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Teachers’ perceptions of individual performance-related pay in practice: A picture of a counterproductive pay system

Abstract

This article describes and discusses Swedish upper-secondary teachers’ perceptions of the effects of individual performance-related pay (PRP) in the context of educational restructuring and governance. The empirical data were generated through semi-structured interviews of 23 teachers. Power’s distinction between programmatic and technological elements of audit is used as a frame of reference for the problematization of the pay system. The findings demonstrate a wide gap between the programmatic goals and their fulfilment in practice. The ability of the pay system to deliver its main objective, to enhance motivation by rewarding good performance, is questioned. The performance assessment criteria are neither well known nor motivate the teachers, and they perceive the appraisal as arbitrary and unfair, with a tendency to reward work of peripheral significance. Employers and teachers are supposed to engage in salary-setting dialogues, but in some cases these dialogues are neglected, and when they do occur the employers frequently do not explain how the quality of their performance is appraised. Implications for the teaching profession are discussed. The study indicates that the PRP system contributes to a shift from occupational to organizational professionalism and challenges a common work culture.

Key words

performance pay, audit technology, teacher appraisal, educational restructuring, organizational professionalism

Introduction

In 1996 Swedish teacher trade unions and the employers’ organization came to an agreement (ÖLA 2000), which was described as “historic” and “epoch-shifting” (Svenska Kommunförbundet, 1996: 3. Author’s translation). The core of this shift was the agreement’s goal to abandon the traditional antagonism between employers and employees in favour of cooperation for school development. The agreement also included new systems for time allocation and salaries. The new individual performance-related pay (PRP) system replaced a system with a fixed ladder – a change that radically transformed teacher pay determination in
Swedish schools. Effectively, individuals who could demonstrate their contribution to school development would be rewarded under the new system of PRP.

The introduction of the new pay system was not an isolated change. As in many other countries, in recent decades there have been intense educational reforms and restructuring in Sweden. The so-called system-shift of the 1990s was intended to promote decentralisation, management by objectives and results, and marketization. Accountability and performance trends have also become important (Moos et al. 2008). Sweden constitutes an interesting case since it has allocated more freedom to the local school level than almost any other OECD country. Furthermore, the development of school “markets” and new public management has possibly been more rapid and far-reaching in Sweden, following the so-called freedom of choice reforms in the early 1990s, than in any other country (Lundahl, 2005). This trend has also resulted in changes to organizational structures.

This article describes and discusses Swedish upper-secondary teachers’ perceptions of the effects of individual performance-related pay in the context of educational restructuring and governance, in particular how the PRP system functions in practice. The analysis draws on Power’s (1997) distinction between programmatic and technological elements of audit. In the analysis the pay system is regarded as an example of an audit technology and its relation to the programmatic level (ideas and goals) is of interest. The intention is to contribute to further the understanding of what Bowman (2010: 70) calls “the paradox of performance pay”. His, and many other studies (Perry et al. 2009; Waine 2000), show that such a pay system continues to be adopted even if it is problematic and that there is a discontinuity between rhetoric and reality.

In Sweden, the distribution of teachers’ pay is regulated in agreements between the employers’ (municipalities) organization and the teacher trade unions. In line with this pay
system, and the relevant research literature (e.g. Richardson 1999; Waine 2000), it is assumed in this study that a crucial intention of the PRP system is to enhance teachers’ motivation in order to improve their performance and the quality of education. Hence, the teachers’ understanding of the operation of the pay scheme is a primary focus.

…effective two-way communications regarding pay practices, and employee understanding and involvement in the design and ongoing operation of these practices are essential, if they are to succeed (Brown and Armstrong 1999: 280).

Several studies have focused on differing occupations’ attitudes to PRP in principle, but less is known about teachers’ perceptions of the actual effects of the system in practice. It may not be possible to generalise findings of this interview study to all schools in Sweden, but they could be applicable and have currency in other, similar contexts. The findings do not solely concern teachers, but may also be important for policy makers and school-leaders since they are responsible for the programmatic goals and the operation of the system in practice.

