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The Logics of Performance Funding: Situated Tensions in Basic Education

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ABSTRACT

This article applies institutional logics to examine the implementation of a performance-funding programme for Danish public schools. The programme introduced a potential bonus aimed at incentivizing improved educational outcomes for academically low-performing students. We investigate the implementation of the programme through decoupling, compromising, and differentiation between an incumbent educational logic and the programme's intruding economic logic, drawing on a qualitative study of a Danish municipality's responses using semi-structured interviews with administrators, school managers, and teachers. The findings demonstrate how a programme is translated into organizational practice, where solving some tensions induces new ones. The article contributes by highlighting different enactments of responses to tensions based on divergent interpretations of accounting technologies and institutional logics. It shows how an accounting technology goes through different translations from policy to influencing front-line personnel and how responses can involve compromising and manipulation as well as unsuccessful decoupling.

1 | Introduction

In 2016, the Danish government introduced a policy programme, "Financing to Enhance Academically Weak Students" (FEAWS), to incentivize educational outcomes for academically low-performing students (DME 2017a). The programme made significant bonuses available to selected schools depending on their students' exit exam results over a 3-year period. As such, the programme exhibited the characteristics of a performance-funding policy mechanism that ties the budgets of schools, among others, to performance measurement (e.g., Aliabadi et al. 2021; Guarini et al. 2020; Ortagus et al. 2020), presenting a potential bonus without sanctions, thereby applying no coercive pressure.

Accounting technologies, such as performance funding, can reflect and enable specific institutional logics (Ezzamel et al. 2012). Logics represent beliefs (Lounsbury et al. 2021), values (Ahrens and Ferry 2022), and roles (Ezzamel et al. 2012) to provide different rationalities for action (Thornton et al. 2012), possibly placing divergent and incompatible demands on organizations (Busco et al. 2017). Studies of public sector accounting often find incompatibility between professional logics, such as educational logics, and economic logics (Ezzamel et al. 2012; Kallio et al. 2021; Mkasiwa 2022), resulting in resistance to accounting technologies (Rautiainen et al. 2022). However, studies also show that competing logics can coexist (Reay and Hinings 2009) when actors influence decision-making (Conceição et al. 2023) and that accounting technologies can strengthen professional logics (Bukh et al. 2021).

Whether and how new institutional logics and accounting technologies gain ground depends on their compatibility with existing

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practices (Järvenpää and Länsiluoto 2016). It also depends on the pressures imposed to implement these practices (Brignall and Modell 2000; Mkasiwa 2022; Amans et al. 2015), with accounting technologies, through their technical characteristics, capable of bearing such pressure (Rautiainen and Järvenpää 2012). The relationship is complex. For instance, budgeting can enable specific logics, such as creating certain responsibilities and organizational roles, while simultaneously being used for other purposes based on different logics (Ezzamel et al. 2012). Such changes can influence frontline employees' perceptions of pressure, depending on how the technology is implemented (Guarini et al. 2020).

If pressures are aligned with incompatible demands, it may create tensions. Organizational responses to tensions depend on organizational characteristics (Conrath-Hargreaves and Wüstemann 2019) and how management mediates the pressures (Lepori and Montauti 2020). When tensions arise, the demands of one logic may be openly rejected (Kern et al. 2018) or unwillingly followed as a "necessary evil" (Brignall and Modell 2000, 300). Between the two extremes, the preceding literature identifies practices of decoupling, compromising, and differentiation (Carlsson-Wall et al. 2016; Gerdin 2020; Rautiainen and Järvenpää 2012).

Many accounting studies of institutional logics investigate budgeting (e.g., Amans et al. 2015; Ezzamel et al. 2012; Lepori and Montauti 2020) and performance measurement (e.g., Carlsson-Wall et al. 2016; Knardal 2020; Leotta and Ruggeri 2022). Previous literature on funding schemes has focused on the development of the funding scheme (Aliabadi et al. 2021), the evolution of general funding schemes over time (Ezzamel et al. 2012), and the implementation of funding schemes (Guarini et al. 2020). The FEAWS' funding scheme differs from previously studied funding schemes in that it is time-constrained and based on an additional bonus.

In the article, we address the following research questions: How does performance-funding influence practice? To answer the research question, we have a twofold empirical focus. First, we use institutional logics to focus on the attention of decision-makers, decisions, and the decisions' relations to logics (Järvenpää and Länsiluoto 2016). Next, we focus on the implications of the decisions for organizational and instructional practices in specific situations (Carlsson-Wall et al. 2016). The article's empirical data comprises semi-structured interviews with top management, staff specialists, school managers, and teachers, as well as documents from a large Danish municipality.

This article contributes to the institutional logic-based literature on accounting technologies (Ezzamel et al. 2012; Mkasiwa 2022; Lepori and Montauti 2020) and performance funding (Aliabadi et al. 2021; Guarini et al. 2020) by showing the complexities in how such a reform can influence organizational practice. Specifically, we contribute by showing how tensions and changes derived from performance funding are situational, deriving from organizational translations and the relationship between an accounting technology and decisions enacted into specific situations. Furthermore, the article adds to the conceptualization of situations in institutional logics (Carlsson-Wall et al. 2016) by highlighting how performance measures through decisions are translated into situations as well as how those situations spur new ones. Finally, we contribute by showing the consequences of decoupling and compromising between logics and how these practices can relieve or create pressure situationally.

The remainder of the article is structured as follows: We first develop the article's theoretical framework in Section 2. In Section 3, we present the research setting and methodology. We analyse the article's findings in Sections 4 and 5. We finally discuss the findings and conclude the article in Section 6.

2 | Theoretical Framework

Thornton and Ocasio (1999, 804) define an institutional logic as "the socially constructed, historical pattern of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their reality." This definition encompasses both material practices and symbolic components (Thornton et al. 2012). In organizations, logics signify taken-for-granted beliefs (Lounsbury et al. 2021), values (Ahrens and Ferry 2022), and roles (Ezzamel et al. 2012) to make sense of the world. Logics thereby bring attention to specific issues (Järvenpää and Läsiluoto 2016) and provide templates for means–ends relationships, goals, and, consequently, rational actions (Thornton and Ocasio 2008).

Organizations and individuals can draw on different institutional logics, providing and justifying different organizational practices. This article focuses on two institutional logics: educational and economic. Studied as ideal types, the logics materialize into practice in various ways. Table 1 provides a summary of each logic as an ideal type.

2.1 | The Educational Logic

The educational logic pertains to the norms and practices of education professionals as a distinct form of professional logic (e.g., Thornton et al. 2012). Generally, professional logics provide identities through professional communities that vary across and within professions, such as between academic disciplines (Guarini et al. 2020). These logics are typically related to professional expertise, intrinsic motivation towards service, and qualitative understandings of performance (Kallio et al. 2021). The educational logic specifically views schools and teachers as part of a professional body, with service and student learning as core values. Quality is evaluated by the professional community (Ezzamel et al. 2012).

The ambiguity of basic education's primary technology, that is, teaching, affects the relationship between educational logics and other logics. Teaching is an ambiguous practice with partly uncertain outcomes (Weick 1976). To navigate this ambiguity, the previous literature suggests that schools often organize around shared values, norms, and expectations rather than standardization, rules, and centralized authority (Hautala et al. 2018). In such a setting, Meyer and Rowan (1977) highlighted how teachers attempt to avoid external pressures to protect teaching. The flexible organizing enables individual teachers to adapt to local contingencies while coordinating with their colleagues (Alvehus

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TABLE 1 | Institutional logics as ideal types.

