

Trust-Based Leadership in the Making

Implementing a Trust Reform through distributed leadership

Bentzen, Tina Øllgaard; Jagd, Søren

Publication date:
2014

Document Version
Early version, also known as pre-print

Citation for published version (APA):
Bentzen, T. Ø., & Jagd, S. (2014). *Trust-Based Leadership in the Making: Implementing a Trust Reform through distributed leadership*. Paper presented at 8th FINT/EIASM Conference on Trust Within and Between Organisations , Coventry, United Kingdom.

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain.
- You may freely distribute the URL identifying the publication in the public portal.

Take down policy

If you believe that this document breaches copyright please contact rucforsk@ruc.dk providing details, and we will remove access to the work immediately and investigate your claim.

Paper for the 8th FINT conference on
Trust within and between organizations,
Coventry, UK, Nov. 5-7th 2014

First Draft – Please do not quote!

Trust-Based Leadership in the Making

Implementing a Trust Reform through distributed leadership

Tina Øllgaard Bentzen and Søren Jagd, Roskilde University, Denmark¹

Abstract

In spite of the popularity of trust-based leadership in consultancy and popular management writings empirical research on the transformation from traditional top-down to trust-based leadership is still limited. In this paper we study the implementation of a trust-based leadership reform in the City of Copenhagen taking place since 2012. We focus on understanding the trust dynamics in this major transformation. We show that the implementation of trust-based leadership should be seen as an emergent process involving a variety of actors within the organization. The case study reveals that the Trust Reform may be seen as a process involving multiple actors contributing to the implementation in diverse ways. The Trust Reform is a complex and fragile process giving rise to radical changes in roles and competences needed for leaders and for employees at different levels in the organization. The study also indicates that the implementation of a radical management reform involves a complex interplay of trust relations between actors at multiple levels of the organization.

¹ e-mail: tinaob@ruc.dk & jagd@ruc.dk

Introduction

Trust-based leadership has increasingly been suggested as a leadership approach answering the management problems in public sector organizations following the negative effects of new public management approaches which is found not to produce the employee commitment and innovativeness needed. In spite of the popularity of trust-based leadership among consultants and popular management writers (Armour, 2007; Covey, 2006; Covey, 1999; Ludwick, 2005; Ricci, 2006; Sprenger, 2004) (Covey, 2006, 2012) (Mishra & Mishra, 2013) empirical research on the transformation from traditional top-down to trust-based leadership is still limited.

In this paper we study the implementation of a trust-based leadership reform in the City of Copenhagen taking place since 2012. We focus on understanding the challenges this major transformation of management approach poses for the stakeholders involved: politicians, officials, leaders, employees and unions. The paper seeks to answer the following research question:

How does trust-based leadership transform roles and competences among internal actors in the City of Copenhagen?

In the paper, we show that the implementation of trust-based leadership should be seen as an emergent process involving a variety of actors within and at the borders of the organization. Thus, far from being a mechanical implementation of a fixed model of leadership the case study reveals that the Trust Reform may be seen as a process involving multiple actors contributing to the implementation in diverse ways. The Trust Reform is a complex and fragile process giving rise to radical changes in leader roles and in the competences needed for leaders and for employees at different levels in the organization. In this sense multilevel trust are an important facilitator and inhibitor for the gradual development of the trust reform. Time is also a crucial factor since it takes time exploring, understanding, changing roles and acquiring new competencies.

Previous research on trust and leadership has brought important insights on the antecedents and the outcomes of trust in leaders (Dirks and Ferrin 2002)(Burke et al. 2007) as well as on the dynamics of trust in leader-follower relationships (Scandura and Pellegrini 2008). A limited number of studies have explored the organization-wide processes of distributing (parts of) leadership and trust within the organization.

In this paper we focus on the transformation from a 'traditional' low-trust organization to a high-trust organization. The study explores the complex dynamics of trust in the distributed leadership processes forming part of implementing a radical change in management approach. While these processes involve trust in leaders and trust in leader-follower relationships this study reveals that the implementation of a radical management reform involves a complex interplay of trust relations across multiple levels of the organization between different stakeholders.

The paper is structured as follows. First, we review earlier literature exploring aspects of the transformation from low-trust to trust-based leadership. Second, we present the case study, the trust reform in the City of Copenhagen. Third, we present the methodological considerations. Fourth, we describe and analyse the transformation of management in the City of Copenhagen and explore the challenges faced by the actors at different levels during the transformation process. Last, we summarize and discuss the findings.

1. Leadership, Trust and Trust-based Leadership: Review of the Literature

Although the research on trust has developed rapidly during the last two decades, as stated by Roderick Kramer, 'comparative little systematic effort has been made to apply emergent insights and empirical findings from this vibrant stream of research to leadership theory' (Kramer 2011). In the following we explore how different strands of trust research may help us understand the transformation from 'traditional' low-trust leadership towards trust-based leadership.

We distinguish three main perspectives on leadership (Bolden, Hawkins, Gosling, & Taylor, 2011) each leading to a particular contribution to understanding the transformation process towards trust-based leadership. First, leadership may be seen as a property of leaders (Northouse 2012). Second, leadership may be seen as a relation between leaders and followers, as in relational leadership research (Uhl-Bien & Ospina, 2012). Third, leadership may be seen as involving a plurality of social processes (Bolden et al., 2011) where leadership is distributed and shared in the organization among a variety of different actors blurring the distinction between leaders and followers. From this perspective most actors may be seen as taking the role of both leaders and followers.

We look at these three different leadership perspectives in turn in order to highlight how the different strands of trust research may be relevant for understanding the issues involved in the transformation towards trust-based leadership.