**Teacher pay determination in Sweden: background and context**

In Sweden, teachers are employed by the 290 municipalities, which are represented in national pay negotiations by the Swedish Association of Local Authorities (SALA). Teachers’ pay, and some other conditions of employment, are governed by agreements between the employers’ organization, SALA, and the teacher unions at the national level. The national agreements constitute a framework for local negotiations in each municipality. Swedish teachers have rights in respect of negotiation and conflict concerning salaries and working hours. More than 90 percent of the teachers belong to one of two trade unions: Lärarförbundet (The Swedish Teachers’ Union) or Lärarnas Riksförbund (National Union of Teachers in Sweden) (Strath, 2004: 5).
From the mid-1980s until the reforms, there were major conflicts during salary negotiations, due to the pressure from the employers’ organization to abolish the traditional centralized salary system in favour of an individual performance-related pay system, and determined resistance from the teachers’ unions against such a system. In early 1996 the unions abandoned their position, in exchange for a commitment to award an additional 10 percent pay increase collectively, compared to other municipality employees. This was the starting point for two five-year agreements between 1995 and 2005, in which the teachers’ unions and the employers, in a joint effort, focused on school development - with individual PRP as one instrument (Lundström 2007).

The old incremental pay system was regulated by national agreements between trade unions and the employers’ organization. Salaries rose automatically year-on-year without distinguishing between individuals on the basis of performance. The single criterion for pay increases was experience, and salaries were collectively adjusted annually as per national agreements.

The current Swedish pay system is now target-based. Possible increases are restricted by the total sum, which is decided in agreements between the local trade unions and each municipality, then the pay for each individual is based on her/his performance, as assessed by continual monitoring (in relation to locally decided criteria), culminating in an annual appraisal round. The local negotiations are related to the national agreements, which regulate the minimum average salary increase for teachers in the municipalities. For example, the national agreement for 2010 guarantees a collective two percent pay rise for members of each of the two teacher trade unions in each municipality. It is also stated that improved results and productivity will result in additional outcomes, which will be decided in local negotiations. However, whether or not specific individuals will receive a pay rise depends on their respective managers’ appraisals of their performance.
One definition of performance-related pay is “the arrangement of giving increases only for personal performance, often within the range of 0 per cent - 20 per cent possibly at the discretion of the manager” (Chamberlin et al., 2002: 33). It is applicable to the Swedish system, with the reservation that the range varies according to current agreements. The employer decides each individual’s pay rise, but both the individual and the trade unions are allowed to negotiate it. The assumed connections between salary, motivation and results are clearly emphasized in the national agreement.

The salary shall stimulate improvements in efficiency, productivity and quality. Hence, it is important for salaries to be individual, differentiated and linked to stated goals. (…) A thoroughly discussed and well-defined pay-policy improves the prospects for establishing positive correlations between salary, motivation and results – which are important for both employers and employees. (Svenska Kommunförbundet, 2000: 7. Author’s translation)

The wording of this passage is almost identical to that of corresponding passages in agreements that have followed.

It is assumed that a wide gap between the top and bottom of the salary scale will strengthen teachers’ motivation by signalling that good performance is rewarded, resulting in improvements in overall school performance, in achieving stated goals, and in efficiency, productivity and quality (Svenska Kommunförbundet, 2000). It is a highly individualized and decentralized pay system, although individual negotiations can be replaced by collective local negotiations in the municipalities.

The teacher trade unions’ approval of the new pay system seems to have been more pragmatic than ideological. Teacher salaries had lost real value during the 1980s and there was little hope for improvement in the early 1990s, due to deep financial crisis. The offer to receive an extra 10 per cent salary increase over five years in exchange for switching to an individual PRP system was probably regarded as the only way to make progress regarding
pay. Furthermore, the teachers felt that they had been overrun by externally imposed changes for several years, and consequently wanted to upgrade their status and pay levels (Lundström, 2007). Strath (2004: 8) summarizes the motives for the unions to approve the agreement as a desire to break the deadlock in the negotiations with the employers, to take the initiative concerning school development and move beyond traditional disagreements among teacher unions to more cooperation.

Sweden has also been influenced by “travelling policy”, i.e. international policy trends (Ozga and Jones, 2006: 2), even if the changes have had some national characteristics. The Swedish case is distinct because of the strong involvement of the trade unions, the high degree of decentralization and the far-reaching development of New Public Management (NPM). The timing of the implementation of the new pay system in Sweden seems appropriate from a governance and management perspective. Strath (2004: 4) claims that individual PRP “was an inevitable outcome in the change of governance structure”. The concept “management by objectives” was coined by Drucker in 1955, who applied it in a management perspective, although he also stressed the importance of harmonizing the corporate objectives with individual goals (Armstrong and Baron, 1999: 33). Individual PRP fits well in a system of managing by objectives as “systematic monitoring and evaluation of school results is a key element in this system” (Strath, 2004: 9).