Characteristic	Educational logic	Economic logic
Source of identity	Teaching profession	School as business
Source of authority	Professional membership	School leadership as managers
Source of legitimacy	Professional expertise	Level of performance (quantified)
Source of values	Student learning, service	Competition, growth
Evaluations of the quality of output	Determined by the professional community (qualitative)	Determined by funders (quantified)
Basis of attention	Providing legitimacy, peer judgment	Performance measures
Basis of strategy	Student learning	Achieving additional funding

Source: Adapted from Ezzamel et al. (2012) to the current setting based on Kallio et al. (2021), Lepori and Montauti (2020), and Thornton et al. (2012).

et al. 2019; Meyer 2002). Education institutions achieve this through interrelated, good faith-based managerial practices, for example, avoiding discussions of specific practices, discretion as delegated decision-making and accountability, and overlooking how things might differ from expectations (Meyer and Rowan 1977, 358), thereby insulating teaching.

2.2 | The Economic Logic and Accounting Technologies

The economic logic pertains to market-based norms and practices (Thornton et al. 2012). The focus is on quantitative output or outcome measures and financial incentives to enhance performance (Dobija et al. 2019; Guarini et al. 2020; Rautiainen and Järvenpää 2012). In a basic education setting, economic logic perceives the school as a business with school leaders as managers (Ezzamel et al. 2012). Through these characteristics, the institutional logic is often closely related to accounting technologies, particularly in the public sector (Ezzamel et al. 2012; Conrath-Hargreaves and Wüstemann 2019; Lepori and Montauti 2020).

Accounting technologies are simultaneously representational and intervening. They provide decision-makers with cognitive tools through categories such as cost and quantified performance. For instance, in their study of a football team, Carlsson-Wall et al. (2016) found that managers reacted to situations as represented through a ranking, where the situations depended on the rankings' specific technical characteristics. Concurrently, accounting technologies intervene by creating relations, roles, and responsibilities to change and reshape practices and identities (Järvenpää and Länsiluoto 2016). For example, rankings create distinctions between winners and losers. In such instances of intervention, accounting technologies align with certain logics (Ezzamel et al. 2012; Kelly et al. 2023; Rautiainen and Järvenpää 2012), reflecting and enabling institutional logics in practice.

2.3 | Materialization of Accounting Technologies and Performance Funding

The materialization of a technology into practice depends on its technical characteristics as well as its social implementation, which is influenced by the underlying institutional logic (Gerdin 2020). Amans et al. (2015) uncovered that budgeting could be an informational or negotiation process depending on the stability of the funding situation. Furthermore, Ezzamel et al. (2012) found that devolved budgets introduced economic logic into schools through managerial responsibilities and cost categories, with actual implementation depending on the preceding characteristics of the individual schools. Moreover, they observed that budgeting as a process and political discussion allowed for the influence of other logics. Although typically assumed to be a managerial-level control device, Conceição et al. (2023) showed how activity-based costing serves as a communication tool, co-opted by medical professionals while being resisted by managers. Thus, accounting technology influences organizations differently depending on their social implementation.

As a specific technology, performance funding financially incentivizes improvements by connecting institutions' budgets to performance measures through ordinary funding or bonuses (Aliabadi et al. 2021; Guarini et al. 2020; Ortagus et al. 2020). The measures may include student count (Hasselbladh and Bejerot 2020) or students' test results (Poulsen et al. 2023). Through its technical characteristics, performance funding is aligned with economic logics, with different bases of attention concerning the specific performance measures. Guarini et al. (2020) demonstrated that the implementation of performance funding at an Italian university led to changes in the organization's performance measurement system and its internal resource allocations, which were translated into new measures and incentives through managerial decision-making. Specifically, Guarini et al. (2020) found that the funding scheme's influence on practice depended on both its technical characteristics and implementation.

2.4 | Incompatibilities, Pressures, and Tensions

Institutional logics differ in their compatibility and become incompatible when interpreted to prescribe conflicting demands (Busco et al. 2017), for example, through conflicting demands for teaching practices or divergent worldviews. Organizational change and changes in institutional logics occur through a confluence of diverse factors (Kelly et al. 2023). Although compatibility of values, beliefs, and proposed actions may help in the implementation of technologies to influence practice, incompatibility hinders it (Järvenpää and Länsiluoto 2016). Studies often assume

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that incompatibilities create tensions, which is not necessarily the case unless different institutional logics imply competing pressures (e.g., Knardal 2020; Conceição et al. 2023; Lusiani et al. 2023).

There can be several forms of pressure for different courses of action, and accounting technologies may introduce multiple types of pressure. Sauder and Espeland (2009), for example, found that rankings can create different, competing types of pressures, with only some being coercive, leading to both unwilling and willing compliance. However, some accounting technologies, such as performance funding based on a potential bonus, involve no sanctions and thus exert no direct coercive pressure.

Previous accounting studies demonstrate incompatibilities and tensions between educational and economic logics. Ezzamel et al. (2012) found several conflicts between educational and economic logics, such as in the case of teacher seniority, which is preferable due to increased experience but costly in terms of higher wages. Hasselbladh and Bejerot (2020) similarly show tensions between professional grading norms and financial incentives. Such tensions can result in "teaching-to-the-test," which focuses on improving test results rather than fostering actual learning (Poulsen et al. 2023). Borell's (2019) findings further illustrate the tensions between educational and economic logics among professionals' understanding of individual students' needs versus budgetary requirements.

2.5 | Responses to Tensions

When tensions arise, several different responses are possible. If actors are powerful, they may openly reject (Kern et al. 2018) or ignore (Gebreiter and Hidayah 2019) the demands of an intrusive logic. If pressures are strong, following an imposed logic may become a "necessary evil" (Brignall and Modell 2000, 300). Between these two extremes, the previous literature (Carlsson-Wall et al. 2016; Conceição et al. 2023; Gerdin 2020) highlights practices related to decoupling, compromising, and differentiation. Decoupling entails substantially following one logic while only symbolically adhering to another. It involves practices aimed at shielding one logic, such as protecting an organization's technological core (Meyer and Rowan 1977) by buffering operations from an economic focus (Rautiainen and Järvenpää 2012). Although often presented as an either/or category, Leca and Laguecir (2023) note that decoupling is often neither clean-cut nor monolithic, occurring at different organizational levels.

Compromising entails declining the full adoption of one logic in favor of partial implementations. Chenhall et al. (2013) highlighted how performance measurement systems can represent different demands, providing "compromising accounts" for different stakeholder viewpoints. In later studies, Carlsson-Wall et al. (2016) showed that compromises between logics change between situations constructed from performance measures, allowing for different situational managerial prioritizations. Busco et al. (2017) found that compromising can spur hybridity to create innovation. Compromising implies practices that draw from both logics (e.g., Rautiainen et al. 2022) and entails giving something up to find a balance, for example, when the incompatibility of competing and conflicting institutional logics is balanced, shared, and blended in hybrid settings (Rajala 2020; cf. Vakkuri and Johanson 2020, 17). Furthermore, Leotta and Ruggeri's (2022) findings illustrate that compromising can be unsuccessful if the incompatibility of logics is not alleviated through communication and negotiation.

