

Reliable Control and Organization of Welfare

*Lisa Björk
& Stefan Tengblad (ed.)*

Summary

The point of departure of this report is the movement of trust-based governance and management making headway in many Swedish municipalities and regions. There are great expectations that trust-based governance and management will bring about a new beginning against the backdrop of the negative consequences of new public management (NPM). However, those wanting to apply trust-based governance and management in practice have a hard time finding out how to proceed. This report aims to present an alternative approach we refer to as *reliable organization*. We share the view that interpersonal trust is essential for groups, workplaces and entire communities to function, while also arguing that trust is a result of an appropriate way of organizing work rather than representing a desirable – or even possible – basis for governance and management.

In the introductory chapter, we discuss the background of the phenomenon of trust-based governance and management and describe its guiding principles. We then proceed to problematize several of the arguments serving as a basis for this movement. We show that a certain amount of doubt and mistrust may serve as an asset when it comes to identifying risks and vulnerabilities in the organization – that excessive governance and control are frequently caused by aspects other than a lack of trust among politicians or citizens and that it is inappropriate, if not impossible, to base governance and leadership styles on trust. In addition, we believe that a lack of trust among employees with regard to top-level management in organizations constitutes a far greater problem for our current welfare system than the citizens' lack of trust in welfare activities. We demonstrate how both standardization and

control represent essential elements when it comes to reliable organizations and how more collective and collaborative perspectives on leadership may lead to more reliability compared to increased demands on managers' individual abilities.

The overall question in the report is: How are we to organize welfare work to make it reliable and better equipped for addressing challenges, crises and changes in the external environment?

The report is primarily based on previous research – both our own and that of others – in the fields of work science, organization and public administration. However, we also present results from ongoing research projects.

Relationship-oriented professionalism in complex organizations

In Chapter 2, Thomas Andersson highlights that NPM represents an institutionalized element of current governance that will not disappear for the foreseeable future, nor are we able to ignore the strong professional logic characterizing the majority of public organizations. Public organizations are characterized by a high level of complexity – a single governance model or philosophy, regardless of label, may never ignore this complexity. There is currently an imbalance between forward-looking responsibility and backward-looking accountability in public organizations. However, neither increased flexibility nor confidence in professional judgment represent general solutions to this problem but may have both a positive and a negative impact on an organization. Hence, Andersson introduces *connective professionalism* as a concept for understanding and managing the organization's large number of different demands and perspectives. Andersson also uses the concept *developed employeeship* to describe how professional employees may let organizational expertise guide actions, in addition to the more traditionally cherished professional skills. Connective professionalism and developed employeeship may be considered alternatives to the professional judgment embraced by advocates of trust-based governance and management. In organizations with competing logics and a great workload, higher demands regarding the judgment of employees may risk leading to even greater mental stress.

Communication and accountability – essential elements of all good governance

Governance concerns the governed actor deciding and acting in accordance with the intentions and decisions of the governing actor. Chapter 3 describes good governance beyond all the fancy labels. Using classic governance theory, Björn Brorström explains how all forms of governance refer back to two basic models: rules- and process-based governance and goal- and results-based governance. He also describes the difficulties of applying trust as a governance strategy. Rather, he emphasizes the importance of good structures with regard to accountability and follow-up, as well as trusting communication between management and the rest of the organization serving as a path toward good governance.

Chains of trust in well-functioning organizations

In Chapter 4, Annika Härenstam discusses different aspects of trust and how trust may be created, maintained and destroyed in a variety of relationships in a public organization. She focuses on the concept of chains of trust to describe both the trust created by means of personal relationships between managers and employees and the trust found in the organization as an institutionalized system. Using results from an ongoing research study in a medium-sized Swedish municipality, Härenstam shows that employees in organizations characterized by trust between different levels are more likely to report that they are doing a good job and that the clients are satisfied. In addition, few employees state that they want to quit. Hence, a good chain of trust plays an important role in terms of retaining staff and ensuring that they are satisfied with their performance.

