Abstract
Nowadays the birthrate has been dropping down, so there are fewer and fewer students for every academic year. Schools especially some private ones have sensed the pressure of not having enough students, which means the students’ tuition fee, one of the most important financial sources for private schools, strikingly diminishes. Some schools choose the passive management method by laying off teachers or other personnel to maintain to balance schools’ income and payment. However this kind of action takes great risk of losing other teachers and staff’s loyalty for the school. Without being motivated and having no confidence in the school they serve, the staff is hard to devote themselves to the school, and that creates a vicious circle for the school. In this study, the interviewees and the researcher proposed the group-based incentive plan for teachers who do the extra work of assisting schools to attract, enroll, and keep students. Overall, the financial incentive plan is served as an idea of having fair compensation on private school teachers. Intangible ways of compensation may also help in motivating private school teachers.

Key Words: incentive, motivation, private school teachers

CHAPTER 1
INTRODUCTION

1.1 Background of the Study
There are lots of private junior or senior high schools in Taiwan. They are the other choices for students and parents besides public schools. In the early-developing stage of Taiwan, private schools were booming because of the encouragement of government. Nowadays, fewer and fewer people are willing to have children, meaning that the number
of schools does not decrease while the student population does. So private schools are facing an ordeal about how to maintain their competitive advantage.

How can private schools keep running successfully? How can private schools attract enough students while public schools are still increasing? And how can private schools cope with challenges from the external changes of this society? When facing these issues, private schools should be brave and think ways to face the difficulties. Enrolling enough students is the first step for private schools’ survival, and then they can have the base to pursue quality and excellence. It is suggested that the heads or managers of private schools need to seek new strategies and learn some successful experience from companies; use any innovative methods to help the schools function well.

Lazear (1989) stated that rewarding well-performed employees is one of the keys to business success. They emphasized that incentives relate to employees’ motivation a lot. Employees can create satisfying performance if they are properly rewarded by incentives or bonus. And some companies have found that the individuals can do even better after they get what they deserve. So this is a virtuous cycle between high self-efficacy and good performance.

Although operating private schools differs from managing companies, people can still find similar goals as running these two kinds of organizations regarding promoting performance, elevating quality of service, and establishing/maintaining good image. And as companies have to explore financial resources, private schools need to face the same challenges. The government gives limited subsidy to private schools; schools’ board of directors cannot support all the expenses; and the public has less willing to donate private schools. Therefore, recruiting as more students as possible to have enough income has become the basic requirement of private schools. Like the situation faced by companies, financial status is the important indicator of operating successfully for private schools.

In reality, private schools often lay off teachers to resolve the financial problem. It causes the remaining teachers have to teach more students and more hours. Lots of teachers flow from private schools to public schools every year. Many teachers see private schools as a jumping board to public ones. Private schools therefore have difficulty in retaining good teachers, so that may influence teaching quality of school.

Keeping good teachers is crucial for private schools. They are the most valuable capital to help schools to be extraordinary and to attract more students. Some schools deem it’s also the teachers’ responsibility to recruit students, not only the administrators’ work. Those schools asked teachers to participate in activities of enrolling students. And schools even give teachers the incentives if they reach their quota, which is the required number of new students. In public schools, issuing incentives to teachers is lack of flexibility is calculated by seniority. Private schools can be more flexible in giving incentives. That should be more effectively in motivating well-performed teachers. To differentiate individuals’ performance and use them as reference to issue incentive can be a competitive advantage for private schools.

1.2 Purpose of the Study

The study aims at understanding how can private schools give different kinds of incentive related to enrolling new students, teaching well, obtaining certificates, etc. And wish to help schools to see how to give incentives properly to increase the schools’ competition. Also help some private schools which haven’t adopted incentive method to see it’s a way as a motivating strategy.

1.3 Research Questions
Based on the study background and its purpose, the research questions is as followings:
What private schools can do to compensate teachers who not only teach students well but also succeed in attracting more new students?

CHAPTER 2
LITERATURE REVIEW

2.1 Theories of Motivation

Motivation is driven by the inherent pleasures derived from the exploration, curiosity, mastery, and attempts to deal competently with one's external environment. This section briefly presents the definition and theories of motivation proposed by scholars. Some scholars see motivation mainly as an internal power, which is less influenced by outside forces and can be controlled or satisfied by individual’s own willingness. (Maslow, 1954; McClelland,1961; Herzberg, 1968; Alderfer, 1972). Some scholars think motivation is a mental process which dominate individual’s behavior and the continuance of that behavior. (Vroom, 1964; Muchinsky, 1976). Robbins(1992) further pointed that motivation toward a particular behavior is influenced by one’s urge to achieve and the probability of success. Later part is going to shortly introduce these scholars’ finings.