Lastly, differentiation entails dividing institutional pressures, where a logic exerts only a partial influence, such as when it is mobilized to protect frontline staff. Middle managers are often exposed to divergent pressures from outside demands and staff, accentuating the need to prioritize between the pressures and goals of logics (Amans et al. 2015; Carlsson-Wall et al. 2016; Sundin et al. 2010). Mediating between outside demands and frontline staff, Knardal (2020) found the artistic logic of an orchestra protected from outside financial pressures by managerial strategies connecting and mediating these pressures. Similarly, Mkasiwa (2022) noted that managers protect teachers from experiencing direct pressures related to economic logic. Furthermore, Dobija et al. (2019), in their investigation of how external and endogenous factors influence the use of performance measures in universities, observed that individuals' attitudes towards these measures allowed for different frontline experiences of pressure across an organization.

Tensions and resulting responses unfold at different organizational levels. Guarini et al. (2020) highlight that the implementation of accounting technologies is both an organizational and individual phenomenon, arising from practices at both levels. Conceição et al. (2023) draw attention to how incompatibilities and tensions materialize differently at various organizational levels. Carlsson-Wall et al. (2016, 48) argue that although some tensions can be alleviated at an organizational level, "[t]here will always be situations in which ad hoc compromises have to be made [. . .] to fill the gaps that necessarily exist in any structural strategy." These situations are at least partially determined by accounting technologies and their implementation. As noted by Carlsson-Wall et al. (2016), this is especially the case in ambiguous situations when circumstances change and new situational tensions arise.

3 | Methodology

3.1 | Danish Exit Exams and the FEAWS

The Danish *Folkeskole* (the Danish municipal basic education school) administers a national exit exam that concludes ten years of compulsory education (ages 6–16). Traditionally, the exam results had few consequences for students, teachers, and school managers. However, after Denmark's first participation in the Programme for International Student Assessment (PISA) tests in 2000, poor results intensified formal accountability (Ratner 2020). Successive governments made exit exam results partially determine students' secondary education possibilities and subjected schools to increased municipal or ministerial supervision if they continuously achieved poor results.

Because of persistently unsatisfactory results for low-performing students, the liberal government introduced the FEAWS in

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2016 (DME 2017c). The programme aimed to "increase the incentive to develop new educational methods and create academic progress" (DME 2017a, own translation). The FEAWS was a 3-year programme that began in 2017. In addition to the performance-funding scheme, the FEAWS included a voluntary development initiative that allowed schools to receive support from the ministry's staff specialists at no cost as well as to participate in networks and courses focusing on continuous evaluation and feedback, parent–teacher collaboration, and student-to-student learning (DME 15, 15). The programme selected 127 schools, of which 104 opted to participate. Schools could individually choose how to approach the programme.

The programme selected schools based on a performance indicator that calculated the relative number of students achieving below a grade[1] of "4" over 3 school years (2014, 2015, and 2016) in the subjects of Danish (reading, spelling, written presentation, and an oral examination) and mathematics (written examination with and without aids). The averaged results over the years created a baseline that was used to select 127 schools for the programme. If schools achieved increases of at least threshold values (5, 10, and 15 percentage points) relative to the baseline for the subsequent 3 years (2018, 2019, and 2020), the performance-funding scheme awarded DKK 1.3 million (€175,000), 1.4 million (€182,500), or 1.5 million (€200,000) for fewer than 50, between 50 and 100, and more than 100 graduating students. The funds represented about 5%–8% of a school's regular budget and could finance up to three teachers for a school year (DME 2017b). An average school had two final-year classes with around 22 students each, meaning that the bonus required two or three additional students to improve relative to the baseline, with demands increasing each year.

The programme received extensive media coverage and was heavily debated and criticized by different groups. After the Danish election in 2019, a new government cancelled the scheme a year early. However, the supplementary development initiative continued.

3.2 | The Municipality

We studied a single municipality's reaction to the programme to keep organizational characteristics fixed. In 2018, the municipality had approximately 25,000 students attending 46 public basic education schools. Approximately 5000 school-aged children attended private schools. Seven of the 46 schools were invited to participate in the programme, all seven chose to participate, and about half of them achieved the bonus each year.

The top management team consisted of a CEO and several municipal directors responsible for specific districts. The central administration included staff specialists in various functions, such as HR, accounting, and special projects. To ensure anonymity, we refer to these collectively as "administrators." Each school had a local management team headed by a principal. Principals and vice-principals, which we refer to as "managers," had no teaching obligations, but all had teaching backgrounds supplemented with management degrees.

3.3 | Data Collection

The empirical data consisted of documents and two rounds of interviews, as shown in Table 2. The documents included formal policy-level information issued by the Ministry of Education and publicly available municipal documents, such as quality reports and budget analyses. The policy documents were used to understand the technical specifications of the funding scheme, while the municipal documents provided the context for the participating schools. We conducted interviews during the programme's second and third years, totaling 32 interviews with 27 interviewees, including 7 administrators, 9 managers, and 11 teachers. We avoid referring to practices or statements attributable to specific individuals or schools.

We contacted the administrators and managers in charge of implementing the programme via email. Moreover, we selected teachers whose classes participated in the programme. The first set of interviews comprised seven interviews with managers and seven with administrators. The second set of interviews included interviews with 6 managers, 1 administrator, and 11 teachers from 5 schools. The first set of interviews was conducted during the second school year of the programme (2018/2019), and the second set was conducted during the third year (2019/2020). The interviews with school managers were repeated with a single absence because of organizational restructuring. Teachers were selected from year groups that were both participating in the programme and scheduled to participate in the cancelled year group. Timing the interviews in the third year ensured that the programme affected as many teachers as possible. On average, interviews lasted one and a half hours and were transcribed, totaling approximately 1000 pages.

The interview guides were semi-structured (Brinkmann and Kvale 2015). The first round of interviews focused on interviewees' initial impressions of the programme, the school's decision to participate, selected initiatives, and the perceived consequences. The second round of interviews examined changes in approach and perception since the first round, the programme's influence on everyday practice, perspectives on implementation, and perceived consequences. Interviewees' interpretations were probed with examples from the programme's news coverage and other interviews. The second round of interviews took place after the performance-funding scheme's cancellation, allowing for an assessment of the programme's influence after the financial incentive had disappeared.

3.4 | Data Analysis

The preliminary analysis started with concept coding (Saldaña 2016) in NVivo. We coded decisions, practices, and consequences related to the programme according to educational and economic logics, as presented in Table 1, similarly to the approaches of Ezzamel et al. (2012) and Lepori and Montauti (2020). Educational logic was coded based on, for example, qualitative performance understandings, student learning as well as educational excellence, and challenges. It included statements on professional practices, goals, and attention to students' learning outcomes. Economic logic was coded according to budgets, costs, financial performance, and competition for quantitative

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TABLE 2 | Overview of interviewees.

