What to Pay: Effects of Organizational Characteristics and Human Capital Endowments for Initial Salaries of Female and Male Middle School Principals[*]

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1 Introduction

According to the No Child Left Behind Act and to the effective school literature, highly qualified individuals are needed for educating America's youth. Although highly qualified individuals are needed in all positions, principals play a pivotal role because they are stewards of the instructional program (e.g., Cunningham & Cordeiro, 2006; Sergiovanni, 2006) at the school building level. Given this role responsibility delegated to

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principals, we focus on a specific human resource activity having an important implication for the attraction of highly qualified individuals to a new building assignment, i.e. initial pay.

We do so because to ratify an employment contract for a new principal assignment, school districts as employers and individuals as applicants must concur. No doubt, one important factor influencing this concurrence for a new job assignment is the initial salary because pay can be used to attract applicants (Winter & Melloy, 2004), is suggested to be a core component within the employment relationship (Gerhart & Milvoich, 1992; Rice, Phillips, & McFarlin, 1990), and is reported to be important to individuals (Terpstra & Honoree, 2004). However, a review of the current literature indicates that little information exists about initial pay, especially for building level principals.

What does exist is considerable information about "in-market" (Darity & Mason, 2004) pay for standing building level principals. With few if any exceptions, most state departments of education (e.g., Ohio Department of Education, n.d.) and many professorial associations (e.g., National Education Association, n.d.) report annual salaries for practicing principals. Usually, these data are grouped according to focal positions (e.g., elementary, middle school, or high school), but these reports are insensitive to characteristics of particular school districts, to unique aspects of job assignments, to specific qualifications of individual position holders, and/or to any information about initial salaries for newly assigned principals.

