Rolling the dice in a game of trust

Organizational effects on trust, efficacy and motivation when using economic incentives as a driving force for development in Swedish schools

Björn Ahlström and Mats Danell
Centre for Principal Development, Umeå University, Umeå, Sweden

ABSTRACT
For a long time, the Swedish government has tried different reforms to counteract declining student results. One action was to implement a salary-lift for teachers perceived as especially skilled. However, changes within socially complex systems tend to create tensions and resistance among the staff. In this reform, a majority of teachers were excluded from the payroll raise, which led to a renegotiation of roles, rules and commitments within the faculty. In this study, the principals’ perception of the teachers’ initial reactions and responses to the implementation is the focus. The data for this study contain four narratives from principals who implemented the salary lift within their organizations. The analysis shows that the reform challenged the principals as heads of the organizations. They stated that the salary lift created conflicts and insecurities among the teachers related to their motivation, sense of trust and self-efficacy. These conflicts and insecurities seemed to fuel a spiral of mistrust within the schools in the wake of the reform.

ARTICLE HISTORY
Received 23 August 2018
Accepted 1 September 2019

KEYWORDS
Trust; efficacy; motivation; economic incentives; social contract

Introduction
In 2016, the Swedish government decided to introduce a ‘salary-lift’ for Swedish teachers, the purpose of which was to reward especially skilled teachers to promote school development and student learning. Accordingly, the reform did not reward all teachers; rather, a minority of the teachers actually received a raise. Changes within socially complex systems tend to create tensions, within and between different levels within an organizational structure (Engeström, 2007). With this background, this reform, and its implications to principals and teachers within Swedish schools, is an interesting topic to study. A reform that rewards a minority of teachers might create tensions within the schools, especially when old payroll rules and agreements are renegotiated.

Every institution is built upon a set of rules, formal and informal, that act as guidelines for human interaction, in our case in Swedish schools (North, 1993). An institution can be described as a moral arena that defines our thinking frames and, in the next step, our actions. To achieve this, an institution needs restrictions and possibilities that point out what is perceived as important and what is not (Forsberg & Wallin, 2006). This can be described as a set of rules for those who act within the boundaries of the institution. In the next step, there are organizations (individual schools) within this institution; North (1993) described this relationship using the metaphor of a team game. In this metaphor, the institution provides the rules of the game and the schools provide the players (e.g., principals, teachers). In order to play the game, the team has to have mutual trust in each other’s competences and a common understanding of the rules. Changes in the rules of the game, in this case the payroll, might create tensions and insecurities within the institution, and the mutual trust might be at stake.

When trying to understand the intention and implications of a specific reform, one has to take the context into consideration. It is evident from the steering documents for Swedish schools that teachers are supposed to work collectively and be organized in teacher teams. This is something that has been stated throughout curriculums from the late ‘60s to the present (Lgr 69, Lgr 11). The main idea to structure the work in teacher teams is that teachers collectively can develop the teaching at their school. They can learn from each other’s experiences and together reflect upon successes or mishaps when trying out new methods within their teaching. The government’s intention to organize the teachers’ work in teams was to develop a culture characterized by creativity, egalitarianism and democratic values among the teachers and, in the long run, promote student learning and outcomes (Hargreaves, 1998). However, student outcomes have declined during recent years, which has led to the Swedish government testing new ways and reforms to counteract this negative trend.
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What do Swedish principals perceive as the purchasing was directed towards teachers perceived as salaries 3000 SEK in additional salary each 2005 2007 2016 purchasing power was below 2017 that includes human learning or if it did raise the status of the nervousness in the system itself and therefore contributed to the decline of school and student outcomes rather than being driving forces for improvement. The One outcome of the committee was that the reforms are mainly directed towards teachers. These reforms are often based on ideas derived from a New Public Management (NPM) perspective (Goodson & Lindblad, 2011). When applying the logic of NPM to educational reforms, there is a risk that two fundamentally different logics collide. Thaler and Sunstein (2009) argued that decision makers in public and private institutions should be aware that rational economic considerations should be weighed against ‘economic irrational thinking’ that includes human and economic considerations. Viewed from a Swedish school system perspective, it can be perceived as based on the ethics of education, where principals and teachers collectively educate children and young adults for the common good, such as by fostering them to become functional citizens within a democratic society. The main idea behind these ideas is that all staff in Swedish schools have a collective task that will benefit not only the students but the society as a whole. This idea is in contrast to the NPM ideals that focus on the competitive and individualistic aspects of work (Hudson, 2007). In a school context, one of the main characteristics of NPM is a tighter performance specification, which leads to new contracts between principals and teachers that, in detail, specify their obligations. These contracts often include some form of performance indicators (Tolofari, 2005).

