The role of trust in the resource allocation policy

An old university case.

Melina Maria Manochin

**Thesis submitted for the award of the degree of
Doctor of Philosophy**

**Department of Accounting and Finance
Faculty of Law and Financial Studies**

University of Glasgow

2005

ABSTRACT

The issue of effective management accounting systems, and especially the resource allocation procedures, have attracted considerable interest among higher education institutions in recent years.

Relevant previous research indicates that several universities adopt different approaches to the resource allocation problem, employing models and procedures that reflect their organisational arrangements and their internal socio-political dynamics. The present study argues that while studying accounting processes in their organisational context, the role of trust should also be considered carefully. In particular, it is very important to consider the attitudes of the individuals involved and interacting within organisational processes, and especially the trust between them, which plays an important role to the overall good governance of the processes.

Specifically, the role of interpersonal trust in an old Scottish University resource allocation process is examined. An in-depth case study investigation employed an organisational trust inventory (Cummings and Bromiley, 1996) and semi structured interviews with the senior personnel of the institution who were involved in the resource allocation process.

The study indicates that trust is a very necessary insight to the facilitation of social structures of accountability, that enhance a better governance of the resource allocation process.

Acknowledgements

As you set out for Ithaka
hope the voyage is long,
full of adventure, full of discovery.
Laistrygonians and Cyclops,
angry Poseidon - don't be afraid of them:
you'll never find such things on your way
as long as you keep your thoughts raised high,
as long as wistful emotions
stir your spirit and body.
Laistrygonians and Cyclops,
wild Poseidon - you won't encounter them
unless they dwell your soul,
unless your soul raises them up in front of you.
Hope the voyage is a long one.
May there be many summer mornings when,
with what pleasure and joy,
you come into harbors seen for the first time;
may you stop at Phoenician
to buy fine things,
mother of pearl and coral, amber and ebony,
sensual perfume of every kind -
as many sensual perfumes as you can;
and may you visit many Egyptian cities
to gather stores of wisdom from their scholars.
Keep Ithaka always in your thoughts.
Your arrival is your destiny.
But don't ever hurry the journey.
Better if it lasts for years,
so you are old by the time you reach the island,
enriched with what you have gained on the way,
not expecting Ithaka to make you rich.
Ithaka gave you the marvelous journey.
Without her you would have not sailed away.
She has nothing left to give you now.
And if you find her poor, Ithaka won't have fooled you.
This way, wise as you will have become, so full of experience,
you will have understood by then what these Ithakas mean

Ithaka, Konstantinos Kavafis (1911)

Contents

Chapter 1 - Introduction

Chapter 2 – The British Higher Education Environment

Chapter 3 – Trust and Accounting

Chapter 4- Research Methodology

Chapter 6 – Conclusions

Appendixes

List of Tables

List of Figures

List of appendixes

Chapter 1 – Introduction

1.1 Introduction

This dissertation is a report of a research undertaken to explore the role of trust in the resource allocation process of a British University. The thesis develops through the investigation and interpretation of the conditions of interaction between the members of the resource allocation committee, who are senior personnel of a traditional Scottish University. In that respect, the research enquiry of how trust relates to the management of the process of resource allocation generated during the study. The research methodology of the study involves a combination of methods, such as an Organisational Trust Inventory and semi-structured interviews, to facilitate the in depth understanding of the phenomenon of trust in the particular organisational context.

1.2 Background

The research inquiry draws insights from the British Higher Education environment, with a consideration of the public sector reforming trend (during the last decades) and the challenge facing the British Universities to reconsider their governing processes and structures. The in-depth study of the resource allocation process of an old Scottish university and the importance of trust between The University's senior personnel interacting in the process, outlines the considerable importance of the socio-political interferences, specifically in the resource allocation process, and generally in the governance style of The University.

In particular, as chapter 2 sketches, the impact of the general public sector reform to the British Higher education expressed in both institutional[1] (administrative)

---

[1] The UK government promoted, since the late eighties, the public sector reform doctrine as an attempt to reform the public services provision from a bureaucratic organisation to a 'flexible, accountable and devolved sector, capable of offering choices of uses to the public' (Office of Public Services Reform – http:www.pm.gov.uk)

and ideological[2] (as reflected into the sector's values) reorganisation of the Universities' status. The institutional reform involved changes such as an administrative devolution, consumer focus service, the development of codes of standards and quality, and the implementation of performance measurement methods[3]. The ideological reform imposed the reinvention of the role of individuals and groups in the sector, outlining the desired principles and values that should be found to public servants and the orientation of 'new managerialism' as a professional trend.

Subsequently, the entire sector had to respond to the reform challenges. However, the British Universities demonstrated a diverse picture of responses which where tuned more with the universities' social and political internal dynamics and external historical and cultural actuality, than with the proposed economic performance of the sector (Bourn, 1994; Ackroyd and Ackroyd, 1999; Jarzabkowsky, 2002). In line with their broader organisational reform, British Universities faced the challenge to reconsider the ways they had to generate, and efficiently allocate internally, the limited financial resources of the sector. A wide range of resource allocation procedures and models were implied in various Universities, but every system reflected the unique organisational characteristics of each individual Higher Education Institution, which produced a difficulty to draw a unified picture for the whole sector (Jones, 1994; Scapens, 1994; Whittington, 2000). The research inquiry considers this context and explores the resource allocation process of an old traditional Scottish University. A considerable attention is placed on the role of trust between the members of The University's resource allocation process. The study's approach aligns

---

[2] In 1994 the Committee on Standards in Public Life, chaired by Lord Nolan, published the 'Seven Principles of Public Life', suggesting that 'the public sector provision should meet the principles of Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership (http://www.public-standards.gov.uk/about_us/seven_principles.htm).
[3] As indicated with the development of regional Funding Councils at England (HEFCE), Scotland (SHEFC) and Wales (HEFCW); the introduction of quality assessment mechanisms such as the Research Assessment Exercise (RAE) and the Teaching Quality Assurance (QAA); the Higher Education Performance Indicators and the Transparency and Accountability Review (http://www.jcpsg.ac.uk/).

with the suggestion that in organisational challenges, as the Higher Education reform, it is necessary to consider accounting processes in the organisational context where they occur (Hopwood, 1974; Roberts and Scapens, 1985).

Trust has been increasingly considered as a crucial social prerequisite to almost all interactions in modern societies (Blomqvist, 1997). Hollis (1998) argues that without trust social life would be impossible and every day is an adventure in trusting thousands of others, seen and unseen, to act reliably. Among the advantages that trust contributes to social life is that helps governing arrangements to work better (Uslanner, 2002). However, a 'great deal of conceptual confusion' (Blomqvist, 1997) implies to the various sources, forms and functions of trust, and makes it a 'complex and slippery' concept (Nooteboom, 2002). In any case, there is an agreement that is important for organisations in a number of ways. It enables cooperative behaviour (Powell, 1996), eases the management of conflicts (Das and Teng, 1998), supports organisational change (Sydow, 1998). Trust is also required to reduce uncertainty, promote a more participative management style (Hosmer, 1995), and lower the formalisation in the organisation (Whitener *et al*, 1998) emphasising the delegation of authority to the members of the committee to decide about the vital issue of funds distribution. Furthermore, trust as an element of governance is related to effective control (Bradach and Eccles, 1989), deliberation (Warren, 1996), participation and/or delegation of decision authority (Hardin, 1999; Mills and Ungson, 2003), communication, procedural justice and organisational support (Albercht and Travaglione, 2003).

The present study will investigate the role of trust in the management of the resource allocation process of The University. The contribution of the study will be the in depth understanding of the importance of trust in the process from a management accounting perspective. In the meanwhile the study will develop through

an interdisciplinary perspective of accounting, while challenging the traditional economics' orientation of the discipline.

1.3 Research inquiry

The thesis of the study will address the research enquiry which is best stated in the question 'how trust relates to the conditions of the resource allocation process?'. This question will be addressed considering the resource allocation process, as a managerial process embedded in the broader governing system of The University. The prospective outcome will be a suggestion of how trust would facilitate The University's governance processes, such as the resource allocation one. The answer to this question will be provided while studying the conditions of social interaction that relate to trust within the resource allocation process. For that reason the study will seek to identify the perceived levels of trust between the participants, and the conditions of interaction in the process that are related to these levels of trust. The prospective outcome will be an in-depth understanding of the ways trust and organisational processes, such as the resource allocation process, could be constructed in The University organisational context.

For clarification purposes, it is also necessary to define major concepts that will be frequently referred in the present dissertation. First, the participants of the study are those individuals who accepted to participate in the study and they are all members of the official resource allocation committee of The University, the Star Chambers (section 2.5.4). In the study they are considered individually, and also as interacting members of two groups, the group of the Heads of the Resource Units and the group of the Management Group Participants. The Heads of the Resource Units who volunteered to participate in the study are also the Deans of the academic

4

faculties of The University[4].   The 'members of the management group' are the study's participants who are expressing their views from The University's central administration point of view. For clarification and avoidance of misunderstanding the views expressed are not necessarily reflecting the official views of the existing Management Group of The University, and they are treated in the study as rather individual perceptions.

Resource Allocation Process in the study is considered the whole interaction between the Heads of the Resource Units and the members of the Management Group. In this context the study places major consideration on the official resource allocation committee meetings named the Star Chambers, as well as the existence of other formal or informal contacts that are related to the process, such as the Recourse Strategy Group, task groups and individual contacts. In that respect the resource allocation model, in the study, is the Income Driven Resource Allocation Model employed in The University's resource allocation process at the time of the research. Its usefulness and operation of the model in the process, is conceived in both the official explanation given by The University's Planning Office and as it is perceived by the participant's of the study (see sections 2.5.4, 5.3.4, 5.3.5, 5.5.4 and 5.5.5).

In addition Trust is a central concept in the study. However, as mentioned before, there are many conflicting views on the definition of 'trust'. The Cambridge Advanced Learner's Dictionary define trust as a ' belief or confidence in the honesty, goodness, skill or safety of a person, organisation or thing. Trusting / trustful (adjective) means always believing that other people are good or honest and will not harm or deceive you' (http://dictionary.cambridge.org). In this study, The literature review section will deal with the concept of trust following the view that it encompasses an extrinsic and an intrinsic value (Nooteboom, 2002, see more section

---

[4] The resource allocation process also involves Star Chamber meetings with the Non Academic Resource Units, who unfortunately did not accept to be considered in the present study (see section 2.5.2).

