

How Do These Pay-For-Performance/Skills Systems Work in the Public Schools?

Siilegmaa Bulgan

Magistrate, Huazhong Agricultural University, Wuhan, China

Abstract– Any organization may require having efficient working performances on individual tasks to ensure the needs of stable operation by enhancing employee productivity what we cannot ignore at all. Certainly how it works well out is to improve employee bonus system and to structure performance-based pay in the workplaces crucially. Although there are variety different types and methods of bonus plans, it shows to have great deal of efficiency and productivity if it pays by cash. Developing Bonus Systems for Corporates in most of business operations, they tend to use performance based bonus system.

Keywords - work place, governmental organization, business, teachers, performance, salary, income, education, consequence, strategies.

I. INTRODUCTION

In accordance with the relevant studies and related researches on improving educational qualities, it is to develop job performance productivity and at last, though, the research about teachers' impact has become too overwhelming to leave like it is now. As the educational sector has higher performance and recruits skilled teachers stably what it talks a lot to find right exit and key to the quality of both education and students, the education what we e may define good teaching as instruction that leads to effective learning, which in turn means thorough and lasting acquisition of the knowledge, skills, and values the instructor or the institution has set out to impart in the communities. The education methods for productivity and effective performance present a variety of good teaching strategies and research studies that validate them (Campbell and Smith 1997; Johnson et al. 1998; McKeachie 1999) to get more steps for focusing on teachers' satisfaction. Then the best solution to solve the crucial issues what the societies face is to release appropriate bonus system in educational governance.

In the sections that follow, we describe several strategies known to be particularly effective to improve bonus system of teachers in the USA. There for instance, it pays more depending on years of working and experience or educational backgrounds of the lecturers.

Mainly and logically what it does say is that the more the teachers work longer by developing educational degrees, the more they have opportunities to mentor, train and teach lessons well enough. Therefore, year by year, the salary average gets increased with the certain percentages, which the America takes on. Also it is easier to measure the productivity and performance. Due to the systems what USA arms with, the teachers are earned the same bonus and salary in regardless with their work productivity and high performance at work.

Teachers are mostly not strived to attempt succeeding at duties. Additionally not few teachers are trying to change jobs, having no desires and passion to keep work as the teacher at some point to find new positions with sufficient income. Another research about the issues says that year of 11.4 is the average duration which teacher work at the longest term. It of course is the fundamental reason why the country recalls the bonus system for the educational sector to discuss more about the reward plans here. To reward the employees based on performance is the one of best ways to encourage them with the cash.

How it gives the performance achievement in educational sector is to evaluate the process or accomplishments of pupils and learners on average. It is to conclude final decision of performance by involving external representatives and auditors including authorities of the school, regional or local educational committees. The bonus salary will be rewarded by adding basic salary.

Under the research taken in the educational sector, it is advisable to reward bonuses to the teachers depending on job performance and productivities at works as it sees the positive and negative aspects of the method, furthermore, more stable answer would be responded whether it is fruitful.

II. PERFORMANCE BASED PAY SYSTEM

Historically, at first, it was used in British. And Pay based on performance usually involves some objective assessment of schools' or teachers' efforts or success or some measure of their students' performance. The theory as specified above sentence was discussed in the year of 1710 and introduced this method later in Canada and then in 1969, an educational sector in the USA tests this type of experiment as the name of performance based contract.

Today, the system has been used successfully in total 125 schools in 50 districts of 9 states there. Over 3500 teachers who are teaching variety different lessons for around 56,000 students are involved in this program.

Moreover, great responses on working performance are shown already from over 10 states, this type of method supports highly to ensure productivities of both educational sector and learners. On average, 67 million dollar was spent for rewarding teachers' performance for last 5 years.

In Texas or in other few states even supply the teachers with the bonus amount from the planned budget of governance. The method of performance based salary for the teachers in the educational sector is brought much positive result however; couples of certain negative aspects are counted. Mainly the advantage sides of this rewarding method based on their productivities are helped to improve school governance and let the teachers be responsible for their duties and encouraged them to initiate and cooperating with the administrative of the school at close.