In the Swedish national context, the state has for a long time tried different actions and reforms to improve school outcomes due to the fact that the decentralized governing system does not seem to provide equal education for all. In other words, the Swedish state still has an active part in governing the Swedish educational system despite municipalities having formal responsibility and authority for governance. In Sweden, the government has tried to reform the school system to counteract the declining results of students in Swedish schools. These reforms have proven to be ineffective due to the fact that Sweden has a negative trend in relation to the results shown in international surveys such as TIMSS and PISA.

In 2015, the Department of Education appointed a committee that had as its primary task to identify the underlying causes of this decline (SOU 2017:35). One outcome of the committee was that the reforms imposed on the school system had resulted in weaknesses in the system itself and therefore contributed to the decline of school and student outcomes rather than being driving forces for improvement. The committee suggested a number of actions, such as developing trust and sustainability within the school system, and principals and teachers were prioritized and highlighted as important actors and resources. In order to change the academic trend in Sweden, they suggested actions that were intended to strengthen classroom teaching as well as instructional leadership. One step in that direction was taken in 2016, when the Swedish government introduced an effort to improve the status of teachers and their career paths with a salary lift. The Swedish government gave the municipalities a contribution of three billion SEK (about 300 million euro) to implement this initiative. This ‘lift’ was directed towards teachers perceived as especially skilled and qualified, as assessed by each principal. The teachers perceived as especially skilled received 2500–3000 SEK in additional salary each month. The government determined the criteria that the principals should use when assessing their staff in order to decide which teachers would get the payroll raise. Some of these criteria were as follows: The teacher should work with teaching and assignments related to teaching; show interest and skills to develop his or her teaching, on his or her own and together with co-workers; and take special responsibility in relation to exceptional and complex teaching situations (SFS 2016:100). These especially skilled teachers were selected to lead the way, as role models, when working in a manner perceived as successful and aligned with the curriculum. In other words, they are supposed to act as important change agents for school improvement and development.

Another reason for focusing on teachers’ salaries and enhancing the status of teachers and their career paths came from a study conducted by the OECD (2014), focused on teachers’ purchasing power in different countries, which showed that the Swedish teachers’ purchasing power was below average. The overall purpose of the initiative was to enhance the attractiveness of working as a teacher and to improve student outcomes (SFS 2016:100). It is too soon to argue if the initiative promotes student learning or if it did raise the status of the teacher profession as a whole. These questions might be interesting topics for future research. However, a reform such as the salary lift might create tension and insecurities among professionals working within Swedish schools, which could challenge common thinking frames and dominant cultures based on mutual trust. It is in this process of change and possible tensions that this article takes its point of departure.

The aim of this study is, therefore, to answer the question, What do Swedish principals perceive as the impact on the organizational trust, efficacy and motivation among teachers in Swedish schools when implementing the ‘salary lift’?
Methodology

The data for this study contain four narratives from principals attending the Swedish national training programme for principals. During 2016, they implemented the salary lift reform within their schools where they, all together, were responsible for about 140 teachers. In the compulsory principal training programme, we visited two classes and asked if there were any principals that would like to share their experience in relation to the implementation process regarding this reform. Four principals replied that they were interested in participating in the study. These principals were all leaders in compulsory schools, grades 1–9. Three of these principals were women (Åsa, Frida, Maria) and one was a man (Jonathan). We asked the principals to write a narrative describing what happened during the implementation process and to reflect upon what they believed to be significant outcomes of the reforms. The main theme of these narratives was to get the principals to reflect upon the initial response to the reform among the teachers. This first step of the process can be described as inductive, where they, based on their own experiences, were asked to provide a story, a narrative, of the implementation process. The principals’ ‘tales of the field’ (Denzin & Lincoln, 2011; Van Maanen, 1997) were sent to the researchers via e-mail. After the researchers read the narratives, they sent the texts back to the principals with comments; we encouraged the principals to develop their texts by clarifying, elaborating or responding to open-ended questions. This procedure was similar to an open interview in which the researcher asks follow-up questions to capture the respondent’s story. This procedure made it possible for the principals to elaborate even more, and the researchers were able to ask questions derived from the initial data set. By writing, and reflecting, about these experiences, the informants also created meaning in the narrative in relation to the subject of the study (Manning & Cullum-Swan, 1994).