Leadership as a property of leaders

The perspective treating leadership as trait or skill assumes that leadership is a property or a set of properties possessed in varying degrees by different people. While the trait approach stresses the innate and largely fixed personality characteristics of individual leaders, the skills approach focus on the skills and abilities that can be learned and developed, and the style approach emphasizes the behaviour of the leader. When leadership is seen as a property of leaders trust becomes relevant because trust in leaders is important for leaders performing their leadership role (Dirks, 2006; Dirks & Skarlicki, 2004).

Trust research taking the perspective of leadership as a property of leaders has mainly focused on two questions: what are the antecedents of trust in leaders and what are the

outcomes of trust in leaders. Dirks and Ferrin (2002) conducted a meta-analysis of studies of trust in leadership and found three antecedent variables to trust in leaders: leader action and practices, follower attributes (i.e., propensity to trust), and relationship attributes (i.e., length of the relationship).

Concerning outcomes of trust in leadership trust has been shown to have influences on processes such as communication, cooperation, and information sharing. Dirks and Ferrin (2002) in their meta-analysis of trust in leadership also looked at outcomes of trust in leadership subdividing outcomes in three categories: behavioural and performance outcomes (organizational citizenship behaviours and job performance, job attitudes and intentions (job satisfaction, organizational commitment, intent to quit, goal commitment and belief in information, and correlates (satisfaction with the leader and leader-member exchange. Burke et.al. (2007) found that four outcomes of trust have received theoretical and empirical support distinguishing between three proximal behavioural outcomes: facilitation of upward communication from subordinates; extra-role behaviours (i.e. organizational citizenship behaviour); learning; and one affective outcome: willingness to follow.

Complementing research on antecedents of and outcomes of trust in leaders, Whitener et.al. (1998) explored the types of behaviour managers may engage in to build trust pointing to five categories of behaviour that were found to influence employees' perceptions of managerial trustworthiness: 1. behavioral consistency; 2. behavioral integrity, 3. sharing and delegation of control; 4. communication (e.g., accuracy, explanations, and openness), and 5. demonstration of concern.

Leadership as a relation between leader and follower

Leadership is here seen a process of interaction between a leader and followers. An important approach in this perspective is leader-membership exchange (LMX) research (Schriesheim, Castro, and Cogliser 1999). Earlier studies of leader-member exchange research saw the leader-member relationship ranging from low-quality, based strictly on the transactional part of the employment contract, to high-quality relationships, based on mutual trust, obligation and respect (Graen and Uhl-Bien 1995). An important contribution from this research is that trust between leaders and followers is a two-way process between leaders and followers. A movement towards high-trust leadership is caused by the relationship developing from a low-quality to a high-quality relationship.

The research has demonstrated that LMX-quality is linked to a wide range of work outcomes, such as promotion, turnover, organizational commitment, job satisfaction, citizenship behaviours, willingness to contribute, performance and trust in supervisor (Scandura and Pellegrini 2008). Scandura and Pellegrini found, in contrast to previous research on LMX, that while there was a

linear relationship between identification-based trust and leader-membership exchange, there was a curvilinear relationship between calculus-based trust and leader-member exchange. This finding suggests that high-LMX relations are not as stable as suggested by earlier research. Thus, high-quality exchange should not be taken for granted as a stable process and therefore managers 'need not only gain the trust of their subordinates but also learn to sustain their trust.' (Scandura & Pellegrini, 2008, p.107).

Transformational leadership research (Podsakoff et al. 1990) (Arnold, Barling, and Kelloway 2001)(Podsakoff, MacKenzie, and Bommer 1996) is giving more attention to charismatic and affective elements of leadership stressing intrinsic motivation and follower development. Transformational leadership is a process that changes and transforms people improving the performance of followers and developing followers to their fullest potential.

With high levels of trust in the leader, followers typically exert stronger effort and are more likely to engage in behaviors that help the organization (Pillai 1999)(Burke et al. 2007)(Zhu et al. 2013)(Braun et al. 2013)(Gillespie and Mann 2004).

A number of studies have analyzed how leaders can build trust in the organization by developing the relations between leaders and followers. Whitener et.al. (1998), as mentioned above, explored how managers may engage in building trust by performing 'managerial trustworthy behaviour'. Whitener et. al.(1998) point that a focus on managerial behavior calls attention to what organizations can do to initiate and manage trustworthy behavior and to engender and support trusting relationships that are self-perpetuating and sustainable (Whitener et al. 1998, p. 525). In addition to the five categories of managerial behavior, they also pointed to coordinating reward structures rewarding managers who initiate trust and employees who reciprocate and providing training to enable and enhance managerial trustworthy behavior.

Leadership as Plural Social Processes

A third approach to leadership conceptualizes leadership as a collective social process emerging through the interactions of multiple actors (Uhl-Bien 2006). Several different ways of conceptualizing leadership as a collective process have been proposed such as shared leadership (Pearce, Conger, and Locke 2008), collective leadership (Denis, Lamothe, and Langley 2001)(Denis, Langley, and Sergi 2012), collaborative leadership (Rosenthal 1998), co-leadership, emergent leadership and distributed leadership (Bolden 2011).

The distributed leadership perspective turns attention from accounts of attributes and actions of individual leaders to situated leadership practice (Spillane, 2006). A distributed perspective on leadership involves two aspects (Spillane and Diamond, 2007, p. 7): the 'leader plus aspect' acknowledging the work of all the individuals who have a hand in leadership and management practice; and the 'practice aspect' framing the practice of leading and managing as a

product of the interaction of leaders, followers, and aspects of their situation. While a definitive definition of distributed leadership may not be available Bennett et.al. (2003) have identified three premises that seem to be shared by most authors:

1. Leadership is an emergent property of a group or network of interacting individuals;
2. Openness to the boundaries of leadership; and
3. Varieties of expertise are distributed across the many, not the few.

Another important distinction is between 'vertical leadership' involving upward and downward hierarchical influence, and 'horizontal leadership' involving peer, or lateral, influence drawing attention to the need to recognize informal, emergent and collective acts of influence as well as influence by actors in formal positions of authority (Bolden 2011).