Position	Interviewee position and number	Interview set	Interview duration
Administration	Administrator#1	2018/2019 and 2019/2020	1 h 45 m and 1 h
	Administrator#2	2018/2019	45 m
	Administrator#3	2018/2019	1 h 15 m
	Administrator#4	2018/2019	1 h 15 m
	Administrator#5	2018/2019	1 h 30 m
	Administrator#6	2018/2019	1 h 15 m
	Administrator#7	2018/2019	1 h 30 m
School management	Manager#1	2018/2019 and 2019/2020	1 h and 1 h
	Manager#2	2019/2020	1 h 45 m
	Manager#3	2018/2019 and 2019/2020	1 h 45 m and 1 h 30 m
	Manager#4	2018/2019 and 2019/2020	1 h 45 m and 1 h 45 m
	Manager#5	2018/2019 and 2019/2020	1 h 30 m and 1 h
	Manager#6	2018/2019	1 h
	Manager#7	2018/2019 and 2019/2020	2 h 15 m and 2 h
	Manager#8	2018/2019	2 h
	Manager#9	2018/2019	2 h
Frontline teachers	Teacher#1	2019/2020	1 h 30 m
	Teacher#2	2019/2020	1 h
	Teacher#3	2019/2020	45 m
	Teacher#4	2019/2020	1 h 15 m
	Teacher#5	2019/2020	1 h
	Teacher#6	2019/2020	1 h 15 m
	Teacher#7	2019/2020	1 h 30 m
	Teacher#8	2019/2020	1 h 15 m
	Teacher#9	2019/2020	1 h 45 m
	Teacher#10	2019/2020	1 h 30 m
	Teacher#11	2019/2020	1 h 30 m

performance measures. This included statements about the scheme, its achievements, practices to achieve them, and attention to economic outcomes. From these codes, we explored various incompatibilities, pressures, and tensions between the two logics, categorizing the empirics into multiple situations through the codes and thorough re-readings of the transcripts (Figure 1).

With respect to the situations, we analyzed the types of reactions presented in Section 2.5, categorizing them as decoupling, compromising and differentiating between acceptance and rejection. We then grouped the situations into different types. From this, situations emerged as particularly connected, important, and illustrative: The administrators' decision-making concerning the programme, the two sets of managerial practices to be presented below, the embracing and skeptical managerial practices, and the four resultant situations arising from these practices. A draft of the article was shared with interviewees for reactions and comments to achieve a credible and authentic understanding (Parker and Northcott 2016).

4 | The Perceptions of the Funding Programme

4.1 | Setting the Scene: The Education Logic

The educational administration envisioned "an ambitious mission to achieve the best results for all students. We want them all to succeed" (Administration#3). Managers likewise stated that "the administration wants us to help all students" (Manager#8). Several interviewees noted the educational administration's relative autonomy from the political level. School managers, principals, and vice-principals were similarly given discretion in areas such as staffing, organizing resources and curriculum.

The central administration influenced the schools through ongoing dialogues. Performance indicators, including parent satisfaction, academic performance, and social well-being, were particularly important in the dialogues. The administration focused on multiple indicators of "not just academics but overall

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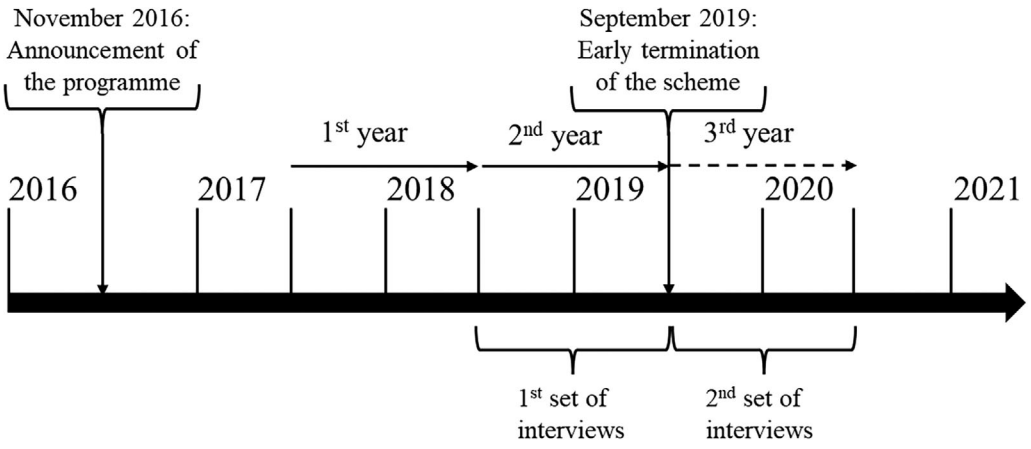

FIGURE 1 | Timeline for the FEAWS and interviewing.

competencies, health and student well-being and satisfaction" (Administration#1). As one manager recounted:

> [The administration] doesn't tell us something like, 'Now you have to improve on this student group!' or that they will take more control [if we don't improve]. […] During meetings, we consider our results and agree on something. Maybe we can strengthen parent-teacher relations? Then that's it. (Manager#7)

Thus, when the FEWS was introduced, the point of departure was that managers decided how to approach the program. One manager explained that

> The municipal council owns us […], and the administration communicates the council's demands. But they don't really influence the day-to-day running of the schools. That's the school managers' responsibility. […] We put [policy] into practice. (Manager#1)

Ambitions and policies relate to academic and more vague overall national goals, for example, fostering well-rounded, democratically oriented citizens (DME 2023). However, individual schools were exposed to the economic logics: The municipality funded them through student count-based budgets, creating competition to retain students. As one manager noted:

> Nearby, we have private schools and some public ones. There is a lot of competition for our students, challenging our enrolment numbers and funding. […] Parents can leave if they are unhappy. (Manager#3).

4.2 | Introducing the Scheme's Economic Logic

After the ministry announced the schools selected for participation in the FEAWS, administrators arranged a meeting between relevant staff specialists and the managers from schools selected by the programme. At this meeting, financial incentives, development initiatives, and the programme's connection to municipal projects were discussed. All agreed that low-performing students needed additional help.

Administrators perceived the programme as a new level of ministerial involvement. The ordinary practice was derived from "the arm's length principle: Parliament legislates, and we interpret and implement that legislation" (Administration#6). In other words, municipal politicians and administrators translated legislation into local practice. The programme "sidestepped the municipal administration and the city council" (Administration#6) to influence individual schools. In the specific case of the programme, a political-level decision mandated participation for the municipality's schools. Besides this, no political interference occurred with the programme in the municipality.

Administrators largely avoided the programme. In addition, one administrator explained that "this is not something that we, as the administration, have followed closely. The schools are quite autonomous, and it's been part of that local discretion" (Administration#1), aligning with ordinary practice. On the basis of the initial meeting, administrators emphasized that

> [We] as an administration have kept our distance. […] There are numerous competing agendas in the municipality. This one hasn't come to dominate. We have been updated on an occasional basis, but it's not been on [our or] the local politicians' agenda. (Administrator#2)

The administrators did not expect the programme to receive much attention at the schools. As one stated

> Fundamentally, we [educational professionals] think that everything would be better if we were just left alone [from outside interference]. […] [Educational professionals] are extreme in their aim for autonomy […] [and] try to evade centralised accountability. (Administration#6)

The administrators believed that teachers would find financial incentives "incongruent with the purpose of the *Folkeskole*"

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(Administration#1), since "the ambition must be that students learn, not that the school achieves the bonus" (Administration#7). The municipal administrators thus perceived an incompatibility between the educational logic and the scheme's economic logic.