The process of collecting the first data set, the principals’ written narratives, was completed when the researchers, in dialogue with the principals, assessed that the narratives had reached saturation. This was after two or three instances of correspondence between the principals and the researchers. In the coding process, the researchers used the research question as a guide to create structured themes and to develop new areas of interest used in following up on the written narratives in order to gain a deeper understanding of the principals’ experiences (Silverman, 2001a). In this work, the coding and analysis were integrated and can be described as a cyclic process. The written material was read and re-read over and over, and each reading provided a new angle of incidence. In this first stage, the researchers used ‘open coding,’ where we identified themes and patterns within the narratives (Svenning, 2003).

In addition to the written narratives, individual interviews were conducted with each principal in order for the researchers, after an initial analysis, to ask questions related to themes that emerged. In the first inductive phase, it was evident that the written narratives included themes related to organizational aspects of trust, motivation and efficacy. In the next step, in order to conduct the in-depth interviews, the researchers created an interview guide that was derived from and related to the body of knowledge in the field of the themes that emerged from the narratives. Before the interviews, the principals had the opportunity to read their own narratives and the researchers’ themes. These themes acted as the foundation for the interviews, which had a low level of structured questions with a focus on the respondents’ experiences of the salary lift, and respondents had the power to choose in which direction the interview should go. The low level of structure was aimed to give the respondents time and space to reflect and elaborate in relation to their narrative within the frame of the themes. It also made it possible for them to give new insights and take the interview in new directions that were important to the study. The researchers’ role was to make sure that the respondents stayed within the boundaries of the themes and the aim of the study. The interviews were recorded and transcribed.

The researchers first read the transcripts to find spoken narratives in which the principals elaborated on the effects on the organizational factors of trust, motivation and efficacy. This stage can be described as axial, where the aim is to reach depth in the analysis. In the coding process, we used themes and codes derived from the open coding of the written narratives (Svenning, 2003).

By identifying these significant codes, we found some commonalities among the principals and some that were more specific to each individual. The coding process started with each principal’s utterance being coded based on the themes of trust, motivation and efficacy. In the next step, the four principals’ coded transcripts were merged into one common transcript. We then read this common transcript to reveal the content of each code and the common narrative related to the aim of the study. In this paper, we focused on the larger and more common narrative, which could be identified and conceptualized as themes in the data analysis. The object was to create one common and unified voice that integrated the different narratives rather than four different voices from four different principals. This unified voice is, in other words, the researchers’ ‘analytic narrative’ that emerged from the principals’ own narratives related to our theoretical framework (Silverman, 2001b). Individual narratives
might be related to each principal’s own context and experiences, such as the situation at his or her own school, specific school culture or individual differences. Focusing on the individual narratives, one might find what is unique or related to each individual principal’s specific experience. When studying institutions or organizations, the common and unified narrative might deepen the understanding of the impact of a specific reform from an institutional and/or organizational perspective (Czarniawska, 1999).

Throughout our analysis, we present quotes from individual principals; however, these should be understood as examples from our analytical narrative rather than different individual experiences.