The idea to link performance to pay is not new. Cutler and Waine (1999) give an example from 1861 of the application of a PRP scheme in elementary education in Newcastle. Piecework, which originated in the guilds before the Industrial Revolution, is also a form of PRP, although in modern times it is often associated with Taylorism/Scientific management. Bowman (2010:77) points out the roots of today’s trend in “Taylorist, mechanistic models of work”. However, several researchers who describe the mindset of the PRP trend of recent decades characterize it as an example of managerialism (Ball, 2003, Cutler and Waine, 1999;
Olssen et al., 2004), New Public Management (Perry et al., 2009; Waine, 2000) and/or neo-liberal ideology (Codd, 2005; Olssen et al., 2004). Typical features of the NPM trend are accountability, performativity and marketization (Moos et al., 2008). Ball (2003) places performance-related pay in the context of competitive performativity. He describes the flood of inter-related educational reform ideas spreading across the world as a “reform package” embedded in three policy technologies: the market, managerialism and performativity, which together form the new culture of competitive performativity. One of Ball’s crucial points is that this culture “does not simply change what people, as educators, scholars and researchers do, it changes who they are” (Ball, 2003: 215).

**Individual performance-related pay for school teachers**

The literature on individual PRP for teachers shows that there are several different systems, with varying organizational and national contexts. PRP rests upon motivational theory (Brown and Armstrong, 1999: 2). However, there is little or no consensus regarding its effects on either motivation, work satisfaction and performance (Nilsson and Ryman, 2005; Richardson, 1999) or the total salary level of an occupational group (Waine, 2000). Several theories of motivation are relevant in the PRP field: goal-setting, expectancy, equity and reinforcement theory (Richardson, 1999: 20; Perry et al., 2009). Richardson (1999: 23) claims that “performance-related pay tries to change behaviour by changing motivation”, but most respondents in his research overview reported that individual PRP did not have a strong motivational impact.

In their overview of the field, Brown and Armstrong (1999: 1) describe the situation as paradoxical: the pressures within organizations to relate rewards to performance and to use PRP are greater than ever, but the system “simply does not work”. Perry et al. (2009) are curious to understand why there is a resurgence of PRP in the United States federal
government a few years after it has been abandoned. They provide an overview of 57 studies conducted between 1977 and 2008 and conclude that PRP “persistently fails to deliver on its promise” (p. 46). However, some studies have found positive outcomes of the pay system, for workers at lower organizational levels, with concrete, structured and readily measurable job responsibilities. Chamberlin et al. (2002) also suggest that PRP works best at work places where there are clearly measurable outcomes and they question whether this would be the case for teaching. They also outline the disadvantages of PRP: that unrewarded tasks are neglected, that teachers becomes less open to their managers, that the pay system implies increased administrative costs, and co-operation is reduced in favour of competition.

Bowman (2009) examines practical experience, policy findings and political realities of pay-for-performance in the US federal government. He describes PRP as a theoretically and emotionally appealing concept, but in practice it “is at best disappointing” (p. 71). Some other articles have been published with reference to the introduction of PRP for teachers in England and Wales, in 2000 and 2001, respectively (Cutler and Waine, 1999; Chamberlin et al., 2002; Farrell and Morris, 2004; Richardson, 1999; Wragg et al., 2003). Waine (2000) gives an outline of the field with the British New Labour policy as a starting-point. She claims that the research evidence of the PRP-system’s potential to demotivate is ignored and that “there is little evidence of its beneficial consequences” (Waine, 2000. 247). Richardson (1999: 31) gives an overview of several studies in the field and concludes that “there must be serious doubts that the proposed scheme will achieve its ostensible aims”. Other, more positive, articles focus on the perspectives of managers and headteachers (Jennings and Lomas, 2003; Moreland, 2009).

Some of the limited Swedish literature in the field has been published by authors connected to differing interest organizations. A study regarding PRP in the Swedish public sector by Carlsson and Wallenberg (2000) was published by the employers’ organization, the
Swedish Association of Local Authorities. At a time when little was known about the new system, their results, which showed that a slight majority of teachers (about 51 percent) agreed that varying performance should lead to varying pay, had some impact in the public debate. Another research project was carried out in collaboration with the Swedish Association of Local Authorities (Eriksson et al., 2002), focusing on the relation between salary factors and work climate. Fölster et al. (2006), in a report published by The Confederation of Swedish Enterprise, claim that feedback by way of performance pay leads to better productivity and more contented employees. Two studies commissioned by the Swedish teacher trade unions (Lärarförbundets and Lärarnas Riksförbunds Samverkansråd, 2002) are critical of how the individual PRP system works. Collberg and Viggósson (2004) illuminate some problems and the relation between principals and teachers in the pay-setting process.