Such shortcomings are noted by other research (Castaneda, 2006; Pounder, 1988; Stone, 1985) addressing pay at the individual level (Heckman, 1998), albeit for standing principals. To investigate pay at the individual level for only standing principals, salaries have been deconstructed according to school district characteristics (e.g., size and wealth), to human capital endowments (i.e., education and experience) of employees, and to certain personal attributes (i.e., sex and national origin) of position holders. Results of studies examining in-market pay from a deconstructed perspective indicate consistently a substantial amount of variance in current salaries for standing principals can be accounted for by the above mentioned variables, but this information is masked in state as well as in professional association reports reflecting only annual salaries disaggregated solely by focal position.
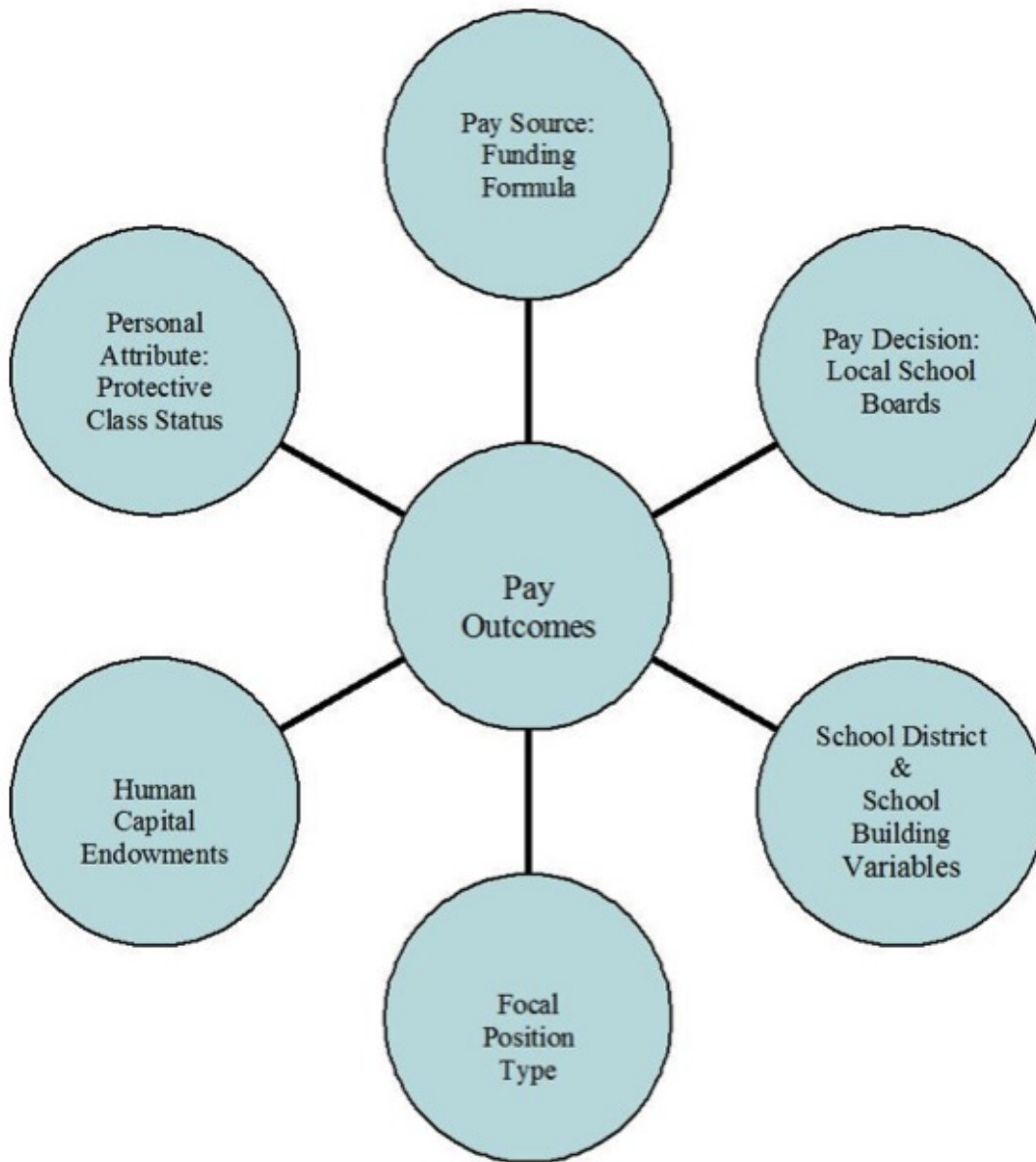
Because annual reports as well as existing studies fail to address initial pay, we conducted an empirical study to fill partially this void in the professional literature, albeit for a specific focal position. More specifically, our research question addresses if organizational characteristics and human capital endowments account for substantial variance associated with initial salaries of middle school principals. To address our research question, middle school principals are selected at random from a particular state, and their initial salary is regressed on school district characteristics, building level attributes, and human capital endowments of principals as well as a personal attribute (i.e., sex) of these position holders.

2 Literature Review

In the educational setting, pay for standing administrators is noted to be a function of a state's funding formula, a school district's characteristics, a particular focal position, a unique work site, human capital endowments of employees, and certain personal attributes of employees as noted in Figure 1. These variables emerge for a variety of reasons and warrant being addressed when assessing initial pay of building level principals in the public school setting. Indeed, all states use a formula funding process to allocate monies for public school districts (Owings & Kaplan, 2006), and some states fund school districts more and pay school administrators more than other states (e.g., Connecticut vs. South Dakota, see National Education Association, n.d.).

Figure 1. Factors Identified in Previous Research to be Important in Pay Amounts for Edu-

cational Administrators.

Pay Source: Funding Formula

Personal Attribute: Protective Class Status

Pay Decision: Local School Boards

Pay Outcomes

Human Capital Endowments

School District & School Building Variables

Focal Position Type

Within any state, school districts vary according to the pay awarded educational administrators. School districts located in a rural setting are purported to pay less than school districts located either in a suburban or in an urban setting (Poppink & Schen, 2003). Likewise, school districts differ beyond location according to wealth and to size as captured by per-pupil expenditure (i.e., revenue/enrollment) with higher per-pupil expenditure districts reporting (Castaneda, 2006) to pay more than lower per-pupil expenditure districts.

Among states as well as among school districts, pay varies for educational administrators according to the focal position of assignment (Webb & Norton, 2003). That is, pay is a function of the organization level of position holders as well as the type of position. More specifically, superintendents are paid more than building level principals, and high school principals are paid more than elementary school principals (National Association of Elementary School Principals, n.d.).