Managers and teachers diverged in their interpretations of the programme into two sets. One set saw some potential pitfalls but no necessary incompatibility between the programme's requirements and educational logic. For example, the programme's incentive could be "some of the right stuff. Today, we don't think that improvements require simply more colleagues and more resources. This could shake up educational organisations" (Manager#7), conflicting with a traditional view of the requirements for educational performance. In addition, one manager perceived the scheme as "a lever to strengthen our continuing efforts [to emphasise academic results]" (Manager#6), a general professional goal and part of the organizational ambition. Like-minded teachers noted how the programme was "overall beneficial with the prize money" (Teacher#7), and that it was "nice to have a carrot consisting of something you can use at the school during a process [towards achieving improved student results]" (Teacher#5).

Another set of managers and teachers was skeptical, aligning with the administrators' beliefs. They saw the financial incentive as incompatible with the educational logic. The incentive implied that increased student learning was previously possible through financial rewards, which conflicted with self-perceptions of already being highly motivated. For example, one manager stated that their "first impression was that it was rubbish, and nobody thinks this could benefit students" (Manager#1). Furthermore, teachers noted that "rewarding money wasn't particularly appealing" (Teacher#2) or even "somewhat repugnant" (Teacher#11).

5 | Resultant Situations

The managers had considerable discretion in their implementation of the programme. On the basis of the two sets of interpretations of the programme, we correspondingly identified two sets of decisions and enactments by managers. The first group of managers with positive perceptions of the programme (embracing managers) engaged in compromising practices. They did not perceive the threshold focus as inherently different from a general focus on students who needed special attention. In turn, they embraced the scheme by making it prominent and explicitly implementing new practices to achieve the bonus, aligning with the scheme's focus without conflicting with ordinary practice. At schools with embracing managers, the threshold was central during meetings between management and teachers, and the progress of the student group in relation to the threshold was continuously projected.

In practice, the projections of student performance influenced managers' resource allocations to prioritize exit classes and specific students. If teachers noticed something negatively affecting the academic performance of individual students, they relayed the results to management, which then

> […] led to a dialogue with the teachers and the allocation of additional resources. I think numbers can be dangerous, but obtaining some numbers on this made it a tool for the teachers. They could approach us to express the need for something extra. (Manager#3)

Other projects also had to be prioritized, but the projections were a negotiation device in the dialogue between teachers and managers when prioritizing certain students through the programme. As another manager noted, "We focused our efforts on the [exam classes]. […] [This focus] could've been beneficial elsewhere. The others aren't less important, but naturally, the bonus grabs your attention" (Manager#4). Thus, the implementation of the programme compromised other potentially valuable uses of resources, at least partially, to achieve the bonus.

The second group of managers with more skeptical perceptions of the programme (skeptical managers) sought to reject it. They often engaged in decoupling practices by participating in the programme yet largely ignoring it in their daily practices. Thus, the skeptical managers first outwardly rejected and then ignored the scheme, participating only in what they were formally required to do. Some teachers chose to participate in the development projects initiated by the Ministry. The managers' schools implemented several new practices to help students, which were explicitly stated not to be aimed at achieving the bonus. The FEAWS' performance indicator:

> […] wasn't random or something we can't influence, but it's 'endpoint data': It sets an overall focus that isn't useful in the daily grind! It doesn't tell us what specific students need. […] We're on board with the development project and the focus. The bonus? That we park somewhere else. (Manager#5)

The indicator focused on low performers, bringing attention to the issue; however, it was not part of the general focus on performance measures and the dialogue surrounding explanations. As such, the managerial practices in relation to the indicator significantly differed between the two groups.

All teachers perceived that performance was improving through the new efforts. Many of the new initiatives were specific to individual schools and derived from the Ministry's development initiatives. For example, one teacher noted that materials and courses were "well-planned and easily accessible. You don't have to spend time inventing anything. It's a slam dunk for your daily teaching" (Teacher#5). Among the initiatives typically implemented was the substitution of the traditional instruction-free reading time before exit exams with teaching at school premises under the supervision of teachers.

Furthermore, most schools adopted some version of teaching-to-the-test, where teachers taught test situations and grading conditions. Teaching-to-the-test was also used extensively during intensive learning programmes, where teachers removed selected low-performing students from regular classes for individualized tutoring. For teachers and managers, teaching-to-the-test was an

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ambiguous practice: necessary but possibly excessive. A teacher reasoned:

> [Teaching-to-the-test] is intended to allow [students] to demonstrate all that they can do. […] With or without the scheme, teachers almost have a duty to inform students about how [tests are set up], and that they shouldn't do [specific exercises] because they have shown me that they can't do them well over the last couple of years. I think that's almost a duty. (Teacher#7)

A manager further elaborated:

> Teaching-to-the-test is something you can't avoid in a 9th-grade context. The exit exams are the end goal. But we should not turn it into rote learning! We must teach them strategies they can use later. (Manager#9).

Through compromising and decoupling practices, managerial enactments of the programme differed. Although the changes in teaching practices were similar, the changes differed particularly in intensity between the two groups of managers. Embracing managers' compromising implementation was generally more intense, explicitly aimed at achieving the bonus. Similarly, when the funding scheme was cancelled, the embracing managers stopped focusing on the threshold. In contrast, the skeptical managers reacted by paying less attention to the exam classes and participating less in the development initiatives.

The managers were allowed to decide how to approach the programme. To analyze how different institutional logics were mobilized in explaining the decisions and their consequences, we have identified four resultant situations with different incompatibilities of logics, pressures, and tensions, as represented in Figure 2.

5.1 | Situation 1: Pressure and Ambiguous Practice

The first situation derived from skeptical managers' managerial decoupling. The skeptical managers expressed their views about the programme when it was initiated, expecting teachers to share similar opinions. This implementation had implications for material practice, teachers' possible experiences of pressure, and tensions between the logics. One teacher noted a marked difference between their skeptical manager and others:

> Our management is old-school. When we're at the courses, I see managers […] who use [the programme] a lot. We must do it ourselves. […] Leaving the courses, we're full of great ideas. Three or four weeks later? We haven't done anything. (Teacher#8)

Here and in similar statements, "old-school" management entailed rejecting financial incentives and not prioritizing resources for the development initiatives, an example of skeptical managers' less intense implementation. Another teacher mentioned that despite participating in the programme:

> We still needed to decide how to approach low-performing students at our school. Some know what to do – others don't. We need some common practice. […] I hope we can get back on track to accomplish this. Both the cancellation and COVID have affected this. (Teacher#3)

We cannot determine the opportunity cost of implementing the programme, as attention directed elsewhere might have led to better performance, but the teachers noted that the potential was higher than what was achieved.

Most teachers at the skeptical managers' schools ignored or knew little of the programme. However, some felt pressure to achieve the threshold anyway. Not reaching it would make them "look like bad teachers […] [making] you question whether you're teaching them well enough to raise them as much as you should" (Teacher#8). For these teachers, the threshold established a performance expectation, quantifying what a teacher should be able to accomplish. Teacher#8 elaborated that "our management has been very clear about wanting us to do deliver high-quality work and that they have our backs. […] There's no pressure from management. It is not coming from the school" (Teacher#8).