3.3). In the research's empirical stages, the study will develop adopting two different approaches of understanding trust. First, a definition of trust is constructed from the literature in order to develop the Organisational Trust Inventory (section 4.7.1). Second, definitions of trust will be gathered from the participants' perception of the meaning of the concept, as expressed during the individual semi-structured interviews (section 5.3.1 and section 5.5.1).

Finally, accounting is perceived in the organisational context as a media and an outcome of the interaction between the study's participants. More precisely, accounting in the current study is perceived as combining first a system of routines and procedures (accompanying the resource allocation process and the model employed), and second the ability to generate accountability through structures of communication, domination and legitimation (section 3.2.2). That perspective has been suggested as useful for understanding management accounting in its organisational context by Roberts and Scapens (1985).

1.4 Methodological considerations

The thesis developed during the course of the study engaging a variety of methods of evidence collection and analysis. In parallel, an interdisciplinary literature review undertaken to assist the in depth understanding of the phenomenon observed. Both the empirical and theoretical stages of the study developed during a continuous interpretation and reflection in the course of the study (with an appreciation of the Structuration theory as an essential theoretical background – see more section 4.4 and 4.5). The attention placed on the understanding of the process of interaction between the study's participants and how trust relates with the development of the resource allocation process. The research developed in an 18 month period, considering one planning period of The University's resources. All the senior personnel of the

Resource Allocation Process were considered potential participants to the study, and the majority of them volunteered to participate in the study. The observed interaction occurred between two groups of participants. One includes the participants from The University's Management Group, namely the Principal, the Director of Finance, two Vice Principals and a senior administrator who was considered to be the 'architect' of the Income Driven Resource Allocation Model. The other Group includes all the Heads of the academic Resource Units (deans of faculties). The methods used was an organisational trust inventory that was administered to each individual at the beginning of the planning cycle, and individual semi-structured interviews that took place at the end of the period (section 4.7).

The first, chronologically, method of evidence collection method is an Organisational Trust Inventory (section 4.7.1). The role of this instrument in the study is to attain a first impression of existing levels of trust between the participants of the study. Originally, the Organisational Trust Inventory was published by Cummings and Bromiley (1996) and was used to measure interpersonal trust in an organisational context. The instrument used to the present study was reformed in consideration the study's requirements and context. The outcome of the questionnaire was considered as an initial attempt to understand the levels of trust between the participants.

The second, chronologically, but major source of evidence to the study is a series of individual semi-structured interviews conducted with all the participants (section 4.7.2). The interviews provided with rich and meaningful insights to the understanding of the conditions of interaction between the participants and their perceived role of trust in the process. At the end of each interview the graphical representations of the questionnaires outcome shown anonymously to the participants, to allow them to react and comment about their own questionnaire response and the responses of the rest of the participants (section 5.6.3 and 5.6.4).

The evidence gathered from the two primary methods was analysed first individually, then for each group of participants and finally in cross case analysis between the two groups to identify patterns that might express them all (section 4.7.3.).

1.5 Plan of the thesis

The thesis develops in a sequence of chapters that address different aspects of the research process. For that reason, the first chapter (Chapter 1) is the introduction to the thesis and outlines its context, main objectives, concepts and methodology.

Chapter 2 introduces the context of the British Higher Education and outlines the impact of the institutional reform of the sector and its relation to the universities' organisational challenges. The chapter develops in three thematic stages. First, is the outline of the British public sector reform phases and its impact on the Higher Education sector (sections 2.1, 2.2, 2.3). Second, is the review of the academic literature considering the British Universities' responses to several aspects of the public sector reform such as the challenge for the universities' governance structures; the non-profit character of the institutions and the impact of the notion of 'new managerialism'; the impact of performance assessment technologies such as the Resource Assessment Exercise and Teaching Quality Assurance; and the review of resource allocation issues in the cases several British Universities (section 2.4). The third stage outlines The University's response to the reform of the Higher Education sector introducing the main organisational features of The University as its mission and character; its governance and management structure; its funding main sources and its financial performance; and an overview of the Resource Allocation Process and Income Driven Resource Model which is the main attention of the present dissertation (section 2.5). The chapter concludes two key ideas. First that the Universities

responded to the sector's challenges dynamically and continuously. Second, that the diverse picture of responses indicates the individual character of each institution, which reflects the need to consider the internal socio – political dynamics along with the broader cultural and historical importance of each university. Therefore, the choices of responses of the British Universities should be viewed as been driven from rather 'inside' than 'outside' socio- political dynamics.

The next chapter (chapter 3) reviews the academic literature considering the importance of studying accounting practises as socio-political processes within organisations, and the value of relations of trust in the organisational context. The chapter develops in three stages. First, is the review of the literature addressing the idea of how accounting practices should be considered as socio-political processes in the organisational context in which they operate (section 3.2). Main aspects of this review address the importance of accounting in the organisational governance, the usefulness of the Structuration theory in understanding the social constitution of accounting practices, and the view that accounting practices should be considered as rather dynamic processes rather than static ones. The second part of the chapter, reviews the academic literature of Trust and addresses its forms, faces, and objects (section 3.3.1). The chapter also introduces the idea of how trust could enhance the function of governance in general, and organisational management in particular (section 3.3.3). The last part of the chapter reviews the literature of organisational control aspect of management accounting and its relation to organisational trust (section 3.3.4). The chapter concludes that trust is a necessary aspect for organisational governance and it is important to be considered when studying accounting practices in the organisational context.

The next chapter (chapter 4) includes the methodological aspects of the thesis. The chapter evolves from theoretical considerations to the empirical stages of the research. The theoretical section outlines the social research paradigm debate, and

addresses the way that organisational research can contribute to the social sciences' knowledge about truth, reality and human nature (sections 4.1, 4.2, 4.3, 4.4 and 4.5). Following is the demonstration of the empirical choices of the research conducted, including the consideration of an ethical research approach, the methods of evidence collection and the methods of evidence analysis (section 4.6, 4.7). The chapter addresses the appropriateness of the methodological choices made for the thesis, facilitating the in depth study of the role of trust in the resource allocation process in the old University case.

The following chapter (chapter 5), demonstrates the analysis and discussion of the participants' views about the resource allocation process and its relation to trust. The participants' views are disclosed in three levels of analysis, which is first individually(section 5.2, 5.4), then within the group (section 5.3, 5.5), and finally in comparison between the two main groups (section 5.6). The synthesis of the views also considers both the administrative (instrumental) conditions of the interaction, such as the type of meetings related to the resource allocation process and the model, and the conditions of social conduct of the process as constructed during the interaction such as communication, authority and interests patterns and finally legitimate anticipations.

The final chapter (chapter 6) outlines the concluding observations from the research case (section 6.2), along with the study's contributions to the issues addressed in the literature review and suggestions for further research (section 6.3). Ending, there is a note on the theoretical and empirical limitations of the study.

Chapter 2- The British Higher Education Environment

2.1 Introduction

This chapter presents an overview of the challenges that Higher Education has faced during the last decades and the ways in which Universities have responded, and in particular The University under investigation. The main purpose of the chapter is to demonstrate the external environmental pressures confronted by the Higher Education Institutions in the last decades, and the preferred responses of these Universities. It is suggested that although universities faced a demanding external pressure, the choices of response were driven from 'inside' rather than 'outside'. In other words the internal socio – political structures of the particular institutions, reflecting their mission and interests, along with the demand to economise efficiently and effectively on resources, gave individual (different) types of response to reform. The overview of The University's governance, and the particular managerial decision of resource allocation, demonstrates the individuality of the response and the need to consider carefully the dynamics influencing the decision process in The University.

The reforms of the Higher Education are viewed from the old university perspective, due the character of The University under investigation. Angluin and Scapens (2000) acknowledging the 'considerable diversity of the UK universities', identified within others the 'traditional older Scottish university' as a distinctive university category (see appendix 1). This categorisation along with other similar categorisations found in the literature (see also Ackroyd and Ackroyd, 1999) are considered useful to identify and understand the particular character and circumstances of The University in which the study occurs.

2. 2 The British public sector reform

The Higher Education environment of Britain has changed dramatically since the late 1980's, following the general 'public sector reform' imposed on public service providers in Britain. All British universities faced the challenge to reform their management systems and their perspectives towards the effectiveness of their operation.

In general, the rhetoric of public sector reform which began to emerge in the last decades in the United Kingdom, attempted to reshape the provision of public services ideology from a bureaucratic state to 'a flexible, accountable and devolved sector, capable of offering choices of uses to the public' (Office of Public Services Reform, 2002). Attempts to reform the public sector ideology were twofold, with a focus on organisational changes of the public institutions on the one side, and attention on the 'human resources' involved on the other. The main implications of the new public sector system was to pursue a devolved administration in Scotland, Wales, Northern Ireland; to attain a costumer focus service; to conduct an operation with national standards of quality and accountability; and incentivise performance with indicators and reward systems. Similarly, the 'human' side of the public sector reform was aimed towards principles and values that public servants had to maintain. For that reason, the Committee on Standards in Public life (first chaired by Lord Nolan in 1994) produced the 'Seven Principles of Public Life' report suggesting that 'the public sector service provision should meet with principles of Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership' (Committee on Standards in Public Life, 2001). These principles were to be applied to the whole public sector including Education.

2. 3 Impact on Higher Education

These 'new public management' developments affected the Higher Education sector environment, in many ways. Major, government driven, changes in the Higher Education sector marked the route of Universities through to the 'modernisation programme' (Office of Public Services Reform, 2002).

First, the devolved authority model influenced the Universities at various levels. In 1988, the 'Education Reform Act', allowed institutions to decide on local authority control in favour of incorporation (HMSO, www.legislation.hmso.gov.uk/ acts.htm). Later in 1992, the 'Further and Higher Education Act', challenged the status and internal governance structure of Higher Education Institutions and reclassified the former polytechnics into Universities. Further, in respect to Higher Education funding procedures, the 1992 Act, incorporating the devolved model of authority, proposed regional Higher Education Funding bodies. These bodies would act as institutional mediators between government and universities in the funding allocation process and have responsibility for institutional research, teaching quality assessments and the resulting allocation of funding. Until 31 March 1993 the Department of Education (DFE) funding bodies were the Universities Funding Council (UFC) for English, Scottish and Welsh universities, and the Polytechnics and Colleges Funding Council (PCFC) for English polytechnics and colleges of Higher Education. From 1 April 1993 these bodies were replaced by regionally differentiated councils with responsibility for funding all higher education institutions in England (Higher Education Funding Council for England - HEFCE), Scotland (Scottish Higher Education Funding Council - SHEFC), Wales (Higher Education in Funding Council for Wales - HEFCW). The Secretary of State (Department for Employment and Learning) continues to hold responsibility in Northern Ireland. The funding bodies work in partnership with other representative bodies (such as

Universities UK, Universities Scotland) the Quality Assurance Agency and the Higher Education Statistics Agency (DfES, 2004).