With respect to building level principals, pay differs within a district according to job assignment. When

school building level is held constant, principals are paid more in higher enrollment school buildings than in lower enrollment school buildings (Webb & Norton, 2003). No doubt, this difference in pay based on student enrollment is due, at least in part, to the scope of a job assignment because student enrollment is related directly to the number of staff supervised, to the number of parent concerns, and to the type/amount of administrative tasks performed by a building level principal.

Well noted in the published literature is the importance of human capital endowments on pay (Wang & Holton, 2005). Clearly within the public school setting, "Some position holders possess certain attributes with more market value than other position holders (i.e., experienced persons tend to be paid more than inexperienced persons)" (Young & Brown, 1996, p. 143). As a result, human capital endowments addressed in the educational literature are experience and education of an employee because "a respectable model of human capital must include job experience and education" (Darity & Mason, 2004, p. 69).

Even when human capital endowments are included within an earning equation, certain personal attributes of employees are reported to account for significant variance in pay for standing principals. At the elementary school level, principal salaries are reported to be influenced by sex (e.g., Pounder, 1988) as well as by national origin of principals (Young & Castaneda, 2008). However, these studies have focused on in-market pay for standing principals but have ignored initial salaries for newly assigned principals as a dependent variable, and we address this oversight by advancing current knowledge in several ways.

3 Advancements

To address our research question focusing on initial salaries for a middle school principalship, we follow the emerging research stream involving the decomposition of pay but do so for initial salaries as opposed to standing salaries. Procedurally, we use a multifaceted research protocol whereby certain variables purported to influence pay are held constant, controlled statistically, left free to vary, or systematically manipulated. In addition, we employ an alternative sampling frame sensitive to pay policy as well as to pay practice of a school district, and we operationalize pay from a perdiem rate as opposed to an annual amount.

Variables Held Constant. The formula funding process for allocating monies to public school districts and the focal position of interest are held constant in our study (see Figure 1). Formula funding is held constant by sampling only within a specific state (i.e., California) to control for allocations influencing, at least in part, pay amounts (see Figure1). Because pay is noted to be influenced by the organizational level of a focal position (see Figure 1) within a public school district (National Association of Elementary School Principals, n.d.), we held constant the level of assignment (see Figure 1) by choosing only middle school principals as the focal position of interest and do so for several reasons (discussed later).

Variables Controlled Statistically. No doubt, an initial salary is a function of the time it is awarded. Surely a competitive entry salary five year ago would be well below current market expectations due cost of living adjustments as well as an ever changing economy. To control for a temporal effect on initial salary, time in the current position is used as a covariate to adjust initial pay for middle school principals employed at different points in time.

Variables Free to Vary. With respect to our targeted state (i.e., California) and selected focal position of interest (i.e., middle school principals) being held constant, certain characteristics of school districts and of school building assignments as well as human capital endowments of employees are left free to vary via the sampling frame (see Figure 1). Characteristics of school districts free to vary are location (i.e., rural vs. non-rural, see Poppink & Schen, 2003) and wealth defined by per-pupil expenditure (revenue/enrollment, see Castaneda, 2006). For characteristics of the work assignment at the building level, we chart new waters by considering both size of a middle school building as measured by student enrollment (i.e., average daily attendance) and composition of a student body as reflected by the percentage of minority students, social economic status of students (percentage receiving free lunch), and the percentage of English language learners.

Also, we left free to vary certain human capital endowments of employees. Human capital endowments were assessed according to educational level, to prior teacher experience, and to prior administrator experience. These human capital endowments are assessed based on recommendations of Darity and Mason (2004) concerning the importance of these variables as well as Pounder's (1988) statement indicating "separate

teaching and administrative experience for each principal may have serious implications for the results of data analysis" (p. 15). Education is defined according to the highest degree earned with attention being afforded to a BA, MA, Ed.S, or doctorate, while experience is decomposed to include years of teaching, years of prior building level experience as a principal, and related prior administrative experience (e.g., assistant principal).