2.1.1 Maslow’s Hierarchy of Needs

In 1954, Maslow first published this theory. The theory says each of us is motivated by needs. Our most basic needs are inborn. We must satisfy each need in turn, starting with the first, which deals with the most obvious needs for survival. Only when the lower order needs of physical and emotional well-being are satisfied are we concerned with the higher order needs of influence and personal development. He categorized five levels of needs, from the basic to the top one are (1) biological and physiological needs, (2) safety needs, (3) belongingness and love needs, (4) esteem needs, and (5) self-Actualization needs. He believed if the things that satisfy our lower order needs are swept away, we are no longer concerned about the maintenance of our higher order needs.

2.1.2 Herzberg’s Two Factor Theory

In 1966, Herzberg published his theory that he categorized some external influencing sources such as status, job security, salary and fringe benefits as “hygiene factors.” But he found out which do not give positive satisfaction, although dissatisfaction results from their absence. These are extrinsic to the work itself. He then put challenging work, recognition, and responsibility as “motivators” which give positive satisfaction, arising from intrinsic conditions of the job itself.

2.1.3 Alderfer’s ERG Theory

After the original formulation of Maslow's hierarchy of needs, studies had shown that the middle levels of Maslow's hierarchy overlap. Alderfer addressed this issue by reducing the number of levels to three. The letters ERG represent these three levels of needs: (1) Existence refers to our concern with basic material existence motivators; (2) Relatedness refers to the motivation we have for maintaining interpersonal relationships; (3) Growth refers to an intrinsic desire for personal development. Different from Maslow’s theory, Alderfers ERG theory demonstrates that more than one need may motivate at the same time. A lower motivator need not be substantially satisfied before one can move onto higher motivators.

2.1.4 Vroom’s Expectancy Theory
Unlike Maslow and Herzberg, Vroom (1964) did not concentrate on needs, but rather focused on outcomes. Vroom separated effort (which arises from motivation), performance, and outcomes. He hypothesized that in order for a person to be motivated that effort, performance and motivation must be linked. He proposes three variables to account for this, which he calls (1) Valence, meaning the importance that the individual places upon the expected outcome, (2) Expectancy, meaning the belief that increased effort will lead to increased performance and (3) Instrumentality, meaning the belief that if you perform well that a valued outcome will be received.

2.1.5 Adam’s Equity Theory

Adam (1962) pointed out that an individual will consider that he is treated fairly if he/she perceives the ratio of his inputs to his outcomes to be equivalent to those around him. Thus, all else being equal, it would be acceptable for a more senior colleague to receive higher compensation, since the value of his experience (an input) is higher. If an employee notices that another person is getting more recognition and rewards for their contributions, even when both have done the same amount and quality of work, it would persuade the employee to be dissatisfied. This dissatisfaction would result in the employee feeling underappreciated and perhaps worthless. So the idea of this theory is to have the rewards (outcomes) be directly related with the quality and quantity of the employees contributions (inputs).

2.2 Concept of Incentive

Incentives can be classified according to the different ways in which they motivate agents to take a particular course of action. Incentive is most referred to as financial incentives, which are said to exist where an agent can expect some form of material reward, especially money, in exchange for acting in a particular way. While moral incentives are said to exist where a particular choice is widely regarded as the right thing to do, or as particularly admirable, or where the failure to act in a certain way is condemned as indecent (Kruse & Weitzman, 1990). Lazear (1986) said that systems where the whole is equal to the sum of the parts are called linear systems. Each component is independent of the others. And systems where the whole is greater than the sum of the parts are called non-linear systems. Each component may influence other components. A non-linear system is a vast web of incentives and constraints and connections. Locke (1980) manifested that money, bonus, or incentives are the most direct and effective method to stimulate and elevate individuals’ motivation.

Dessler (1994) categorized incentive within social/organizational level and individual level. He had personal incentives set apart from these other forms of incentive because the distinction above was made for the purpose of understanding and contrasting the social incentive structures established by different forms of social interaction. Personal incentives are essential to understanding why a specific person acts the way they do, but social analysis has to take into account the situation faced by any individual in a given position within a given society, which means mainly examining the practices, rules, and norms established at a social, rather than a personal level.

