Pockets of Trust in a Landscape of Distrust: Interorganisational Trust and the Challenge of Conflicting Institutional Logics
Lena Högberg¹ and Birgitta Sköld²

Abstract
This paper examines the development of trust in interorganisational relationships (IORs) that are embedded in conflicting institutional logics. The study focuses on a recently established customer choice system for domestic elderly care that involves a complex constellation of logics for the parties involved in the IORs to handle. We explore how boundary spanners deal with conflicting logics and the impact it has on the development of trust in IORs, including both positive and negative expectations of trustees and the new customer choice system. Using the institutional logics in action theory, we propose a new approach to understanding the role of institutional embeddedness in IORs and provide empirical evidence of how institutional logics influence the development of trust. We introduce the concept of “pocket of trust” to describe the compartmentalised development of trust in an organisational environment otherwise characterised by distrust and control efforts.

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Introduction
Institutions are important to the societal “smoothness” of daily interaction (Möllering, 2006), and we tend to trust others simply because we are socialised into norms that tell us this is the right thing to do. The level of trust in an organisation consequently depends on how well it corresponds to the norms of the environment of that specific kind of organisation (Scott & Meyer, 1994). The subject of institutions has been on the agenda of trust researchers since the work of Lynne Zucker (1986), which explained how categorisation enables us to trust people who resemble ourselves and causes distrust of strangers. Yet, trust scholars have concluded that the role of institutions is not yet sufficiently researched (Bachmann, 1998; Fuglsang & Jagd, 2015; Möllering, 2006).

Interactions and relationships are embedded in institutional environments, and their characteristics are of importance to the trust development process (Bachmann & Inkpen, 2011). Sometimes, institutions in themselves are important as facilitators in creating trust in new IORs (Bachmann & Inkpen, 2011), but there are also organisational and interorganisational settings that are characterised by multiple institutional logics inherently in conflict (Seo & Creed, 2002). In such circumstances, institutions and assumptions about a certain actor might hinder rather than facilitate trust (Högberg, Sköld, & Tillmar, 2018; Zucker, 1986). By drawing on the institutional logics approach to institutions, seeking to explore and explain contrasts, conflict, and change based on the idea that inter-institutional systems are in perpetual competition with each other rather than moving towards homogeneity (Friedland & Alford, 1991), this paper aims to contribute to our understanding of the complex relationship between IOR trust and conflicting institutions.

We target IORs embedded in a customer choice system, which constitutes a particularly relevant case given its constellation of conflicting institutional logics.
logics. The customer choice system is a “quasi-market” (Le Grand, 2009), combining logics of the market, primarily competition, with logics of bureaucracy and management. It is regulated by specific legislation in the Act 2008:962 on Systems of Choice. In customer choice models, service users choose provider from a list assembled by the municipality, on the assumption that competition for users will drive quality improvement among providers (Meagher & Szebehely, 2013). The providers must apply for authorisation by the municipality, and all who fulfil the criteria of the tender documents are authorised, but they are not guaranteed any clients. Private for-profit and non-profit providers compete alongside the ‘in-house’ municipal provider, with the intent of improving efficiency, quality and responsiveness of providers in relation to citizens’ expectations (Le Grand, 2009). The municipality pays for the services and has the overall responsibility to ensure service provision and quality. By determining a level of compensation, equal for all providers, price-competition is ruled out (Erlandsson, Storm, Stranz, Szebehely, & Trydegård, 2013). In addition, the municipality stipulates the requirements by which the providers can be held accountable towards both citizens and the municipality by means of a contract (Glenngård, 2016).

In terms of IOR trust, the customer choice system embeds the relationships between the procuring municipality and the providers in quite a complex institutional context with a mix of logics for the actors to deal with. Researchers have characterised customer choice systems as a difficult context for trust to develop in (Högberg et al., 2018), but still they are in place in more than half of the municipalities in Sweden. Research has even found the system to be marked by distrust rather than trust, based on an institutionalised conflict of interest between purchaser and providers, where the purchaser is keen to keep public spending low whereas private providers are driven by the logic of increasing revenue (Vadelius, 2015). Hence, the system as such poses certain managerial challenges, and trust issues have increased due to scandals where providers have acted opportunistically and even criminally, causing a legitimacy challenge for all providers involved in the system (Högberg & Mitchell, 2023). In terms of IOR trust, the case of customer choice systems can hence be regarded as something of an extreme case when it comes to challenges for trust to form.

Our empirical study targets a new customer choice system for domestic elderly care, introduced in an organisation that previously resembled a rather traditional public administration (Pollitt & Bouckaert, 2011) where bureaucratic logics tend to dominate (eg. Meyer, Egger-Peritler, Höllerer, & Hammerschmid, 2014). In the new customer choice system, municipal civil servants are expected to deal with a mix of logics. The providers are expected to enact market logics and compete for clients, but in providing welfare services they are also expected to enact professional logics of social care and comply to rules and regulations, central to bureaucratic logics. This new constellation of potentially conflicting logics is targeted in the paper to learn about what the mix of institutional logics means for IOR trust development.