Given the focus of this paper, the reason for describing the research as limited is that many of the abovementioned studies lack focus on upper-secondary teachers. Furthermore, several studies were conducted before or during implementation of the new PRP systems, and/or focused on attitudes towards the pay systems in principle. In contrast, the present study examines the workings of the PRP system, through the prism of employees’ understandings of how the system actually works in practice, after it has been in operation for about seven years.

Framework for analysis

In this study, the PRP-system is examined as an example of an audit technology, in line with Power’s reasoning about audit. He uses Rose and Miller’s distinction between programmes and technologies. Programmatic elements “relate to the ideas and concepts which shape the mission of the practice” (Power, 1997: 6), they formulate broad goals and they more or less
assume that “the practice is capable of serving these goals” (Power, 1997: 6). Technological elements are the concrete methods, tasks and routines used in an organization to fulfil the programmatic goals. The exploration of a technology (PRP) in this article is intended to illuminate the interplay between programmes and technologies, and to discuss its impact in the school context. Possible generalisations are analytical (Yin, 1994) rather than to other schools/teachers.

The interview data are analyzed in relation to the programmatic goals, as expressed both in the agreements between the employers’ organization and teacher unions (Svenska Kommunförbundet, 2000), and in the research literature on performance pay (Armstrong and Baron, 1999: 243; Bowman, 2009). The programmatic goals have been summarized by the author in four themes, which constitute the basis for the analysis.

1. Criteria for salary-setting: the criteria for assessment should be well known and motivate the teachers.

2. The link between performance and pay: there should be a clear link between performance and pay. The teachers must understand how the quality of their performance is measured.

3. Communication: the basis of appraisals, and an understanding of how performance can be improved, should be communicated in dialogue.

4. Trust: the relation between the assessor(s) and the assessed should be characterized by trust.

As mentioned, the teachers’ views of how the PRP system works is in focus, as enhanced motivation is crucial both as a programmatic goal in the Swedish pay system and in much of the research literature on PRP.
A key feature of PRP within the context of performance management is that it should motivate individual staff to greater efforts: if this is to happen then the staff must believe that the scheme operates fairly (Waine, 2000: 241).

In order to widen the teacher perception perspective, the concepts organizational and occupational professionalism, which Evetts (2006a: 141) describes as competing discourses, are used. She defines organizational professionalism as follows:

It incorporates rational-legal forms of decision-making, hierarchical structures of authority, the standardization of work practices, accountability, target-setting and performance review and is based on occupational training and certification.

In awareness of the neo-Weberian critique of traditional profession theory (implying that professions are privileged and self-interested), I adopt Evetts’ pragmatic description of professions, in which professions and other occupations are not strictly distinguished. Evetts (2006a: 141) defines occupational professionalism as follows:

… [occupational professionalism] involves discretionary decision-making in complex cases, collegial authority, the occupational control of the work and is based on trust in the practitioner by both clients and employers. It is operationalized and controlled by practitioners themselves and is based on shared education and training, a strong socialization process, work culture and occupational identity, and codes of ethics that are monitored and operationalized by professional institutes and associations.

The concepts restricted and extended teacher professionalism (Hoyle, 2008; Stenhouse, 1975) are used to analyze the criteria for pay-setting. Simple definitions of the terms are used. Restricted professionalism is defined as actual teaching work done directly with, and related to, the students. Extended professionalism concerns school-wide tasks and any developmental work beyond planning for actual teaching.
Methodology

The empirical data were generated mainly through semi-structured interviews, conducted as elements of a study with a broader focus, encompassing upper-secondary teachers’ perceptions of their work and professional development in the context of a changing school system (Lundström, 2007). Twenty-three teachers at four upper secondary schools were each interviewed twice, with a year between interviews. The issue of individual PRP was addressed mainly in the second round of interviews, carried out in 2004.

The intention to integrate vocational and academic programmes in upper-secondary schools has been strong in Sweden since the 1970s. This has been implemented to a large extent, but in quite large numbers of schools either an academic or a vocational tradition and culture are still dominant. Hence, schools with predominantly vocational, predominantly academic, and integrated traditions, in different parts of the country, were selected.