**Theoretical framework**

As stated in the introduction, one can describe the relationship between institutions and their affiliated organizations as a team game in which the institution provides the rules and the organizations the players. Because this article aims to study the consequences of a reform on the micro level, it is the impact of the reform on these players that is highlighted. Most teams have leaders whose primary objective is to enable the team to reach its full potential and perform at the highest level. Furthermore, the leader is responsible for the work environment, which in turn affects the team’s level of attainment. To be part of a team also means that the rules should be clear and understood, and their interpretation should be shared among the team players. Another important aspect is role clarification, which defines the different roles within the team. In essence, to enable the team to perform, all the players must be able to trust the rules, their leaders and their teammates. These relationships could be described as ‘trustworthy obligations,’ a form of social contract. The leader, as a key player, has an important role in maintaining the credibility of this contract between all the actors in the hierarchy. This contract is constantly renegotiated in what can be described as a game of trust in order to maintain credible commitments (Miller, 1996).

Organizations using economic models to control and influence human behaviour are likely to find it challenging if not impossible to do so (Miller, 1996). Miller (1996) suggested that organizations that reward certain individuals based on specific criteria and fail to reward others who do not meet these criteria might have difficulties meeting their organizational goals. These assessment criteria reward individuals who are expected to act in the ‘right way’ but, on the other hand, fail to reward those individuals who are not perceived to be sufficiently skilled in their professional activities or have not performed well enough to be awarded a payroll raise. One risk is that rewarded employees will continuously try to avoid unprofitable behaviour, which creates a fear of problems and challenges. Employees placed outside the reward system might lose trust in the assessment criteria, management’s judgement and their own or colleagues’ abilities. Miller (1996) argued that economic incentives for an organization’s governance risk creating a spiral of mistrust among employees. A growing mistrust in the organization and its governance can undermine the socio-cultural incentives, which are crucial for creating a well-functioning organization. The criteria used in this process might act as something that challenges the collective trust, motivation and efficacy within the organization. In this study, we used these three themes derived from the principals’ narratives.

The first theme, trust, can be described as a judgement of the character of individuals or groups. Frost, Stimpson, and Maughan (1978) reported that it is likely that a high level of trust will occur in organizations and among individuals when 1) the individual believes that his or her co-worker has nothing to gain from untrustworthy behaviour, 2) the individual perceives that he or she is able to exercise some form of power and control over the co-worker’s outcome, and 3) there is a certain level of confidence in the altruism of the co-worker. Scholars have explored the significance of trust in schools, and these studies suggest that teachers’ trust in their principals and co-workers is important when studying school success and effectiveness (Hoy & Tarter, 1992; Tschannen-Moran & Hoy, 1997). In other words, schools that have a high level of trust and a positive school climate have the fundamental building blocks needed for creating an effective school that promotes and enhances student achievement. Tschannen-Moran (2014) argued that successful principals enrich and cultivate a culture of trust. Research also shows that the behaviours and actions of principals and teachers impact the level and quality of trust within a specific organization (Tarter, Sabo, & Hoy, 1995; Tschannen-Moran & Hoy, 1997). Trust is an important factor for school success, and principals who can build collective trust and efficacy have the basic prerequisites to build an organization that fulfils its goals (Tschannen-Moran, 2014).

Collective and self-efficacy can be described as a judgement of the collective or individual capability to organize, structure and execute actions needed to reach the expected goals of the specific organization given the setting, situation and context (Bandura, 1997). Collective efficacy is the beliefs about the group’s own capacity. However, this does not necessarily correlate with an accurate assessment of the group’s actual capability. Self-efficacy, on the other hand, characterizes a person’s beliefs about his or her own capacity to organize and execute actions required to produce a given level of attainment (Bandura, 1997). It is important to emphasize that
people and organizations often over- or underestimate their real and actual ability. It is the estimations that act as a guide for the participants when considering courses of action and strategies to strive for the organizational goals (Goddard, Hoy, & Hoy, 2004).

Motivation as a concept, can be elusive. Individuals’ engagement in fulfilling certain tasks is not something that is easily studied. As researchers, we might study this phenomenon on an organizational level by focusing different behaviours and the end product of those behaviours (Atkinson & Birch, 1970; Kanfer, 1990). In this study, we are looking at economic incentives as a driving force for organizational motivation. Research shows that such incentives might have an opposite effect. As an example, we pay our children to do certain chores around the house, such as cleaning or doing the laundry. This economic incentive might, in the short run, motivate the children to be engaged in such work. The downside might be that they feel a lack of motivation to do other chores if not compensated economically (Frey & Jegen, 2001). This is what one might call a hidden cost of rewards; in our study, this might be justice, fairness or collegial egalitarianism (Edelenbos & Eshuis, 2012). However, when we look at the output of economic incentives on motivation, we use motivation as a three-dimensional concept. First, motivation impacts what we do in our work. Second, it has to do with how hard we work. Third, it impacts how long we are engaged in our work. In other words, these dimensions can be summarized as related to direction, intensity and persistence of work (Kanfer, 1990).