The interplay of leadership and trust is more complex in this perspective than in the two previous approaches since we both have the issue of trust in individual leaders, trust relations between leaders and followers, and broader set of multilevel trust relations, horizontally towards peers and relevant actors in other organizations, and vertical trust relations with super-ordinates or sub-ordinates at other hierarchical levels thus involving both interpersonal trust relations and more institutional-like trust relations.

Research on Trust-Based Leadership

Based on the review on the three different perspectives on leadership, as concerned with 1) *leaders*, with 2) *relations* between leaders and followers, and with 3) the *plural social processes* that constitutes leadership in a particular situation, we now look at how these perspectives point to different issues when studying trust-based leadership.

First, from the perspective as leadership may be seen as a property of leaders the transformation towards trust-based leadership involves higher trust in leaders giving rise to 'waves' of trust throughout the organization.

Second, from the perspective of leadership as a relation between leaders and followers the transformation towards trust-based leadership involves the gradual development of low-quality relations into high-quality relations between leaders and followers.

Third, from the perspective of leadership as involving a plurality of social processes a transformation towards trust-based leadership involves a complex interplay of trust-relations between different stakeholders involving interactive adjusting of roles and behaviours leading to a change in the decision processes at different levels of the organization.

Distributed leadership as an analytical perspective

These three perspectives highlight different ways of linking trust and leadership may coexist and supplement each other (John Antonakis and David V. Day 2012:7; Parry and Bryman

2006:448). While all perspectives can be found to a certain degree in the empirical data, the focus in the following analysis is mainly on the distributive leadership perspective. This choice has been made as a consequence of the major patterns that have occurred in the empirical data. The relation between the local leaders and employees was the major focus in the first interviews, but the preliminary findings indicated that the process of implementing trust based leadership involved several actors at various levels. As a consequence data collection was expanded to include several other actors. Working abductively the interplay between theory and empirical data thus has caused a movement from focusing primarily on trust based leadership as something stemming from leaders, to a more distributed leadership focusing on plural, emergent processes as the core of trust based leadership. This does not mean abandoning the two former perspectives focusing on leadership as skill/trait leadership as a process, but simply the choice to let the plural, distributive perspective become foreground in the analysis.

2. Presentation of the Case Study: The Trust Reform in the City of Copenhagen

The case study is the Trust Reform in the municipality of Copenhagen officially launched in November 2012 and intended to last until the end of 2016. We primarily study the transition process in the first two years of the reform project towards trust-based leadership, but also draw on empirical data involving earlier experiences.

The municipality of Copenhagen is the largest public organization in Denmark with more than 40.000 employees. The local government of Copenhagen consists of a governing body, the City Council, and an administrative branch. The City Council is divided into seven committees: the Finance Committee and six standing committees, each of which has its own field of responsibility. The Finance Committee is an overarching committee, which coordinates and plans the total management of the City of Copenhagen. It comprises the chairmen of each of the standing committees plus six other members of the Council, and is chaired by the Lord Mayor. Each committee is linked to a particular section of the administrative branch of Copenhagen's local government. The City of Copenhagen has seven administrations each dealing with the tasks related to its standing committee:

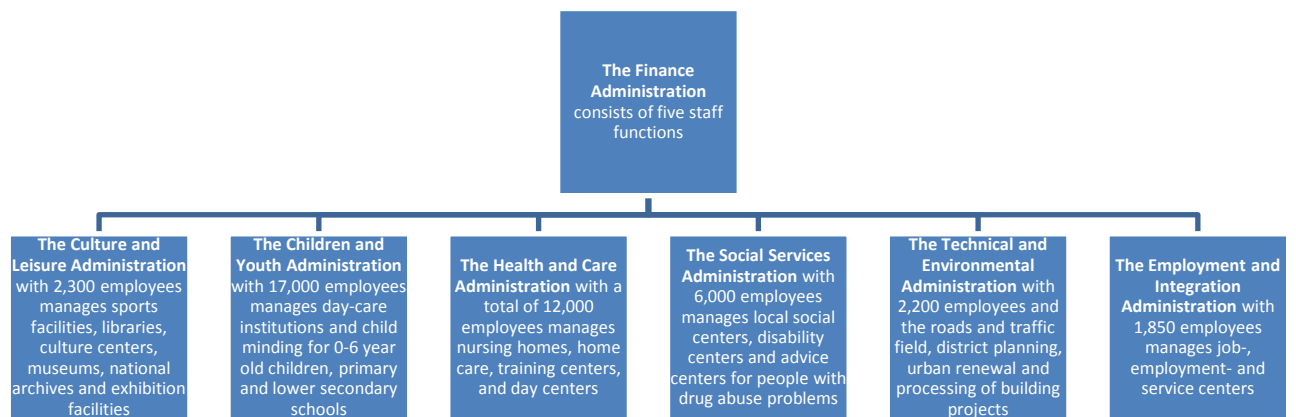


Figure 1: The administrative structure of the City of Copenhagen

The Trust Reform was officially launched in November 2012 and was seen as a longer process of changing the management culture in the administration lasting, at least, until the end of 2016. Before the official decision several administrations had already been working with trust based initiatives through a number of years. This especially goes for the Health and Care Administration and the Culture and Leisure Administration. It was decided that the seven administrations should implement the new agenda for trust based leadership according to their own specific organizational structures, leadership traditions, rules and documentation requirements.

In the following section an overview of some of the central decisions and actions taken during the transformation process from ‘traditional’ command and control management to trust-based leadership is presented. The implementation process involves the interplay of at several actors.

1. Top management (The politicians and Directors of the administrations)
2. The Administration
3. The leaders
4. Unions and the Cooperation system
5. Employees

The trust reform did not from the start have a fixed goal and a definite content. Rather, the aim and content of the reform has gradually emerged through complex negotiation processes at the political, the administrative, institutional, and at local levels. In the following we will describe the major central initiatives as a background for the following analysis.