Theoretically, this paper draws on institutional logics in action (Lounsbury & Boxenbaum, 2013), exploring the ways in which individuals respond to and enact conflicting institutional logics (Pache & Santos, 2013a). Organisations are here treated as “heterogeneous entities composed of functionally differentiated groups pursuing goals and promoting interests” (Greenwood & Hinings, 1996, p. 1023) where no single institutional logic provides meaning for everyone in the organisation; instead, several logics are relevant for the professionals of different functions (Binder, 2007). A pressing theoretical issue for researchers to deal with is to grasp what such a multitude of institutional logics implies for organisations as well as what the consequences are for the professionals involved (Blomgren & Waks, 2015; Goodrick & Reay, 2011). Such knowledge is specifically requested with regard to public sector civil servants (Karlsson & Olsson, 2018). In this paper, we contribute to this research agenda by offering an analysis of IOR trust as seen from the perspectives of the civil servants involved in managing the complex customer choice system and the relationships involved. The professionals identified as key to trust development in IORs are those representing their organisation in establishing and maintaining the relationships: the boundary spanners. Boundary spanners are organisational representatives who deal directly with a specific party in the other organisation (Oomsels, Callens, Vanschoenwinkel, & Bouckaert, 2019; Vanneste,
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2016) and regarded as key for IOR trust to develop (Vanneste, 2016; Zaheer, McEvily, & Perrone, 1998), particularly during the early stages of an IOR (Schilke & Cook, 2013). Building trust between representatives of organisations is arguably much more complex than trust between autonomous individuals, since boundary spanners must take the organisational and institutional context into account in the decision to trust or not to trust the other party (Perrone, Zaheer, & McEvily, 2003). In IORs, boundary spanners are hence important for linking interpersonal and interorganisational trust (Zaheer et al., 1998).

The purpose of this paper is to enhance our understanding of how conflicting institutional logics impact IOR trust development. The research question guiding our analysis is: How do the boundary spanners involved in the new customer choice system deal with conflicting institutional logics, and what are the implications for IOR trust development?

Methodologically, we adopt the interpretive perspective to researching trust (Möllering, 2006), in which we target trust development as a process embedded in context, from the perspectives of both trustors and trustees enacting the boundary spanning roles of new IORs. The combination of methodology and theories in use offers an approach that allows for an exploration of IOR trust when embedded in a complex set of conflicting institutional logics. We highlight how conflicting logics serves as material for both distrust and trust and argue that logics are not neutral in terms of trust. The managerial logic (e.g., Meyer et al., 2014) is introduced with the new system to deal with the consequences of market logics and it is focused on control and positioned as superior (Goodrick & Reay, 2011) in contrast to the professional logic of social care, which is more inclined to trust (Håkansson, 2022). But with one of the boundary spanner groups, the mix of logics triggers reflexivity and agency in a way that enables a pocket of trust to form despite their control function. The paper contributes to IOR trust research by further highlighting the complex role of institutions in causing trust divergence (Brattström, Faems, & Mähring, 2018). Empirically, we contribute to research on IOR trust in the public sector by exploring what it means to enact the various functions created to ensure a balance of trust and control in a new customer choice system, from the point of view of the professionals. Previous research has shown the complexity involved in public sector IOR trust (Oomsels et al., 2019), and this research takes the agenda a step further by involving trust-building across the public–private divide.

The paper continues in the next section with the theoretical framework, combining trust with institutional logics in action. After that, we describe the methods used in the study. Subsequently, we present the results of the analysis, after which we discuss the results and draw conclusions that highlight the contributions and limitations of the study.

Theory

Trust has been established as critical for IORs (Brattström & Bachmann, 2018; Das & Teng, 1998; Zaheer et al., 1998) because it deals with uncertainty (Schilke & Cook, 2013) and enables smooth and coordinated action, decreased transaction costs, as well as innovation (Lane & Bachmann, 1998; Ring & Van de Ven, 1992). But there are plenty of challenges to forming trust in IORs and blind trust carries obvious risks and drawbacks (Edelenbos & Klijn, 2007). Trust and distrust can thus be functional or dysfunctional, depending on their consequences for the collaborative effort (Oomsels et al., 2019). This is a particularly relevant point in the public sector, given its societal responsibility, where trust cannot replace control without considering principles of democracy, legitimacy, and the rule of law, among other logics (Oomsels et al., 2019).

To trust is to take a leap of faith and accept vulnerability, based on positive expectations of the other’s actions (Möllering, 2006). Not being ready to take the leap of faith and trust the other party does not equate to distrust, however. In line with previous research (Lewicki, McAllister, & Bies, 1998; Van De Walle & Six, 2014; Vlaar, Bosch, & Volberda, 2007), we distinguish between trust and distrust in order to understand IOR collaboration in contexts where trust does not stem from institutional safeguards. In this way, we can disentangle the motives for lack of trust or low trust from actual distrust, where actors have negative expectations of one another. “Distrust is not an absence of trust, but an attitude in itself” (Van
De Walle & Six, 2014, p. 162) consisting of “confident negative expectations regarding another’s conduct” (Lewicki et al., 1998, p. 439). Distrust can be expected in situations where “an individual or group is seen as not sharing key cultural values” (Sitkin & Roth, 1993, p. 371). Acknowledging trust and distrust as separate but related phenomena enables an analysis of situations where they coexist.

The relationship between trust and control assumed in this paper is inspired by Möllering (2005), who suggests that it represents a duality rather than a dualism. This means that the actor understands trust in the light of control, and control in the light of trust. Both trust and control are means of dealing with uncertainty, albeit in different ways. Trust means dealing with uncertainty by taking a “leap of faith” based on positive expectations of the other party, suspending the uncertainty (Möllering, 2006). Control means dealing with uncertainty by means of rules, regulations, standards, and contracts. If an actor has positive expectations of the agency of the other party, we speak of trust, but if these positive expectations are based on faith in the structures and systems put in place to prevent malevolent behaviour by other actors, we speak of control (Möllering, 2005). Similarly, if an actor has negative expectations of the other party’s future actions, we speak of distrust, and an actor’s negative expectations of structures and systems represents a lack of control. “When asking whether an actor will use his or her agency benevolently, it also needs to be asked how much room for agency the relevant social structures actually leave” and, vice versa, “how much room for agency particular social structures actually leave is a question of the assumed level of trust in the actors concerned” (Möllering, 2005, p. 291). Hence, trust refers to and produces control, and vice versa.