In our theoretical framework, we are working with the three themes presented above: trust, efficacy and motivation. These themes are derived from the principals’ narratives, and based on these, we are especially interested in the interplay between them. In this study, these themes together might be understood of as a foundation upon which organizational cooperation and collegiality is dependent.

Analysis

The main themes constructed from the narratives are as follows: To be or not to be competent, which can be related to the teachers’ efficacy; weakened trust in the leadership, which relates to the concept of trust; and changed approach to work, which relates to the teachers’ motivation towards their work. These three themes are all part of one overriding theme, cracks in the foundation of trust.

To be or not to be competent (efficacy)

The main issue that appeared in the first theme generated from the principals’ experiences of the teachers’ initial reactions to the reform was concern over who got the ‘lift’ and who did not. The principals’ narratives contained reactions among the teachers that raised the following question: Am I a competent teacher or not? The teachers who did not receive the raise perceived themselves as degraded and assumed they were ‘not competent enough’ in relation their colleagues. This theme can be related to the theory of self-efficacy and the essential element that characterizes a person’s beliefs about his or her capacity to organize and execute actions required to produce a given level of attainment (Bandura, 1997). As their work was assessed to be at a lower quality than that of their peers, they talked about themselves as conducting low-quality work or not working hard enough. One principal gave an example of the teachers’ initial response:

First of all the experiences of those who did not get the raise comes to mind and they expressed that they did not feel competent enough to conduct their work. They felt degraded and that they did not perform their task as good or work as hard as those who got the raise. They could say “Am I even allowed to continue to work with the ongoing development work within our teacher team?” (Frida)

When analysing the narratives, it was evident that the principals perceived that the teachers outside of the reward system experienced insecurities in their own ability to be competent (e.g. Bandura, 1997; Miller, 1996). The teachers were questioning their self-efficacy and seemed to question their ability to moderate student learning conditions in their own classroom. Among those who did not get the raise, many were self-critical and actually portrayed themselves as being a bad teacher. They tried to find answers and explanations as to why they were among those who were overlooked in this reform. Bandura (1997) argued that without a positive sense of efficacy, individuals are hesitant to initiate their own or organizational development tasks and ideas. This in turn has an effect on the teachers’ future choices and plans. The teachers’ self-confidence and beliefs in their capabilities are important characteristics that influence the achievement of all students (Bandura, 1997; Goddard et al., 2004; Heck, 2010). This theme indicated that economic incitement in the salary lift seemed to support teachers’ insecurity related to their own ability, which also risks being reflected in the students’ learning practices and results. When discussing with the principals, the teachers tried to understand and ask questions in order to create meaning and determine the rationality of the principals’ decisions. These questions were related to their competence, or rather a perceived lack of competence, such as Jonathan’s experience when he cited the teachers by saying, Am I not good enough? Is there a problem with my teaching? Is there a problem with how I treat the students? Are the results not good enough? Do you really think that I am a bad teacher? Furthermore, they received an additional image
Communicated in the media that, due to the reform, Swedish teachers have been divided into categories such as ‘best’ and ‘worst’ teachers. This division highlights the theme of being perceived as competent or not.

**Weakened trust in the leadership (trust)**

The second theme was derived from the principals’ perceptions of the teachers’ reactions to the basis of the principals’ decision and the principals’ ability to assess the teachers’ work capacity. The narratives indicate a weakened trust in the principals’ judgment and capability when they announced where the line would be drawn between teachers who got the raise and those who did not. The assessment of the teachers’ capacity and the payout did not seem to match the teachers’ opinions of justice and fairness within the faculty. Hoy and Tarter (2004) argued that a sense of organizational justice and fairness within the school is an important factor when building collective faculty trust.