Formal Decisions at the Political Level: The Trust Agenda in the City of Copenhagen

Key actors in the early phase of the trust reform process were the political parties making the strategic decisions for the municipality and the administration. The unions also played a crucial part in this process as dialogue partners. Formally the *Trust Reform* process was initiated by the decision to 'Set the institutions free' in the budget-agreement for 2012.² The left-wing majority decided to set institutions free, in order to strengthen quality, enhancing employee satisfaction and reduce administrative costs. Bureaucratic control was to be replaced by increased trust in the institutions' managers and employees. The Parties agreed that in order to reduce administrative costs there should be focus on removing administrative controls and bureaucracy, especially at the institutional level. The institutions should have greater freedom of action and opportunity to experiment with different forms of leadership, organization and management.

The formal step towards the trust reform was taken in relation to the budget-agreement for 2012. In a *Budget-note on the Trust Agenda* it was stated that

"Trust based leadership is about setting free the professionalism and trusting the municipality's internal strength, in the form of skilled and professional staff and managers, are sufficient to meet the current and future tasks."

A *Trust Conference* November 6, 2012 for Committee Chairmen, shop stewards, union representatives, and leaders marked the official start of the trust reform. Lord Mayor Frank Jensen was opening the conference, followed by presentations on public management, motivation and trust, and a presentation of a report on *Trust in the City of Copenhagen* by an external consultant company, exploring trust between different levels of the City administration.

The consultancy report was commissioned by the City of Copenhagen and was setting the agenda for the discussions throughout the organization in the following months. Among the main findings in the report was the location of a critical 'trust barrier' between the administration and the local level (center- and institution-leaders) preventing trust to develop. There was found 'parallel realities and different languages' between the administrative units and the local level.

The importance of the Trust Reform was explicitly restated in the budget-agreement for 2013 under the heading *"More trust for greater quality and professionalism"*. In May 2013 another important signal was given by the adoption of a *Code of Trustful Conduct*³ intended to guide politicians in the City Council, Committee members and Committee Chairmen and the highest officials in how to behave in the spirit of the Trust Agenda. For the politicians the code of conduct involved the ambition to let go of detailed, redundant control and solving individual cases locally

² The decision to 'Set the institutions free' may be seen as a result of campaign from the unions against New Public Management initiated during the election campaign for the City Council back in 2009.

³ Center for Økonomi, 13-05-2013: Kodeks for tillid.

instead of demanding more general control. For the officials in the administration, the code of conduct involved focussing on goals and effects instead of on administrative process goals. The code of conduct also underlined the need for supporting local leaders better and establishing a culture that recognizes different perspectives and views. It was also pointed out, that employees and local leaders are to take responsibility for core tasks and professional development.

Recently, the budget agreement for 2015 was finalized and the continued work with the trust reform was, again, explicitly stated in the budget under the label “*Trust, Management Reform and Productivity*”. In the budget-agreement it is stated that:

“Copenhagen has in recent years focused on trust, management reform and productivity. The parties agree that this work should continue so the citizens of Copenhagen and the employees experience that more time is used for core services. (...) The parties note that the work on the trust agenda takes place in close dialogue with the unions, in order to uncover how union representatives may support and strengthen the work with the trust reform.”

As made explicit in the budget-text the ambition is to continue the trust reform. The importance of the unions supporting the trust reform is also restated.

The implementation of the Trust Reform has specifically been decentralized so the seven administrations each have decided how to organize their work with trust based leadership. The implementation across the administrations thus varies very much. Central in most initiatives though is the ambition to expand the local autonomy for leaders and employees.

3. Methodological Considerations

The study is based on qualitative data applying a triangulation strategy combining interviews, observations from meetings and informal dialogues, survey data, focus group feedback on findings and, last, analysis of formal documents.

70 semi-structured interviews has been conducted with Directors (3), leaders (24), consultants (38) in the administration, politicians (3), shop stewards and union members (10), and employees (10). Interviews have been made within workplaces that have actively experimented with trust based styles of leadership. Since there was no available information on all local trust initiatives in the different administrations, the selection of relevant interviewees was made through a “snowball sampling” where actors interviewed have pointed to other relevant actors in their network.

A small survey was made focusing on drivers and barriers for implementing trust based leadership among approximately 100 leaders and shop stewards (March 2014) Since the case study organization is a public organization a variety of formal documents are available. Analysis of

formal documents produced from the municipality is an important source of information on the formal decisions due to the trust reform. Last, a few observations were made from meetings and informal dialogues.

Data is collected across all administrations except for the Technical and Environmental Administration, but the majority of interviews have been made in the Health and Care Administration and the Social Services Administration.

4. Analysis

Top-leaders: Politicians and Direction

Although politicians and senior management have different mandates the transformation toward trust-based leadership appears to be similar for these two groups.

First and foremost it is stressed by all actors that the top-management plays a crucial part as a role model for the reform of trust, and that their actions are decisive as signals to the rest of the organization. *“The signals you send, the rhetoric you use, the discourse you set is incredible important to how the act at all levels. Is it going to be trust or is it going to be control and rules to guard yourself?”* (Politician). Although the top-leaders can obviously not have close relations with 40.000 employees, their actions are important because they are observed and interpreted by many people in the organization.

A central part of implementing the reform of trust has been focused on reducing or simplifying existing politics, planes, strategies and control, which is believed to have escalated to an inappropriate level. Trust based leadership for the top management, therefore means the acceptance of letting go of a number of steering possibilities in order to support local autonomy. A politician describes it this way:

“As a politician you have the ambition to drive something forward. And usually you do that by making decisions that get very standardized and absorb the decision power from the local leaders.”