	England	**Northern Ireland**	**Scotland**	**Wales**
Government	Department for Education and Skills (DfES)	UK Government	Scottish Executive	National Assembly for Wales
HE funding body	Higher Education Funding Council for England (HEFCE)	Department for Employment and Learning (DEL)	Scottish Higher Education Funding Council (SHEFC)	Higher Education Funding Council for Wales (HEFCW)

Table 2.1: The Funding Bodies and the Government
(Source: Department for Higher Education and Skills 'Higher Education in the United Kingdom Guide' – January 2004, http://www.dfes.gov.uk)

The major funding amounts are distributed to the Universities through the Funding Bodies that allocate most of their funds by formula to teaching and research. In general, the allocation of funds for teaching is based on the number of students and the subjects that the university teaches. On the other hand, most of the funds for research are based on the quality and volume of research. The funding bodies have 'sole responsibility' for allocating funds to Universities, but they operate at 'arms length' from the Government which provides them with guidance and priorities (DfES, 2004). Although the Government, via the Higher Education funding bodies remained the main source of funding for the Universities, other alternative income sources are sought to maintain the operation of the institutions such as fee-paying students, conferences and through providing services. The following diagram shows the structure of the Universities' funding.

Figure 2.1: Sources of Finance for Universities and Colleges 2001/2002

Department for Education and Skills / Scottish Executive/ National Assembly for Wales/ Department for Employment and Learning NI	Office of Science and Technology	Other Government

SLC/LEA/SAAS/ NI fees £554M 4%	Funding Council grants £5.96M 39%	Research Grants and Contracts £805M 6%	Postgraduate fees £293M 2%	Research £572M 4%	Non-research £985M 7%

Universities and colleges total income £14,491M

Other research income £450M	UK charities £607M 4%	Overseas student fees £875M 6%	Residences and catering £968M 7%		Other Income £2,690M 19%

Other fee income £1,121M
Income from non research services £455M
Endowments £258M
Other operating Income £856M

(Source: HESA finance record 2001- 02 UK HEIs)

The need to widen Universities' accessibility and the competition for alternative sources of funding has resulted in nearly doubling the numbers of students as Universities in recent years. The Figure 2.2 below shows the growth of student numbers since the end of 1980's (see also appendix 2b).

Higher Education Student Population
(Source: DfES - http://www.dfes.gov.uk)
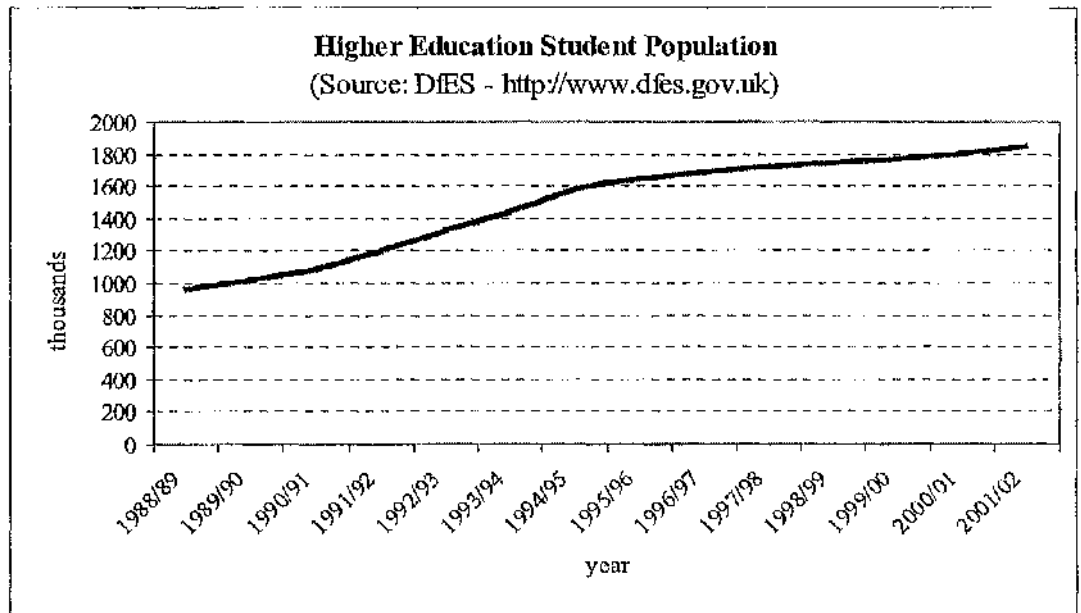
Figure 2.2

In order to meet the customer focused service aim of the reform, an operation of national standards of quality and accountability to the Universities' stakeholders was introduced to the sector during the 1990's. These involved procedures designed to assess the quality of various aspects of University education. The main procedures are outlined at the following table 2.2.

Process	Undertaken by
Internal quality assurance process	The University including external examiners, and internal validation and review of programs
Institutional – level quality review	Quality Assurance Agency (QAA)
Subject – level quality review	QAA (will end 2005)
Professional Accreditation	Professional and statutory bodies
Research Assessment	Funding Bodies using peer review (RAE)

Table 2.2: Quality assurance in Higher Education
(Source: DfH: 'Higher Education in the United Kingdom Guide – January 2004,
http://www.dfes.gov.uk)

There are three major schemes of assessment, which operate independently. These are:

a. The Research Assessment Exercise is a UK wide assessment of research quality based on the number of research active staff, the quality of staff publications, the numbers of research students and research assistants, the level of external research income, and the research environment within the institution. The first RAE was held in 1986 when a policy of selective funding was introduced by the government (RAE, 2001: http://www.rae.ac.uk/).

b.   The Transparency Review is to improve the Universities' public accountability and to ensure improved information for management. Specifically, the Transparency Review was to establish an approach that demonstrated the full costs of research and other publicly funded activities in Higher Education to improve the accountability for the use of public funds. The requirements for the Transparency and Accountability Review were established in 1998 by the Government, which then conducted the first 'Comprehensive Spending Review'. The scheme awarded £1. 5bn of additional funding for Higher Education but with the condition of becoming more open about the way public funds are spent in universities and colleges (JCPSG: http://www.jcpsg.ac.uk/transpar/index.htm)

c. The Quality Assurance Agency was established in 1997 'to provide an integrated quality assurance service for UK Higher Education'. The agency plays a safeguarding role to assure that every Higher Education Institution offers 'good quality of education' and that 'appropriate standards are achieved'. It does this mainly through a peer review process of audits and reviews of teaching and learning provision. These are conducted by teams of auditors and reviewers, most of whom are academics but with some members drawn, where appropriate, from industry and the professions (QAA: http://www.qaa.ac.uk).

Finally, a very challenging development of the Universities reform was the establishment of 'performance indicators' in 1998. The main bodies which pursued the development of the indicators were the four funding bodies. The first set of performance indicators, in their current form, was published in December 1999. The indicators attempt to measure performance of the Universities reflecting access to Higher Education, non-completion rates for students, outcomes and efficiencies for learning and teaching in universities and colleges, employment of graduates, research output. They have been published annually since 1998, with additions and amendments as their coverage is extended (SHEFC: http://www.shefc.ac.uk).

2. 4 The Universities' response

This section includes the views found in literature about the changing environment in Higher Education and the reaction of the academic community and institutions to subsequent pressure. Some of the studies critically theorise the potential reform of the governing style of the universities, in respect to the values and management style of the institutions (amongst others see Ackroyd and Ackroyd, 1999; Knight, 2002; Parker, 2002; Paterson, 2003). Others examine the impact of the reform on particular cases (see Jones, 1994; Scapens *et al*, 1994; Jarzabkowsky,

2002). The main points of these studies are first that the Universities' reform is a continuous and dynamic process; and second that it is difficult to draw a uniform picture of the impact of the changes due to the different character of the institutions and the particularity of their internal socio-political structures that affect these changes. In respect to the external political response of the Universities — which is beyond the scope of this thesis to analyse- it has been suggested that the development of 'small, semi-informal groups' of universities, such as the Russell Group and Universitas 21 (in which The University under investigation participates) , function as lobbying bodies (see appendix 3).

Bearing in mind the earlier literature (see Pheffer and Salancic, 1974; Hills and Mahoney, 1978), it is broadly accepted that the process and outcome of decisions affecting resource allocation, depends more on the conditions of the social-political environment of the institutions rather than an economic rational of efficiency. Studies of Universities in USA, suggest that political model accounts are more likely to provide valuable explanations of the budgetary process than the rational or bureaucratic model (Pfeffer and Salancic, 1974). They demonstrated that at the University of Illinois, the resource allocation process was a political one. They found a significant relation between departmental power and the proportion of the budget received and that the more powerful the department, the less the allocated resources are a function of departmental work and student demand for course offerings. Others found that power and social influence processes were more important in University budgeting in decision situations of uncertainty, scarcity and criticalness and secret information (Gordon and Darkenwald, 1971; Hills and Mahoney 1978; Pfeffer and Moore, 1980)

The following sections review the literature about British Universities and with particular consideration to the old ones (pre 1992), which could provide a better understanding of The University under investigation.

2.4.1 University governance structure

The changes of the external university environment imposed a multisided pressure to the universities, which were asked to respond by reforming their governance structures. Several academics dealt with the examination of the attempt of British Universities to cope with these changes. It is commonly accepted that Universities have to change what they do, but traditional university structures, reporting mechanisms and control processes are facing difficulties in coping with these changes. The process of internal change is difficult because institutions are trying to cope simultaneously with increased workloads and reduced levels of resources. Furthermore it is also accepted that Universities do not have uniform governance or management arrangements (Ackroyd and Ackroyd, 1999; Bennett, 2002; Shattock, 2002; Taylor, 2003) and it is difficult to give a commonly acceptable picture of the entire sector.

Ackroyd and Ackroyd (1999) claim that old Universities are collegial organisations, with governance based on high levels of participation for the benefit of the groups having an interest in them. Further, they insisted that the problems of governance do not arise from the general lack of accountability but from the particular features of organisation, which sometimes prevent their existing processes of self-regulation from functioning adequately. Drawing the main characteristics of the old Universities (pre- 1992), they observe that Senates and Courts tend to be the major bodies of governance, with strong collegiate character 'featuring collective decision and dispersed power' (Ackroyd and Ackroyd, 1999). The role of Vice Chancellor is seen as combining that of academic leader with that of chief administrative officer, implementing the decisions of the council and the senate. The vice chancellors senior team is often made up of elected academics serving only limited terms of office. Stability is usually founded in a highly centralised unitary administration with

permanent officials. In these circumstances administration by officials rather than management by senior academics is a key coordinating mechanism. Academics are not directly managed and academic staff often retain significant power within departments and faculties. Knight (2002) claims that the attempt of the government to reform the governance structures of the universities (both old and new) with the 1992 Act, created flawed constitutions with maximised roles of vice – chancellor (old universities) and chief-executive (new universities) and limited participation of staff and students. He suggests that there is a need to reform the governance arrangements of the particular Act. The table below shows the main governance characteristics between the old (pre-1992) and new (post-1992) universities identified by Ackroyd and Ackroyd (1999).