The principals noticed, just within a few days after the reform was imposed, that many of the teachers were disappointed. They communicated that they did not understand why they did not get the raise or why some of their colleagues were overlooked, and they thought that some of those who got a raise did not deserve one. The principals’ ability to assess the quality of teaching and the teachers’ efforts was also questioned. One principal expressed the following mistrust:

> Many of my teachers totally lost confidence in me, and our valuable relationship has been ruined.

*(Frida)*

Furthermore, Åsa expressed that the teachers challenged her ability to judge or assess their competence and skills in a fair and professional manner:

> One teacher said: ‘How can you know what I do with my students in my classroom? How can you even assess if I am an especially skilled teacher or not?’

*(Åsa)*

The principals further expressed that the respect for them as leaders and persons changed as a result of the reform. In the process of implementing the reform, the line between the ones who got the raise and the ones who did not had to be drawn. The teachers who were among those who were close to getting the raise but did not feel like they were the biggest losers in this process, according to the principals. Furthermore, the principals felt that this group of teachers was the most difficult to encourage and motivate in performance appraisals. One principal expressed that the words of encouragement felt empty and meaningless when talking to teachers when they experienced a setback in relation to the salary lift. As a leader, it is hard to conduct performance appraisals when a large number of the staff openly express mistrust in the competence of the leadership. The principals have to deal with an organization characterized by growing insecurity among the teachers. A perceived lack of justice and fairness within the faculty negatively affected different trust-building characteristics for the school leaders, such as reliability, competence and openness (Hoy & Tschannen-Moran, 1999; Tschannen-Moran, 2001, 2014; Tschannen-Moran & Hoy, 2000). One prerequisite for an organization that can be characterized by cooperation and collegiality is common understanding and trustworthy obligations. The principal is a key actor in creating and maintaining such relationships. If trust in the leader is weakened, it is reasonable to believe that these credible commitments within the organization are hard to maintain (Miller, 1996).

**Changed approach to work (motivation)**

The third theme highlights, through the viewpoint of the principals, the teachers’ changed approach to work in the wake of the reform. The principals’ narratives describe that after the decision was made, some teachers expressed that from now on, they would only show up to work to do the absolute minimum of what was expected. Some teachers told the principals that they felt that they could not find the motivation to do anything outside their own classroom. In other words, it affected their intensity of work when they actively distanced themselves from certain tasks (e.g. Kanfer, 1990). The teachers started to retreat from the collective identity of the organization into guarding their own interests. The theme indicates a shift from a collective approach to work towards a more individual one. This could be related to the direction of work, which refers to ‘what we do.’ The motivation for working towards the common interest of the organization was diminished due to the reform (e.g. Kanfer, 1990). Miller (1996) expressed that cooperation in a group is dependent on the trust that each member has in others adhering to the group. Another implication was that many teachers did not want to pursue engagements that they had before the reform and that they felt had not been beneficial for them in this process. One principal recalled a conversation with a teacher who expressed the following:

> I have been loyal and engaging in extra assignments and what do I get out of that? Nothing! Others are not doing this work, so why should I do it when I don’t get rewarded?

*(Maria)*

The work within teacher teams has also changed. The principals described an increasing antagonism between different members of these teams based on
the ones who were rewarded and the ones who were not. Teams that historically had been categorized by
the principals as well motivated, functioning and
aiming towards common goals with a collective
understanding of their assignment had, in the wake
of the salary lift, become increasingly dysfunctional.
As an example, in a team where three out of four
teachers were rewarded with a raise, the fourth mem-
ber started to avoid co-workers, not engage in meet-
ings and withdraw from the collegial approach to
work. Frida recalled how the meetings changed:

When it is time for a meeting, she [the one out of
four that did not get the raise] goes to her computer
in the teacher team room. She turns her back toward
her colleagues who discuss and make plans for the
entire grade. This teacher has taken an active stand
to not participate in this work, “you can do that.”
I feel that this type of disengagement is about her
building a wall around herself.