Besides, as long as the teachers are rewarded, the teachers are getting well skillful and qualified while the learners are improved at the process. But due to the reward system based on productivity, the teachers are usually concentrating on specialized general lessons which have examinations from the authorities and encouraged to cheat during the exam to have good results on the exam or they compete but not cooperating with colleagues, not mentoring the students in wide range of studies what the negative attitudes are shown around school. Hence, let we discuss more about those issues below.

Argument 1:

Performance-based rewards improve the governance of schools by increasing the efficiency of resource allocation.

Might human resource experts and professionals be struggling to answer a number of critical questions related to incentive design and delivery to improve performance-based pay (in all its forms) in the current environment, including Education sector, What many analysts are argued that performance-based pay schemes either improve the administration of schools? At

first sight, principals must know the quality of teachers in all classrooms (Hoerr, 1998) under a performance-based pay scheme. This type of evaluation is proclaimed by its means since principals must combatively evaluate teachers, rather than formatively evaluate, and so more objective decisions about teacher quality standards are made based on the relevant researches on performance-based systems, many principals report they evaluate teachers more seriously than they would have in a non-performance-based system (Murnane and Cohen 1986, 9), which is arguable issue to support this system. As a safety precaution, Solomon and Podgursky (2001) advocate school administrators becoming recipients of school wide performance-based rewards, to ensure they remain objective in their evaluation.

May movement to school-based rewards be increased the precision of resource allocation by encouraging resource alignment from top down, by setting organizational goals, and from the bottom up, as teachers are gaining feedback, and benefiting from better resource allocation and policy coherence (Kelley, 1999) with the reasons that teachers have an increased incentive to share information with administrators owing to its benefits from improved outcomes.

Due to clear performance expectations and a wide range of well-defined reward system in educational areas having amounts of additional extra bonus salary adjustments, annual incentives are tied to financial and individual performance and multiple long-term incentives along their improved productivity in today's executive compensation programs adhere to fulfill the duties to their best.

Argument 2:

Performance-based pay motivates teachers to perform at their best.

Yes, it is agreed that performance-based pay systems have been widely used in organizations; particularly it shows good result in school areas in regardless with criticized by its lack of effectiveness in the society. In fact, not only schools, but also private or governmental organizations have struggled for decades to align employee pay with performance. Surprisingly several of the major criticisms of performance-based pay systems and still it has numerous discussion of good attitudes for productivities of performance-based pay and employees performance that this method clearly triggers the teachers to work more than normality. For

instance, one of the largest benefits reported by proponents of performance-based rewards is an increase in the motivation of teachers. Bonus rewarded to the teachers help get motivated. This perspective links the attitude of teachers to student outcomes, by arguing that once the motivation and skill of the teacher determine salaries, teacher quality will be improved.

Within the literature, Tomlinson (2000) announced that performance-based pay is about motivating people, and developing performance-oriented cultures at duties. Specifically, some of teachers who are not motivated by financial rewards can be encouraged with non-financial rewards (Odden, 2000a) in case. These rewards can include, for example: satisfaction, complement from high student achievement, recognition, influence, learning new skills, and personal growth (Tomlinson, 2000; Odden 2000b) and so on. As Odden and Kelley (2002; Kelley, 1999) also declared that school-based rewards are a means of providing enthusiasm by introducing clear goals to the entire school, and facilitating student achievement.

Accordingly, teachers are not motivated by financial supports (please see theory raised by Firestone and Pennell, 1993), financial reward must have some influence on career opportunities for at least some teachers (Richardson, 1999). Some points out that past researches suggests money has an influence on teachers' motivation (Refer to Annex 3), and others disagree that money is one motivator among the majority (Odden and Kelley, 2002). Hence, it is opened new debates on performance-based policy which involves a monetary component would attract teaching talent by providing rewards that motivate a large range of people. A further benefit may occur through a rise in the socio-economic status of teachers, which should also attract and motivate talent (Solomon and Podgursky, 2001).