	Old universities	New universities
Characteristics	Slow moving	Responsive
	Lacks responsiveness to markets	Innovative
		Opportunistic
	Traditional	Decisive / managerial
	Collegial / democratic	Devolved and decentralised administration
	Centralised and unitary administration	
Key imbalances	Too strong senate	Too weak academic board
	Lack of financial control / bankruptcy	Impropriety, abuse of power, lack of/ interference in due process
	Too weak/ ill defined executive	Too strong executive
	Large Court	Lack of wider consultative structures
	Council too large	
		Danger of too cosy a relationship between Chair of Board and Vice Chancellor

Table 2.3: Characteristic problems of governance
(source Ackroyd and Ackroyd, 1999)

A major characteristic of the old universities governance is the centrality of the university's administration, which results in increased overhead costs and inflexible bureaucracy. Hackman (1985) linked the concept of power to the one of centrality in a university management, in terms of the relation of the unit to the university's mission, he concluded that 'core units' (academic departments) benefit when they help themselves while peripheral units (non –academic departments) gain 'when they contribute to the total institution'. Ashar and Shapiro (1988) identified centrality in terms of organisations workflow (not of mission) such as research collaborations, classes offered by department and number of students registered for classes in a department. They found that 'centrality is a major departmental characteristic taken into account by decision makers' and that ' central departments survive better than peripheral ones in times of financial crisis'.

However, the need to develop devolved authority structures is stressed by Bourn (1994) and Tomkins and Mawditt (1994). They suggest that universities need to adopt a devolved authority structure that will help to cope with large size and diverse activities; make the best use of 'local' and expert knowledge; speedier decision taking; encourage innovation and accountability; and gain greater cost and revenue consciousness. However, analysing the attempt to implement a profit centre based accounting structure in the case of the University of Bath, Tomkins and Makwditt (1994) found that it was not happily accepted by senior administrators, who were disinclined to devolve decision-making power to profit centres and the loss of central control, and that was one of the main causes of crucial financial problems.

2.4.2 The non – profit character and 'new managerialism'

Another characteristic of the old civic Universities in Britain is their non – profit character and it is reflected in the values that their mission incorporates. Kanter and Summers (1987) illustrate that the measurement of Universities' performance is difficult because their goals are not around financial returns but around their mission or services (also Salter and Tapper, 2002; Goddard and Ooi, 1998; Gillie, 1999; Lewis and Pendlebury, 2002). Further, Paterson (2003) found that in British universities there is a widespread attachment to a civic role for Higher Education and strong attachment to traditional academic values. Arguing that there is an unavoidable historical fact that universities are socially embedded (also Jarzabkowsky, 2002), the policies followed have social goals in mind such as educating, maintaining and developing the nation's cultures, preparing students to contribute to community and economic development. With particular respect to Scottish 'dominant epistemology', she observes that the traditional Scottish Universities (St Andrews, Glasgow, Aberdeen and Edinburgh) perceive knowledge as public good, a whole body of belief called 'democratic intellectualism' (quoting in Davie, 1961). Moreover, academics in Scotland were more in favour of government monitoring the expenditure of Higher Education than their counterparts in England, stressing that accountability framework for Scottish Higher Educations should be Scottish. Gross (1968), while observing that universities are not usually viewed as formal organisations, seeks an explanation to the definition of 'goals' that university communities identify as priorities. He views universities as 'ideological organisations' with an emphasis on education, and as in the case of ideological organisations, there may be a close correspondence between private and group goals. He found that most of the 'top goals' between academics for university were support of the academic activities goals rather than output goals (for instance financial resources).

The attempt to 'reform' the ways of thinking in the university administrative culture, is perceived by many researchers as an implementation of the 'new managerialism' proposed to the extended British public sector (Williams, 1997; Parker and Gould, 1999; Gray *et al*, 2002; Salter and Tapper, 2002; Lapsey and Miller, 2004). Deem (2004) views the 'new managerialism' as a set of ideologies about organisational practices and values used to bring the benefits of the practices developed in the private sector and from the devolution of financial and other responsibilities to lower organisational levels. However, she comments that what is often ignored during such attempts of 'modernisation' is the strong value basis of public service work, which differs significantly from that in the for-profit sector. Furthermore, contemporary academic work is not just public service but also there is a significant engagement with creative knowledge work. This engagement creates distinctive characteristics of work such as the direction of academic loyalty to the basic academic unit and subject or discipline and not the interests of the university as a whole; the fact that much of the academic work, especially research, is individual rather than collective; and finally academics are trained as critical thinkers and can apply this to anyone attempting to manage them. These characteristics make the implementation of 'for – profit' managerial ideologies (for instance performance evaluation or incentivation) difficult. In respect to the construction of the manager – academic identity, Johnson (2002) claims that when academics take on management roles, and when the external context for academic work and organisation changes, the relative value of previous knowledge and understating is reduced. Therefore, training and support on management practices is required. In a very critical tone, Parker M. (2000) views the construction of the manager-academic as a paradox, arguing that the 'romantic conception of the ethical purity of intellectuals is placed in extreme doubt. The future of work as Universities seem to reflect an increasing tension between the

'dominant McProfessionalism' and the receding sense of what it might mean to be an intellectual' (also Prichard and Willmott, 1997).

Strathern (2000) observes the construction of an 'audit culture' in Universities, where the 'new managerial' techniques are applied with the rhetoric of helping (monitoring) people to help (monitor) themselves, including helping people to get used to this new culture of 'economic efficiency and good practice'. She demonstrates, adopting the 'audit society' argument of Power (1997), that the increasing checking as an enforced accountability becomes necessary in situations of mistrust. Similarly, Shore and Wright (2000) while considering the development of the 'new managerialism' in Universities, observe an attempted implementation of an 'audit culture'. They claim that this approach damages trust while it encourages the displacement of a system based on autonomy and trust, by one based on visibility and coercive accountability.

The need to consider the universities' non-profit and educational mission is also discussed in earlier Higher Education literature for US universities. White (1974) investigated the effect of the goal of individuals and of constraints of resource utilisation, on organisational behaviour. He maintained that different individuals will have different levels and kinds of interest in the same allocative decision, and will attempt to achieve different goals with the same resources. Furthermore, he found that the greater the number of allocations affected by a change, the more the individuals who will be interested and consequently, the more difficult it will be for them to agree on the change. Salancik and Pfeffer (1974) state that when organisational participants derive different meaning form the same set of details, no bureaucratic decision procedures will unambiguously decide the issue. They noted from Wildavsky (1961) the quote 'It is not just whether or not to do more or better, but also who shall receive the benefits'.

2.4.3 Responding to Teaching and Research assessment technologies

One of the core arguments in the reform of British Universities is the necessity to perform efficiently in terms of research and teaching, managing effectively the human and financial resources available. Salter and Tapper (2002) suggested that the Universities internal governance, ideally, should adapt to the changing external environment using the principle of 'fitness for purpose'. They claim that the two key functions of the universities, teaching and research are reformed as 'political games' to which the universities governance need to respond adaptively. The following studies deal with the academic views on the implementation and appropriateness of the mechanisms imposed externally (such as Research Assessment Exercise, Quality Assessment see section 2. 3) and the impact on the internal university governance.

Responding to the Research assessment technologies, Humphrey *et al.* (1995) claim that the research selectivity is arbitrary and subjective and does not directly ensure that 'resources for research are used to the best advantage'. They ascertain that instead of academic freedom of thought, sharing of ideas and the need to build a sound, scholarly basis for a university career, research selectivity is promoting the language of self interest, marketing and entrepreneurship. West *et al* (1998) investigate the relationship between university departmental climate and the research excellence rating. They found that the more bureaucratically governed a department is, then less the ownership and value are attributed to departmental objectives. The less relaxed and friendly the atmosphere. The less sharing of ideas exist. The less the career development opportunities are perceived to be fair, and less the support for innovation is in place. In similar tone, Elton (2000) claimed that a competitive, adversarial and punitive spirit are some of the unintended consequences of the Research Assessment Exercise, and a fundamental review of the system is required to avoid the consequences before they become apparent.

Glass *et al* (1996 and 1997) undertook an economic analysis using a production model to investigate the issue of cost efficiency and expansion of the university sector, the targeting of research funding and the desirability of universities to 'produce research and teaching as joint programmes'. They found particular difficulties inherent in the output measures of university efficiency and the consequential behavioural impact of using such measures important. Further, the manner in which the RAE has been used to allocate funding has introduced uncertainty and significant scope of gaming (for instance the indication of varying strategies of staff classification as 'research active' or 'research inactive' which would result on different levels of funding). Traditional universities have been characterised by overall increasing return to scale, which in Glass *et al* (1996) opinion, suggests that any further investment in universities to improve efficiency would be better targeted towards the top universities.

Lewis and Pendlebury (2002) explain that due to the societal role and public character of the Universities, it is difficult to justify an appropriate measure for Higher Education cross subsidies. However, the 'traditional ethos' of societal benefits rather than financial viability, is challenged with the increasing emphasis on accountability and efficiency and the attitudes of senior managers are subject to change towards cross subsidy.

In respect to the Teaching Quality Assessment, Sharp *et al* (1997) found that between old and new University academics in Scotland, there is a generally broad degree of tolerance of most aspects of the Teaching Quality assessment. However, they observed a mixture of reactions, which may be an effect of the introduction of the whole notion of having external monitoring of the quality of universities' teaching. For Instance Sharp *et al* (1997) found that the distinction between 'old' and 'new' universities affected the perceived usefulness of Teaching Quality Reports in terms of marketing and advertising. Also, differences found in relation to whether the

respondents were involved in the teaching assessment process as assessors or assessed, such as the experience of the assessment visit was regarded more favourably by the assessors.