The pressure had implications for teaching practices. It could mean that

> You decide to do something with the best intentions, yet you end up harming students. It would be naïve to think you don't […] sometimes steamroll students while believing you're helping them. […] We worry: 'Do we guide them too much? Is this going to help them in the long run?' (Teacher#8)

Guiding here indicated teaching-to-the-test, which the teachers perceived as an ambiguous practice. The pressure from the economic logic of the programme could induce an excessive amount of teaching-to-the-test, aiming to "help" measured at a cost actual performance. Even if higher grades meant more opportunities for students, excessive teaching-to-the-test could be a disservice from the viewpoint of the educational logic, for example, when students "lack the basic skills necessary [to succeed] […] they don't live up to the expectations of the educational institution or their own expectations" (Teacher#4). The situation demonstrated the incompatibility between the educational logic and the pressure-induced practice driven by economic logic. These tensions were only perceived by a subgroup of teachers, and they were overlooked by managers.

5.2 | Situation 2: Pressure and Compromising

The second situation derived from compromising managerial practices. Although the managers adhered to the economic logic, which might have been expected to increase its pressure, the practices achieved the opposite: compromising managerial practices achieved compatibility. Teachers' experiences initially mirrored Situation 1 but changed over time. One teacher explained how

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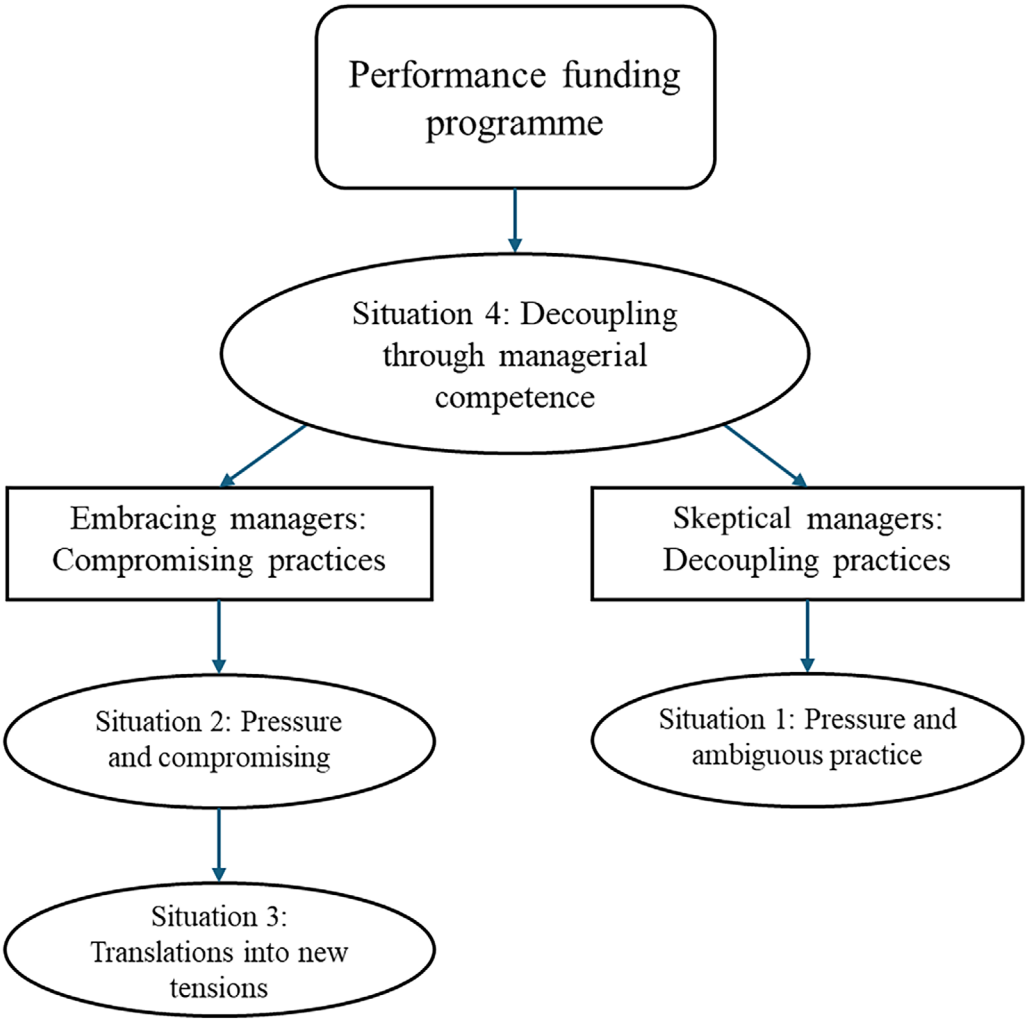

FIGURE 2 | The programme's pressure and related decisions, practices, and resultant situations. [Colour figure can be viewed at wileyonlinelibrary.com]

> At first, we were genuinely worried that we wouldn't achieve the thresholds […] because we felt it was our responsibility. But I think we created a sense of confidence because we turned out in strength. We were determined to achieve the thresholds together. (Teacher#1)

"Turning out in strength" represented management prioritizing the programme. On this, one manager commented:

> We feel like competitive people. We've looked at the percentages and tracked their progress throughout the year. […] We did that because we're hungry for that [bonus]. We've [had many manager-teacher discussions] on what it would take for this specific student to achieve [the right grade to accomplish the threshold]. (Manager#4)

Managers used the information relayed by teachers to create projections that translated the threshold into numbers related to specific students as a derived figure. If teachers saw issues, managers would, as far as possible, allocate the necessary resources to alleviate them. This influenced implementational intensity and shaped teachers' experiences of pressure, as reflected in the teacher's quote above. Another teacher noted that management overtly wanted the bonus while maintaining that "I don't feel we're focusing our teaching on something unusual because of the scheme" (Teacher#5). Thus, although management explicitly wanted to achieve the thresholds, it helped ensure that teachers did not feel pressured or experience any incompatibility between logics.

The compromising managerial practices ended with the cancellation of the scheme. The teaching practices continued. This aligns with the managers' general perception that the actions were consistent with the educational logic to achieve the best possible results for both students and the scheme. Compromising occurred in the practices between managers and teachers rather than in the teaching itself. The tension from Situation 1 was, as

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such, not present; however, Situation 2 introduced a new tension in Situation 3.

5.3 | Situation 3: Translations Into New Tensions

The third situation derived from Situation 2, materializing a new possible tension between educational and economic logics. Because of the projections, compromising managers knew if individual students needed specific grades to meet the threshold, thus enabling cheating. Grade negotiations during exams became part of the ambition to secure the best possible grades for students. With knowledge of the projections, teachers could strategically cheat by arguing only for the grades that would affect the performance indicator. One teacher explained:

> […] to play our cards right, we shouldn't argue for the top grades, but only for the ones we need, making negotiations [with the external examiner to influence grading] easier. […] I had a student who needed a particular grade for us to achieve the bonus. I could hear from the start that [the student] wasn't going to get [it]. When the external examiner argued for the grade below, well, that was it. […] It's essential that we respect the rules of the game […] [but] as a teacher, you obviously want to do everything you can to achieve the bonus. […] We must ensure that grading is fair to the students' performance. But we had the talk [about strategies to influence grading]. (Teacher#9)

As in Situation 1, the quote indicated some use of the threshold to understand the teacher's own performance in a way that contrasted with the ordinary, more qualitative approach, that is, the educational logic. In this situation, the teachers felt pressured to cheat by changing practices to increase quantitative performance. They simultaneously noted its incompatibility with the educational logic, which mandated negotiating on behalf of all students and not just those receiving attention from a funding scheme.

