



Peer reviewed article

Trust-based management in the public sector in Norway: Often heard but less seen?

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Abstract

This article explores the diffusion of trust-based management (TBM) and how trust-based management affects trust between managers and employees, as well as organizational results. The idea of trust-based management stems from reforms in Copenhagen municipality in 2012 and has since spread to the public sector in Norway and Sweden. Trust-based management is perceived by many as an innovation and as different from traditional governance and control. There have recently been some studies of trust-based management in Denmark and Sweden, but so far there are few empirically based studies of trust-based management beyond case studies. This analysis uses survey data from 143 managers and employees in public sector organizations in Norway and the article is the first analysis of the diffusion of trust-based management and its impact on organizational performance in Norway. The results indicate that there has been little change in trust-based management in recent years, and municipalities seem to have more trust-based management than central government organizations. Multivariate analyses with PLS-PM show that increased trust-based management is positively related to organizational performance directly as well as positively related to organizational performance via trust, as expected from theory.

Keywords: decentralization, empowerment, management by objectives and self-control, organizational performance, reforms