2.4.4 University Resource Allocation Models

In respect to the specific issue of resource allocation, Thomas (2000) investigated the rhetoric of rationality of the formula based systems of resource allocation in two UK Universities. He found that behaviour patterns associated with sub-unit power emerged between individuals and groups. Responses to the changes proposed in the Report of the Steering Committee for Efficiency Studies (published by the Committee of Vice-Chancellors and Principles in 1985, broadly known as the 'Jarratt Report') differed between institutions, but there developed a 'post Jarratt orthodoxy' (quoted in Williams 2000) which involved the adoption of formulaic approaches to the allocation of resources and enhanced devolution of budgetary responsibility to a departmental or faculty level. Internal models tended to have two characteristics: they reflected the funding council's methodology at an institutional level and they incorporated incentives for departments to increase non-governmental income to compensate for declining government support. Angluin and Scapens (2000) found that universities with computerised planning tend to be considered as having more transparent planning models and resource allocation models. However, significant differences found amongst UK universities in the use of financial information for academic management and the transparency to academic subject group of university planning and resource allocation. Knowledge of how universities allocate resources appears to be largely restricted to those involved in the process. In any case, transparency was related to the fairness of the planning process and in universities without a computer based planning model or with low or non-transparent

models, the allocation process is considered as less fair by the respondents to the survey.

Jarzabkowsky (2002) examined the strategic implications of resource allocation models in three universities (Warwick, LSE, Oxford Brooks) in respect to their degree of centralisation, locus of strategic direction, cross subsidy and locus of control. The study's findings suggest that resource allocation models are historically and culturally situated within the context of each university, therefore the models in use were more a matter of internal fit than of best practice.

Scapens *et al* (1994) investigated the development of the resource allocation model of The University of Manchester and in particular the way overheads were allocated. It was found that charging academic resource centres with the amount of overheads proportional to number of students, academic staff and space occupied, was more acceptable between academics than the previous system which top-sliced 35 per cent of all income. However, some problems remained unsolved (such as difficulty to allow the surplus generating faculties to have full access to their funds) and he suggests that greater transparency would help to a better implementation of the model.

In the particular type of 'top slicing' mode, Pendlebury and Algaber (1997) state that although the system can be successful to fund central services, the need for devolved budget responsibility and transparency, requires the consideration of alternative models. However, surveying the attitudes towards the introduction of other systems (such as Activity Based Costing, internal market prices, service level agreements) they found that universities have been 'sensible in resisting these trends'

Groves *et al* (1997) investigated the appropriateness and relevance of the development of 'strategic management thinking' and managerial models in universities. Universities do not appear ready to conform with the corporate model of strategic thinking because the nature of their processes and products (teaching, research and support services) is very different. The institutions face more

conflicting goals from numerous and diverse stakeholders more than private firms and they have more complex strategic choices. However, Groves *et al* (1997) suggest that an awareness of competitive position, competitive advantage and scope and the value chain of a university can be useful tools for prioritisation between research selectivity, teaching excellence and income generation. They also proposed that issues of educational products and processes need to be considered alongside cultural and political factors.

Bourn (1994) examines the affect of environmental change on the strategy, organisational process and structure of The University of Southampton. He proposed an evolutionary process approach to matching a university to its environment so that more informed strategies of resource acquisition and allocation would be applied. Goddard and Ooi (1998) examined the development of Activity Based Costing at The University of Southampton and found that there were significant problems in the system's application. They suggest that political and social factors may influence the selection of such a system more than economic considerations.

Jones (1994) examined the possibility of introducing a uniform approach to the reporting and resource allocation processes of universities. His study is a comparative examination of The University of East Anglia, The University of Edinburgh and University College London. Although he recognises that the individual circumstances of different institutions must be considered carefully. He observed that the management of the universities relied heavily upon consensus and extensive committee structures. During the 1990s all three universities developed new planning models, which reflected to a degree the format of the information received from the university Funding Council, but the specific organisational characteristics of each university influenced the model's implication and effectiveness. Jones (1994) claims that the allocation models provided a sense of objectivity, which potentially defused tensions and created a starting point for

discussion, but at the end the strong collegial culture, which traditionally operated as a management by consensus, proved unwilling to accept strong centralised patterns of the proposed processes.

Whittington (2000) explored the effect of the funding council formula funding approach to The University of Cambridge and concluded that the although Higher Education Funding Council for England (HEFCE) did not require the adoption of a formula by the institution, the pressure of efficiency savings resulted in a reconsideration of the fund's drivers within the institution. However, he believes that the impact of this adoption is damaging. Whittington (2000) maintains that areas of the university system in the lowest cost bands for teaching and research would suffer damage due to the 'prices' which do not reflect the efficient relative cost of providing teaching and research. Furthermore they fail to reflect market values of degrees in interdisciplinary subjects.

2. 5 The University's response

2.5.1 Mission and character of The University

The University was founded in 1451. The civic character of its operation and the historical role in the social reality of Scottish education determine its particular organisational characteristics. Mainstream to The University life is the strategic orientation of a public institution 'leading to national and international position in teaching, in research and in links with industry and commerce' (quoted from the Strategic Planning Statement 1997 - 2001). The emphasis is on the civic status of The University that determines its role within the local and international community and is related to the social expectations concerning its educational leadership and achievement. It is stated - in the strategic planning statement of The University - that the particular status of size and diversity of large civic universities have, makes the achievement of a specific strategic purpose or direction difficult. Furthermore, the history and tradition of large civic universities 'have at times led to a complacency, exacerbated in many cases by failure to develop more up - to- date management structure and strategies' (quoted from GU Strategic Planning Statement 1997- 2001).

The Higher Education reform demands, impact on The University. In response to the government guidelines of governance and operation The University critically reviewed its practices (see appendix 4). Characteristically, in the Strategic Planning Statement it is stated that:

> *'Changes in the external environment in the 1980s and 1990s, particularly in the nature of the relationship between Government and Universities, have done much to shake civic universities from this kind of 'creeping paralysis' from which The University was by no means immune. In The University's case there was also the danger that its large local student base and its very 'Scottishness' as an institution would result in*

parochialism which belie its claims to be a leading international university' (Strategic Planning Statement 1997 – 2000).

A series of University policies developed in order to address The University's response to the Higher Education changing environment. An example of this response that reflects the complicated character of the reform along with unique social and educational character of The University is the 'conflicts of interest policy'. This policy developed in order to manage the possibilities of potential conflicts of interest between The University's members of staff and the prospective collaborations with 'for – profit' organisations. According to this policy the members of The University have the obligation to avoid ethical, legal, financial or other conflicts of interest. This policy incorporates the Seven Principles of Public Life (Committee on Standards in Public Life, 2001). It is stated in the policy that 'apparent conflicts may undermine trust and be as damaging as an actual conflict' (GU conflicts of interest policy, 2001).

This concern, in addition to the fact that the British educational environment changed drastically during the recent decades, determined the process of the organisational decisions taken in The University. The performance evaluation of The University's Resource Units was found to be an important issue, especially under the consideration of the Research Assessment Exercise (RAE). The Resource Units of The University, which are resource driven centres including departments of similar educational disciplines, were evaluated in a process of analysis of strengths and weaknesses. The focus of such an evaluation was intended to estimate the effectiveness of each Resource Unit to increase income and reduce expenditures and to identify the strengths, which would lead to the achievement of The University's objectives along with those of the British Government and Scottish Higher Education Funding Council.

The University employs a transparent approach to its operation and specifically to the financial and management procedures. A great amount of

information is disclosed to the web site of The University and is visible to everybody within the campus. In addition a large volume of periodic publications focuses on the spreading of the information. Furthermore, the administration's profile is open and communicable to everyone who is interested in going to more details. In part, this approach is determined by the regulatory requirement of the British Government that introduced the 'Transparency Review' initiative (published by the Joint Costing and Pricing Steering Group http://www.jcpsg.ac.uk/transpar/index.htm). According to this the UK Government is demanding that universities should demonstrate that they provide value for money as a condition of continued research funding. It is committed 'to ensuring that the Funding Councils and the Research councils work together to deliver better value, transparency and targeting in the use of science research funding' (quoted from The University Newsletter, December 1999).

2.5.2 The University's governance and management structure

The governing body of The University is the Court. The Court is responsible for the 'strategic direction of The University, approval of major developments and the receipt of regular reports from officers of the Court on the day to day operations of its business and its subsidiary companies (quoted by the 'statement on corporate governance' in the financial statement of the year 31 July 2000). The Principal who is also a Vice – Chancellor, is a member of the Court but does not chair it. The overall policy responsibility rests with the Management Group of the Principal. The Management Group consists of the Principal, the Vice Principals, the Secretary of the Court, the Clerk of Senate and other appropriate senior administrative officers. It acts as a 'policy and Resource Committee' and advises the Court on overall objectives and priorities of The University and proposed strategies and policies to achieve them ('statement on corporate governance' in the financial statement of the year 31 July

2000).   The Resource Strategy Group has been at the heart of the current planning process which has led to the production of the planning statement.

For organisational purposes relating to internal planning, management and finances The University has (at the time of the research) eleven (11) academic Resource Units and two (2) non-academic Resource Units.   In the Strategic Planning of The University 1997 · 2001, it is stated that The University operates within 'a devolved management structure where much of the responsibility for resource planning and management rests with the thirteen (13) Resource Units (11 academic plus Central administration and Information Services).   Each academic Resource Unit has a Dean (Head of Resource Unit) and a Resource Unit Administrator, and similarly the non academic Resource Units have a Head of Resource Unit and a Resource Unit Administrator.

Table 2.4: University Organisational Hierarchies Source: Planning Office (University's web site)
Academic Resource Units in 'national academic cost center order' Clinical Medicine (CMED) Dental School (DENT) Veterinary Medicine (VETS) Institute of Biomedical and Life Sciences(IBLS) Physical Sciences (PHSC) Engineering (ENGN) Computing Science, Maths and Statistics (CSMS, in 2002/03 renamed as FIMS) Social Sciences (SOCS) Arts and Divinity (ARTS) Education (EDCN) *Ersatz /pseudo academic Resource Units* Business School (GBUS) Crichton Campus (CRIC) *Non Academic Resource Units* Information Services (INFO) Central Administration (CADS)

2.5.3 The University's funding

Most of The University's teaching and research income is allocated by the Scottish Higher Education Funding Council Grant. The table 2.5 below shows the summary of the income and expenditure amounts of The University (see also appendix 5).