Trust is a relationship embedded in a context of social relations and institutionalised rules affecting how trustors and trustees define themselves as actors and enact their agency in relation to each other (Mayer, Davis, & Schoorman, 1995; Möllering, 2006). This notion of embeddedness is key to our understanding of how institutional logics matter for trust development. Institutional logics are often defined as “the socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values, and beliefs, by which individuals and organisations provide meaning to their daily activity, organise time and space, and reproduce their lives and experiences” (Thornton & Ocasio, 1999, p. 804). Institutional logics offer frames of reference that actors use to make sense of a certain situation in a certain way, motivating them to undertake certain actions and providing them with material to form an identity (Thornton, Ocasio, & Lounsbury, 2012). Institutions both constrain and enable individual and organisational action, which means that they comprise explanations for both stability and change (Thornton et al., 2012). The source of change and agency adheres to contradictions in the differentiated set of institutional logics available to individuals, groups, and organisations, serving as cultural resources for transformation as well as stability (Thornton & Ocasio, 2008, p. 101).

The institutional logics approach has been criticised for its ambition to include almost everything and thereby losing its analytical sharpness (Alvehus & Hallonsten, 2022; Alvesson & Spicer, 2019; Hallett & Hawbaker, 2021). The particular take on institutional logics applied here is sometimes referred to as logics in action (Lounsbury & Boxenbaum, 2013; McPherson & Sauder, 2013), developed to account for micro-processes and the day-to-day use of logics. In contrast to institutional theory, which assumes that professionals adhere to the logics of their particular professional groups, research on logics in action demonstrates the complexity in the actual use of logics within organisations (McPherson & Sauder, 2013). The relationship between agency and structure in relation to logics as both constraining and enabling action is particularly salient to the work of Pache and Santos (2013a). They argue that when individuals are presented with conflicting institutional logics, it triggers reflexivity and agency. This provides individuals with a higher level of strategic choice since the contradictory demands challenge what is taken for granted in the institutional arrangement. This presents several alternative courses of action and requires a more active decision about whether to adhere to or reject a particular logic. The reason for this is partly due to the individuals’ degree of adherence to a particular logic, and partly due to the degree of hybridity in the context (Pache & Santos, 2013a). Adherence ranges from novice (no adherence), familiar (intermediate adherence), to identification (high adherence) with the logic. Empirical studies also reveal that
individuals respond differently to conflicting institutional demands (Binder, 2007; Pache & Santos, 2013b). Individuals may respond to conflicting logics by ignoring, defying, complying, compartmentalising or combining them and they do so in a more or less active way (Pache & Santos, 2013a). This approach to institutional logics helps us explore the role played by individuals in making sense of and enacting or resisting the competing institutional logics made available to them by the new customer choice system, as well as the strategies by which they influence the logics in use by others.

The definition of trust as a leap of faith emphasises the importance of expectations. Expectations represent a crucial link between institutional logics and trust because institutional logics embody sets of expectations about social relations and behaviour, which in turn shape individual and organisational action (Goodrick & Reay, 2011). Logics arguably matter to the trustor in both forming her expectations about herself in a certain role and a certain situation, and in her expectations of the trustee at hand. Trustee trustworthiness is assumed in trust theory to be based on an assessment of ability (competence to perform the particular task or role), integrity (shared or accepted values or principles), and benevolence (willingness to do good to the trustor, aside from an egocentric profit motive) (Mayer et al., 1995). Institutional logics arguably also matter in assessing the situation as such, in determining vulnerability and uncertainty, as well as available measures of control to manage that uncertainty as an alternative to trust. Institutional logics can hence be expected to permeate several dimensions of the trust process, by shaping meaning and predictability (Thornton et al., 2012). However, in accordance with Pache and Santos (2013a), we can also presume that in a complex context such as the customer choice system, the mix of logics reduces predictability and creates greater opportunities for reflexivity and agency among boundary spanners involved in the IORs, also with regards to their expectations of each other. Through the application of institutional logics in action theory, we can enhance our understanding of trust as a dynamic process embedded in institutional contexts and gain further insights into how agency and structure interact to create trust and distrust in IORs that are characterised by conflicting institutional logics.

**Method**

To explore trust as embedded in a context of conflicting logics, this paper draws on a study of a new customer choice system, introduced in a mid-sized Swedish municipality that had previously been organised as a traditional bureaucracy. The new system is a relevant case for our purpose as it initiated a series of changes to the involved organisations, both in terms of new ways of working, and in terms of a new constellation of institutional logics available to the actors involved. Managerial logics and market logics were part and parcel of the introduced system, and they were introduced in a context where civil servants were accustomed to working according to a mix of bureaucratic and professional logics of social care. Our study targets the initial phases of the IORs established as a result of the new system, which are arguably of specific importance in determining the development of positive or negative spirals of trust (Vlaar et al., 2007), thereby complementing previous research on trust and distrust in customer choice systems (Högberg et al., 2018; Vadelius, 2015).

**Data collection and analysis**

The empirical basis for this paper is a case study of a new customer choice system implemented in a Swedish municipality. The case study design enables rich data on both phenomenon and context and, by means of a process approach, we can also trace the development of trust and distrust over time. To do this, we approached the study of trust by following Möllering’s (2006) description of the interpretive method, meaning that we assume a process perspective of trust, situating both trust and distrust development in relevant contexts (embeddedness), and asking for actors’ experiences and reflexivity by means of repeated in-depth interviews with the involved actors. Through interviews with significant actors in the municipal organisation and the private providers, we learned about their expectations of one another, including reasons to trust or distrust the other party, as well as
their own reflections about the preconditions for trust and control in the new customer choice system. Embeddedness of trust and distrust were also approached by interviews with other actors in the system, and by documentation analyses to capture critical elements of the new system, including minutes of meetings, formal decisions, contracts, regulations, and documentation.