However, for this to be feasible, more revenue would be required for teacher salaries. Solomon and Podgursky (2001) mentioned that quality teachers can be moved to areas of low socio-economic status when teaching is rewarded based on outcomes since these areas can be specifically rewarded. Different criteria can be used to determine rewards for different areas based on the socioeconomic, racial and gender demographics of the student population. Thus student performance is increased, and teacher quality improves at the same time. So performance based pay can disappear barrier for organizations seeking to improve the link between pay and performance.

Argument 3:

There is increased collegiality between teachers and authorities of the educational organization

To better understand this issue on performance and allowance on teachers, earlier merit-pay models were criticized for adversely affecting collaboration between teachers (see from the American Federation of Teachers (AFT), 2001 in detail). In response, a large body of literature emphasized that performance-based reward systems would increase collegiality by rewarding cooperation between teachers (Solomon and Podgursky, 2001; Cohn, 1996), especially through administering group-based pay (Mohrman, Mohrman, and Odden, 1996; McCollum, 2001), which leads to the kind of management technique can redesign the work of teachers. It is to consider an overly wide range of criteria when making the performance based decision is not distinguish between the different elements of performance for the purposes of linking them more effectively with rewards, acknowledged their interdependence respectively (Mohrman, Mohrman and Odden, 1996). Even some opponents of performance-based rewards are not agreed that there is some evidence of increased collegiality when group performance rewards are employed (See, for example, Firestone and Pennell, 1993).

As the close contact in front of public attention to improving teacher quality with the support of the administrators it continues to grow, many states and school districts are exploring pay-for-performance programs as a potential way to motivate and reward high-quality teaching system which brings effects on student achievement in the future.

Argument 4:

When teachers get improved on educating students, Student performance is progressed.

Teachers mostly have a question that will we work for performance pay. Merit pay, performance pay, knowledge and skill based pay alternatively, but what do they mean for teachers in reality? Education world at schools, the teachers are talked with educators and analysts about these three trends in teacher pay.

According to a wide range of analysts, the most fundamental goal of performance-based rewards is to increase student performance. However, some districts, schools, and states have

begun experimenting with systems that tie bonuses or salary increases to measures of student achievement as a way to align incentives with goals for improving student learning. For example, Odden (2000b) asks in the article that there is a causal link between the quality of teaching and the level of student outcomes, meaning any method that increases the quality of teachers should improve student outcomes. By introducing objective standards which can be used to determine whether teachers have skills to increase the performance of students, the quality of teachers would be established, and also improved (Mohrman, Mohrman and Odden, 1996). Then evaluation focuses on the knowledge and skills of teachers, which provides an incentive for all teachers to improve, and an intrinsic reward through professional development (Solomon and Podgursky, 2001) is vital to be measured. Moreover, performance-based pay can target educators to key objectives and important subjects as a means of increasing student performance (Mohrman, Mohrman and Odden, 1996; Odden, 2001). Proponents argue that teachers may actually gain freedom to innovate, since they no longer have to focus on process, but rather student outcomes (Solomon and Podgursky, 2001). It is simply answered how do these pay-for-performance and skills systems work for alternative teacher compensation systems that are in use or being discussed around the countries?

By large, teachers receive bonuses based on improvements in their performance, it is right that there will be a greater consistency in teaching standards across school jurisdiction since the best teachers would not be grouped in the highest achieving, lowest disadvantages and racially homogenous areas (Tomlinson, 2000) when objective performance rewards create a market where movement between schools would become easy and the true value of teachers is established. Teachers would not be locked into a district based on their seniority and qualifications, but would have adequate opportunity to move to jurisdictions where their talent is most highly valued (Solomon and Podgursky, 2001).