Table 2.5: Financial figures 2002 – 2003 (summary)	
Source: (University's web site)	
Summary of income	**£M**
Funding council Grants	116.0
Tuition fees and education contracts	38.7
Research Grants and contracts	76.9
Other income	48.0
Endowment and investment income	6.2
Total income	**285.8**
Summary of Expenditure	**£M**
Staff costs	170.8
Other operating expenses	100.1
Depreciation	14.7
Interest payable and other similar charges	0.4
Total expenditure	**286.0**
Summary of Historic Cost surplus	**£M**
Surplus on continuing operations	6.4
Difference between historical cost depreciation & actual charge for the period calculated on the revalued amount	3.3
Realisation of property revaluation gains of previous years	2.5
Historic cost surplus	**12. 2**

More precise, the main source of The University's income is received from the government through the Scottish Higher Education Funding Council (http://www.shefc.ac.uk). The council's Grant letter at the year of the research announced on the 20th of March 2002 (SHEFC, Circular Letter HE/15/02).

In general, the Council funds The University with the condition that The University satisfies particular arrangements, which are contained in the Financial Memorandum of the council (http://www.shefc.ac.uk/publications/

shefc/shefc_financial_memorandum.html).   These conditions refer to issues of funding as well as requirements of Financial Statements, Research Contracts, Audits, Insurance, Performance Indicators and Strategic Planning.   In addition, regular reports are required by the council from The University on student numbers, research activity, staff resources and others.

In the particular year, according to the Narrative Explanation of the Income Driven Resource Allocation Model (IDRM) as received by The University Court on the 26th of June 2002, the core-funding grant (for teaching, associated tuition fees, main research grant, estates and equipment) for the all the Scottish Institutions went up 2.7% in cash terms in comparison to the previous year. The funding figure for The University in comparison to the previous year increased around 6.8% (assuming inflation generally to be 2 ½ % the next academic year). This increase was due to the Councils new policy to support selected areas for teaching (for instance clinical based subjects), and the Research Assessment Exercise results announced very recently (in December 2001, see appendix 6).   However, the comparative increase should be interpreted carefully due to the change of the funding bases of the Funding Council.

2.5.4 The resource allocation process and model of The University

In respect to the planning procedure of The University, a Resource Allocation process and an Income Driven Resource Allocation (IDRM) model have been developed. The main resource allocation meetings of the senior administrators of The University are the Star Chambers (see appendix 7 for more on purpose, topics covered and historical note). The Star Chambers are mainly financial discussions, which take place during the planning process of The University. These committee meetings take place between the Heads of Resource Units and The University's Principal / Director of Finance, accompanied by support administrators. At the time of the research the meetings were conducted on an individual Resource Unit basis. In respect to the

IDRM's operation, the Star Chamber's consider the Cash Limited Allocations, which are used as a basis for the Cash Limited Budgets for each Resource Unit. The model does not incorporate all of the income and expenditure in The University's budgets (income excluded is mainly from earmarked grants which are certain grants received from SHEFC for particular purposes, short courses, exceptional items and transfers to and from reserves). At the end of the planning cycle the agreed format of the IDRM is submitted to the Scottish Higher Education Funding Council along with The University's overall budget (Finance Office, Financial Handbook, University's web site)

Table 2.6: Resource Allocation Timetable (Source: Planning Office, (University's web site)	
December - January	First star chambers
January	Registry checks for quality of student record system
February	Departments, Faculties and Resource Units check quality of Student Record System data
End February	Student Record System database frozen for definite Income Driven Resource Model base data
Mid- late March	Scottish Higher Education Funding Council main grant letter published
April and May	Income Driven Resource Model budget setting and star chamber meetings take place
Early – mid June	Income Driven Resource Model report received by Resource Strategy Committee, Finance Committee and Senate
Late June	Income Driven Resource Model report received by Court

The Resource Allocation process cycle shown in the above table is indicative. In the year of the research, due to The University's organisational changes and the reform of the IDRM, its final form was agreed during October 2002 (see appendix 8). In particular, at the year of the research, a number of organisational changes happened

in The University, 'in the light of strategic planning in The University' (Narrative IDRM – as in Court 26/6/02). The changes while they had a timing impact in the budget process, and structural impact on the IDRM, where considered carefully during the research process.

In respect to the operation of the IDRM model, the total income from teaching and research is 'top-sliced' in order to pay for both the Non Academic Resource Units and 'services and activities' (such as depreciation). The amount of the 'top slice' varies according to the income type (at the time of the research the top slice for Core income was 48.8% , earned income 33%, and other income 0%). It is interesting to mention that the teaching funds received by the SHEFC are distributed in the IDRM on a 't-1' basis which the existing and expected student numbers (i.e. the existing and expected student loads notified to the Council in December of the current session and relate to the 'monies' for funded places next year according to the 'eco principle' which is 'to echo internally the pattern of The University's external income streams', GU Finance Office Handbook). The argument for this is that with the 't-1' figures allow the Resource Units 'to manage the transition over the years resulting from changes – particularly if adverse; and if the Resource Unit's income is on the upturn, it will be a year before the benefits flow through the IDRM, so an overtrading and the expenditure of anticipated income prior to receipt is avoided' (Finance Office, University's web site).

Table 2.7: Income Driven Resource Allocation Model 2002/ 03 £ 000s	
Gross Attributable Income	
Teaching-grant	48.8%
Research-grant	48.8%
Inter-Resource Unit transfers	48.8%
Home/EC Fees – Undergraduate (full time and part time)	48.8%
Home/EC Fees – Postgraduate Teaching	33.0%
Home/EC Fees – Postgraduate Research	33.0%
Home/EC Fees - Full Cost	33.0%
Overseas Fees - Undergraduate	33.0%
Overseas Fees - Postgraduate Teaching	33.0%
Overseas Fees - Postgraduate Research	33.0%
Overseas Fees - Full Cost	33.0%
Overheads on Research Councils, CSO & Charities	33.0%
Overheads on contracts & other services rendered	33.0%
Miscellaneous Income	0.0%
Central Income	0.0%
Total Gross Attributable Income	**£ 000s**
Total Topslice	£ 000s
Total Net Attributable Income	**£ 000s**
Total Strategic Allocations	£ 000s
Further topslice	£ 000s
Resource Unit allocation received or donated	£ 000s
Final Cash Limited Allocation	**£ 000s**

According to the Financial Handbook of The University's Finance Office, after the first top-slice cut, which is applied on the gross income streams of each Resource Unit, the remaining income is used as a starting point for the calculation of each Unit's Cash Limited Budgets (Finance Office, University's web site). It is claimed that the first top-slice amounts are required for the operation of the Non Academic Resource Units and to cover overhead costs, which are analysed in detail according to the Unit's needs and statutory requirements. After the first top-slice cut, the amounts retained are either distributed back to the academic Resource Units (if there are sufficient amounts) or are retained while increasing the top-slice percentage to meet a number of strategic adjustments. This is the second cut, which is also justified on a given expected level. If after the second top-slice cut the amounts remaining in the Resource Unites Cash Limited Allocation accounts is greater than the pre-determined level, a third redistribution occurs. The third cut is technically justified with a Rate of Manageable Change. The Rate of Manageable Change is a 'safety-net' or floor provision and is the maximum percentage decrease permitted from the previous year's comparable figures. This rate is set by The University's Management Group after taking in account what The University can afford in relation to its proposed budget (Finance Office, University's web site). To arrive at Cash Limited Budgets for each Resource Unit, some further adjustments may be made to the Resource Unit's final Cash Limited Allocation, following the discussions at the Star Chamber meeting.

2.6 Summary

This chapter demonstrated the impact of the British public sector reform in the Higher Education context. The core argument of the chapter was that the universities developed different responses to the subsequent pressures due to their internal socio-political environment. In addition, it has been demonstrated that the development of the responses is continuous and dynamic, and it is reflected in the institution's internal governing styles.

The public sector reform rhetoric concentrated in two main streams. First the change of the namely 'institutional' reform of the public services providers, and second the principles and values that people committed to perform public services. The reshape of the public sector institutions framework aimed to change the bureaucratic ideology of the sector promoting flexibility, accountability, administrative devolution and offering of choices to the users of the services i.e. the public. The implications of this ideology were the introduction of devolved administration, consumer focus service, conduct of codes of standards and quality, and measurement of performance with indicators and reward systems. The other stream of the reform attempted to identify the principles and values that the public servants have to maintain. For that reason, 'seven principles of public life' were introduced, which are 'selflessness', Integrity', 'Objectivity', 'Accountability', 'Openness', 'Honesty' and 'Leadership' (section 2.2).

In the perspective of the Higher Education sector, response of the Universities to the British Government approach reflected on both reform streams (section 2.3). Universities responded by introducing 'new' technologies of governance and by accepting (or resisting to a degree) the management of academics (section 2.4). The main observation though, was first that the ideological reform and its implications is a continuous and dynamic process, and second that the observed responses were diverse and therefore it is difficult to draw a uniform picture for the entire sector. The present

study argues that the diversity of responses reflects the underlined socio- political plurality of the internal environment of the institutions. In this context the development of governing technologies, such as the resource allocation process, is influenced by the unique socio political influences within the universities rather than an external universal economic rational. In that respect the following chapter of the volume will introduce the concept of trust as an interesting dimension to the challenging issue of internal governance of the Higher Education Institutions, and in the particular case of The University.

In the section 2.5, The University and its resource allocation process as part of its governance and management culture was introduced.

Chapter 3 – Trust and Accounting

3.1 Introduction

This chapter deals with trust and accounting literature in the organisational context. It has been suggested that accounting practices, such as the resource allocation process (budgeting) should be studied considering the particular organisational context in which they operate (Hopwood, 1983). It is further suggested that trust should be carefully considered, while the organisation is considered from a socio-political perspective, where interests and interactions between individuals and groups create a dynamic setting. Adopting the view of Roberts and Scapens (1985), accounting practices in an organisational context are visualised as a combination of accounting rules and procedures (accounting system and more specifically the resource allocation process and model) and structures of accountability that reflect meaning, authority and moral rights and obligations between the individuals or groups involved. In a similar pattern, the concept of trust is viewed as embedded within contexts of interaction (Nooteboom, 2002) reflecting an extrinsic value, 'as a basis for achieving social or economic goals'; and intrinsic value, 'as a broader notion of well being or the quality of life'. Moreover, there is consideration of the importance of trust and accounting in a democratic organisational governance (Warren, 1999), and it is claimed that different relations between democratic governance and trust develop, depending on the extrinsic and intrinsic value of both. In this context, the main theme being addressed is that the relationship between trust and accounting is an interplay that produces and reproduces structures of accountability and procedures of accounting practices, which have a very influential impact on the governance style of the organisation.