The pressure in this situation, that is, the temptation to cheat, derived from the scheme as well as the programme's translated situational form. This pressure emerged through the scheme's managerial translation into projections, creating new numbers, and managers sharing these numbers. The situation thus derived from the scheme's technical characteristics and social practices. It occurred during the programme's first year. The manager and the teachers collectively decided that the projections would not to be shared during the second year. In doing so, the managers engaged in a differentiation practice, aiming to ensure that the pressure did not affect the teachers in the specific potential situation.

5.4 | Situation 4: Flexibility Through Managerial Competence

The fourth situation derived from the administrators' decision-making. The administrators believed the performance-funding programme was ignored. Several stated that it would require administrators' involvement for it to have an impact, also noting that "I haven't used it. […] I don't think it's made a difference" (Administration#3). This expectation differed from the schools' material practices, with the discrepancy largely overlooked.

Administrators believed the programme influenced other municipalities' practices. Their suggested hypotheticals included excessive teaching-to-the-test, which they regarded as incompatible with educational logic. One administrator reasoned:

> [Teaching-to-the-test is necessary when] it increases learning, teaches you how to approach assignments and be persistent and things like that. […] [But] teaching aimed at students knowing how to achieve a [grade of] 4 – what can the students do with that? (Administration#3)

Thus, administrators similarly saw teaching-to-the-test as an ambiguous practice. Another administrator explained that if done to achieve the bonus, "teaching-to-the-test means you neglect something else" (Administration#4). Neglect was "the danger of a financial incentive […] you forget it was created to support a nobler purpose" (Administration#5).

The hypothetical practices illustrate that the administration evaluated schools' practices as tensional. It indicated a tension among different materializations of educational logic, made possible by school managers' allowed flexibility in their implementation of the programme. However, administrators did not see this as an issue. As one administrator put it:

> It's my normative assessment that such [practices] don't achieve anything [worthwhile]. They could also be solid work of high quality. […] I don't believe [excessive teaching-to-the-test] is happening here. I have too much faith in our system. […] My managers are extremely competent. They'll toil on for their students as always, no matter what. (Administration#5)

This quote and others showed a firm belief in managers and their allowed autonomy. It highlights the administrators' focus on specific managers in their practices regarding earned autonomy. Handling the scheme and its pressure was

> […] a school management task. They get our support, but it's their responsibility. My managers respond to the needs of the students they have […] and do what they believe is appropriate. I think that's okay. […] Some managers are great at this. Others are not. With my knowledge of the managers in question, I believe they have considered [the scheme's] pitfalls. (Administration#7)

Others concurred, for example, "good managers know how to approach [the programme]. […] It's the bad ones who don't" (Administration#6).

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Allowing managerial discretion required "good" managers. Scoping them depended on performance measures. As one administrator stated, "I use our indicators, where I want to see continuous progress. [. . .] On these indicators, the [participating] schools are performing well. I can see other [non-participating] schools performing below expectations" (Administration#4). The above illustrates a belief in managers' professional competence shared across administrators, but it also demonstrates the requirements and limits of this belief. Even if teaching practices could *prima facie* be interpreted as incompatible with educational logic, this was not enough to challenge the school managers' earned autonomy.

As managers and teachers generally appreciated the new practices implemented as a result of the programme, they noted that these practices should be disseminated across the municipality. Some managers sought to do so through informal networks; however, the initiatives became low priority without support from the administration. This could also affect participating schools when new projects would eventually divert attention. One manager explained, "If schools have challenged budgets, they stop their efforts. [. . .] I think they're allowed to do so by the administration, and that's a shame" (Manager#7).

6 | Discussion

The managers enacted the programme through divergent interpretations and managerial practices depending on the perceived compatibility between educational and economic logics, that is, whether the incentive was perceived as compatible with educational practice. Similarly, Ezzamel et al. (2012) found that carryforwards could be perceived as securing funding for future student learning or as conflicting with the aims of teaching by "promo[ting] a preference for having healthy bank balances to caring for pupils" (Ezzamel et al. 2012, 297). Although Ezzamel et al. (2012) studied budgeting practice from a managerial perspective, we include the implications to teaching of the divergent interpretations.

In the analysis, we initially identified two groups of managers based on their perceptions of compatibility. The managers' interpretations of the FEAWS instigated variations in changes to teaching practices. The embracing managers used the funding scheme when communicating and prioritizing, creating new managerial practices through projections of student performance. In contrast, the skeptical managers ignored the notion that teaching practices were altered due to the funding scheme, emphasizing instead that they remained fundamentally unchanged. All schools were inspired by the development initiatives, and similar new teaching practices were initiated. In the analysis, we identified the four resulting situations presented in Table 3.

6.1 | Pressure From Performance Funding

Prior research (Ezzamel et al. 2012; Mkasiwa 2022; Rautiainen and Järvenpää 2012) studied economic pressures that coercively influence organizations through changing resource environments or government reforms, such as funding arrangements. Furthermore, the previous literature found that if the pressure

TABLE 3 | Summary of the findings' situations.

Situation	Derived from	Enacted material practice	Compatibility between logics
(1) Pressure and ambiguous practice	Schools' allowed autonomy, managerial decoupling practices	Managerial rejection of the performance-funding scheme Less intense implementation	Tensions between educational-economic logics
(2) Pressure and compromising	Schools' allowed autonomy, managerial compromising practices	Managerial embrace of the performance-funding scheme More intense implementation	Managerial compromising practices creating compatibility between educational-economic logic
(3) Translations into new tensions	Managerial compromising practices	Translating threshold into new numbers Sharing numbers with teachers	Tensions between educational-economic logic
(4) Earned autonomy through managerial competence	Schools' allowed autonomy, school-level enactments diverging from administrational expectations	Schools' practices unexpected to administration Earned autonomy through performance indicators	Possible tensions between materializations of educational logics

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is coercive enough, implementation can become a "necessary evil" (Brignall and Modell 2000, 300) or enforced (Gebreiter and Hidayah 2019), even if it is incompatible with prevailing professional practices. As presented above, the pressure from the performance-funding scheme became enacted differently in the four situations.

The divergent interpretations manifested in Situations 1–3 highlighted the tensions and the incompatibility between educational and economic logics. Situation 1 resulted from managers' decoupling, that is, symbolically implementing the program. This allowed teachers to ignore the scheme, whereas some felt pressured to achieve thresholds. Situation 2 saw compromising managers substantially implement the performance-funding scheme through prioritizations and projections, alleviating the tension that arose in Situation 1. Finally, Situation 3 demonstrated how the managers' compromising practices allowed teachers to strategically influence grading through projections and that teachers felt pressured to do so, reintroducing tensions between the educational and economic logics.