Kruse and Weitzman (1990) regarded profit sharing has its important function, since the company contributes a portion of its pre-tax profits to a pool that will be distributed among eligible employees. The amount distributed to each employee may be weighted by the employee's base salary so that employees with higher base salaries receive a slightly higher amount of the shared pool of profits. Fry Karuza, & Leventhal (1980) also said that profit sharing can bring groups of employees to work together toward a common goal (the success/benefit of the company), help employees focus on profitability, and enhances commitment to organizational goals.
CHAPTER 3
METHODOLOGY

3.1 Qualitative Approach

Due to the scarcity of previous study about building creative ways of incentive management in private schools and based on the research interests and questions, this study had explored the experiences and components of teachers now are private schools.

This research adopted qualitative research design (Mertens, 1998; Patton, 1990) for the purpose to study the real situations these workers met during their work, and tried to use observation at the preparation stage to identify the participants’ qualification and if their work environment met preset criteria or not; then, this study collected data by face-to-face individual semi-structured interview, the interview process would be recorded by pen recorder, and the whole interview questions and answers would be conducted in Chinese. After data collection, all the interview contents would be transcribed. Grounded theory emphasized that if data is being grounded, the embedded meanings and relationships could emerge (Strauss & Corbin, 1998). This study used the concept and technical of grounded theory to help the researcher to analyze the result more critically, without bias, by digging the findings on grounded roots.

3.2 Participant Selection

The criteria for selecting interview participants would be based on the previous literature review, and the common characteristics in these sample objects were all because of they have been teaching in private schools for several years. This research excluded those who work in private schools but in fact have no stress or seldom got the stress to recruit new students.

To have the tenability of participant selection, this study first participated in interviewees’ work place to observe and recorded their interaction with clients and on-job situation. Therefore this study could have more concrete understanding about how deep the level this interviewee gets involved with their clients. In addition to conduct the interview, participation and observation in their work place was also adopted to double confirm the reliability of the interviewees’ qualification.

Basically, this research enlisted participants who meet two criteria:

1. The interviewee must have at least two years teaching experiences working in a private school.
2. The interviewee must have ever faced the stress of recruiting freshmen to keep the schools from shutting down.

This study so far has interviewed five teachers who currently served in different private schools, which were selected from the three subject schools; They have the basic duty to teach and also carry the responsibility to have more students studying in the school they serve, or the board of directors of their schools may dissatisfied. The age of the interviewees ranged from 28-37 years old, their seniority of work all exceeded two years, four of them were female.

3.2.1 Workplace Observation
Before launching the interview, the researcher would mail the interview questions more than three days before, allowed the participants to have more time thinking about each question. Then, the researcher would participate in the interviewees’ daily operation work environment for half or a day. This was not only to make sure that the interviewees were really in contact with the foreigners and had enough experience of sharing their experience in the environmental settings, but also for the researchers to see the real work situation of the interviewee and recorded some special insights to ask more from in-depth interview.

3.2.2 Document Review

This study also collected data from document review; the research would browse the official URL of the target schools to collect the information of the history, goal, and organizational structure of this school; and also double confirmed the job content of interviewees. Another source of document was provided from the interviewees, they would give the researcher their internal document to understand more information.

3.2.3 Face-to-face Interview

After the observation of the interviewees, the researcher asked the participant about the date for conducting the interview. Before the interview, the researcher briefly introduced about the research purpose and asked the interviewees to fill the basic background information questions. Before asking the interview questions, the researcher asked the permission from the interviewees if the researcher could record the whole process by pen-recorder or not. All the participants were agreeing to this. During the interview process, the researcher would also use hand-writing to take down the notes for some observant comments. The interviews were conducted by face-to-face in Chinese in a group, to strike on more thoughts together; the total time was about two whole afternoons.

CHAPTER 4

FINDINGS AND DISCUSSIONS

A major problem that the interviewees all mentioned was they were disappointed about no tangible or intangible motivation from their schools after they worked hard in enrolling new students. They said, “The school seems to take it for granted that the teachers should be like administrative persons to try to get more new students.” Some interviews complained, “Marketing my school is actually more difficult than teaching for me. But school compensates me for my teaching, not any compensation for my marketing work. Isn’t it strange?”

During the discussion with the interviewees, the interviewees and the researcher figured out a preliminary concept of motivating the teachers due to their hard work of enrolling students and thus making the schools to survive still. We adopt one of the compensation methods which — group incentive plan.

