**1st Positive:**

The PRP system serves as a positive factor to improve students outcomes because pay structure potentially motivates teacher’s incentives. The former literature does find a positive relationship between student academic achievement and teacher’s payment, for instance, in India where public and private school sectors have parallel development. A model set out by Levine (1992) consisting of two equations that an earnings function for teacher pay and a production function for student achievement. The data set consists of students and teachers both from government-funded and private schools. According to the test, we found that students have higher ability in the private schools with a score of 36, compared to 27 in government schools, which results from not only in the levels of resources and student quality but in their teaching technologies. Hence “we would expect that if performance-related pay is a means of improving student outcomes, it will be observed in the private rather than the government sector” (Kingdon & Teal, 2006). Additionally, as every teacher in the government sector is provided with the mandate for permanency of job-contract, the performance-related pay has less effect in government than the private schools. However, teachers in the private sector have more incentive to get permanence of contract which would be offered by a private school to attract and retain good teachers. Statistically, an increase in student achievement raises private school teacher pay by 131% as well as an increase in teacher pay raises student achievement by 22% both from one standard deviation below the mean to one standard deviation above (Kingdon & Teal, 2006). As we discussed above, the PRP scheme for teachers in private schools in India does improve teacher incentives. Raising wages encourages better quality candidates to apply for teaching positions, thereby raising the average quality of teachers. Nevertheless, under the efficiency wage hypothesis, there must be fear of losing a well-paid job to enhance teacher incentives and elicit higher effort.

**2rd Positive**

The PRP scheme functions as not only an incentive to motivate teacher effort but also a recruitment mechanism to enhance teacher quality. Despite the unexplainable variation in the distinct characteristics of different teachers such as teaching experience or qualifications, numerous data and evidence nowadays shows that student achievements are highly influenced by teacher quality (Rockoff, 2004; Rivkin et al., 2005; Aaronson et al., 2007). Quite large literature has investigated the connection between teacher salaries and student attainment. A model set out by Adele Atkinson, Simon burgess, Bronwyn Croxson, Paul Gregg, Carol Propper, Helen slater and Deborah Wilson (2008), using the teacher quality data, student test scores and value-added, found that PRP did improve student performance in tests by over 40% of a grade per student on average. Likewise, another model set out by Ludger Woessmann (2010) reported a basic result that student attainment is considerably higher in countries which conduct teacher performance-based pay system than those do not use it, after the variants of student, teacher and school background are strictly controlled. Statistically, students in countries using PRP scheme get 24.8% of a grade higher on the PISA math test on average. In these studies, we do recognize there is a positive relationship between teacher’s remuneration and student outcomes. Reasonably, we believe that to some extent there exists a good circle among the PRP system, teacher performance and student achievement. In other words, as a more flexible payment schedule, PRP relatively fairly (which is debatable) evaluates teacher performance via student outcomes and the outcomes are improved by increasing teacher’s salary, which then giving teachers more motivation to guarantee and enhance their teaching quality.

**3rd positive**

Moreover, the PRP scheme can be served as a policy tool to enhance the overall education performance. With the positive outcomes on instructing motivation and teaching quality from providing teachers with salary related to students’ academic performance, Adele et al. (2008) argued that education authorities can regard performance-related pay as a strategy, which can be further developed into education policy to benefit educational performance outcome. It is advocated that while many teachers tend to jump out of the profession, performance pay can be used as a device to retain high-quality teachers in the teaching field (Jones, 2013).

**过渡：**

Even though we have found that the teacher-based performance pay is beneficial to drive teachers’ motivation, strengthen teachers’ quality and thus serves as an effective tool for education authorities, the rationale of these findings is mainly based on a limited range of studies and an almost ideal framework. The performance-related-pay strategy still has its drawbacks.

**1st negative**

The first criticism of the PRP scheme focuses on the pay determination - who make the decision and how the decision is made. With regards to the modes of pay determination, Parkinson (cited in Cluter & Waine, 1999) had found that the judgement is done dominantly in two ways. The first mode of pay determination is settled by the school management board, but with an absence of particular executives when their cases are being discussed. In the other mode, the “Remuneration Committee”, which consist of non-executive directors, make the decision. However, both ways of pay determination are being criticised and “have come under attack on grounds of conflicts of interest” (Cluter & Waine, 1999). It is surprising to find out that both sides of pay decision-maker have neither incentive nor interest in reducing remuneration. On the one hand, corporate executives fear that driving down the salary of their colleague may lead to a negative impact of their remuneration. On the other hand, the non-executive directors usually have dual identity: they are appointed by the board, and at the same time, they are the executive directors of other organisations themselves (Cluter & Waine, 1999). Besides the two major decision channel systems, the determination of payment is also largely influenced by the location of the schools, official expenditures and graduation rates (Jones, 2013). For districts in the cites, the closer to universities, the more likely to implement performance-related pay. Public opinion on education issues, putting on political and parental pressure, also functions as a driver to pay determination. Thus, it is obvious that the performance pay implementation varies with accordance to different interacting factors, ranging from the two mainstream determination channel to geographical elements, government spendings, and graduation rates, which adds on the complexity of determining performance pay.