Conversely, poorly performing teachers would be sanctioned by the market, and command a reduced wage. If retention of teachers is affected by the opportunity cost of staying in the profession, this policy would attract the most capable teachers and discourage the least capable teachers. Under a policy of performance-based rewards, the 'best' possible graduates can be recruited by guaranteeing a competitive market based salary. Teachers often say they don't do

their jobs for the money, but surely financial incentives are a factor in just about any career decision.

Opposing Argument 1:

Fair and accurate evaluation is difficult

Schools districts across the countries continue to tinker with merit pay, despite a dearth of evidence showing it's an effective tool for performance. Therefore, public Schools is exploring whether offering cash bonuses to faculty helps boost student achievement, however, opponents claim that performance-based compensation leads to less collaborative school environments. They argue that it is difficult or impossible to devise a measure of student achievement that accurately reflects the teacher's efforts and that isn't unduly influenced by factors outside the teacher's control. A wide body of literature criticizes the evaluation procedures of performance-based rewards. In this literature it is argued that goals are hard or impossible to establish in teaching because key education outcomes have not been identified, and this necessarily reduces goal clarity (Storey, 2000). One problem evident, it is argued, is the complexity of designing a program that balances clarity of goals and diverse evaluation criteria, since clear criteria are required to measure productivity gains. This problem is compounded since evaluation is often done through proxies, such as self-report surveys that ask teachers about the motivational impact of the program, which are at best indirect measures (Richardson, 1999). Rather, it is argued, teacher commitment and knowledge is often a better guide for good instruction than observing and assessing their performance (Firestone and Pennell, 1993). Armed with sizable federal grants intended to spur reform and improve student learning, dozens of states are experimenting with incentive pay using a wide range of formulas in some schools, individual teachers earn bonuses based on the progress of their students or reward the entire staff for overall achievement of the students, still the evaluations do not seem realistic after graduating or evaluated by auditors. That is the truth that some analysts prove the performance of a student is beyond the control of a teacher. Rather than viewing the teacher as a single actor, the vital roles played by the school, the principal, and the family should be acknowledged (Holt, 2001). This means the 'cause' of educational achievement is difficult to establish, and includes numerous actors, not simply teachers (Evans, 2001). Confounding this problem, it is doubtful that the best teachers are often

given classes that perform lowest academically, and may therefore be punished under a performance-based payment system (Evans, 2001). Even the recent efforts to establish 'value-added' evaluation criteria are considered problematic. What's not yet clear is whether such bonuses will improve student learning really.

The Performance Incentives based on performance is concluded that a merit pay pilot program had little or no effect on instruction or student achievement. Erroneously rewarding teachers is considered a problem with performance-based programmes (Cutler and Waine, 2000).

How do you adequately evaluate a teacher based on student outcomes when previous teachers may have taught superior learning techniques? (Cited in Solomon and Podgursky, 2001) it is answered based rewards attempt that this problem by evaluating teacher performance as a whole, questions remain about the equitable division of rewards given the complex relationships that exist between teachers and student outcomes. This questions whether schools are much too complex organizationally for accurate evaluation to occur (Cited in Storey 2000). Payment for the teachers are no longer constituted an effective intervention that improved student outcomes in according to the few report's executive summary. Results on students' achievement did not confirm that there is transparency. It doesn't mean that bonus and extra money makes the case that student test scores higher, but it is still not a reliable measure of how well teachers do their jobs in the contrary.

Opposing Argument 2:

School administration becomes hierarchical and cooperation between school management and staff is strained.

Is it willing to bet that extra money will improve teachers and as a result, students' performance? It is questioning that proper employee evaluation requires an equal participation and relationship between the key participants. When pay is linked to performance, any equality is undermined because there is inevitably a judgmental aspect that makes this equal relationship obsolete (Cutler and Waine, 2000). Teachers, on the one hand, use evaluation as a formative process, allowing them to see how they are performing, and how they can improve. Administrators, on the other hand, use evaluation for summation, which considers evaluation as a

process used to gauge teachers worth (Barber and Klein, 1983). This is supported by Murnane and Cohen (1986) who argue principals in the 1980s United States school system were found to prefer giving better evaluations than the teachers actually deserved to build trust between the administrators and the teaching staff, and also as a form of formative evaluation. Thus, it is claimed that a functioning professional relationship between the principal and the teachers would be undermined by the use of performance-based rewards in order to encourage educational reform at the state levels; the competitive grant program was implemented. This allowed states to apply for grants, provided that certain education reform was taking place within states' schools.