In order to gain access for teacher interviews the principals at the selected schools were contacted. Six teacher teams were selected. Two criteria were imposed in the selection of these teams: that there should be a balance between teachers who mainly taught parts of the electrical engineering programme and teachers who mainly taught parts of the social studies programme; and that they would all be teaching the respective exam courses in the current year. The criteria would also diminish the risk of bias in the selection (i.e. to prevent principals selecting their favourite, or best-performing teams).

The implementation of the exam course was a starting point for the interviews, but open narratives were encouraged in order to contribute to deeper understandings of the teachers’ work and contexts in a broader perspective. Some teachers raised the issue of the pay-setting system spontaneously, while the rest were asked about it, using follow-up questions focusing on the programmatic goals.
Table 1 presents an outline of the participating teachers, schools and municipalities. To guarantee confidentiality all names are pseudonyms.

Table 1: The study participants

The study presented here also includes a brief textual analysis of the documents in which the criteria for salary setting are formulated. Each municipality formulates the criteria in collaboration with the local trade union representatives. The appraisal criteria were sorted in categories as described in the following section.

Research findings

The organization of the results section follows the themes that characterize the programmatic goals of the PRP system: criteria for salary-setting, the link between performance and pay, communication and trust. The presentation of the findings is an attempt to summarise, as truthfully as possible, the teachers’ perceptions of how the pay system works in practice.

Criteria for salary-setting

Both the agreements governing the PRP system and the research literature stress the importance of formulating well-defined criteria for evaluating teacher performance. The criteria for salary-setting constitute the instruments used to measure performance, and are thus crucial for the operation of the system. Thus, it is of interest to analyze both the teachers’ understanding of the criteria, and what the criteria actually express.

The interviewees’ responses show that the criteria are not understood by the teachers in the intended way. They do not appear to function as aims that the teachers regard as highly motivating. Some teachers have no knowledge, or at best vague knowledge, of the criteria.
For most interviewees, the grounds used to assess their performance remain unclear or they do not feel that the criteria motivate them or promote commitment. Thus, the primary prerequisites for effective operation of the pay system (well known and motivating assessment criteria) are not present.

Some of the teachers do not know the criteria, or only have a vague notion of how they are formulated, as illustrated by the following comments:

They have some criteria which I am not really acquainted with. One should actually find out about them. Maybe they (the school-leaders, author’s comment) do not really know themselves (Kenneth).

Sometimes you were expected to be very “go-ahead”, sometimes you should be “useful” or whatever was written. … At last I gave up, I skipped it (Gerd).

Christina expresses that even though she likes the idea of individual PRP in principle she is critical about how it works in practice:

I think it is badly handled. It is as if the school-leaders need to take a course. … The criteria are woolly and the discussion in the salary-setting dialogue is even more woolly. One wonders what actually generates a higher salary. And, honestly speaking, I do not know. I feel that I do not understand that at all.

The teachers do not express any sense that the appraisal criteria encapsulate or promote goals that they perceive to be essential or urgent needs in their professional practice. It appears that the criteria have limited impact on the teachers’ work.

A brief analysis of the criteria for pay-setting may contribute to further understanding of how the scheme functions. The tree municipalities covered in the study have formulated appraisal criteria (58 in total) in documents regarding criteria for salary setting. I have sorted the 58 total criteria into three categories: those that correspond to restricted teacher professionalism, those that correspond to extended teacher professionalism and those that
correspond to both restricted and extended teacher professionalism. There is a clear preponderance of criteria that reward extended teacher professionalism (37 in total).

Examples of how they are formulated include:

- Takes extended responsibility for the work and organization.
- Engages actively in school development.
- Participates in the development of a learning organization.

Some criteria, 14 in total, could be described as expressing both restricted and extended teacher professionalism depending on the situation. These include:

- Contributes ideas and takes part in problem-solving.
- Engages students by educational creativity, new teaching methods and approaches.

Only six criteria are focused on a more restricted professionalism, including:

- Engagement and social responsibility for the students.
- Supports students with special needs.

**The link between performance and pay**

Since the fundamental objective of the pay scheme is to enhance teachers’ motivation by rewarding good performance, the teachers must understand the link between performance and pay. However, none of the participants in this study can clearly see such a link. For most of them the connection seems arbitrary or unintelligible, and many think that work of peripheral concern is rewarded.