The structural path to trust

In Chapter 5, Lisa Björk analyzes how trust may be viewed from both a cultural and structural perspective. Using the same empirical material as in Chapter 4, she presents results showing how trust is related to various organizational preconditions. Organizational preconditions that may be

1. that the flow of information between the organization's strategic and operational spaces enables the various actors in the organization to "share perspectives."
2. that the number of employees per manager is well-suited to the needs of the organization while also enabling leaders to be present in the operation.
3. that there is a good balance between the functions working with operations-related support and the ones seeking to adapt the organization to an increasingly demanding external environment.

Taking the "cultural path" to increase the level of trust in an organization may seem attractive, but the key message in the chapter is that trust should primarily be seen as a result of an appropriate way of organizing work.

Trust needs to be created, developed and earned

Chapter 6 focuses on following up on trust initiatives in their practical contexts and from a systems perspective. Lotta Dellve here presents a few lessons from several studies of various trust initiatives in health care organizations. Such initiatives have been carried out long before the Trust Commission embarked on its work. The majority of these initiatives have viewed trust as an important element in co-creating development efforts. In cases where trust is mandated and implemented through an organizational trust initiative, there may be unexpected dynamics and the initiative may have the opposite effect. Accordingly, analyzing the implementation of trust initiatives should apply broad, holistic systems perspectives capable of capturing trust between systems and organizational levels. Dellve shows that the context of initiatives with regard to reason and intention, room for maneuver and focus of attention plays a key role in their outcomes. Her analysis clearly shows that trust needs to be created, developed and earned, rather than being packaged, mandated and assigned. In the chapter, Dellve proposes key dimensions and questions to consider when planning and following up on trust initiatives.

Organizing for reliability

In Chapter 7, Stefan Tengblad discusses what a focus on reliability in public organizations entails based on previous research on reliable organizations and organizational resilience. Such an organizational approach may result in organizations worthy of trust and less dependent on the ability of individual actors to make others experience trust. A reliable organization is able to learn and maintain stable processes even in stressful situations. Tengblad also issues a warning with regard to excessive positive thinking; that is, a belief that employees with the right vision and attitude – thanks to a communicative leadership style – will succeed in demanding tasks, even in the absence of reliable routines and sustainable staffing. There is a great risk that upper management in organizations deludes themselves and this leads to an unhealthy distance between management functions and operational activities.

Eight arguments related to trust and reliability

Chapter 8, the final chapter, summarizes the message of the report by expanding on the discussion on how a reliable organization may be implemented through mission dialogues, professional responsibility and good conditions for managership and employeeship. Here, we also discuss the role of governing bodies in politics and management. We note that those wanting to improve the level of trust in their organizations would be wise to start by looking at the nature of the organization in relation to its mission and, based on this, seek to develop and establish a reliable organization. Is there adequate staffing? Do employees know how to do their job? Can they lean back on established routines to manage their day-to-day work without being worn down? Are there procedures in place for managing quality deficiencies and is there a helpful spirit in the workplace? Do the strategic and operational levels share a world when it comes to balancing goals versus means?

Eight arguments related to trust and reliability are presented in the chapter:

- › There is no general lack of trust in Swedish workplaces, but there is a lack of reliability.
- › Trust is important and something positive if it is related to and based on reliability.

- › Trust should be seen more as a result of the organization of work and actors interacting, not as something a leader can control to any great extent.
- › There is a need for close and interactive governance between management and operational units.
- › Control is needed, also when it comes to creating and maintaining trust.
- › Good and well-established standards are needed for achieving reliability and sustainable working conditions.
- › Leaders play an important role but have a limited ability in terms of creating desired conditions by their way of acting, which is why reliable systems that are not particularly dependent on single individuals need to be created.
- › Achieving reliability and building trust requires thorough routines as well as follow-up and development via mission dialogues.