Teachers who have not been rewarded can question the fairness of evaluation, as there are frequently no transparent criteria even if the evaluation process is completed accurately and fairly, teachers may still feel aggrieved if they are not considered competent (Ramirez, 2001) and new hierarchies can be evident in administrators who now have power over teachers and the curriculum (Holt, 2001). Another problem with merit pay plans is embedded in the teacher assessment system and learners achievements.

Teachers' concern about the fairness of the assessment instrument is the most commonly cited reason for teacher opposition to merit pay (Hatry & Greiner, 1985; Middleton, 1989; Porwoll 1979). The success of most merit pay plans is dependent on the teacher evaluation process, since teacher assessment is typically the mechanism involved in the selection of teachers to receive the reward and bonus salary.

Principals or peer teachers must use these assessment instruments to identify the most outstanding performers to receive merit pay based on the multitude of variables that influence performance, the instruments themselves are often ill-equipped and too limited to measure true teacher effectiveness (Ballou & Podgursky, 1997). Compounding this problem is the perception that administrators do not evaluate teachers fairly. In a 1983 study, Elam (1989) reported that 63% of all teachers agreed that evaluations, the administrators doing the evaluation, or both contributed to the perception of unfairness and none of transparency.

Performance-based financial incentives do not provide incentives for teachers to improve.

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It is also argued morale can be reduced because merit pay creates unfair competition between teachers (AFT, 2001). Teachers who have not been rewarded can question the fairness of evaluation, as there are frequently no transparent criteria. Even if the evaluation process is completed accurately and fairly, teachers may still feel aggrieved if they are not considered competent (Ramirez, 2001) and new hierarchies can be evident in administrators who now have power over teachers and the curriculum (Holt, 2001).

Opposing an argument 4:

The incentive systems do not motivate teachers

Another common criticism is that teachers are not particularly motivated by pecuniary reward so they will not respond to financial incentives.

If money is a relatively small motivator for teachers, attempts to focus on monetary-reward systems can have the consequence of increasing resentment towards management, and reducing employee loyalty, resulting in a reduction in productivity (Ramirez, 2001). This is supported by

numerous surveys that suggest intrinsic rewards are very important to teachers (Firestone and Pennell, 1993). Firestone and Pennell (1993) argue that evaluation can undermine the intrinsic rewards for teachers, as the “feedback in the form of performance evaluation undermines intrinsic motivation, even when the evaluation is positive” (emphasis in original). It is argued that non-monetary rewards may be better motivators, such as extra holidays. This has been observed in Canada, where many teachers take up the opportunity for unpaid leave. This raises the question of whether the current models of performance-based rewards are flawed because they fail to recognise actual teacher motivations (Chamberlin, et al, 2002). However, Odden (2001) argues that while research has shown current teachers to be motivated by intrinsic rewards, this does not mean potential teachers would not be motivated by financial rewards. These potential teachers could well be talented, but have hitherto been employed within the private sector because of inadequate financial rewards available for teachers.