(Frida)

The teacher’s reaction indicates a change from
a collective to an individual approach limited to the
classroom, with a restricted focus on what one has to
do, and not more. The sense of collective efficacy directs
teachers’ behaviour, helps them persist and reinforces
social norms of collective efficacy (Hoy, Tarter, &
Woolfolk Hoy, 2006). A strong sense of equality is the
most commonly observed social norm in small work
teams, defined as a minimization of differences in the
treatment of different members of the same team
(Miller, 1996). The salary lift tended to change the social
norm of what it means to be a member of a team. In the
principals’ descriptions, the teachers seemed to perceive
that their employers had renegotiated the ‘social con-
tract’ of what it meant to belong to a work team and
even caused an unfair economic outcome, as well as an
unfair assessment of the teachers’ skills. The disadvan-
taged teachers’ loss of motivation towards work, as well
as their commitment to the ‘social contract,’ resulted in
them distancing themselves from the teacher teams.
The salary lift seems to have had a negative impact on
the norm of equality as the basis and main characteristic
for building a common and collective motivation
towards the goals and tasks of the organization.

Cracks in the foundation of trust

The three themes presented above can be merged
into one overriding theme: cracks in the foundation
of trust. Hoy (2012) stressed that variants of trust-
building characteristics are moderately related to
each other and that collective trust, efficacy and
motivation are important factors for success. The
salary lift seems to have had an opposite effect. The
principals expressed a sadness for what had been
lost regarding interpersonal relationships within
their organizations. One principal expressed that
before the announcement of who would benefit
from the reform, the staff shared funny stories and
you could hear laughter during the coffee
breaks. This was all lost when the distribution of
salary was announced. The principal’s conclusion
described that the teachers who benefited from the
reform did not dare to express their happiness for
being rewarded for their accomplishments. Furthermore, the teachers who were not a part of
the salary lift were disappointed and sad. Wherever
the principal went within the school, a feeling of
resentment was evident. At the office party at one
of the schools, everyone who did not get the raise
was absent. When arriving at the school in the
morning, teachers stopped greeting each other; the
staff seemed stressed out and in a hurry to get to
their own classrooms. Among the colleagues,
a culture of silence emerged, and small talk ceased
to exist. Furthermore, spontaneous discussions
between colleges regarding teaching and pedagogy,
such as sharing the story of a successful teaching
experience or a less successful one, were absent or
toned down. One effect was that the attitude
towards work changed; some teachers actually quit
their job or said to the principal that they were
considering moving on to another school.

It was also teachers that said that “if you don’t have
confidence in me and my teaching I will look for other
jobs.”

(Åsa)

When analysing the narratives, it is evident that
the theme ‘cracks in foundation of trust’ is related to
what Hoy et al. (2006) identified as a sense of hope-
lessness within the organization. The salary lift
seemed to generate a pessimistic atmosphere rather
than an optimistic belief among individual teachers,
teacher teams and individual principals. Hoy et al.
(2006) argued that a sense of pessimism within the
organization tended to breed collective fear and
increased focus on avoiding mistakes. Collective and
academic optimism, on the other hand, could act as
a powerful driving force for improvement and help to
create a culture that perceives all teachers and stu-
dents as capable.

Miller (1996) argued that using financial incentives
for organizational development puts the organization
at risk when these initiatives create a disturbing and
increasing spiral of suspicion. This spiral might have
a negative effect on both those who are rewarded and
those who are not. Such a spiral puts the organization
as a whole at risk when it limits the organization’s
ability to reach its goals. The three themes above, by
themselves, are different cracks in the foundation of
trust needed within an organization. Every time there
is a new crack in this foundation, it feeds the negative
spiral of mistrust. With a growing mistrust within the
organization, the governance of socio-cultural incentives, which has the crucial role of creating a well-functioning organization, might be lost (Miller, 1996). The collective and common social contract in a collaborative organizational culture is maintained through trust between the leader and the employees. In such a culture, the participants have a general acceptance of and a collective obligation to the rules of the game, which is a division of responsibilities. When one or more players breaks the rules of this game, it creates rational suspicions (Miller, 1996). These suspicions undermine the principal’s ability to create a school culture in which all participants are engaged in a common task to achieve the organizational goals.