I do not know how they do it (*the salary-setting; author’s comment*). If you are young, have a strong drive, work a lot with the students and lots of extra hours – then you get nothing in return. I have had practically the lowest salary increase of all every time. And they cannot explain why (Erika).
The person who sets my salary does not know what I do in the classroom. Maybe she hears someone talking…? She has never visited my classroom (Linda).

The school-leaders do not know what I do. What they can assess is if my students are happy – superficial things. Or if parents phone. …I can win popularity by other means than good teaching (Fred).

Dan is another teacher who perceives that the school-leadership does not know what he does or how he works in lessons. As for some others, no one has visited Dan’s classroom and he does not understand the grounds used to make decisions about his salary:

The reasons for the salary level are never explained. Whether I receive much or little they cannot clarify why I deserve it.

It is notable that the only teacher in this study who is positive about the operation of the pay scheme does not know how the salary is set:

Well, I think individual performance pay is good. How it works…it is on the whole good I think, but sometimes one might wonder a little about what criteria are used. I thought about that when I had the dialogue with the principal, so I asked him if he knows what I do in my lessons, but he did not (Martin).

The vocational teachers, in particular, believe that the principals do not have knowledge and understanding of their work. As the content knowledge of the subject taught by these vocational teachers is in the electrical branch, which some of the schools’ leaders are not familiar with, the teachers do not consider them competent to assess their work. Fred thinks that this differs from the private sector, where those in managerial positions are well acquainted with the contents of the work. However, in school he claims that “they do not even know what it is about. They totally lack that understanding”.

The teachers’ lack of understanding regarding how the quality of their performance is appraised raises questions about whether something besides teaching performance and results affects the salary level – something arbitrary or unintelligible.
I have the feeling that it is arbitrary. All of a sudden one gets a sum for something, the next year one gets nothing and so on (Stefan).

Some teachers think that work on tasks that are outside the core of the teaching profession is often rewarded. Lars claims that teachers are rewarded who:

…take part in lots of different activities, more peripheral things, overall matters. They engage in projects of all kinds, EU-events, those kinds of things.

... have been away for courses or other easy activities and not taken part in the every-day work – they received terrific salary increases, while we who undertook the hard work, we got nothing (Gerd).

These examples indicate a tendency for some teachers to change focus from teaching to participation in projects, courses and other tasks that they think are in line with the issues topping current policy agendas. A couple of teachers talk about the importance of marketing yourself. Lars says that you have to “talk about your excellence”. Magnus says that he does not know how the school-leaders think, but he believes that they reward “those who have lots of contacts with the principal”. Furthermore, the supply and demand of teaching staff is mentioned by a couple of teachers as a factor that influences the level of pay, but is irrelevant to teaching performance. As there is a university in the municipality where Linda is employed, there is an abundant supply of teachers. She says that, overall, teachers in her municipality receive lower pay awards than the national average. She is indignant and claims that this cannot be simply because the teachers in her municipality are poor performers.

Another aspect of the individual PRP system is that it can be used to punish or silence teachers who are critical or have disparaging opinions. More than a third of the teachers express such a view. Gustav is most upset. He says that he has received considerably lower pay increases than his colleagues, because he is sometimes critical. He feels that he has not received an explanation of the salary-setting decisions:
It is like in the mullahs’ Iran: those who are not of the same opinion as the conservative clergymen have now been driven out of the parliament. (…) I did not expect my school-leaders would do that. It would have been different if I had tried to sabotage things, urged people to strike for example. But I have just expressed my opinions and we have freedom of speech in this country…So I got a bit angry with them. And now I am too old to change career, I have got about two years until retirement…so I think they are nasty actually.

Communication

Communication is another key feature of the pay-setting system (Armstrong and Baron, 1999: 243), as it ensures an understanding of the grounds for appraisal. The main elements of communication at the examined schools are the criteria and the salary dialogues. However, at these schools the communication appears to be inadequate during the whole salary-setting process. As noted above, some of the teachers have at best vague knowledge of the criteria. Most teachers do not understand how the criteria are used to measure their performance, 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.

Dan does not want to have a salary-setting dialogue anymore because:

...it is totally worthless. If I do not get any answers to my questions, why would I bother? … My experience is that they (the school-leaders; author’s explanation) have not got the slightest idea of what I do. No one has visited my lessons.

Linda does not understand the grounds used to decide her salary, and her line manager did not have time for a dialogue last year. Erika and Gustav are both very unhappy and upset about what they consider unfair salary levels, for which they feel they have not received an explanation. Erika thinks that she is innovative, competent and works very hard, but she has received very low pay increases.