The three situations illustrate the basic incompatibility between the logics and demonstrate that remediating one situational tension unintentionally creates another. They also highlight how the pressure from the scheme derived from its technical characteristics and the managers' enactment of institutional logics. Carlsson-Wall et al. (2016) showed how situational tensions between logics can derive from the representational qualities of technologies. We contribute to the accounting literature based on institutional logics by extending and advancing this finding. We demonstrate the importance of managerial enactments for the materialization of tensions based on accounting technologies, highlighting how both the technical characteristics and interpretations of these characteristics become translated into enacted practice through organizational layers. Furthermore, the findings and theorizations outline how resolving one tension through compromising and decoupling can create new situational tensions.

Ahrens and Ferry (2022) argued for the important relationship between logics, values, and accounting. We add to this by showing that the relationships between valued outcomes and accounting technologies can relate to different interpretations and materializations of the relations between logics. Specifically, we show this relationship for embracing managers and in Situation 1, but how it is absent for skeptical managers. Additionally, we highlight the implications of these differences in the resultant situations.

A typical finding in the literature is that of manipulation (e.g., Conceição et al. 2023; Sauder and Espeland 2009). In the basic education setting, this is typically in the form of teaching-to-the-test (Poulsen et al. 2023). We show how other responses are possible. Meyer and Rowan (1977) emphasized that teachers respond in good faith when noting perceived improved performance, rather than engaging in gaming to achieve outcomes such as higher scores. We add to the understanding of these types of actions by showing that good faith approaches are central to compromising behavior of embracing managers.

In addition to this, we demonstrate how teaching-to-the-test is an ambiguous practice with divergent interpretations that draw on different institutional logics. Teaching practices involve complex causal relationships (Meyer 2002; Weick 1976), which is why local teachers are often allowed flexibility in how to respond (Meyer and Rowan 1977). The administrators' decision to grant school managers discretion over the programme allowed for Situations 1–3 to evolve. This also led to Situation 4, where a conflict emerged between administrators' expectations and the actual implementation, as managers' and teachers' practices were perceived to be incompatible with the administration's materialization of educational logic. The hierarchical divergence highlights a possible tension caused by schools' autonomy that did not materialize due to a certain belief in good faith.

The flexible school organizing differs from Meyer and Rowan's (1977, 357) proposition that professionals in such organizations reject all but ceremonial inspection, evaluation, and control. We find that the belief in good faith is reinforced by performance management practices in the dialogue between top management and managers. We also find that managers individually earned their assumed good faith through these interactions. Brignall and Modell (2000, 290) suggested that Meyer and Rowan's (1977) proposition overlooks the distinction between performance measurement for outside legitimacy and internal control. Although the performance measures used in the dialogue were publicly available, for example, through quality rapports, they were mainly part of the internal managerial practice. Thus, the findings strengthen the point made by Brignall and Modell (2000) while further demonstrating the importance of earned good faith.

Similar to our findings, Hasselbladh and Bejerot (2020) and Borell (2019) found tensions arising from economic pressure conflicting with educational logic. In both cases, the tensions were unsolvable through compromises, as the conflicting practices could not both be implemented. In this context, both cases present more coercive pressures on practice. Tighter rules through a hierarchically tighter controlled organization, in our case, would have led to all managers practicing decoupling as expected by the administration. As Situation 1 was derived from managerial decoupling, a tighter organizational structure with less school autonomy could counterintuitively materialize more unseen tensions through more teachers feeling pressured to excessive teaching-to-the-test.

Kern et al. (2018) showed that power was an important antecedent of decoupling, whereas Rautiainen et al. (2022) similarly demonstrated that rejection may depend on the skeptical attitudes of managers. We find that the skeptical managers took advantage of situations where decoupling was accepted by the administration. However, like compromising (Leotta and Ruggeri 2022), the specific case has revealed that decoupling was unsuccessful because the teachers recoupled (Leca and Laguecir 2023) due to their experienced pressure. These findings contribute to the accounting literature on decoupling (Kern et al. 2018; Leca and Laguecir 2023; Carlsson-Wall et al. 2016) by demonstrating how decoupling can create rather than mediate tensions between logics.

6.2 | Limitations and Further Research

The results of this article have limitations. Institutional logics are challenging to discern, and there are several approaches to

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their analysis. We followed Ezzamel et al. (2012) and theorized logics as ideal types, but other logics could influence practice, such as governance logic, as also demonstrated by Ezzamel et al. (2012). However, the two logics studied were the most salient in the situations presented in the findings. A more involved political level could have introduced a third logic.

As described in Section 3.4, other situations were present in the empirics as well; however, the situations presented in the findings emerged as the most evocative of the logics, pressures, and tensions. Considering the temporary nature of the performance-funding programme and the brief study timeframe, a more extended examination of the practices following the termination of the FEAWS could more clearly relate actions to the presence of the programme. Still, our findings show how performance funding led to various new practices and indicate how changes could become part of ongoing practice. Future studies could explore the long-term implications of time-limited accounting technologies, investigating whether the induced practices become institutionalized over time.

Similarly, the situations occurred in a single location—the selected municipality—among the several participating municipalities. The size of the municipality could influence the findings differently, for example, a smaller location with less diversity of practices or individual schools with fewer financial resources to implement new initiatives. However, the analysis of the data did not indicate that specific characteristics of the municipality influenced the theoretical interpretation of the data.

As the findings are derived from basic education, our results may be context-specific, reducing transferability. Specifically, basic education represents a context where resistance to change is often prevailing. Further studies could investigate the effects of pressures in contexts such as health care, where policy often fails to achieve its intended results (e.g., Conceição et al. 2023). In the analysis, we have argued that managers' allowed flexibility played a role when interpreting the findings. Thus, other accounting technologies that induce pressure could be studied in organizations that are more hierarchical and less flexible to further investigate how different contexts influence the effects of pressures.

The technical characteristics of the time-limited performance-funding scheme based on exam results may represent a qualitatively different outcome-based measure compared to what is possible in other contexts, potentially introducing other types of decisions and thus situations. Nonetheless, we expect that the findings and theorizations of translated pressure will allow for theoretical generalizability across different settings (Parker and Northcott 2016), offering insights that extend beyond the boundaries of this single study. As both managerial decoupling and compromising had unintended consequences, the findings demonstrate the importance of a nuanced understanding of pressures' translations. We have highlighted an important part of middle managers' translation of policy into practice as a continuous effort. In our case, the managers already had experience with economic logics. Further studies could investigate whether, for example, managers' experience with managing tensions between professional and economic logics could influence how they handle such tensions over time.

The findings have implications for the effectiveness of policy implementations. By demonstrating how the translation of financial incentives through organizational hierarchies influences the organizational practice, we draw attention to the importance of managerial interpretations. We also show how a policy can be enacted through distinctly different practices. Funding schemes based on voluntary participation thus present a kind of soft implementation tool that can induce intended changes in settings that are at least partially resistant to change.

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Data Availability Statement

The authors have nothing to report.

Endnotes

[1]The Danish numerical grading scale is comparable to the European Credit Transfer and Accumulation System with five passing grades: "02" (E), "4" (D), "7" (C), "10" (B), and "12" (A) as well as two failing grades: "−3" (Fx) and "00" (F). The grade "4" indicates a fair exam performance with major weaknesses and some command of the relevant material (DME 2007).

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