise indicated, performance will be measured on three dimensions-teaching, research and service -over the period August 16, 2005 – August 15, 2006.

Teaching will be evaluated using the average department teaching scores of employees participating in this incentive system on questions one (overall teaching effectiveness) and two (overall course quality) of the SIRS forms administered by the department. The *basic goal* will be met if the average SIRS scores for eligible participants on question one and question two are equal to or less than 1.91 and 2.05 respectively. The *additional goal* will be met if the average SIRS scores for eligible participants on question one and question two scores are equal to or less than 1.89 and 1.98 respectively.

In unusual situations, when student evaluations are expected to be significantly affected by abnormal situations, the scores may be excluded from bonus system consideration. Such exclusion must occur before the evaluations occur, be initiated by the employee and concurred with by both the Department Chairperson and a majority of the DAC.

Research, for this year only, will be judged based on total number of coauthored publications over the period May 16, 2005 through August 15, 2006 (based on the date of acceptance letter from the journal editor). The *basic goal* will be met if (1) the total number of coauthored publications* by eligible participants is equal to or greater than 27 _and_ (2) the total number of coauthored publications by eligible participants in specific target** journals is equal to or greater than 9. The *additional goal* will be met if (1) the total number of coauthored publications by eligible participants is equal to or greater than 31 _and_ (2) the total number of coauthored publications by eligible participants in target** journals is equal to or greater than 10.

To be counted in the total, an article must be accepted for publication in a journal of national circulation. The article must relate to the professional activities or interests of the employee. Refereed chapters in scholarly books will be included in the count but manuscripts published in proceedings generally will not. When there is a question on the inclusion of any particular publication, the Department Chairperson in consultation with the DAC will determine the correct status.
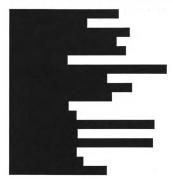
Service performance will have met both the *basic goal* and the *additional goal* if all service assignments with deadlines on or before May 15, 2006 have been completed satisfactorily on or before that date. The satisfactory completion of an assignment in the Department will be determined by the Department Chairperson. Service outside the department will be considered to have been completed satisfactorily in the absence of contrary information from the outside body being served.

Due to extenuating circumstances, the Department Chairperson and a majority of the DAC shall have the right to jointly exclude certain service assignments from affecting whether the *basic goal* or the *additional goal* has been met. Such exclusion can be requested by the employee with the service assignment under consideration, the DAC or the Department Chairperson.

---

*"Coauthored publications" equals the number of publications times the number of Department authors of each publication. Thus, an article written by a Department faculty

member alone or with a non-Department co-author results in a count of one, an article written by two Department faculty members results in a count of two, and so on.

**Target journals are refereed, highly visible, multidisciplinary, scholarly journals, including but not limited to the following journals in which department employees have published over the last five years. Similar journals can be added to this list by recommendation of the department chairperson in consultation with the DAC.

REFERENCES

Alpert, D. (1985). Performance and paralysis: The organizational context of the American research university. *The Journal of Higher Education, 56*(3), 241-281.

Amey, M. J., & VanDerLinden, K. E. (2002). Merit pay, market conditions, equity, and faculty compensation. *The NEA 2002 Almanac of Higher Education,* 21-31.

Argyris, C., & Schon, D. A. (1977). *Organizational learning: A theory of action perspective.* Reading, MA: Addison-Wesley.

Austin, A. E. (2002). Preparing the next generation of faculty: Graduate school as socialization to the academic career. *The Journal of Higher Education, 73*(1), 94-122.

Austin, A. E. (2003). Creating a bridge to the future: preparing new faculty to face changing expectations in a shifting context. *The Review of Higher Education, 26*(2), 119-144.

Baldwin, R. G. (1990). Faculty career stages and implications for professional development. In D. W. Wheeler (Ed.), *Enhancing faculty careers: strategies for development and renewal.* San Francisco: Jossey-Bass.

Blackburn, R. T., & Lawrence, J. H. (1995). *Faculty at work.* Baltimore: The Johns Hopkins University Press.

Boyer, E. L. (1990). *Scholarship reconsidered: Priorities of the professoriate.* Princeton: Carnegie Foundation.

Braskamp, L. A., & Ory, J. C. (1994). *Assessing faculty work: enhancing individual and institutional performance.* San Francisco: Jossey-Bass Inc.

Bullock, R. J., & Lawler, E. E. (1984). Gainsharing: A few questions, and fewer answers. *Human Resource Management, 23*(1), 23-40.

The Chronicle of Higher Education Almanac. (2005). Washington D.C.

Clark, B. R. (1987). *The academic life: Small worlds, different worlds*. Princeton, N.J.: Carnegie Foundation for the Advancement of Teaching and Princeton University Press.

Creswell, J. W., Wheeler, D. W., Seagren, A. T., Egly, N. J., & Beyer, K. D. (1990). *The academic chairperson's handbook*. Lincoln, Nebraska: University of Nebraska Press.

Diamond, R. M. (1993). Changing priorities and the faculty reward system. *New Directions for Higher Education, 81*, 5-12.

Dyer, B. G., & Miller, M. (1999). A critical review of the literature related to the department chair position (pp. 25).

Fairweather, J. S. (1993). Academic values and faculty rewards. *The Review of Higher Education, 17*(1), 43-68.