The following literature may support the understanding of the conditions and reasons that, in the Universities, there is an absence of uniform accounting practices

and perspectives developed as has been demonstrated in chapter 2. In that respect, the social embeddedness of the accounting procedures in consideration and the interpersonal trust within the particular organisational context seem to be a major influential factor in the production and reproduction of both accounting and trust. It may be also useful to understand the importance of trust between individuals and groups when dealing with the allocation of financial resources. In the meanwhile, the resource allocation process is perceived and an accounting system in praxis, which structures of accountability develop through the interaction in the particular organisational context.

3.2 The social science of accounting

This section includes the literature of accounting in an organisational context. An interest in this literature is based on the view of the resource allocation process as the budgeting process of The University. It is stressed that the particular Resource Allocation process should be examined within the organisational context of The University, bearing in mind the social, political and behavioural factors that affect its operation.

The social	THE ACCOUNTING FUNCTION	and economic environment
Organisational structures		and control strategies
Group pressures		and controls
Individual needs		and attitudes
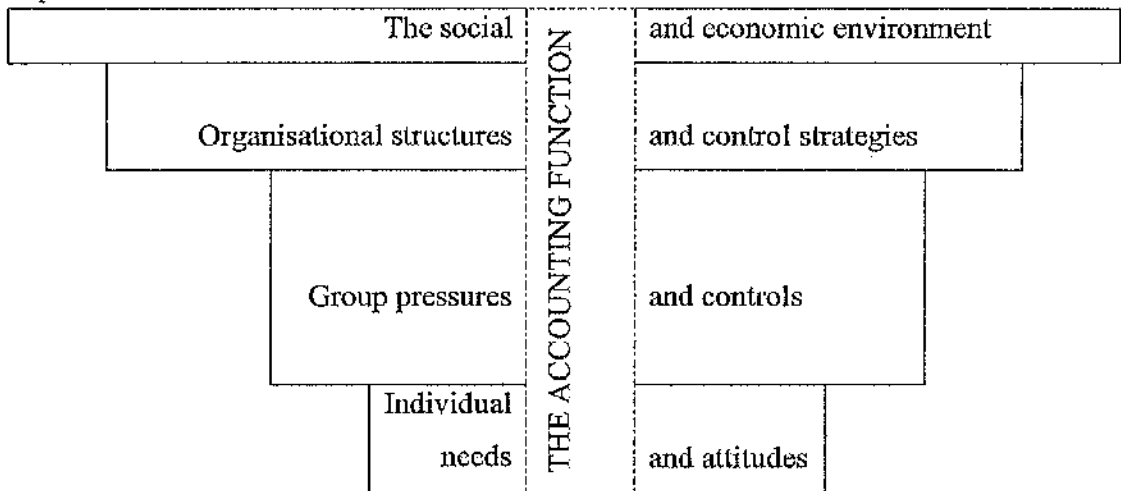
Figure 3.1: The social context of accounting (Hopwood, 1974)

The Figure 3.1 asserts the importance of the human influence (from the macro institutional level to the psychological level) on the function of the procedures and outcomes of accounting practices. It is stated that human behaviour is formulated from the social environment and the individual's psychological needs and attitudes (Hopwood, 1974). In return, human behaviour affects accounting (Caplan, 1966; Roslender, 1992; Manicas, 1993). Therefore, it is important to examine and understand how and why people behave in the way they do, and how this behaviour influences human practices and institutions (Caplan, 1966). More specifically, Trust is referred to as an influential element for behaviour (Good, 1988, Kramer *et al*, 1996), and it is supposed to affect the way that accounting is formed in the specific organisation.

46

3.2.1 Accounting in the organisational and social context

In order to investigate the role and importance of accounting practices in an organisation, it is necessary to examine what constitutes the organisation and how the practices, and in particular the one of resource allocation, are embedded and shaped in that context. It is claimed that the socio- political view of the organisation is appropriate to understanding the practices and structures developed. The importance of this concept has been emphasised by several social scientists interested in examining how accounting operates in an organisational context since the 1970s. Although earlier budgeting as a key focus of accounting research tended to be examined extensively, addressing its behavioural impact on participation and motivation (the work of Chris Argyris 'the impact of Budgets of people', 1952, opened the path for a long academic debate, also Schiff and Lewin, 1970), the static character of these investigations was criticised, and the argument of 'examining accounting in the context in which it operates' later emerged (Hopwood, 1978 and 1983). From this perspective, analysing the organisational dynamics, that connected budgeting with organisational control structures and strategies, was suggested to be considered in order to explain and understand the use of accounting in an organisational as well as social context.

In general, a broad distinction between the two perspectives adopted for the study of organisations can be identified. One of the perspectives is influenced by the classical economic theory, in which the organisation is viewed as an economic entity which is organised in such a way that the creation of prosperity and the maximisation of wealth plays a major role. The organisation is viewed as the best combination of people, capital, land and knowledge with the objective to maximise wealth with the least economic sacrifice and the best economic return. This basic function assumes an economic rationality. It also assumes that when the firm is simplistically divided

between the entrepreneur and the staff, that the best economic effort is the one based on the entrepreneur's choice and managerial skills (Baiman, 1982 and 1990).

The other perspective, emphasises that the organisation operates for macro and long term prosperity of the society (Cyert and March, 1963). The rational of the organisation's existence and decisions is based on a rather 'collective mind' reasoning rather than the strict self- interest motivation of human action (Weick, 1980 and 2000).

More precisely, the organisation can be viewed from a socio- political perspective as a combination of the willingness of people to organise their efforts and expectations in such a way that a common benefit will be achieved. Therefore the firm can be viewed as a coalition of individuals who share the willingness of utilising their best effort in order to satisfy their common expectations (Cyert and March, 1963; Colville, 1981; Berry, 1994). The notion of common expectations does not prohibit the existence of different views and opinions, which are derived from different experiences, and knowledge of each individual (Covaleski and Dirsmith, 1988; Morgan, 1998). The plurality of views within an organisation can be the source of contradictions and often the reason that there is dissatisfaction with the initial objectives of the organisation. Conflicts arise when interests collide. However the same conditions can give rise to positive outcomes for an organisation. In the organisational literature conflict is normal and can be present within groups or coalitions. Whatever the reason, and whatever form is takes, its source rests in some perceived or real divergence of interests (Covaleski *et al*, 1996).

The management of diverse interests and the development of a collaborative climate in an organisation are influenced by the interaction between the organisational members. Weick (1980) based his core definition of organisation in the importance of the processes of organising, stating that 'organising consists of resolving equivocality in an enacted environment by means of interlocked behaviour embedded in

48

conditionally related processes...of enactment, selection and retention'. He maintains that organising among people involves choices of what to select and how to act.

During the social interaction within an organisation a governing mechanism is developed. These governing mechanisms involve systems and procedures of accountability and quantification (Porter, 1995; Fligstein, 1998) that often concentrate on purposes of control, performance evaluation, motivation, and planning. Accounting systems and procedures stand between the various groups in the organisation (Dirsmith, 1986; Meyer, 1986; Armstrong 1991; Burns and Scapens, 1999). They provide a way in which the relative contributions to organisational activities can be evaluated and a mechanism through which resources are allocated. Thus accounting can be part of the process of controlling and channelling actual and latent organisational conflict.

In summary, it is necessary to investigate accounting in its organisational context. In this context the role of accounting practices expand further than the strictly rational economic function to a broader socio-political importance. An interesting sociological theory that should be considered as a useful framework for understanding management accounting in the organisational context is the theory of Structuration (Macintosh and Scapens, 1990). Next, we look closer to the way that structuration theory provides a sensible prism of interpretation of the accounting practices in the organisation.

3.2.2 Structuration theory and management accounting

The usefulness of structuration theory in understanding accounting practices in their organisation context is founded on its consideration of both the context in where accounting practices occur, and the activities of the individuals involved in these practices. Interaction between individuals and social context reflectively produce meaning, morality and ability to transform behaviour and material in a dialectic order. In this section the interpretation of structuration theory in management accounting research literature is reviewed. A reference to the original presentation of the theory by Anthony Giddens (1984) will take place at chapter 4 (section 4.4).

Roberts and Scapens (1985), suggest that Structuration theory is a useful framework to understand accounting in its organisational context. In this perspective, the interaction of people in the context of the accounting practice, shapes and maintains particular patterns of accountability within an organisation. Accounting systems are produced through the actions of individuals, while accountability structures provide meaning, legitimation, and authority to these actions. Macintosh and Scapens (1990) explain that in a day - to - day interactions management accounting provides managers with a means of understanding the activities of their organisation and makes them able to communicate meaningfully about these activities. Further, management accounting systems bear norms of organisational activities and provide sanction for reciprocal rights and expectations of the individuals involved. Finally, management accounting systems provide authority to organise and coordinate the activities of the individuals involved as well as to command on the material resources.

Macintosh (1995) explains that individuals become accountable for their actions through the production of patterns of communication, morality and authority. However, these structures are constituted by the individual's actions and, at the same time, are the medium of this constitution according to Giddens' concept of 'duality of

structure'. Further, he explores the concept of 'dialectic of control' in a management accounting context and argues that management accounting practices produce both autonomy and dependence between individuals. He states that even the most subordinate agents have some resources which they can influence the actions of their superiors (in his example, subordinates can choose to withhold information from their superiors).

3.2.3 Accounting for organisational governance

The complexity of modern organisations leads them to differing governing mechanisms of which an aspect is the internal (management) accounting system. As Weick (1980) demonstrates, unitary thinking about organisations is incomplete because our understanding is 'partly true, partly false, partly incomplete and partly irrelevant'. Therefore, there is no uniform approach to management accounting practices in an organisation (Otley, 1980). In addition, the systems developed are often conveniently not 'rational', in a strictly economic sense, but operating within a broader socio – political prospect of effectiveness and efficiency. Also, as Argyris (1971 and 1973) claims, there is a genuine resistance to Management Information Systems because 'if systems achieve their designer's highest aspirations, they will tend to create conditions of reduction of space and free movement, psychological failure and double bind, leadership based more on competence than formal power and decreased feelings of essentiality'.

In early organisational theory and management control literature, an attempt to separate the financial control, managerial control and strategic planning (Anthony, 1965) resulted in extensive criticism that argued for an integrated corporate planning system which combines programming and budgeting based on strategic, operational and financial outputs (Otley, 1994). Later, the separation thesis of Anthony (1965) was re-examined and the suggestion to consider the combination of the three internal

processes with the behavioural issues occurred. Therefore, an effective financial control can be achieved as a result of the effective management of people and it can not be assessed in isolation.