**Conclusion**

The aim of the salary lift initiative was to stimulate the municipalities and charter schools to give especially qualified teachers a higher salary. The general idea behind that was to improve the status of being a teacher and the quality of teaching, and, in the long run, to improve student outcomes and the schools’ developmental work in general (SFS 2016:100, 2016, p. 100). In this paper, we explored the teachers’ initial response through the viewpoint of the principals, and our results indicate that this initiative has been a gamble in a game of trust. Tschannen-Moran and Hoy (1997) referred to the philosopher Baier (1985) when they described trust as something that we do not really notice when it is present. It is like the air that we breathe; we do not pay attention to its existence until there is a shortage of it or it becomes polluted. In other words, reflection on its existence might be futile due to the fact that we have a hard time sensing it, feeling it or expressing it. It is when it is challenged or falls apart that we become aware of it and what might be lost. In this case, the trust among teachers and principals was damaged and scarred, and it became evident that trust was an issue for the teachers involved. Looking at the salary lift and the way it was implemented, one could say that the government played a high-stakes game, a game with possible high rewards but also high risks. In this assessment game, the teachers’ skills and abilities were at stake, from both an economic and socio-cultural perspective. The air of equality, that they all took for granted, became polluted. By implementing the initiative, they rolled the dice, and the short-term effects seem to indicate that the trust within the organizations was challenged by a rational suspicion of who would be rewarded and why.

In any game, there are rules; this also applies to a game of trust. By defining the concept of trust, one might also find the basic rules for building organizational trust. By looking at these rules, we also might get an idea of ways for violating and damaging trust. One personal characteristic that is closely related to trust is vulnerability. To be vulnerable within an organization relies on a mutual understanding of co-workers as competent, reliable, open and concerned (Mishra, 1996). This creates a social contract within an organization with a high level of trust. When the salary lift was implemented, the principals described that many of the teachers felt that this contract was breached; in other words, the rules of the game had changed. Social contracts are maintained through activities that traditionally belong within politics rather than within economy, such as communication, speech or symbolic positions. We find it relevant to pay attention to what happens to the social contract when the rules for payroll are changed, which in turn has a significant effect on organizational trust. The salary lift turned out to be an initiative that broke the norm of the social contract of equality. When this contract was broken, it created a spiral of mistrust among the teachers. The force of the spiral was driven from a rational suspicion among the teachers. Am I not a competent teacher? Am I not working hard enough? Can I trust the principal’s judgement?

A reform formulated on the macro level that focuses on rewarding especially skilled and qualified teachers indicates a contradiction between economic and human incentives that becomes a dilemma on the micro level for teachers and principals. Considering the decentralization and fragmentation of the Swedish school system, it is important to identify and problematize professional activities at the level of practice (Frostenson, 2015). In this study, we set out to understand micro realities at the level of practice and relate them to the larger picture of a state policy and reform influenced by NPM. At the micro level, it is evident that organizational trust was damaged by the initiative. This is due to the fact that mutual trust is dependent on an organization characterized by the conviction of co-workers’ competence, an open/sharing culture, reliable relationships and mutual concerns, and the spiral of mistrust gains power from the opposite. This spiral created mistrust among the teachers, on both an individual and collective level. The driving force behind this spiral is evident in the narratives of the principals, in which the teachers, instead of believing in their own and their co-workers’ competence, started to question it. The teachers started to resist and challenge the principals’ decisions and used different strategies to manifest their disappointment.

Due to being responsible for the assessment, the principals were in the crosshairs when implementing the salary lift and judging who within their organization was perceived as more skilled and qualified and therefore eligible for a raise. In conclusion, the purpose of the initiative was to increase the quality of
Swedish schools and the quality of teaching. If the implementation of this reform has had, or will have, that effect, it is maybe too soon to tell. What this study shows is that the initial response to the salary lift has been problematic on several levels in Swedish schools. The trust, efficacy and motivation that existed within the schools were challenged and scarred. In the wake of the initiative, it is up to the principals to try to repair and rebuild and rewrite the rules for the game of trust within their own schools. Instead of leading an organization with a clear sense of direction with a vanguard of engaged, skilled and qualified teachers, the principals have to deal with major cracks and holes in the collective organizational trust, efficacy and motivation before exploring new horizons.

**Disclosure statement**

No potential conflict of interest was reported by the authors.

**ORCID**

Björn Ahlström @ http://orcid.org/0000-0001-6240-587X

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