Variables Manipulated Systematically. Past research indicates that pay for standing principals is a function of personal attributes (see Figure 1) defined either by sex (e.g., Pounder, 1988) or by national origin (Young & Castaneda , 2008). However, most of this research focuses on sex of principals, and private sector research indicates that pay may be a function of market segregation rather than sex *per se* even when profession and occupation are held constant. To quote, "among doctors women are more likely to be pediatricians and obstetricians than radiologists and surgeons" (Estrich, n.d.) with the former paying less than the later regardless of position holder's sex.

Clearly, sex segregation exists among building level principals. For example within our defined population, the sex distribution for elementary school principals is 69 female/31 males, for middle school principals 48 females/52 males, and for high school principals 39 females/71 males (EdSource, 2007). Consequently, we control sex segregation relative to initial salaries by manipulating systematically sex of middle school principals via using a stratified random sampling technique.

Sampling Frame. Past research (Pounder, 1988; Stone, 1985) addressing in-market pay of building level principals confounds district policy with pay outcomes by selecting more than a single principal from any particular school district. As a result, these studies fail "to focus exclusively either on school districts from a policy capturing perspective while controlling for individual salaries or on position holders from an individual perspective while controlling for pay policies/practices of school districts" (Young & Castaneda, 2008, p. 683). This confounding is particularly important because initial pay is set ultimately by school districts (Currall, Towler, Judge, & Kohn. 2005) and not by school buildings.

Furthermore, existing research addressing pay from the deconstructive perspective uses an ordinary least squares (OLS) regression model. Assumed by this model is independence among all observations but this assumption is violated if an unequal number of principals is selected from any school district when the unit of analysis is salaries of individuals awarded by school districts (Currall et al., 2005). Consequently, we sample only a single middle school principal from any school district to control for school board policy, to capture school district's pay practices, and to meet the assumptions of the OLS regression technique.

Perdiem Pay. According to Morgan and Arthur (2005) the way pay is defined is non-trivial in this body of literature because pay should be a function of time worked. Time worked for building level principals as exempted employees is defined by their employment contract. However, pay has been defined in associations/state department reports as well as within empirical studies either according to annual salaries (e.g., National Education Association, n.d.) or to monthly salaries (e.g., Pounder, 1988) but these alternate definitions are appropriate only if work assignments fail to vary in contract length of position holders. Because middle school principals work different contract lengths across school districts, we operationalized pay from a perdiem basis to control for the length of work year.

4 Hypothesis

Submitted to empirical test are two null hypotheses as per our research question. These hypotheses are assessed by a OLS multiple regression procedure using a hierarchal method of variable entry involving two models. To maintain a studywise alpha of .05 in our study, the Bonferroni technique (i.e., alpha/number of models tested) is used whereby the *alpha* value for each hypothesis is set at the .025 level of significance (i.e., .05/2 regression models).

Based on our research question, the dependent variable is initial salaries of middle school principals as defined from a perdiem rate. First, initial salaries are regressed on current job experience of middle school principals in their assigned focal position to control for economic changes since their appointment (model 1). Second, initial salaries are regressed on current job experience (a control variable) as well as on school district characteristics (i.e., location and wealth), school building level variables (enrollment and student

characteristics), human capital endowments of principals (education, teacher experience, prior principal experience, and prior other administrative experience), and sex (i.e., female vs. male) of principals (model 2).

As stated in the null form, the following hypotheses were submitted to empirical test:

HO 1: It is hypothesized the years of experience in their current job (i.e., length of time since initial appointment) will fail to account for any systematic variance in initial perdiem pay for middle school principals. (test for model 1)

HO 2: It is hypothesized that when the years of experience in the current job assignment is controlled, a linear combination of school district characteristics, school building level variables, human capital endowments of principals, and/or principals' sex will fail to account for any systematic variance in the initial perdiem pay for middle school principals. (test for model 2)

5 Method

5.1 Population and Participants

The population for our study is restricted to a particular state (i.e., California) to control for variations associated with formula funding across states (see Figure 1). Participants in our study are middle school principals selected at random within the state of California. To determine the number of participants needed for our study, a power analysis (Cohen, 1988) was conducted according to an alpha of .05, a beta of .20, and a medium effect sized of .30 (η^2 =.09). Results of the power analysis suggest a minimum of 160 middle school principals are needed given that our regression equation includes 12 (i.e., 1 control and 11 predictors) variables (to be discussed).