It is just the principal who could give an explanation, but he cannot explain anything more than that my initial salary level was low (Erika).
Gerd states that at her school some money goes to the interdisciplinary teacher teams. Of the total two per cent available this year for pay increases, 0.5 per cent is distributed to teams that are considered to be performing well. The teachers asked about how the distribution was decided:

How do you know what teams are good? “Well, we have our sources”, was the somewhat vague answer (Gerd).

Gerd’s school is the only one considered in this study that applies an element of team reward. The money for the teams is probably regarded as marginal, at 0.5 per cent on average, but in the context it may be symbolic as the implementation of these new teacher teams were at the top of the school leaders’ agenda at the time of the interviews.

In summary, there clearly appears to be problems with regard to communication regarding the PRP system at the examined schools. It could be added that the teachers can, at least to some extent, influence the situation, since for instance those who are not familiar with the pay criteria can study the documents. However, this may not be sufficient to obtain an understanding of the system in practice, since the implementation of the criteria is often vague, and it may even be counter-productive, in terms of the fundamental objectives, since teachers may then focus on peripheral activities they perceive to be beneficial for their pay.

**Trust**

As the aim of this pay system is to enhance the teachers’ motivation in order to improve their performance it is of interest to examine the extent to which the staff trust that the system is operated fairly (Richardson 1999; Waine 2000), in terms of both the management-teachers relationship (Evetts, 2006b) and trust in the audit process (Bowman 2010; Power 1997). Given the findings described above, my conclusion is that most of the teachers do not trust the way the pay-setting scheme is operated. This is apparent from their lack of approval and
understanding of the criteria and how they are used to measure performance, as well as the
distrust of the school-leaders’ competence, knowledge or judgement regarding salary-setting.

As mentioned above, only one of the teachers, Martin, is satisfied with how the pay-setting works, but even he does not understand the connection between performance and pay. A clear majority of the informants express discontent with the operation of the system, while some are resigned or indifferent to it. Some are upset, like Birgitta, who has worked 27 years as a teacher. She says that she gets unhappy when newly employed teachers receive a similar same salary to her, and exclaims:

My God, how unfair! … I couldn’t care less!

Some of the teachers suggest that the individual PRP system causes a negative organizational climate and mention that it undermines cooperation. Linda thinks that the system fosters a negative climate between colleagues. Sten says that relations become tense with those who receive the highest pay increases. In the distribution of work between colleagues some may say that “the one who gets the most pay can do it”.

**Implications for the teaching profession**

The results of this study indicate that the individual performance-related pay system, as part of the accountability and performance trends (Moos et al. 2008), contributes to a shift of the teachers’ professional position, from occupational professionalism to organizational professionalism (Evetts, 2006a). Hierarchy is strengthened as the principals’ are given more power at the expense of the teachers’ professional judgement and autonomy. This is due to the managers’ newly acquired right to define “quality” and identify who is a good or a bad teacher. Several interviewees express feelings that control has increased, while discretion has been restricted, while some state that managers exercise power by rewarding compliant teachers. Accountability, target-setting and performance review are traits of the pay-setting
process that correspond to the organizational professionalism concept, traits that may restrict professional discretion (Evetts, 2006a). The trend is in line with Waine’s (2000) description of how the Labour government’s commitment to a strong performance management culture has resulted in a clash between professional and managerial forms of power in the United Kingdom. An example of such a clash detected in this study concerns the strong emphasis on criteria rewarding an extended professional role. This is consistent with the agreement, but it may result in no pay increase at all for teachers who are very successful in their direct work and relationships with students. This poses questions about what happens to those teachers’ professional identities and motivation. Another aspect of the criteria for salary-setting is the assumption that they should be measurable. This seems reasonable in a technical sense, but in a broader perspective it needs problematization. The roles of education and teachers’ tasks in a democracy encompass values, and are much too complex to formulate in clear-cut targets. (Waine, 2000: 242).