The success of having many students study in a school is not a contribution by a single person; it is a cooperated outcome by many teachers and administrative persons. So the negative side effects of individual incentive should be avoided. In fact, a group incentive system is an important component of the popular socio-technical approach to work design (Kruse, 1993). The reasons for using group incentive plan are as follow.

4.1 Rationale for Using Group Incentive Plan: Subject Teachers and Homeroom Teachers

Subject teachers and homeroom teachers originally do not carry administrative responsibility, but their ability in teaching and their performance directly influence outside people’s perception of the school.
4.1.1 Performance Measurement

Since the shrinking of the birth rate and the higher competition among many schools, students and their parents now have many choices on which school to study. What the teachers need to do is to attract more and more new students with their professional knowledge and also good word of mouth of students. Overall a school’s achievement is adopted instead of individual achievement.

4.1.2 Organizational Adaptability

Unlike Public schools, private schools are mostly not sponsored by government and they have to find financial support by themselves. The external environment is more challenging and variable for them, the performance standards for school’s achievement should change to meet environmental pressures on relatively constant organizational objectives.

4.1.3 Organizational Commitment

Since public schools have cheaper academic fees for students and many of them own good public reputation, the abilities for private schools to attract students are limited. Under this circumstance, teachers play an important role of recruiting students and build up students’ loyalty. Through teachers’ cooperation in accumulating customers, the school overall achievement can be achieved and teachers’ commitment of their schools can be increased as well, then they will devote much more to their schools.

Basically, bonus will be distributed only when the overall school’s achievement is achieved. But for motivating and encouraging teachers, the portion of bonus distribution depends on each school’s performance. If the school hits its goals, teachers earn their incentive only if they also hit their individual goals.

4.2 Rationale for Using Group Incentive Plan: Managerial Positions (Deans and Principle)

Different from subject teachers and homeroom teachers, deans and the principle have more administrative responsibility for enrolling students. If a private school cannot have enough students to make the school keep running successfully, the board of directors will take them as the primary target to question. However, they are not the ones face students on the front lines. They directly try to attract targeted students only in school promotion exhibition. Their credits are based on the performance of the general teachers.

4.2.1 Performance Measurement

Output is a group collaborative effort. For deans and principle, individual contributions to output cannot be assessed. Task accomplishment is dependent on performance of others. There is not an exact measurement to measure their performance.

4.2.2 Organizational Adaptability

As mentioned before, under the pressure of less and less students due to low birthrate and the competition with many other schools including public ones with good reputation for a long time, the external environment for private schools is more challenging than for public schools. People in managerial positions in private schools need to have strategies to lead the schools to defeat the inferior situation.

4.2.3 Organizational Commitment

For a private school, through cooperation of teachers in the front in accumulating the public and students’ trust, the school’s overall achievement can be achieved and teachers’ commitment of the school can be increased as well, then they
will devote much more to the organization. For managerial people, they have to know how to assist those first line teachers to attract more and more students, because their performance is closely related to teachers’ performance.

Managerial people will get the bonus only when the school’s academic-yearly overall achievement is achieved. For motivating and encouraging them, the portion of bonus distribution depends on each academic-annual performance appraisal. When the school’s academic-yearly overall achievement hits its goals, managerial people earn their incentive only if they also pass their annual performance appraisal.

CHAPTER Ⅲ
CONCLUSIONS

Although there are many different types of incentive plans for school teachers, with the annual performance bonus plan being the best known by people. Profit sharing plans are now common especially in retail stores. Every different type of incentive plan has both benefits and drawbacks. For example, Incentive plans that employ a profit sharing component work well in that they tend to emphasize that what is best for the organization is also best for the employees. When the organization profits increase and more money is available for bonuses, the employees get larger bonuses. But during recession times, bonuses can be quite small. So in this study, for private schools, the situation of being short in compensation can become a risk if the teachers look great upon on the incentive. However, the incentive thing is always better than nothing. As now the teachers in private schools receive nothing to compensate their work for assisting enrolling and keeping students, the suggested group incentive plan in this study can be served as a reference for private schools. It is a reasonable request for the teachers to have some reward after their devotion for the school. Finally, besides giving incentive or if it is a difficult time for a private school to issue financial incentive for its teachers, it should think out other ways to praise or compensate the teachers who have done a good work in cooperating with the school’s policy. Teachers generally emphasize social recognition and other internal motivators a lot. The private schools need to have more consideration for their teachers and care teachers’ mental status rather than deem money as the only factor to motivate them.

REFERENCES