To control for pay policy and for pay practice of principals at the school district level largely overlooked in past research (e.g., Pounder, 1988; Stone, 1985) as well as to meet the basic independence assumptions (i.e., independence among districts/principals) of an OLS regression, a two stage sampling process was used. Initially, all middle school principals (N = 1,296) were stratified on the basis of sex and within each stratum 240 were selected at random but with a specific delimiter. That is, only a single school principal was selected at random from any particular school district at stage two of our sampling process. In total, 200 principals responded to yield an overall response rate of 42%, but only 194 principals reported their initial salary.

Thus, our working probability sample includes 194 principals providing an initial salary, and the number of middle school principals sampled equals the number of school districts sampled. It is important to note, this response rate failed to vary by our single manipulated variable (i.e., sex, 92 females and 102 males) and differences between sex groups are due likely to sampling variation (X^2 = 1.28, df = 1, p$\geq$.05) rather than a sex X response interaction (Stevens, 2002). Contained in Table 1 are descriptive statistics reflecting organizational characteristics (school district and school building) as well as human capital endowments of principals.

Descriptive Statistics for Middle School Principals

	Mean	Std. Deviation
Annual Pay	106,034.01	14606.27
Contract days	214.67	6.83
Per Day Pay	494.25	68.56
Location of School District[1]	-.30	.95
District Per-Pupil Expenditures	8,353.23	1482.92
School Building ADA	741.45	349.15
Percentage of Minority Students	54.72	27.45
Percentage of Students Free/Reduced Lunch	47.74	30.11
Percentage of English Language Learners	16.65	14.84
Education of Principal[2]	2.38	.734
Teaching Exp. of Principals	10.31	6.35
Experience in Current Principal Position	5.04	4.56
Starting Per Day Pay in Current Position	422.35	106.29
Sex of Principal[3]	-.08	.99

Table 1

NOTE: [1] Non-rural scored -1 and rural scored 1; [2] BA scored 1, MA scored 2, and EdS scored 3, and doctorate scored 4.; [3] Males scored -1 and females scored 1.

5.2 Procedure

A mixed methods approach was used to collect data for our study: (1) survey technique and (2) archival data assessment. For the survey technique, middle school principals received by US mail a packet of information including a letter of introduction and a brief survey. The introductory letter describes the purpose of this study in general terms, solicits the participation of principals, ensures confidentiality relative to their responses, and offers feedback about results on request (i.e., return a pre-addressed postcard).

Data assessed by the survey are human capital endowments, a personal attribute, and pay information. More specifically, middle school principals were requested to report their educational level relative to highest degree and their sex group. Degree levels were coded as 1 = BA, 2 = MA, 3 = Ed.S, or 4= doctorate, and sex was effect coded (i.e., male= -1 and female = +1)

Experience as a human capital endowment was assessed according to years and was deconstructed according to teacher experience, prior principal experience, and other administrative experience (e.g., assistant principal). With respect to information about pay, principals were requested to report their initial pay in their current job assignment, and the number of days specified by their employment contract. This information was used to compute a perdiem rate (e.g. initial pay/contract days) and is used as our dependent variable.

To obtain information about school district and school building characteristics, a database maintained by the State Department of Education in California (n.d.) was used. For middle school principals comprising our probability sample (N = 194), characteristics of their school district were assessed according to location and to wealth. Location was effect coded (-1 = rural and +1 = non-rural [suburban or urban]), while wealth was defined by a per pupil expenditure (revenues/ADA enrollment).

   Characteristics of school building assignments obtained from the database maintained by the California Department of Education (n.d.) are size as defined by building enrollments and composition of student bodies. School building size was measured by the ADA for each school building. Composition of student bodies comprising each school building was assessed by the percentage of minority students, the percentage of students receiving free lunch as a proxy for SES, and the percentage of English language learners.