The transformation toward trust-based leadership involves less micro-management and detailed control and more management by setting goals and objectives. Several top-managers describe this as a challenging way to lead, which is connected with both increased risk and vulnerability for the top-leader. Being able to “kill yours darlings” is required when the general ambition is to reduce the amount of regulation. Especially for the politicians this is a challenge, since this potentially involves accepting less detailed control with political goals that they previously might have fought for.

All actors, including top-leaders themselves, point to one type of situation that seems to be determining for the extent to which the top leaders succeed in implementing trust based leadership: When public critique of a workplace in the municipality is raised, the top leader is very often the one facing the confrontation with the press. Historically top-leaders in this kind of situation have often chosen to implement general rules as a way to solve concrete cases. A member of the union explains: *“Every time one person made a mistake 900 people had to face consequences.”* In the transformation to a more trust based form of top-leadership this behaviour is changing and local mistakes are instead solved at a local level without involving the rest of the organization. This can be interpreted as an example of Luhmann’s understanding of transparent or reflexive trust, which involves expecting and being prepared for breaches of trust (Luhmann 1979). In this case being prepared for local breaches of trust, makes general trust more robust.

Another common trait is the tendency to prioritize more interaction with the local level of the organization. The empirical data gives many examples of both politicians and directors engaging in more dialogue and direct meetings with leaders and employees. Often, this also involves an increased amount of involvement in decisions that has traditionally been reserved for top-leaders and administration. This can be seen as attempts to reduce the distance in the relation from top to bottom of the organization, and contributes to a large extent in distributing power.

	FROM.....	TO.....
TOP-LEADERS	<ul style="list-style-type: none"> • Micro-management through a multitude of controls and goals • Solving local problems through general rules • High-distance management 	<ul style="list-style-type: none"> • Framework-management through limited and prioritized control and goals • Solving local problems locally • Low-distance management

Administration

The administrations are described by many interviewees as important for the transition toward trust-based leadership, since political plans and controls are developed and implemented by the administrations. In many areas the administrations are also responsible for controlling local institutions.

The revolt against rapidly growing control is affecting the administrative work in many ways. Several actors point that although the practices of the administration are a product of the top-leaders demands the escalated amount of goals and measurements is also a product of professional ambitions in the administration. A politician describes it this ways: *“That is probably why it has gotten out of hand, because all documentation can be used for something. It can contribute with knowledge, inspiration, may stimulate any academician.”*

The ambition to reduce the amount of control therefore forces the administrations to reduce and prioritize their management tools. This can be a challenging process, since many of the administrators often are engaged specialist in each their area, which they perceive to be of special importance. This can sometimes lead to frustration, when goals and projects in ones particular area is removed or reduced.

In this sense the formal power of the administration is reduced. A consultant in the administration says: *“ When talking about liberating the institutionsIt is US they need to be liberated from. Why haven’t we seen it before?”* The administration may still have more formal power than the institutional level, but in the reform of trust this power becomes less acceptable to use. This can be seen as an example of Luhmann’s point, that power is not appropriate to use when creating trust (Luhmann 1979). Similarly this is supported by the research of Frost and Moussavi, who conclude that establishing trust requires a shift from the use of formal, organizational power to more informal, individual forms of power (Frost and Moussavi 2011). Instead a transformation towards a larger degree of dialogue with the local level can be observed. Several actors describe an emerging change among administrators who tend to involve the local level more and earlier in decisions on goals and design of management tools. This involves supplementing the role as expert with the competence of facilitating dialogues. In many cases administrators engage in more face-to-face interaction with managers at the local level acknowledging that this helps reducing the distance between the administrative and the executive level of the organization.

This accords with research indicating that the proximity and distance in the management relation is vital for trust between superior and subordinate (Bruijn 2002; Six 2013; van Thiel and Yesilkagit 2011). Although there cannot be close relations between all administrators and local leaders having a few close relations seems to make a crucial difference. A leader of an institution says: *“The close relation has a huge importance. It allows flexibility.”* Even one good relation can work as a gateway to other connections both ways. In this sense trust-based leadership in the administration involves building up and nurturing relations with actors at the local level.

	FROM.....	TO.....
ADMINISTRATION	<ul style="list-style-type: none"> • Use of formal, organizational power • Controls designed in administrations (Administrators as experts) • High-distance management relations 	<ul style="list-style-type: none"> • Use of informal, individual power • Local level involved in the design of controls (Administrators as facilitators) • Lower-distance in management relations
	One-way-information	Two-way dialogue

Leaders:

Local leaders appear, not surprisingly, to play a central part in the transformation toward trust-based leadership since this is where the actual use of increased autonomy is determined.

One major challenge for leaders experimenting with trust-based leadership is making the choice where to increase trust and reduce or redesign control systems. In general the empirical data supports a complementary understanding of trust and control, which means that trust and control are not necessarily opposing mechanisms. This can be seen as an example of Luhmann's understanding of trust which is not defined as absence of distrust (Luhmann 1979). Empirically this is supported by several researches demonstrating that sometimes control can support trust (Bijlsma-Frankema and Bunt 2002:21; Das and Teng 1998:459; van Thiel and Yesilkagit 2011; Weibel and Six 2013:165). Therefore, conducting trust-based leadership does not mean removing all control, but creating forms of control that supports trust. This means being able to determine the risk involved with the concrete task, the competences among employees and being able to handle a greater amount of vulnerability. Being able to remove unconstructive limitations of autonomy also demands knowledge and experience with the organization and ability to navigate strategically in relation to other actors in the fields. This is especially the case when leaders wish to remove limitations on the autonomy decided by higher levels in the organization.

In general, leaders are seen to create increased autonomy by insisting on delegation. This involves both less interference with the employees' tasks, but also the delegation of tasks traditionally seen as the leaders' responsibility. A variant of this is involving employees in decisions about the workplace to a much larger degree. A local leader describes it this way:

"The more you involve the employees and the more you give them responsibility and listen to them in relation to decisions, the better the decisions are and the more drive is developed. So we practice a great deal of openness in our decision processes."