**2nd Negative:**

In accordance with PRP system, and the relevant research literature (Richardson, 1999; Waine, 2000), it is assumed that a determinant intention of the PRP system is to enhance teachers’ incentive so that their performance and the quality of education will be improved. Hence, the teachers’ perceptions of this payment system is a primary focus. As noted above, it is difficult to set accurate criteria to measure their performance and it will even be a tough task if schools and teachers are lack of communication. Communication is another key feature of the pay-setting system (Armstrong and Baron, 1999:243), but most teachers do not understand how the PRP works and several teachers find the salary-setting dialogues with their line manager of little or no value, or have not taken part in such dialogues. Since the implementation of PRP is often vague, teachers who are not familiar with the criteria will show little or no trust in such system and it may even be counter-productive. Besides, with no trust in PRP, teachers often perceive the scheme as arbitrary, unfair, unclear and feel that it fosters an awkward working environment. Despite the vague criteria, the majority of teachers, however, consider that they deserve a pay rise, not a rise in pay dependent on performance. Many approve of the idea that something should aspire for a teacher, but they resent that they have to prove themselves via a set of procedures that they regarded as adding to the bureaucratic burdens already upon them. As teachers concentrate more on proving themselves for individual higher wages, the cooperation between teachers will be reduced and the intangible competition will be intensified. In the long term, teachers will enter into a vicious cycle of competition and finally be tired of such a scheme. In general, most teachers regard the PRP system as negative and the system does not contribute to the improvement of student outcomes in the long run.

**3rd Negative**

Besides, the new scheme will also change the permanent structure of teaching, that is to say, the basic form of teaching and learning will undergo a culture shift because of the connection built between teacher’s performance and their relative pay. However, in this shift, there exists a negative possibility that some teachers could instrumentally reduce their students to the means of meeting the criteria of the teacher performance-based pay system simply in order to increase their salaries and keep their jobs. A systematic standard for assessing teacher’s performance might dampen the teacher’s original enthusiasm in teaching. It is obviously distracting teachers’ attention away from their essential work, which is also a real danger that students are mechanically regarded as a tool by teachers for them meeting their assessment targets of PRP.

Another key problem brought by the new mechanism is education inequity. In the vision of neoliberalism, the free mobility of teachers, teaching resources and social capital is increasing, which leads to an educational imbalance among regions or schools. More choices in schools bring about educational competition. Teachers’ salaries account for the largest proportion of education costs. That means some ordinary schools in less developed areas are unable to use PRP to improve teacher performance because they cannot afford the huge increasing spending to reward teachers. But high-performance teachers perceive that they deserve a pay rise, so they would be job hoppers to pursue higher salaries in some top schools that make use of PRP. Students in low socio-economic status might be shut against the door of those top schools, and unfortunately, they could not enjoy the same educational resources as their peers who come from affluent families. To a large degree, the PRP scheme has helped increase the educational unfairness by diverting the high-performance teachers away from those weak schools.

**4th negative**

Furthermore, it is extremely difficult to achieve the ultimate goal of equity and incentive at the same time. As Lundstrom (2011) argues, a pay system which both arouse motivation and maintain fairness does not seem to exist in a far-reaching knowledge. The assessment of performance ought to be reasonable, reliable, objective and rewarding, however, there is no absolute fairness when we are also emphasising motivation. The productivity of a teacher can be measured among various perspectives, and that we cannot easily judge a teacher who is adept in researching educational outcomes inferior to those who provide students with drill and practice. If we assess teachers from different districts with an equivalent amount of salaries, then their expecting behaviour will not be affected (Jones, 2013). As a matter of fact, it will be a strike for teachers’ incentives, the colleague cohesion within an educational institution will worsen either.

**Suggestion:**

Since the PRP scheme has been debated, we propose the following suggestions for further improvements based on literature:

For one thing, as we have discussed in the previous paragraph, communication is significant in the implementation of PRP system, so the study for deepening understanding of PRP system should be put into practice (Lundstrom, 2011) among a wide range of schools. This action will also provide reference values for teachers, managers, policy-makers, who are actively participated in pay-setting structure (Lundstrom, 2011).

For another, the focus of the new scheme should not be restricted to payment-oriented, instead, more attention should be paid to teachers’ career development. Putting more emphasis on “opportunities for further professional learning” (Mahony et al., 2004) is more likely to encourage teachers’ incentives to create better education outcomes, which does actual good to student achievement.