6 Statistical Analyses

An OLS regression procedure using a hierarchal entry method was used to address our research question and to test our null hypotheses. The dependent variable is perdiem initial salaries, the control variable is years of experience in the current position (i.e., time since initial appointment), and the predictor/independent variables are characteristics of school districts (i.e., location and wealth), characteristics of school buildings (i.e., size as measured by ADA and composition of student bodies [as measured by percentages of minority students, of free lunch students, and of English language learners]), human capital endowments of principals (education and prior job experience as a teacher, prior job experience as a principal, and prior job experience as an administrator, e.g., assistant principal), and a personal attribute (i.e., sex). Procedurally, perdiem initial pay was regressed first on the control variable (step 1) to test the first null hypothesis and subsequently on the control variable and on the predictor variables (step 2) to obtain a full model assessment relative to our second null hypothesis.

   Overall tests for the regression analyses are found in Table 2 for each model and suggest the rejection of both null hypotheses. These findings lend strong support for controlling time since receiving an initial salary as a covariate (f $(1,192) = 36.95$, p $\leq .025$) and for considering subsequently other predictor variables (f $(1,181) = 10.47$, p $\leq .025$) as being important relative to explaining variance associated with initial pay of principals at the middle school level. To provide insight about the percentage of variance accounted for by each model from an effect perspective, attention was given to a measure of association via R^2.

An Assessment of Regression Models

Model		df Mean Square	F	Sig.	
1	Regression	1 163970.62	36.94	.000[a]	
	Residual	192 4438.20			
	Total	193			
2	Regression	12 34696.12	10.47	.000[b]	
	Residual	181 3313.55			
	Total	193			

Table 2

   The percentage of variance accounted for in initial perdiem pay by the control variable (i.e., time since appointment) is 16% (see Table 3, Adj R^2 = .16, p $\leq .025$). After controlling for time since appointment in a newly assigned position, other predictor variables account for an additional 25% (see Table 3, R^2 change =.25) associated with initial pay, and this increase is statistically significant (Δf $(1,181) = 6.92$, p $\leq .025$). However, predictor variables included in our linear equation vary both in importance (i.e., magnitude) as well as in direction (i.e., sign) that warrant additional attention. See Model Summary in Table 3.

An Assessment in Incremental Change between Regression Modeles

Model	R	R^2 Adj. R^2	SEE	R Square Change	F Change	df1	df2	Sig. F Change	
1	.40^a	.16 .16	66.62	.161	36.95	1	192	.000	
2	.64 ^{b}	.41 .37	57.56	.248	6.92	11	181	.000	

Table 3

a. Predictors: (Constant), Yrs Current Position

A breakdown of our full regression model containing the covariate as well as all predictors/independent variables is found in Table 4. After consideration is given to time since appointment as a covariate, five predictor variables emerge as statistically significant given this specific combination of predictor/independent variables. When attention is afforded to beta weights (β) for statistically significant predictors reflecting only relative importance, these variables in descending order are as follow: (1) percentage of minority students [$\beta= .28$, p $\leq$.05], (2) SES of students as measured by free lunch [$\beta= -.25$, p $\leq$.05], (3) prior experience as a principal [$\beta= .19$, p $\leq$.05], (4) middle school enrollment [$\beta= .19$, p $\leq$.05], and school district location [$\beta= -.18$, p $\leq$.05]. See Coefficients in Table 4.

A Decomposed Regression Equation for Model 2

Model	B	Std. Error	Beta	t	Sig.
(Constant)	372.186	38.069	—	9.777	.000
Yrs Current Position	-5.889	.916	-.375	-6.431	.000
Rur=1	-26.987	10.568	-.180	-2.554	.000
ADA	.005	.003	.113	1.755	.081
Enrollment	.039	.016	.185	2.459	.015
% Minority	.710	.312	.275	2.274	.024
% Free Meals	-.592	.207	-.245	-2.856	.005
% E.L.	-.379	.491	-.082	-.772	.441
Ed. Degree	6.707	5.828	.068	1.151	.251
Yrs Teaching	-.772	.716	-.065	-1.007	.283
Yrs Principal other	2.808	.891	.187	3.153	.002
Yrs other admin	1.481	.825	.105	1.795	.074
m1	1.841	4.524	.025	.407	.685