Fairweather, J. S. (1995). Myths and realities of academic labor markets. *Economics of Education Review, 14*(2), 179-192.

Fairweather, J. S. (1996). *Faculty work and public trust: Restoring the value of teaching and public service in American academic life*. Needham Heights, MA: Allyn & Bacon.

Finkelstein, M. J. (1984). *The American academic profession: A synthesis of social scientific inquiry since World War II*. Columbus, OH: Ohio State University Press.

Gaff, J. G., Pruitt-Logan, A. S., & Weibl, R. A. (2000). *Building the faculty: colleges and universities working together*. Washington, DC: Associaton of American Colleges and Universities.

Gmelch, W. H. (2002). *Where have all the leaders gone?* Paper presented at the Annual Meeting of the American Association of Colleges for Teacher Education, New York, NY.

Gomez-Mejia, L. R. (1992). Structure and process of diversification, compensation strategy, and firm performance. *Strategic Management Journal, 13*(5), 381-397.

Gomez-Mejia, L. R., & Balkin, D. B. (1992). Determinants of faculty pay: An agency theory perspective. *The Academy of Management Journal, 35*(5), 921-955.

Hall, G. E., & Caffarella, E. P. (1997). *Third-year implementation assessment of the Douglas county, Colorado school district performance pay plan for teachers.* Castle Rock, CO: Douglas County School District.

Hansen, L. W. (1988). Merit pay in structured and unstructured systems. *Academe, 74*(6), 10-13.

Hearn, J. C. (1999). Pay and performance in the university: An examination of faculty salaries. *The Review of Higher Education, 22*(4), 391-410.

Hecht, I. W. D. (2002). *Appointment and compensation.* Retrieved June 29, 2004, 2004, from http://www.acenet.edu

Kelley, C. (1999). The motivational impact of school-based performance awards. *Journal of Personnel Evaluation in Education, 12*(4), 309-326.

Kelley, C., Odden, A. R., Milanowski, A., & Heneman, H. G., III. (2000). *The motivational effects of school-based performance awards.* Philadelphia: Consortium for Policy Research in Education.

Kuh, G., & Whitt, E. (1988). *The invisible tapestry: Culture in American colleges and universities* (ASHE-ERIC Higher Education Report No. 1). Washington, D.C.: Association for the Study of Higher Education.

Locke, L. F., Spirduso, W. W., & Silverman, S. J. (2000). *Proposals that work: A guide for planning dissertations and grant proposals* (Fourth ed.). Thousand Oaks, CA: Sage Publications, Inc.

Maehr, M. L., & Braskamp, L. A. (1986). *The motivation factor: a theory of personal investment.* Lexington, MA: Lexington Books.

Massy, W. F., Wilger, A. K., & Colbeck, C. (1994). Overcoming "hollowed" collegiality. *Change, 26*(4), 10-21.

McKeachie, W. J. (1979). Perspectives from psychology: Financial incentives are ineffective for faculty. In W. E. Becker (Ed.), *Academic Rewards for Higher Education* (pp. 37-39). Cambridge, MA: Ballinger.

Menges, R. J. (1996). *Faculty in new jobs*. San Fransico: Jossey-Bass.

Merriam, S. B. (1998). *Qualitative research and case study applications in education.* San Francisco: Jossey-Bass.

Mertens, D. M. (1998). *Research methods in education and psychology: Integrating diversity with quantitative & qualitative approaches.* Thousand Oaks, CA: Sage Publications.

Milgrom, P. R., & Roberts, J. (1992). *Economics, organizations, and management.* Engelwood Cliffs, NJ: Prentice-Hall, Inc.

Moore, K. M., & Amey, M. J. (1993). *Making sense of the dollars: The costs and uses of faculty compensation* (ASHE-ERIC Higher Education Report No. 5). Washington, DC: George Washington University.

Olsen, D., & Sorcinelli, M. D. (1992). The pretenure years: A longitudinal perspective. *New Directions for Teaching and Learning, 50,* 15-25.

Peshkin, A. (2001). Angles of vision: enhancing perception in qulitative research. *Qualitative Inquiry, 7*(2), 238-253.

Raham, H. (2000). Cooperative performance incentive plans. *Peabody Journal of Education, 75*(4), 142-158.

Rudd, W. G., & Pancake, C. M. (1997). The merging faculty as team. *Journal of Engineering Education,* 39-43.

Stake, R. E. (1995). *The art of case study research.* Thousand Oaks, CA: Sage Publications, Inc.

Staw, B. M. (1983). Motivation research versus the art of faculty management. *The Review of Higher Education, 6*(4), 310-321.

Tierney, W. G. (1997). Tenure and community in academe. *Educational Researcher, 26*(8), 17-23.

Tierney, W. G., & Bensimon, E. M. (1996). *Promotion and tenure: Community and socialization in academe.* Albany: State University of New York Press.

Tucker, A. (1981). *Chairing the academic department: Leadership among peers.* Washington, D.C.: American Council on Education.

Welbourne, T. M., & Mejia, L. R. G. (1995). Gainsharing: A critical review of the literature and a future research agenda. *Journal of Management, 21*(3), 559-609.

Yin, R. K. (2003). *Case study research design and methods* (Third ed.). Thousand Oaks, CA: Sage Publications, Inc.

Youn, T. I. K. (2005). The academic labor market is bad for all of us. *Academe, 91*(6), 27-30.