III. RESULTS AND DISCUSSION

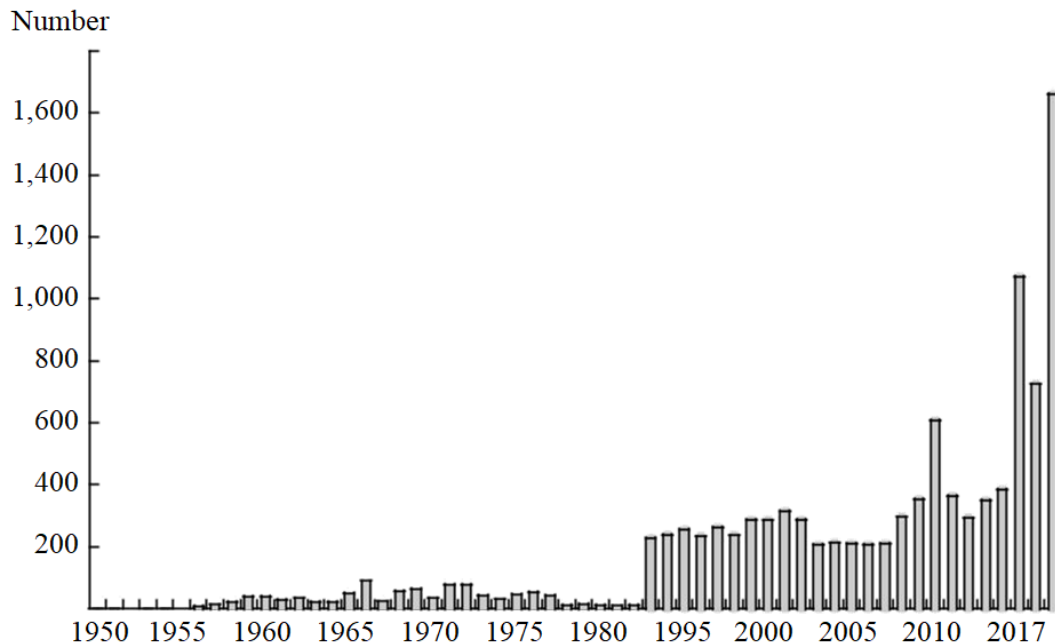


Fig. 1. Number of References to Teacher Compensation Reform in public schools, 1950–2017

TABLE I: A SUMMARY OF THE ARGUMENTS IN THE LITERATURE

Arguments In Support of Performance-Based Rewards	Arguments Against Performance-Based Rewards
The current system is unfair and rewards experience and formal qualifications instead of performance.	Fair and accurate evaluation is difficult because performance cannot be determined objectively
Performance-based rewards improve the governance of schools by increasing the efficiency of resource allocation	School administration becomes hierarchical and co-operation between school management and staff is strained
Performance-based pay motivates teachers to perform at their best	Performance-based financial incentives do not provide incentives for teachers to improve.
There is increased collegiality between teachers and administration	There is reduced co-operation between teachers.
Student performance is increased, and teacher quality improves.	A range of perverse outcomes occur because of teacher 'game playing' and a narrowing of the curriculum.
The market provides the best approach for efficient allocation of resources, and this model can be applied to teaching	The market has no place in education

Relative to other education reforms, performance-based rewards provide a relatively cost-efficient solution.

To implement a performance-based scheme is expensive and time consuming.

TABLE II: TEACHER ATTITUDES TOWARDS VARIOUS TYPES OF INCENTIVE PAY

S.No	For each of the following incentives, please indicate whether you favor or oppose the incentive, and whether you now receive the incentive	Strongly Favor (%)	Mildly Favor (%)	Mildly Oppose (%)	Strongly Oppose (%)	Receive Incentive (%)
1.	Additional pay for assuming additional responsibilities as a master or mentor teacher (e.g. supervising new teachers)	58.8	28.8	5.7	6.7	9.1
2.	Additional pay for teaching in a shortage field (e.g. math, science)	24.5	29.2	20.4	25.9	1.3

3.	Additional pay for teaching in a high priority situation (e.g. in an inner-city school)	41.0	36.2	12.0	10.7	1.3
4.	Salary increases as part of a career ladder in which teachers progress through several promotional levels based on their performance	40.9	30.4	11.7	16.9	16.3
5.	A merit pay bonus for exceptional performance in a given year	28.8	26.4	16.0	28.8	2.7
6.	A school wide bonus for all teachers in a school that shows exceptional performance or improvement in a given year	34.7	30.5	14.2	-	-