In total, 19 people were interviewed (see Table 1). Nine of them were identified as key boundary spanners and hence interviewed more than once to follow the development of their experiences over time. In total, 27 interviews were conducted. Interviews were extensive and lasted approximately 1.5–2 hours, some even up to three hours. The second round of interviews with boundary spanners was conducted one year after the first interviews. The questions covered the bases for trust and the interviewee’s understanding of his/her role in the system, as well as experiences of the new customer choice system.

Table 1. Study participants in each actor category and data collection method

<table>
<thead>
<tr>
<th></th>
<th>Interviews one year after the customer choice system was established</th>
<th>Interviews two years after the customer choice system was established</th>
<th>Workshop participants (~ three years after the customer choice system was established)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchasing function (A1)</strong></td>
<td>2 Purchasing experts</td>
<td>1 Purchasing expert</td>
<td>2 Purchasing experts</td>
</tr>
<tr>
<td><strong>Authority function (A2)</strong></td>
<td>1 Social services officer, 1 Manager</td>
<td>1 Social services officer, 1 Manager</td>
<td>1 Social services officer, 1 Manager</td>
</tr>
<tr>
<td><strong>Evaluation function (A3)</strong></td>
<td>1 Evaluation expert</td>
<td>1 Evaluation expert</td>
<td>1 Evaluation expert</td>
</tr>
<tr>
<td><strong>Private providers (B1–Bn)</strong></td>
<td>5 Managers</td>
<td>3 Managers</td>
<td>4 Managers</td>
</tr>
<tr>
<td><strong>Municipal provider</strong></td>
<td>1 Manager</td>
<td>1 Manager</td>
<td>1 Manager</td>
</tr>
<tr>
<td><strong>Municipal managers</strong></td>
<td>3 Managers, 1 Project manager</td>
<td>1 Manager</td>
<td>5 Managers</td>
</tr>
<tr>
<td><strong>Municipal politicians</strong></td>
<td>4 Politicians</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

To initiate further reflexivity on behalf of the parties involved in the IORs, as well as to validate our findings, our initial analyses and interpretations were presented to and discussed with the study participants in a workshop format some months after the second round of interviews was completed. The workshop provided confirmation of our understanding of the perspectives of each function, as well as of the relationships between the municipality and the private providers.

The analysis was conducted in several steps, using several interpretation strategies. The material was first analysed using the principles of constructivist grounded theory (Charmaz, 2017) as a guide to code all the data from all interviews and documents. This step was focused on sorting the material but also on learning the language in use of those interviewed. In the next step, we analysed the patterns of trust and distrust developing and learned that trust was not developed in a similar way across the functions. Institutional logics theory was introduced as a means of explaining why the involved functions developed trust and distrust in the providers differently despite their embeddedness in the same organisation. A “pattern-matching strategy” (Reay & Jones, 2015) was used to capture the institutional logics enacted by the involved actors when reflecting upon their understanding of the new system and the process of developing trust and/or distrust in the other party, as well as their understanding of control measures taken to increase control. An iterative and interpretive (Möllering, 2006) analysis followed, aimed at an increased and nuanced understanding of the relationship between trust-distrust and institutional logics in use, rather than reduction into straightforward patterns.
Boundary spanners and trust relationships targeted in the analysis

The boundary spanning roles representing the municipality in the customer choice system include three different functions, as illustrated in Figure 1: the purchasing function (A1), the authority function (A2), and the evaluation function (A3), all of which interact with the providers (B1–Bn). Additional complexity is added to the trust relationship analysed in our study in comparison to typical studies of trust because the services that the providers are entrusted to perform are carried out in the homes of the service users (C), out of reach of the municipal representatives to monitor on a first-hand basis due to the personal integrity of the service users. The question for the trustor is hence not only whether A can trust B to provide good-quality care for C without insight into the services provided, but, in customer choice systems, the question is rather whether A1–A3 can trust B1–Bn to provide good-quality care to C in the light of competition among B1–Bn.

Figure 1. Boundary spanners’ functions and interactions in the new customer choice system

- **Municipality**: Responsible for elderly care to citizens. Regulates, purchases and finances the services. Organised in three functions:
  - **A1** Purchasing function sets criteria, authorises providers, deals with contract deviations
  - **A2** Authority function decides on the care to be provided based on the user’s individual needs
  - **A3** Evaluation function assesses the alignment of providers’ operations with regulations

- **Care providers (B1—Bn)**:
  - Performs care in the home of the service users who have selected them to be their provider
  - Care is performed following authority decisions and according to regulations and criteria stated in the contract

- **Service users**
  - Chooses provider amongst those authorised by the municipality
  - Consumes the services
  - Pays, but a small fee (to the municipality)

Our analysis targets this trust dilemma, focusing on the three functions: A1–A3. Each function has its own area of responsibility, professional expertise including a basis for legitimacy.

The purchasing function (A1) deals specifically with the customer choice system. They prepare tender documents, ensures the authorisation process, and develops control and coordination measures. Their expertise is in administrative tasks. A “purchasing expert” is recruited to act as an intermediary within the customer choice system, ensuring appropriate and sufficient control. The function is assigned the expert role based on longstanding experience of customer choice systems, prohibiting malfunction and fraud by means of regulation and management control instruments.

The authority function (A2) exercises authority on behalf of the municipality by ensuring that all citizens entitled to home care are provided for in a relevant manner. Its task is to assess the needs of service users, to grant and develop a plan for the home care to be provided, and to evaluate the care provided in relation to the decision. The authority function is regulated by law (The Social Care Act, 2001:453; The Healthcare Act, 2017:30). The need of each individual client is the focus of the authority function in all its decisions and practices. The social services office is staffed by qualified professional social workers, trained in both social work and public administration, and hence represents a profession in the classical sense.