Table 4

Redirecting attention from beta weights (β) to regression coefficients (b), findings were recast relative to economic outcomes for initial perdiem pay. After controlling for the time of an initial salary as a covariate, newly assigned principals at the middle school level are likely to enjoy a $.71 perdiem dollar increase (see Table 4) for each percentage increase in minority students but this amount will be reduced by $.59 perdiem dollars for each percentage increase in those receiving free lunches (see Table 4, $b = -.59$). Cleary having served as a principal in a prior position has market value (b = $2.91 per day for each year of experience), but this advantage is eroded considerably if one accepts a newly assigned principalship in a rural school district because rural school districts tend to pay approximately $27.00 per day less than non-rural (see table 4, $b = -26.99$) for similar situations.

7 Conclusions and Limitations

Results of this study provide information about a largely unaddressed variable (i.e., initial salaries for building level principals at the middle school level) within the professional literature and is important because the attraction and the selection of principals "is one of the most critical issues facing public schools today" (Winter & Morgenthal, 2002, p. 333). As such, insightful information is provided both to school districts offering initial salaries and to individuals negotiating their initial salaries. No doubt, if both parties are armed with empirical information about initial salaries from a market perspective at the pre-assignment stage of the employment process, then the ratification process for a new job assignment is likely to be enhanced.

Empirical information revealed by our study is the importance of specific variables (see Table 4) that should be considered by school districts when formulating an initial salary offer and that should be considered by applicants when negotiating their counter initial salary request. Based on our outcomes, a competitive market salary for a newly assigned middle school principal within California should include consideration for location of a school district (rural vs. non-rural), characteristics of a particular building assignment (building size and composition of student bodies), and a specific human capital endowment of the applicant (prior principal experience). The actual dollar value of these variables within the negotiation process can be estimated for a particular job assignment by the unstandardized regression coefficients, as found in Table 4, by computing an expected initial salary relative to market pay for newly assigned middle school principals, especially in California.

For school districts having a formal salary schedule for middle school principals, initial pay for a new job assignment involves placement on the existing salary schedule. To make a placement decision on an existing salary schedule relative to a new assignment for an initial salary, the market intercept value as found in Table 4 for the perdiem rate (i.e., $372.19) should be replaced with the perdiem rate reflected by the existing salary schedule for a base rate (i.e., entry perdiem amount) as used by a school district. Once this substitution is made relative to the intercept amount, the dollar value for student bodies (i.e., percentage of minority students, percentage of SES of students, and total building enrollment), for prior experience as a principal (i.e., years), and for location of a school district (i.e., rural vs. non-rural) can be calculated according to unstandardized regression weights found in Table 4 and can be used to inform placement decisions within an existing salary structure for newly assigned middle school principals.

Although it goes almost without stating that the actual dollar value for these variables noted as being statistically significant will vary by state and by focal position, it is highly likely that many of these same variables will be important independent of state and of focal position. Most of these variables have been found to be important when accounting for variance in pay for standing administrators in different states (e.g., California, see Castaneda, 2006; Ohio, see Young, 1997; Washington, see Stone, 1985; Wisconsin, see Pounder, 1988) as well as for different focal positions (central office chief financial officers, see Young & Brown, 1996; elementary school principals, see Castaneda, 2006, Pounder, 1988, Stone, 1985; and school superintendents, see Young 1997) in the public school setting.

From a research perspective, many of these findings are and should have been suspected but lacking empirical support in the professional literature to legitimize their usage relative to labor market value. It is not surprising that wealthier school districts pay higher initial salaries than poorer school districts when wealth is defined by a per pupil expenditure (see Castaneda, 2006) and that rural school districts pay less than non-rural school districts (Poppink & Schen, 2003) given a cost of living difference (e.g., housing, recreation etc.). Likewise unsurprising, middle school principals assigned to larger school buildings receive higher initial salaries than those assigned to smaller school buildings because the former has a larger scope of responsibilities.