The steering-documents (the national curriculum and Swedish Education Act, for example) still speak of the importance of democratic values and competence, critical thinking, ethical perspectives, harmonic and all-around personal development. Wide room for professional judgement and teacher autonomy is assumed. However, the accountability (including PRP) and performativity discourses, the intensification of managerialism and the emphasis on efficiency may reduce education to simple standards and measurable indicators, and teachers to obedient, individualistic wage earners (Olssen et al., 2004). Individualism is certainly spurred by the PRP system for Swedish teachers. Thus, the system opposes an aspect that is often regarded as the most crucial measure of school development in Sweden; collaboration in teacher teams. This is not a new observation, but rather a common critique of individual PRP (Richardson, 1999).
The implementation of PRP can serve as an example of how change discourses affect the practice of schools. Dominating discourses carry ideology, which become implicit and common sense in practice (Fairclough, 1995). The discourses of performance, management and marketisation assume that individual PRP results in increased efficiency, productivity and performance. Furthermore, management by objectives and results implies that clear targets, systematic monitoring and evaluation of results lead to a higher level of goal fulfilment. This study does not focus on goal fulfilment, but it shows that most of the teachers are not concerned with the meanings of these change discourses. They are busy with their everyday practice and there is little room for deep reflection on the meanings and underpinning ideology of current change issues. I regard this as an illustration of a gap between programmatic and technological elements (Power 1997), and an example of what Fullan (2003: 205) argues makes educational reform fail: “the assumptions of policy-makers are frequently hyperrational”.

Ball (2003: 219) states that the effects of the “new culture of competitive performativity” are uncertainty and intensification, and that it costs time and energy. This can be seen in the interviews. Even if the pay system is only a small element of the culture of performativity, it seems ironic that organizational structures contribute to uncertainty at a time when certainty is needed more than ever in the teaching profession. The rapid pace of change, increased and sometimes contradictory demands, and the discourse on flexibility constitute an uncertain context in which the profession needs more, not less, certainty to teach with confidence.

**Concluding remarks**

The aims of this article were to describe and discuss Swedish upper-secondary teachers’ perceptions of the effects of individual performance-related pay in the context of educational
restructuring and governance. In a broad perspective, the PRP system is an example of an audit technology, and the findings of the study demonstrate the loose coupling between the programmatic and technological dimensions of auditing (Power, 1997). The findings add support to Power’s view that “all practices give accounts of themselves which are aspirational rather than descriptive” (Power, 1997: 7).

The teachers’ descriptions of their perceptions of how the individual PRP scheme works in practice (the technological dimension) paint a picture of a counterproductive pay system. None of the components of the system could be described as well-functioning and it fails to meet its stated aims. They correspond neither to what are considered prerequisites for a successful individual PRP system (Armstrong and Baron, 1999: 243; Bowman, 2010), nor to the visions described in the national agreements for the Swedish teacher pay system (the programmatic dimension). The teachers perceive the PRP system as arbitrary, unfair, unclear and feel that it fosters an awkward working environment. In summary, the findings indicate that the pay scheme does not contribute to the improvement of results by constructing clear connections between salary, motivation and results.

The findings pose several questions. One is why the debate about the PRP system now is quite absent in Sweden. A part of the answer could be the massive establishment of the system from about 1990 an onwards. From being almost non-existent, the salaries of most public sector employees and 71 per cent of private sector employees are governed by individual pay systems (Nilsson & Ryman 2005). The trade unions have adopted the system which means that there is no organized opposition against it. A tentative explanation to the silence is that the discourses which PRP is part of are so dominant and taken for granted that most of the involved actors do not question its actual effects. Furthermore, there does not seem to be any wide-spread knowledge about a pay system which both spurs motivation and is regarded as fair. However, the actual effects are questioned by the findings of this study.
Could it be the case that the teachers in the interviews grasped the opportunity to air a general dissatisfaction with being overrun by massive school restructuring? I do not interpret their narratives in that way. Even if there was a general dissatisfaction I am convinced that they would not discredit a pay system they felt was fair, reasonable and rewarding.

As this is a qualitative interview study the findings cannot be generalised to all schools in Sweden, or to how performance-related pay is operated generally. However, I suggest that the study contributes to a deeper understanding of how a PRP system may work in practice, which could be useful in similar contexts and prove to be valuable for those involved in such pay-setting systems. The interviews were conducted at four schools in three different municipalities and the overall pattern of perceptions was largely the same. Variation was connected more to individuals than to schools/municipalities, indicating that the findings may also be applicable to other schools, and this is an issue for further research to address. It is also of interest to examine whether the rapid expansion of independent (private) upper secondary schools in recent years will influence the pay distribution. From a theoretical profession perspective the PRP system (among several other changes) contributes to a shift from occupational to organizational professionalism (Evetts, 2006a). To what extent this may lead to improved goal fulfilment is another issue for further research.

References


Lärarförbundet and Lärarnas Riksförbund (2006) *Uppföljning av HÖK 05* [Follow-up of the Agreement HÖK 05; trade union report in Swedish].