The evaluation function, A3, is responsible for evaluating the operations of all the units providing home care, both municipal and private. Legislation stipulates that municipalities
ensure strategic and systematic evaluation and control of all services procured from private providers (The Swedish Local Government Act, 2017:725). The criteria and measures are left to each municipality to decide on. The evaluation team consists of six experts representing several professions, including nurses, social workers, a welfare officer (“curator”), and a behaviourist.

Providers (B1–Bn) are represented by the owner-managers of the private firms authorised by the municipality to provide home care. The private providers vary in size and age. Some are new and others were established to provide home care in other municipalities. The firms are typically run by an owner-manager and/or an administrative team coordinating a staff of anything from 20 up to 150 care workers. Large companies are represented in the study by managers in their local organisation.

Results
To account for how the boundary spanners involved in the new customer choice system deal with conflicting institutional logics and what this means for IOR trust development, we structure the result section in a way that reflects the interpretive approach to trust (Möllering, 2006). The point of departure, phase 1, is taken at the point of the initial situation, when the customer choice system is introduced, as it serves as an important backdrop for the trust and control strategies that boundary spanners develop as they engage in the customer choice system. Subsequently, in phase 2, we focus on the boundary spanning functions A1–A3, on how they deal with conflicting logics and how that influences the development of trust and distrust in their relationships with providers. In the third phase, we explore the boundary spanners’ perspectives on trust, as they have more experience of each other and the system at a point in time where breaches of trust had further complicated the relationships. An overview of the constellation of logics and the adherence to logics from the perspective of each boundary spanner function can be found in Table 2.

Uncertainty and vulnerability in the new customer choice system
The customer choice system introduces the logics of the market, including competition, in the public bureaucracy. The market is regulated by the municipality, which means that local rules and regulations are put in place to make the system function in accordance with the political objectives, hence infusing it with logics of management.

Uncertainty and expectations are important starting points when analysing trust, because uncertainty creates the void that needs to be bridged by either a leap of faith or increased control, depending on the expectations placed in the future actions of the trustees (Möllering, 2006). The new customer choice system introduced uncertainty and vulnerability in several ways. New roles and relationships between actors with little or no direct experience of one another needed to be established. The market logics brought with them certain expectations in the new providers’ future behaviour, including that private companies have different incentives from those of the municipality, such as seeking to maximise profit, and that they would only undertake activities that they were either paid to do or regulated by contract to ensure. Fear of opportunism was another driving force behind regulations and standardisation. Authorisation criteria were set high in terms of formal competence in both care work and management skills. The head of office highlighted the need to minimise the agency of the new providers, to secure control:

Our procurement documentation … is very detailed and very well substantiated and it was perhaps both belt and braces, and hands in pockets in many cases. … Based on the experiences of [other municipalities], so … That was where we really put in the most effort, to ensure that it wouldn’t be used incorrectly. (Head of office)

Whilst signing the contract with the new providers, the head of office warned them that the municipality would be keeping an extra eye on them and that anyone diverging from the contract agreement would be excluded from the customer choice system without hesitation. The promise of a strict enforcement was kept. Just before the new customer choice system was launched, the contract of the most popular provider among the clients was terminated due to a
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shortage of capital in the company accounts compared to the contract. Other providers expressed shock at the news of the terminated contract, as it increased their own uncertainty. The initial situation was hence one in which trust was expressed in the new providers, in that they were granted authorisation after meeting the criteria; simultaneously, distrust was expressed by warning the providers that any opportunistic behaviour and divergence from the contract would imply an end to the contract. From an institutional logics point of view, this marks a form of resistance by the municipality, to bring in market logics. In essence, the introduction of the customer choice system brought with it market logics and new bases for uncertainty and vulnerability. This opened opportunities for the introduction of managerial logics, including a focus on efficiency and ways of cutting costs to deal with a budget deficit. The centrality of the managerial logic to deal with the market logic is demonstrated by the hiring of a purchasing expert recognised for their work on ensuring control in customer choice systems by means of managerial control and accounting functions, and with the changes made to the authority function’s ways of working.

The initial experiences described by both purchasers and providers are an important starting point for our interpretation of the situation as a “landscape of distrust”. In the process that followed, the municipal managers avoided interacting with the new providers and handed over the operations to municipal officers in charge of purchasing, authority, and evaluation functions (A1–A3). It was now their responsibility to enact the boundary spanning activities with the new providers within the customer choice system.

Varying adherence to logics – different points of departure for trust and control

In the first set of interviews with boundary spanners regarding their work, the new customer choice system, and the trustworthiness of the other actors involved, four institutional logics were identified. The actors involved had quite different experiences, and some where novices and others were familiar or even identified with the logics. As a basis for the continued analysis of how boundary spanners deal with conflicting logics and how this influences trust development, we begin by categorising each boundary spanner function according to the level of adherence to the identified logics (Pache & Santos, 2013a).

Table 2. Boundary spanners’ adherence to the logics available in the customer choice system

<table>
<thead>
<tr>
<th></th>
<th>Purchasing function (A1)</th>
<th>Authority function (A2)</th>
<th>Evaluation function (A3)</th>
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</thead>
<tbody>
<tr>
<td>Managerial logic</td>
<td>Identified</td>
<td>Novice</td>
<td>Familiar</td>
</tr>
<tr>
<td>Professional logic of social care</td>
<td>Identified</td>
<td>Identified</td>
<td>Identified</td>
</tr>
<tr>
<td>Bureaucratic logic</td>
<td>Identified</td>
<td>Identified</td>
<td>Identified</td>
</tr>
<tr>
<td>Market logic</td>
<td>Identified</td>
<td>Novice</td>
<td>Familiar</td>
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The purchasing function (A1) was designed and staffed to counteract the vulnerability brought by the market logic by means of a combination of bureaucratic and managerial logics. The authority function (A2) takes as its point of departure a combination of professional logics of social care and bureaucratic logic, but they are novices with the managerial and market logics. The evaluation team (A3) enacts a mix of professional logics of social care, bureaucracy, and management in performing their evaluation task.