This can be seen as an example of distributive leadership, in which leaders may still have the formal power, but sharing power deliberately among employees. Like in the case of the administration, this involves a change from a more distant, formal relation between leaders and employees to a more informal and closer relation.

Although the expanded autonomy creates a larger degree of deliberation among employees, this can also create insecurity among some employees. Therefore another important transformation for leaders implementing trust-based leadership is making themselves available to employees with questions or needing to rapport back unexpected problems. In some cases, the leaders take time to get closer to the employees, solving tasks in order to acquire knowledge about their competencies, the challenges in the tasks, and build up relations. A leader explains:

"When the employee is not controlled in detail, it takes an employee that thinks for herself and uses her professionalism. As a leader you need to know that this competence is present. You know that by following them solving their tasks and engaging in dialogue with the employees."

Like in the case of the administration, leaders in general seem to engage less in standardized control systems, and instead invest time in face-to-face relations. This also makes it possible for them to pick up on emerging problems needing to be addressed.

	FROM.....	TO.....
LEADERS	<ul style="list-style-type: none"> • Dosing control and trust without considering context • Decision about work taken by the leader • High-distance in the relation between leader and employee (Leading through systems) 	<ul style="list-style-type: none"> • Dosing control and trust according to context • Employees actively involved in decision about work • Lower distance in relation between leader and employee (Leading through relations)

Unions and the cooperation system

The unions and the cooperation system have been central in the implementation of most of the initiatives in the reform of trust. The cooperation system is an established formal forum which is an advantage in the reform process since participants and structures are already in place. On the other hand, this also means that the existing level of trust in the relation is influencing how big steps the parties are willing to take. Although empirical data indicates that the cooperation system is a fruitful arena to implement trust-based leadership, there are also examples of difficulties changing existing, fixed roles based on former experiences of breaches of trust.

In general, for the unions and the cooperation system the transformation leads to more involvement in decision about work. This is mostly seen as an advantage by both parties. For the unions and the employees in the cooperation system, this allows the possibility to influence important decisions and leaders experience that the larger degree of involvement qualifies implementations of decisions. A leader explains:

“They walk the way with me. If I did not have the shop stewards with me it would be too difficult. It would stand no chance. So they shape it. The employees are as involved in leadership as I am. “

This often involves a transformation of communication between leader and members of the union or cooperation system leading to a closer dialogue. Often the involvement is taking place earlier than usual, so the representatives may have influence on strategic decisions. The increased involvement also means taking more responsibility for decisions that have formerly been made by the formal leader. But influence comes with a price:

“This challenges the cooperation system, which to a much larger degree becomes CO-leaders rather than the opponents “watching” the leader. Earlier they could just give a critically comment. Now they are defining and developing the solutions.” (Politician)

This also means unions and members of the cooperation system are undergoing a transformation from reactive criticizing from the side-line to being more proactive players who need to take responsibility for shaping decisions. A member of the cooperation system says:

“We could lean back and see which way the leader thinks we should go, but this is also about figuring out what we want to get out of a reform of trust. It is not only free play. I need to take more responsibility as well.”

The quote illustrates a clear tendency among several actors stressing that unions and members of the cooperation system need to be more pro-active. This, obviously, requires new competences and the ability to understand needs and concerns the leader has traditionally handled alone.

	FROM.....	TO.....
UNIONS	<ul style="list-style-type: none"> • Orientation about decisions 	<ul style="list-style-type: none"> • Co-creator of decisions
COOPERATION-SYSTEM	<ul style="list-style-type: none"> • Low degree of involvement and responsibility • Re-active role (Critique of leaders' decision) 	<ul style="list-style-type: none"> • High degree of involvement and responsibility • Pro-active role (ambassador of decisions)

Employees

For the employees, the reform of trust involves both new opportunities and a number of challenges. Most employees agree that being granted more autonomy is creating possibilities to tailor services more flexible. To many employees this is a positive change allowing them better to support citizens' needs. An employee in the health area explains:

“It allows more room for our professionalism which we can get activated more. There are not these systems that we need to get through if we need to make changes. Earlier, it was hard with the citizens that did not fit into the boxes. Now it is easier to just do the things that make sense.”

Even if the new and larger frame is mostly received positively among employees, it also challenges some employees. A common dilemma is that the implementation of trust-based leadership also stresses the need for more solid professional competencies, which not all employees are able to meet. Although building-up professional competencies is a focus area, removing previous controls seem to reveal weaknesses in some employee's competencies: *“It exposes your professionalism and especially those who are not sufficiently competent can feel under pressure.” (Leader in the social area)*

Embracing the larger degree of autonomy also involves taking more responsibility for decisions, which is not necessarily an easy change for all employees. Having based many decisions on general

rules has also allowed employees to “hide” between systems. This is changing due to the implementation of trust-based leadership. An employee describes the transformation:

“Sometimes you will have to make decisions that the Citizens do not agree with, and you must be able to do that. You can’t lean on the general rule, and argue that this is why we are ending the course. Now, I have to say why we are ending it. It is very much ME making the estimation.....not everybody is able to or wants to take that part “.

The increased responsibility stresses the need for building up both professional and personal skills. Many actors in the field expect that not every employee will be able to meet the required competencies to the same degree. Both leaders and employees indicate that differences in personality and experience require adjusting the degree of autonomy according to individual competencies. Some employees may burn out if faced with extended autonomy and responsibility after years of security behind formal systems.