To summarize, we see a great need to focus on the concept of reliability in Swedish workplaces. Many welfare organizations – not least in the health care sector – exhibit problems in terms of high sickness rates, a great workload and poor working environments, simultaneously as there is an urgent and widespread need to attract new employees and retain existing ones. In order to manage the supply of skilled employees, we cannot let poor working environments remain an important reason why so many skilled and committed employees choose to quit. Marketing and targeted wage increases will not be helpful here, or perhaps only in the very short term.

Employees at all levels in the public sector need demands that are manageable and that they are able to influence their work situation as well as that of the unit. This will also create better conditions so that many more people choose to approach the welfare sector and undergo training for the occupations so badly in need, now and in the future.

There might be a risk that we create a new form of exaggerated expectations and that a new form of wishful thinking arises – that organizing for reliability is seen as somewhat of a new “quick fix” for achieving success. This would be an unfortunate outcome of our ambitions, as our intention is not to replace one form of wishful thinking or ideal model with another. As is frequently the case, this is a question of being able to see reality for what it is and realize that it is difficult and

demanding. In a complex reality, it is a matter of doing the best you can to balance goals and means in everyday life, trying to see the perspectives of others and not being led astray by someone saying that they have simple solutions to the problems facing the welfare system. It is not possible to create perfect organizations, but we are convinced that it is possible to create a welfare sector capable of delivering high-quality welfare services in a more sustained and sustainable manner.

The reliable organization

If the dialogue fails in any of the links in the chain running between politics, strategic management, operational management and employees in the public administration, this easily leads to mistrust going down or up in the organization. A well-functioning vertical communication of assignments in relation to available means is at the core of creating reliable organizations. A well-developed dialogue between central and local management and between local management and employees gradually creates an understanding of each other's perspectives. The core of this dialogue must be the mission. When the functions involved in the implementation of the mission have a common understanding of the mission, and the related conditions, they share perspectives. In a reliable organization, governance is based on the mission. Strategic management must be able to demand accountability from the organization for what has been achieved – this is and will remain a key aspect of good governance. The ambitions of the welfare system constantly need to be adapted to the available resources, while politicians must stand up for certain priorities.

In a reliable organization, it is important that employees, in addition to their professional skills, exercise a developed employeeship, which entails that they also have the organizational skills related to the ability to take responsibility and initiative, to actively relate to rules and guidelines and to be able to collaborate. In short, it is a question of professional skills working in an organizational context.

In a reliable organization, there is a culture that welcomes critical voices and a problematizing approach. Good practices and standards free up time and effort to deal with disruptions and to seek to develop the workplace. A reliable organization also consists of open and frank discussions on working conditions. Here, both employees and managers

enjoy good organizational conditions regarding the size of the work teams, arenas for communication and sound administrative support.

In a reliable organization, senior managers and staffs – that is, the functions that interact with the organization's political levels as well as with managers and support functions further down in the organization – work in a way that benefits and does not harm the core operations. They must have their ear to the ground in order to assess whether and when it is time to approach operations in the form of, for instance, reorganizations, new methods and projects. They must also be reasonably coordinated so as not to drown the core operations with overlapping or even contradictory initiatives.

Developing welfare organizations better equipped for managing the many and frequently difficult problems facing them requires long-term and sustained efforts at all levels. Only then will we create a public sector that deserves the trust of politicians, managers, employees and the public.

About the authors

Lisa Björk has a Ph.D. in Work Science and is Senior Developer in Organization and Leadership at the Institute of Stress Medicine, West Region of Sweden.

Stefan Tengblad is professor in Human Resource Management and Work at the Center for Global HRM at Gothenburg University.

Thomas Andersson is professor in Business Administration at the University of Skövde.

Björn Brorström is professor emeritus in Business Administration and researcher at Kommunforskning i Västsverige.

Lotta Dellve is professor in Work Science at Gothenburg University.

Annika Härenstam is professor emerita in Work Science and researcher at Stockholm University.