In the following, we explore how logics are enacted as the boundary spanners reflect upon their reasons to trust or distrust their counterparts.

The purchasing function (A1) acts as an intermediary between the municipality and the private providers, answering their questions and dealing with all kinds of deviations from the contract. The purchasing function supports other functions, such as the authority (A2), when it comes to control measures. The purchasing expert is recruited based on extensive experience of customer choice systems, both from a similar expert function in other municipalities, and...
from working as a manager within a large private care company. This previous experience gives the expert an advantage in interactions with the private providers since it enabled a combined perspective of both business managers and that of the bureaucracy. The market logic is familiar to the purchasing expert, who enacts a series of managerial control instruments to deal with the agency of the providers and align their actions to the rules set by the municipality. The role is complex in relation to trust and control because it needs to balance sound relationships with the private providers with being a gatekeeper against opportunism. Managerial logics dominate the perspective of this expert, and any trust is based on careful calculation, which is swiftly eroded should any opportunistic behaviour be revealed.

The market logic of profit maximisation supports the purchasing expert in placing positive expectations in private providers because it makes them “easy to manage by means of incentives”. Private providers are assumed to deliver what they are paid to do, and in a way that encourages the clients to stay with them – otherwise they have no income, the expert argues:

They [the private providers] will deliver what we ask for, but only if they meet their financial targets. (Purchasing expert)

For the purchasing expert, the market logic thus offers a rational basis for trust in that the profit-seeking behaviour of private firms makes them efficient and customer oriented. This rationality provides incentives to introduce additional management logics to the municipality to optimise the incentive system in place. Paradoxically, the market logic of profit maximisation brings uncertainty and negative expectations of providers’ benevolence, in the eyes of the purchasing expert. “The innovativeness when it comes to exploiting our systems is profound”, the expert argues. In a customer choice system, there is always the risk of opportunistic behaviour; hence it is not possible to have perfect control, the purchasing expert argues. This ambiguous position, when it comes to provider trustworthiness, makes the purchasing function prone to control as a means of dealing with uncertainty more than trust.

The most profound changes needed in the municipal organisation to facilitate the new customer choice system regarded the authority function (A2). A new remuneration model was developed to compensate providers based on performance, which is customary in customer choice systems, and a predetermined standard number of minutes for each service (such as assisting with a shower or serving breakfast) was developed. Hence, the assessment for each individual client was now accompanied by a standard number of minutes that the provider was expected to spend on the task.

Before the customer choice system was introduced, the authority function (A2) held a trust-based attitude to the (municipal) provider, meaning that the provider was autonomous in deciding the “how” and “when” of providing the specified home-care services. The division of roles was rather distinct and paired with continued interaction: conditions that facilitated trust. The propensity of the authority function to trust providers arguably resulted from professional logics of social care, the social services act according to logics of bureaucracy relating to equal treatment and legal certainty for the client, whilst keeping cost-effectiveness in mind. The generalised trust approach of the authority function was identified by the purchasing expert (A1) as a source of vulnerability and great risk within the customer choice system, meaning that social workers run the risk of being blind to opportunistic behaviour due to their professional logic in everyday practice:

I believe that, in general, the [officers of the authority function] have a very big heart when it comes to the clients. (Social services manager)

In addition to professional logics of social care, the social services act according to logics of bureaucracy relating to equal treatment and legal certainty for the client, whilst keeping cost-effectiveness in mind. The generalised trust approach of the authority function was identified by the purchasing expert (A1) as a source of vulnerability and great risk within the customer choice system, meaning that social workers run the risk of being blind to opportunistic behaviour due to their professional logic in everyday practice:

It’s very difficult, based on the training they have as social workers, and from a situation where you’re charged with the task of making sure a person has the help and the support they need, to have a controlling function. (Purchasing expert)

With the new customer choice system, control is what the purchasing expert expects the authority function to include in their repertoire. The representatives of the authority function
(A2) express positive experiences and expectations in providers’ ability to provide for clients based on their explicit customer focus. Their concern in terms of trustworthiness lies in benevolence (Mayer et al., 1995), caused by providers’ focus on time management when constantly seeking to adjust decisions and time available with each client to ensure their revenue.

Like the purchasing function, the evaluation team (A3) has an explicit role in ensuring providers’ compliance with regulations, but they approach it in quite a different way. Rather to the contrary, the evaluation function places trust in providers based on a generalised attitude of trust:

We have the attitude that they [the providers] answer [our evaluation questions] based on their ability, their knowledge, and honesty because they want to do their best. And we try not to assess that. … We go there, we ask our questions with the attitude that we trust what they say. That they tell it the way it is. If we didn’t have this trust-based attitude, we might question much more, but that’s not the idea with our model. (Evaluation expert)

This trust-based attitude is supported by a combination of professional logics of social care and management logics, as explained in this quote by the team leader:

Based on our professions, we’ve jointly concluded that this is a good way of working, to be able to work efficiently and carry out the number of evaluations needed. We’ve decided that the approach will be trust-based, because we think it fits with this way of working. (Evaluation expert)

The evaluation team consists of six experts representing several professions. What they all have in common is “working with people”:

All team members have backgrounds ... where they have worked with people in different contexts and hence, I think that this [trust] is a very natural way to relate to other people. (Evaluation expert)

The evaluation function (A3) team leader relates the question of private providers’ trustworthiness to their basic principle of making the individual client the focus of attention. This basic alignment of principles is important to the integrity dimension of trustworthiness (Mayer et al., 1995). It is the understanding of the expert that this professional logic is very much in concert with the customer-centred market logic of the private providers:

For whom are we doing this? What is the purpose? We’re not doing this for our own sake. Rather, we have a joint mission, and that is to make things better for someone else, and in this case, it’s our clients. If I had worked for [a large Swedish corporation], it would have been [that corporation’s] customers that I would have been working for. (Evaluation expert)

From the perspective of the evaluation expert, the providers’ focus is caring for their customers, and this is truer of the private providers than the municipal ones. This means that, in terms of integrity (Mayer et al., 1995), values are aligned, and providers are deemed trustworthy.