The transformation toward more autonomy therefore involves taking more responsibility. Many employees also stress that accepting the invitation for more autonomy, also involves the feeling of larger risk. What happens if the employee makes a mistake or becomes the centre of a critical situation? Although willingness to risk is a central part of the communication of the formal leaders, many employees still wonder if this ambition is more than fancy words. Then, accepting the invitation to trust also increases the vulnerability and feeling of risk among the employees. The empirical data indicates that although a large degree of the employees certainly embrace the reform of trust, some employees still hesitate to use the increased autonomy because of the risk involved is perceived as too high. Often this is the case where the trust in the leader is low.

	FROM.....	TO.....
EMPLOYEES	<ul style="list-style-type: none"> • Competencies to follow procedures 	<ul style="list-style-type: none"> • Professional competencies to solve tasks in accordance with goals
	<ul style="list-style-type: none"> • Low degree of personal responsibility 	<ul style="list-style-type: none"> • High degree of personal responsibility
	<ul style="list-style-type: none"> • Low degree of personal risk 	<ul style="list-style-type: none"> • Higher degree of personal risk

5. Summary and discussion

Summarizing, the empirical data presented above suggests that implementing a trust-based leadership reform involves an interdependent transformation from low-trust behaviour towards high-trust behaviour for many actors in the organization. Although formal leaders certainly may initiate the trust-building process, the continuous development of the reform process is dependent on other actors reciprocating initial trust-building initiatives taken by leaders.

Implementing a trust-based leadership reform may be seen as an emergent process where the emergence of trust-based leadership depends on the interplay between actors at different organizational levels. Actors at one level are very much dependent on other actors' willingness to follow. Although the formal leaders both at the top-level, in the administration and the local level possess formal power, they cannot use this power to force the unions and employees to trust. Likewise, unions and employees may wish to expand their autonomy in solving the tasks, but are dependent on the risk willingness among leaders possessing formal power.

The emergence of trust-based leadership examined in this paper is a particular example of the co-evolution of trust across levels as examined by Currall and Inkpen (Currall and Inkpen 2006). Currall and Inkpen pointed that 'trust will move, or fail to move, from one level to another based on evidence regarding the trustworthiness of a trustee person, group, or organization' and that 'there is a constant flow of trust-related evidence based on a counterpart person's, group's, or organization's behavior' leading 'the counterpart to constantly update and recalibrate their assessment of the trustworthiness of the trustee' (Currall & Inkpen, 2006, p. 242).

While Currall and Inkpen discussed how trust and distrust could move from one level to the next in this case trust seems to move across several levels perhaps due to the transparency of top-leader actions in a public organization with open communication. In the initial phase of the trust reform an important issue seems to have been the trust-barrier between the Administration and lower levels, centres and institutions, documented in the consultancy report on *Trust in the City of Copenhagen* in 2012. Signals of trust-repair (Gillespie and Dietz 2009) from politicians and top-leaders in the administration, as the *Code of Trustful Conduct* adopted in May 2013, were important for employee trust-building towards the Administration. Important signals of willingness to engage in trust-repair and trustful conduct may have led employees and union representatives to update and recalibrate their assessments of the trustworthiness of administrative leaders and staff.

A common trait among all levels of leadership is a movement from control and micro-management towards expanding the autonomy of the subordinate. This usually involves using less formal, organizational power and instead using more informal, personal power. This often challenges the superior, who needs to accept the risk and insecurity involved in letting go of former control. It also demands ability to solve local breaches of trust without use of general rules. At the same time the superior often tries to create a lower distance and a larger degree of availability in the relation to subordinates, increased use of dialogue and involvement, and of face-to-face relations. Superiors are then letting go of some forms of control, but invests in more solid relations that seem to absorb some of the insecurity and risk involved with trusting.

For subordinates, trust based leadership involve accepting the offered autonomy and influence. Although the expanded autonomy and influence might seem attractive at first glance, it is not

without risk to use it. And this is a central point: Subordinates are central actors in transforming trust based leadership, but nothing will happen if they do not accept the invitation to trust. This often involves accepting a larger degree of personal responsibility and the insecurity of not knowing for sure when the task is done is “well enough”. While some subordinates embrace the expanded autonomy with enthusiasm, others face the challenge that their personal or professional competence to handle the increased responsibility is not sufficiently present. Therefore the willingness to accept the invitation to trust is not always present among subordinates and the trust granted from superiors may be unwanted (Skinner, Dietz, and Weibel 2014).

Thus implementing trust-based leadership is a task equally involving superiors and subordinates, who both need to accept increased risk and vulnerability in order to create a common transformation. Thus this study demonstrates that the emergence of trust-based leadership may be seen as a fragile product of a multiplicity of interdependent processes among organizational members at different levels of the organization. While research on leadership and trust mainly have focused on trust in leaders and on trust between leaders and followers this study points to a need to explore the emergence of trust among multiple organizational members at different levels of the organization.

References

- Arnold, Kara A., Julian Barling, and E. Kevin Kelloway. 2001. “Transformational Leadership or the Iron Cage: Which Predicts Trust, Commitment and Team Efficacy?” *Leadership & Organization Development Journal* 22:315–20.
- Bijlsma-Frankema, KM, and GG Van de Bunt. 2002. “In Search of Parsimony: A Multiple Triangulation Approach to Antecedents of Trust in Managers.” *Research Methods Forum*.
- Bolden, Richard. 2011. “Distributed Leadership in Organizations: A Review of Theory and Research.” *International Journal of Management Reviews* 13:251–69.
- Braun, Susanne, Claudia Peus, Silke Weisweiler, and Dieter Frey. 2013. “Transformational Leadership, Job Satisfaction, and Team Performance: A Multilevel Mediation Model of Trust.” *The Leadership Quarterly* 24:270–83.
- Bruijn, H. De. 2002. “Performance Measurement in the Public Sector: Strategies to Cope with the Risks of Performance Measurement.” *International Journal of Public Sector*