IV. CONCLUSION

Public School teachers should pay plans based on two factors, years of service and post-graduate degrees and coursework and of course depending on achievements of the learners. Performance pay known as merit pay is played an important role on teachers' performance and productivity to trigger them succeed at the working places as educational organizations plan having process on classroom performance and their students' academic achievements. Such plans may also lead the authorities to encourage teachers having bonuses to them owing to their performance at working hard and persistently in public schools or teaching subjects to their best areas where there are teacher shortages, such as mathematics, science, or special education; and it is more right to provide allowance bonus for the teachers who get advanced training, licenses, or national certification accordingly.

It is approved that there is some evidence of improved student performance is the direct result of the teachers in group-based performance reward program even though it is limited to measure classroom excellence at once.

Therefore, it is to be recommended based on studies on performance based pay for the public school teachers as below all:

It is applicable to pay extra for classifying the teachers by their productivity and performance owing to the achievements of the students, student achievement gains; Satisfactory evaluations by principals or peers; additional pay for extra responsibilities, incentives for earning National Board Certification; special rewards for specialized teachers that a balanced merit pay plan links pay increases to some or all of the public schools.

Concerning to the studies, again further problems in generalizing these results exist on the impact of performance pay plans for teachers, is still limited. There have, however, been some positive findings. As found from this research and the case studies, it is clear that performance-based reward systems can work in public school with the conditions that appear necessary for effective performance systems include that it is no evidence of the effect that performance-based reward has required to consider how increased or decreased rewards affect teacher behavior or way of working. It is only showed by its productivity or performance at last.

The past has shown that performance-based compensation will inevitably be short lived without careful design and implementation. Nowadays, I also support the idea that performance pay for teachers is frequently suggested as a way of improving education outcomes in schools, but the theoretical predictions regarding its effectiveness are ambiguous and the empirical evidence to date is limited and mixed based on couple of associated studies thus, many of results from a randomized evaluation of a teacher incentive program implemented across the world mostly show that the program provided bonus payments to teachers based on the average improvement of their students' test scores in independently administered learning assessments depending on annual income, is truly beneficial. At the end of this research paper, either teachers or students in incentive schools performed significantly better than those in control schools by taking examinations of general subjects such as mathematics and language tests respectively.

As long as it shows higher scores on the tests, it is advised to be suggesting that the gains in test scores represented an actual increase in learning outcomes so teachers should be earned more for their great deal of achievements and performance proved by the productivities of the students. Consequently public schools are also performed better performance pay method on

teachers for which there are any other incentives, suggesting positive triggers expect the bonus rewards individually.

Here, we should contribute the ideas towards filling this gap with evidence from a large-scale randomized evaluation of a teacher performance pay program implemented in public schools where teacher performance pay (group bonuses based on school performance, and individual bonuses based on teacher performance) with the average bonus as the incentive program have to be designed to minimize the likelihood of undesired consequences on productivities. However, there are several unresolved issues and challenges that need to be addressed about teacher performance pay programs. Still right this moment of talking about merit pay that teachers should be rewarded for their productivities with financial support, which triggers them to work to their best. Setting the bonus might provide adequate incentives to induce higher effort instead of setting it too high increases both the risk premium and the probability of undesirable distortions at school. It should be balanced based on the both students' achievements and teachers' skills and experiences. Although the issue of performance based pay for teacher productivities are not been resolved right now finally, implementing better method in public school is crucial with limited negative consequences at the end.

In shortly to sum up the ideas and studies above all, it is applicable that paying more based on performance for the teachers is satisfactory resolution of the tension between accuracy and transparency because performance based pay system is an effective way to encourage the teachers however, if the schools cannot control their systems at the discussion of the moment. Thus, the schools should try to manage and control the system to enhance its productivity and give the highest benefit for their teachers. Still we should not forget that it is the decision thinking of our future generations.

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