To sum up the initial expectations and assumptions relating to provider trustworthiness (Mayer et al., 1995), the logics in use within each function provides them with different reasons for trusting or distrusting providers, which explains the divergence in the reasons to trust among boundary spanners of the customer choice system.

**Trust breaches and new means of control with some, trust with others**

Previous research on IOR and trust divergence suggests that boundary spanners who interact more with the partner organisation also tend to trust more (Brattström et al., 2018). This is an interesting contrast to our findings, where the purchasing function (A1) and authority function (A2) both experienced increasing distrust due to increased interaction, whereas the evaluation function (A3), who meet with providers only once per year, continued to place trust in providers throughout the study. Arguably, this difference stems from the logics in use when deciding to trust or distrust providers, as well as the focus of their interactions. In our case, interaction tends to increase when there is a problem to be solved or where a change is needed.
If there are different views on how to solve the problem, the interaction is not necessarily positive.

To ensure rule compliance among providers and improve control, the purchasing expert (A1) introduces new control measures and provides training for the authority function’s (A2) representatives on how to use them. They perform a delicate balancing act between following the bureaucratic logic of keeping decisions in line with legislation and regulations, whilst simultaneously ensuring the professional logic of social care, and bearing in mind the management logic represented by the new expectations of control:

The fact that we have access to [control systems] means that we’re expected to have even more control than before. Of course, that affects how the social service officers think about things differently now from then. Back then, perhaps, they were expected to have more trust and now we’re expected to control, and hence we need the system. (Social services officer)

The new control systems come with consequences for both trust and distrust. Learning about deviances in providers’ performance makes the social services officers more wary than before. “We do feel that we’re more cautious now than before”, the social services manager explained. The new control systems available to the social services officers challenges the previous positive expectations, bringing caution, not necessarily in the sense of negative expectations, but in an increase in control that serves to minimise the need for trust.

Some two years into the customer choice system, one of the providers is found to perform care in a way that deviates substantially with the decisions made by the authority. In addition, their managers exercise inappropriate measures to influence the decisions of the social services officers. The purchasing expert responsible for investigating the matter experiences the situation as one in which distrust quickly replaces the trust held in the provider based on the experience of malevolent behavior. The contract with the provider is quickly withdrawn. For the authority function, the trust in private providers is negatively affected due to this experience. The authority function manager identifies a trust dilemma caused by the new customer choice system, increasing the uncertainty gap, and causing social workers to be more reluctant to take the leap of faith across it:

I absolutely believe that trust has been affected a lot since we introduced [customer choice] … There are only a few situations, but since it didn’t work then, it causes the trust to be disturbed a bit. Instead of trust, you might have a slightly cynical and negative attitude rather than the other way around. [The social service officers] don’t really dare to trust what they hear since they know that in some situations that trust has been exploited. … But we’ve talked a lot about that as well, and we talk a lot about the fact that we must still have trust in the providers and that’s what we as officers want. … But it has become more difficult since we introduced [the customer choice system]. (Authority function team manager)

The trust expressed at the outset, based on professional logic of social care and enabled by the bureaucratic role division, has been replaced with distrust and trust based more on control. With the customer choice system, the professionals of the authority function become less autonomous and thereby lose some of their legitimacy (Fournier, 1999). From the purchasing expert’s point of view, the civil servants as a collective have over time developed a “less permissive attitude” to deviations from the rules and contracts.

We have a less permissive attitude today, and I think it is correct because it would make no sense to put in a lot of work and regulate and write contracts if we did not follow that agreement. (Purchasing expert)

The trust position that stands out most clearly in the new customer choice system, is that of the evaluation team (A3). Not even when a provider was found to be deviating from contractual agreements to the extent that the contract was terminated, did they stop trusting that provider, even though all other boundary spanning functions expressed explicit distrust. How can this be?

As explained by the evaluation function team leader, the evaluation team had no reason to distrust the provider in relation to their specific function. The operations of that provider had been proven to be almost faultless given the evaluation function’s focus on attention. The evaluation team does not pay attention to matters concerning compliance with the contract.
Their mission was described by the expert as firmly demarcated from that of the purchasing function. Nor does the evaluation cover whether the care provided is in line with the decisions made by the authority function. When talking about trust, the evaluation expert is very much focused on their part of the system and their task. Here, the notion of “what” the certain other is trusted to do provides an explanation. Trust is always about a trustor trusting the trustee in a specific respect (Hardin, 2002). The evaluation team trusts providers to answer questions about their operations in a truthful way, nothing more.

The strict division of tasks means that trust is maintained despite the distrust expressed by other boundary spanners in the municipality. This situation, where the organisational arrangements and logics in use enable actors to take a leap of faith and trust, even where significant others express distrust, is what we denote as a “pocket of trust”.