- Burke, C. Shawn, Dana E. Sims, Elizabeth H. Lazzara, and Eduardo Salas. 2007. "Trust in Leadership: A Multi-Level Review and Integration." *Leadership Quarterly* 18:606–32.
- Curral, Steven C., and Andrew C. Inkpen. 2006. "Handbook of Trust Research." Pp. 235–46 in *Handbook of Trust Research*, edited by Reinhard Bachmann and Akbar Zaheer. Edward Elgar Publishing.
- Das, TK, and BS Teng. 1998. "Between Trust and Control: Developing Confidence in Partner Cooperation in Alliances." *Academy of Management review*.
- Denis, Jean Louis, Lise Lamothe, and Ann Langley. 2001. "The Dynamics of Collective Leadership and Strategic Change in Pluralistic Organizations." *Academy of Management Journal* 44:809–37.
- Denis, Jean-Louis, Ann Langley, and Viviane Sergi. 2012. "Leadership in the Plural." *The Academy of Management Annals* 6:211–83.
- Dirks, Kurt T., and Donald L. Ferrin. 2002. "Trust in Leadership: Meta-Analytic Findings and Implications for Research and Practice." *The Journal of applied psychology* 87:611–28.
- Frost, TF, and F. Moussavi. 2011. "The Relationship between Leader Power Base and Influence: The Moderating Role of Trust." *Journal of Applied Business*
- Gillespie, Nicole A., and Leon Mann. 2004. "Transformational Leadership and Shared Values: The Building Blocks of Trust." *Journal of Managerial Psychology* 19:588–607.
- Gillespie, Nicole, and Graham Dietz. 2009. "Trust Repair after an Organization-Level Failure." *Academy of Management Review* 34:127–45.
- Graen, George B., and Mary Uhl-Bien. 1995. "Relationship-Based Approach to Leadership: Development of Leader-Member Exchange (LMX) Theory of Leadership over 25 Years: Applying a Multi-Level Multi-Domain Perspective." *The Leadership Quarterly* 6:219–47.
- John Antonakis, and David V. Day. 2012. *The Nature of Leadership*. second. edited by John Antonakis and David V. Day. London: Sage Publications.
- Kramer, Roderick M. 2011. "Kramer; Roderick M." Pp. 136–50 in *The SAGE handbook of leadership*. Thousand Oaks, CA: Sage Publications.
- Luhmann, Niklas. 1979. *Trust and Power*. Chichester: Wiley & Sons.
- Northouse, Peter G. 2012. "Leadership : Theory and Practice." in *Leadership theory and practice*, vol. 24.

- Parry, Ken W., and Alan Bryman. 2006. "Leadership in Organizations." Pp. 447–68 in *The Sage Handbook of Organization Studies*, edited by Stewart R. Clegg, Cynthia Hardy, Thomas B. Lawrence, and Walter R. Nord. London: Sage Publications.
- Pearce, Craig L., Jay A. Conger, and Edwin A. Locke. 2008. "Shared Leadership Theory." *The Leadership Quarterly* 19:622–28.
- Pillai, R. 1999. "Fairness Perceptions and Trust as Mediators for Transformational and Transactional Leadership: A Two-Sample Study." *Journal of Management* 25:897–933.
- Podsakoff, Philip M., Scott B. MacKenzie, and William H. Bommer. 1996. "Transformational Leader Behaviors and Substitutes for Leadership as Determinants of Employee Satisfaction, Commitment, Trust, and Organizational Citizenship." *Journal of Management* 22:259–98.
- Podsakoff, Philip M., Scott B. MacKenzie, Robert H. Moorman, and Richard Fetter. 1990. "Transformational Leader Behaviors and Their Effects on Followers' Trust in Leader, Satisfaction, and Organizational Citizenship Behaviors." *The Leadership Quarterly* 1:107–42.
- Rosenthal, C. S. 1998. "Determinants of Collaborative Leadership: Civic Engagement, Gender or Organizational Norms?" *Political Research Quarterly* 51:847–68.
- Scandura, T. A., and E. K. Pellegrini. 2008. "Trust and Leader–Member Exchange: A Closer Look at Relational Vulnerability." *Journal of Leadership & Organizational Studies* 15:101–10.
- Schriesheim, Chester A., Stephanie L. Castro, and Claudia C. Cogliser. 1999. "Leader-Member Exchange (LMX) Research: A Comprehensive Review of Theory, Measurement, and Data-Analytic Practices." *Leadership Quarterly* 10:63–114.
- Six, Frédérique. 2013. "Trust in Regulatory Relations." *Public Management Review* 15(2):163–85.
- Skinner, Denise, Graham Dietz, and Antoinette Weibel. 2014. "The Dark Side of Trust: When Trust Becomes a 'Poisoned Chalice.'" *Organization* 21(2):206–24.
- Van Thiel, Sandra, and Kutsal Yesilkagit. 2011. "Good Neighbours or Distant Friends?" *Public Management Review* 13(6):783–802.
- Uhl-Bien, Mary. 2006. "Relational Leadership Theory: Exploring the Social Processes of Leadership and Organizing." *Leadership Quarterly* 17:654–76.
- Weibel, A., and Frédérique Six. 2013. "Trust and Control: The Role of Intrinsic Motivation." Pp. 57–81 in *Handbook of Advances in Trust ...*, edited by Reinhard Bachmann and Akbar Zaheer. Northampton: Edward Elgar Publishing inc.
- Whitener, Elen M., Susan E. Brodt, M. Audrey Korsgaard, and Jon M. Werner. 1998. "Managers as Initiators of Trust: An Exchange Relationship Framework for Understanding Managerial Trustworthy Behavior." *Academy of Management Review* 23:513–30.

Zhu, Weichun, Alexander Newman, Qing Miao, and Angus Hooke. 2013. "Revisiting the Mediating Role of Trust in Transformational Leadership Effects: Do Different Types of Trust Make a Difference?" *The Leadership Quarterly* 24:94–105.