However, surprising are findings pertaining to the composition of students comprising a middle school, and the composition of students has been largely overlooked in this body of literature relative to pay for building level principals. Our data indicate the percentage of minority students has a positive effect (β= .28, p $\leq$.05, see Table 4) on initial salaries, the percentage of low SES students has a negative effect (β= -.25, p $\leq$.05, see Table 4) on initial salaries, and the percentage of English language learners has no effect (β= -.08, p $\geq$.05, see Table 4) on initial salaries. To speculate about this particular configuration of outcomes

for different student groups relative to initial salaries of middle school principals, attention should be given to the political influence of alternate parent groups associated with each student classification.

Historically, parents of minority students, like parents for special education students, have been a political force in shaping education at the national as well as at the school district level. Typically, less heard are the voices of parents for the poor because the poor transcends all populations of students and lacks a solidified single core of parents to represent their interest relative to the attraction and employment of middle school principals. Hence the concerns of the poor have been devalued as noted by the negative relationship ($\beta=$ -.25, p $\leq$.05, see Table 4) for predicting initial salaries of middle school principals.

Recently, English language learners have become a viable population of students within our target state (i.e., California) due to changing demographic patterns. As a result, parents of English language learners are just beginning to be heard but not resoundingly because their acquired political influence on state politics at large has just begun to blend over into the public school setting. Because ELL students are required to take state competency tests despite language difficulties, more school districts have focused on acquiring principals sensitive to the plight of ELL students. As such, initial salaries could be used as an incentive to attract these individuals, and this possibility has not been utilized as evident by market data ($\beta=$ -.08, p $\geq$.05, see Table 4).

Turning to our findings relative to human capital endowments of employees for initial salaries of middle school principals, it is unsurprising that the most important variable is prior experience as a building level principal ($\beta=$ .19, p $\leq$.05, see Table 4). However, persons having prior experience as a standing building principal could be rewarded for different reasons relative to an initial salary. One reason is that it is well established in the general organizational literature that the best predictor of future performance is past performance (Heneman & Judge, 2006) in a "like type" position.

However, another likely reason is that an applicant's current salary has an influence on an initial salary for a new position, especially if this person is to be attracted to a new job assignment. Applicants with prior principal experience are earning more than applicants without this human capital endowment (b = \$2.91 per day for each year of experience). To entice those having prior principal experience (and a high salary) to accept a new assignment, a higher initial salary is required as reflected by our market data (see Table 4).

Within this study some expected variables failed to emerge as statistically significant. One important variable failing to account for any systematic variance in initial pay is sex of a middle school principal ($\beta=$ .025, p $\leq$.05, see Table 4). Past research (Pounder, 1988; Stone, 1985) addressing pay discrimination for standing principals indicates that females are paid less than males.

However, our research disagrees with this finding but could do so for several reasons: focal position of interest (i.e., middle school principalship vs. elementary school principalship), temporal aspects for data collection (2009 vs. 1980's), point to discrimination within the employment process (initial salaries vs. standing salaries), and number of as well as type of predictors variables assessed within the regression model. We focused on middle school principals in contrast to elementary school principals with the former being more desegregated relative to sex of principals, collected our data in 2009 as compared to the 1980's, examined initial salaries as opposed to standing salaries, and used a far better specified regression model (i.e., more predictor variables) to assess pay outcomes. For any of these reasons as well as a combination of these reasons, results could be expected to vary, and further research is warranted to update current knowledge for different states varying in formula funding as well as for different focal positions within a school district.

Finally, our study, like all studies, suffers from limitations albeit many are intentional via our experimental protocol. That is, we held constant both the state funding source (i.e., California) and the focal position (middle school principal) of interest to control for pay allocation as well as pay amount (see Figure 1), assessed organizational characteristics at the school district (i.e., location and wealth) and at school building (size and student characteristics) level by specific variables suggested by current research (see Figure 1), considered only certain human capital endowments (education and prior job experiences), and manipulated only a single personal attribute of middle school principals (i.e., sex). Until other research is conducted, any generalizations beyond these restraints should be made with extreme caution.

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