Arguably, the position to trust is rational from the perspective of bureaucratic logic, where the civil servants on the evaluation team are responsible for a specific task and are not supposed to meddle in the business of others. It is also rational, from a professional logic of social care point of view, where there is still reason to believe that the provider spoke truthfully about their operations, even though they had acted in conflict with the authority’s decision and economic rules of the game. The principle of functional separation is a fundamental logic of bureaucracy (Olsen, 2006), in order to enable specialisation and attribute responsibility. This division creates a compartmentalised domain within which the civil servants can develop efficiency of operations in line with politically determined objectives. The role division offers the experts professional autonomy in developing their own methods, and more autonomy in a professional sense (Fournier, 1999).

Discussion

Boundary spanners deal with the conflicting logics available in the customer choice system differently depending on their familiarity with the logics (Pache & Santos, 2013a), and depending on their roles in the customer choice system. The strategies used have different implications for trust. The conflicting logics provides trustors with material for trust and distrust respectively, and the trust that develops differs among the professionals involved depending on how they interpret their role in relation to vulnerability and control. Actors familiar with the market logics and identifying with the managerial logic enact responsibility to strengthen the control perspective of those who are novices in dealing with the market and management logics. This is also due to institutional logics influencing how actors perceive uncertainty and vulnerability differently within the new customer choice system. Those enacting managerial logics are more prone to control than to trust, whereas those enacting professional logics of social care are more prone to trust.

The conflicting logics available to boundary spanners also serves as material in judging the trustworthiness of private providers. Providers are expected to comply to several conflicting logics simultaneously, which causes ambiguity in terms of trustworthiness for the authority function, but not for the evaluation function. With the evaluation team (A3), familiar with both managerial and market logics but identifying with the professional logics of social care, the mix of conflicting logics triggers reflexivity and agency in a way that enables a pocket of trust to form, despite their control function. The evaluation function reflect upon their trust position by means of selective coupling (Pache & Santos, 2013b) when identifying shared values in the market and professional logics of social care in their joint effort in providing for the customers/clients. The familiarity with the conflicting logics, paired with a strict division of responsibilities adhering to bureaucratic logics, hence enables the evaluation function (A3) to combine logics in a way that enables them to take a leap of faith when trusting providers. Within the evaluation function, professional, managerial, market and bureaucratic logics are combined in a way that makes sense to their representatives, and the mix of logics provides them room for agency (Pache & Santos, 2013a). An important precondition for their trust is also that the evaluation team does not consider trustworthiness beyond its evaluation task, but that they trust providers only in that respect (Hardin, 2002). In this way, the trust or distrust of...
others, including the perceived risk of malevolent behaviour in the home-care sector at large, does not influence A3’s expectations in providers.

The purchasing (A1) and authority functions (A2) are deemed central to deal with market logic consequences within the customer choice system. Managerial logics are introduced to decrease the providers’ room for agency and decrease vulnerability by means of control (Möllering, 2005). The two functions start from quite different positions in terms of familiarity with the market and managerial logics (Pache & Santos, 2013a). The authority function starts out as novice and the purchasing as familiar and identified. The interplay between the two functions is characterised by A1’s influence over A2 in terms of altering their professional basis for trust into one of control, by means of an infiltration strategy (Pache & Santos, 2013a). Even though professional logics of social care remain strong within the authority function, they comply with the managerial logics that infiltrates and alter the basis for trust that the social workers within this function are trained to enact in their relationships with other actors. Similar to previous studies of conflicts between managerial and professional logics in the social care services, managerial control focusing on efficiency and budgetary targets dominates in comparison to professional logics of social care (Goodrick & Reay, 2011; Håkansson, 2022).

At the IOR level, the constellation of logics available to the actors in the new customer choice system, as well as their diverging strategies in dealing with them, results in quite ambiguous trust—distrust positions, and more uncertainty for the private providers. Previous research has found compartmentalisation to be a strategy for dealing with situations where both trust and distrust are high, that is, where the principle is “trust but verify” (Lewicki et al., 1998). Compartmentalisation is also a strategy found to deal with conflicting logics (Pache & Santos, 2013a). In the present case, compartmentalisation plays a related and equally important role, serving to decouple the evaluation function from other functions, hence enabling a “pocket of trust” to form in the landscape of distrust.

**Conclusions**

In this paper, we have explored how the boundary spanners involved in a new customer choice system deal with conflicting institutional logics and what that means for IOR trust development.

We have demonstrated how the mix of institutional logics are enacted both in positioning the trustor’s own role vis-à-vis the trustees, and when reflecting upon their reasons to trust and/or distrust the trustees. The introduction of market logics generates uncertainty and vulnerability within the new customer choice system, and as the contradictory logics open up for agency and reflexivity (Pache & Santos, 2013a), the uncertainty is dealt with differently by the boundary spanners involved. Expectations based on managerial logics and professional logics of social care, respectively, shape parallel bases for trust and distrust and cause trust divergence among boundary spanners within the customer choice system. A pocket of trust is created within the landscape of distrust due to actors who enact agency by means of combining conflicting logics in a way that enables trust, in combination with functional separation.

Our approach combines trust and institutional logics in action theory in a way that offers a novel path to explore the growing field of research targeting embeddedness as a source of trust divergence (Brattström et al., 2018). By exploring the implications of logics in use by the professionals involved in a new customer choice system, we contribute to research exploring public–private IOR trust and demonstrate the difficulty in balancing trust and control. There is a tendency, in both research and practice, to treat trust as “good” and distrust as “bad” (Lewicki et al., 1998). With this study, we hope to have contributed to a more nuanced understanding of the coexistence and interplay between trust and distrust in complex institutional settings where unwarranted trust can be harmful to people other than the trustors themselves, as is often the case in the public sector.

There are obvious limitations with a single case study. The empirically derived notion of “pockets of trust” is a phenomenon relevant to investigate further in other contexts where
conflicting institutional logics interact. More research is needed to fully understand the mechanisms of pockets of trust, to learn how conflicting constellations of logics shape trust and distrust, as well as what role agency and local practices play in the process.

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