Further, the socio - political effect of accounting practices is well acknowledged, and in particular the interplay between budgeting processes and behaviour emerge. Ansari and Euske (1987) make a case for more of a holistic treatment of accounting practices and recommend that the structural and behavioural work should be integrated as there are interactions between information systems and human behaviours, which could not be overlooked. In this respect, the behavioural effect of budgets, as a tool of planning and control, is extensively emphasised and attention is focused on the understanding of the norms, values and role expectations that are sourced in the organisational culture (Schiff and Lewin, 1970; Merchant, 1981; Birnberg *et al*, 1983;); and the power unequalities that make budgets both a substance and result of political bargaining (Pfeffer and Salancik 1974; Covaleski and Dirsmith, 1988).

In respect to whether qualitative or quantitative information is appropriate for control, Lowe (1970, 1971) considers the importance of a unified management accounting system, which emerges from the need for integration of a range of qualitative mechanisms, although no framework for such integration is provided. Scapens and Roberts (1993) suggest that more complex controls are necessary as organisations evolve and that there is a necessity of underlying control systems to provide the information required to support financial control. It is reasoned that control based on financial objectives is no longer adequate, while traditional management control techniques, which were oriented to financial and quantitative measures, are inadequate for assessing the effectiveness of organisational performance (Cooper *et al*, 1981, Harrison, 1993; Berry, 1994).

Emmanuel *et al* (1990) made a distinction between financial control and organisational control, where they claim that accounting information plays a different role. They suggest that organisational effectiveness should be measured with a variety of measures as survival, growth, employee attitudes and absenteeism and labour turnover. Otley and Berry (1980) address the risk resulting from the dependence of financial control, which ensure the need for the use of accounting information in a broader organisational context, and the accountant's professional development through the acquisition of professional skills necessary to collect and use information from an extended range of variables. Similarly Merchant (1985 and 1990) investigated the effect of the two 'dysfunctional side effects' of financial control systems named 'manipulation of short term performance measures' and the encouragement of 'management myopia'. The first refers to the manipulation of performance indicators, involving time period change so to show a favourably altered performance pattern, and falsifying data report. The second reflects the short-term nature of financial controls which is the case that managers are highly motivated by short term profit considerations.

Hopwood (1983 and also 1974; 1978; 1994) claims that the study of accounting should respect the context in which it operates and he criticises the conventional accounting paradigm for inflexibility, short-termism, 'almost exclusive emphasis' on financial aspects, abstraction and distancing of the control process from the practical performance of the task. He states that 'an organisational view of accounting in action is emergent'. Similarly, Laughlin (1987) views the accounting systems in organisational contexts as more than technical phenomena and he states that to understand and change these technical elements the social roots must also be both understood and changed. Conventional accounting practices embody routines, which define the nature of costs and profits and provide the appearance of rational behaviour

3.2.4 Management accounting change

The issue of the dynamic nature of accounting changing within the organisational context is considered as very important in the study of the resource allocation process of The University. As demonstrated in chapter 2, several aspects of the external funding process and in the internal resource allocation process, changed during the time; and although this change can be explained as an impact of the Higher Education reform, it is also necessary to consider the organisational context of these developments. It is emphasised that the changes of the accounting practices, and in particular of the resource allocation process, are associated with the general organisational changes of The University, along with the socio – political influences in The University, developed during the time period under review. In the literature, different perspectives and levels of theorisation of accounting change reveal a growing concern that accounting practices should not be assumed 'stable' and most importantly not 'uniform' while examining processes that involve interaction, routines and values. Although the present study adopts an approach closer to social constructionism of organisational practices, and of the resource allocation process as an accounting praxis, a review of the main views found in the literature is believed to be of use.

Weick and Quinn (1999) suggest that theories of organisational change can be categorised in four broad categories:

- Life cycle theories: that have an event of start – up, grow, harvest terminate, and start up. They have an generative mechanism of an immanent programmer regulation

- Teleological theories: that have an event sequence of envision / set goals, implementation of goals, dissatisfaction, search / interact, and envision/ set goals. They have a generative mechanism of purposeful enactment and social construction.

- Dialectical theory has an event sequence of thesis / antithesis, conflict, synthesis, and thesis / antithesis. It has a generative mechanism of pluralism, confrontation and conflict.

- Evolutionary theory has an event sequence of variation, selection, retention, and variation, it has a generative mechanism of competitive selection and resource scarcity.

In respect to management accounting changes, Shields (1997) claims that changes in the environmental and organisational context of management accounting include changes in competition, operations technologies, information processing technologies, and organisational designs. He contends that although a static comparative analysis tends to be adapted while attempting to capture change (see Vamosi, 2000; Granlund, 2000), research considering the wider institutional dynamics and unpredictability of change is important in 'understanding contemporary management accounting' (see Armstrong, 1991; Hopwood and Miller, 1994; Scapens, 1994; Burns and Scapens, 2000; Quattrone and Hopper, 2001).

Further, the understanding of when and how management accounting is leading, following or inhibiting organisational changes is valuable. Often environmental chances and needs create the need for response (see Abrahamson, 1991 and 1996). From this perspective, change can be a formal or managed organisational event or process which is carried out in a rational and functional way. The possible problems of change have a technical nature, but with 'good implementation' they can be solved (Kloot, 1997; Burns and Vaivio, 2001; for instance balance scorecard or ABC implementation literature). On the other hand management accounting can be a follower or inhibitor of change because employees have learned how to 'play the game' with the existing management system and therefore resist or manipulate the system. In this way, a rather political activity of interests and power interplay shapes views and alliances (see Hopwood and Miller, 1994; Burns and Scapens, 2000).

55

In respect to the source of influence for change, Burns and Vaivio (2001) explain that management accounting changes can be driven by top – down or bottom – up influences. In the top- down perspective, changes can be seen as a centrally driven effort, where the organisations top management plays a key role. On the other hand, changes can be regarded as a fundamentally local concern, top management is unable to identify the particular conditions that cry for reform – local actors within larger decentralised structures are the real architects and mobilising agents of change. Established management accounting routines become revaluated as a result of local questioning (Covaleski *et al*, 1996; Luft, 1997).

3. 3 Trust in social sciences

The rational choice model of the individual's decisions has enormously influenced the social sciences. From such a perspective, humans are rationally motivated to maximise their personal gains and minimise their personal losses in social interactions. The reason they organise their resources and efforts collectively, are to maximise the individuals' benefit from the organisation. Major theories that adopted this rationalist model approach are the 'agency theory', 'transaction cost economics' and 'theories of collective action in organisational analysis' (Eisenhart, 1989). However, recent phenomena of 'irrational' and non-predictable behaviours of individuals, and organisations, reveal the need for fundamental awareness and understanding of the context where the social interaction of individuals occurs, along with considerable attention to the observed praxis of the subjects' everyday life (individuals or organisations). Main dogma of this perspective is that the individual's decision to engage her / his effort and resources in a collective form is other than rational and calculative. Therefore, the need to understand the social context where the individuals organise their collective interests in a manner that includes both their actions along with the structural conditions of their environment (economic, historical, social) provides the foundations of theories considering the 'social contextualism' (Kramer, 1994).

In respect of the latter perspective, the rational model of human behaviour conditions that shape the conduct of individuals in organisations are no longer primarily instrumental but are shaped and reproduced within the interaction in a given context. In the present study such interaction produces and reproduces trust in the resource allocation process within the particular organisational context of The University. Fabricating the main argument with respect to both human behaviour models, the study seeks to gain understanding of the trust role in its particular context. Ruscio (1999) states that trust exposes the limitations of rational choice theories, their

cramped views of political life, and their failure to draw from a political heritage that balanced the pursuit of self interest with social virtues. In addition, Hollis (1998) states that trust grows fragile when people become too rational; and trust grows fragile when people are not rational enough. Furthermore, he claims that without trust, social life would be impossible and everyday is an adventure in trusting thousands of others, seen and unseen, to act reliably.

A thorough examination of the literature around the issue of trust in general and in the particular context of the resource allocations process in The University attempts to formulate the main ground where the study's inquiry develops. In general the literature of trust is considered interdisciplinary and broad (Blomqvist, 1997; Rousseau *et al*, 1998). However, Lane (1998) observes that the divergence between the views may be sourced on the grounds or social bases on which trust expectations are based on the one hand, and on the other may arise both from the object of trust and the context in which the trust relationship is situated.

This section includes the arguments found in literature in a twofold articulation trying to respect both ends of the human behaviour theories spectrum, with a specific reference to trust. In that respect the extrinsic and intrinsic value of trust (Nooteboom, 2002), is the core starting point of the exploration of its meaning and usefulness in the interaction, and as the chapter develops, different angles are examined. This fundamental distinction is based on the perceived value of trust in the society which in its extrinsic form provides the basis for the achievement of social and economic goals in a rather functional / instrumental fashion, and in its intrinsic form is the basis of a broader binding in the relationship as an inner quality, that may reflect feelings of loyalty, honour and self respect. The following table presents the structure of the trust literature review, with the main arguments on its source, objects, and its role in accounting systems and structures of accountability.

Table 3.1: Trust in social sciences	
extrinsic	*intrinsic*
Undersocialised assumption of human action (transaction cost economics, self interest, opportunism, rational decision model)	Oversocialised assumption of human action (community oriented individuals, critical and self reflective)
Trust as predictable expectation (confident expectation that the other will perform in particular important to trustor)	Trust as goodwill expectation (unforeseen contingencies will be meet in good faith and mutual benefit)
Mental basis: peoples trust based on knowledge experience analysis	Mental basis: emotions, habits, routines
No trust increases Suspicion	No trust increases Vulnerability
Accounting system: formal control, contracting, close monitoring	Accounting system: social control, informal, interpersonal relations
Accountability is enforced by contract, punishment, and checking (auditing)	Accountability is enhanced by trust Actors deliberately participate in the exercise of authority

3.3.1 Defining Trust in the literature

The notion of trust is increasingly considered in the literatures of social sciences such as sociology, economics, and political science. However, disagreement between the academics who investigate trust in different disciplines uncovers a cautious adoption of a particular stance.

It is also interesting that the conceptual diversity of trust often attracts a mix-up with synonyms of the word trust. The following table (3.2) from Blomqvist, (1997) is indicative of the concepts used in the literature as synonyms of trust.

Concept	Definition	Connection to trust
competence	The actor's perceived ability to perform something	A passive concept describing an actor's ability to perform
credibility	The actor's perceived ability to perform something s/he claims s/he can do on request	A passive concept referring to the actor's claimed ability, which does not however say anything about the actor's intentions nor his will to do the requested
confidence	The actor expects something to happen with certainty, and does not consider the possibility of anything going wrong	Does not involve the conscious consideration of alternatives, as trust does
faith	Actor's blind belief in something	The actor does not have or does not request information for considering alternatives, as in the case of trust does
hope	The actor passively looks forward to something	Due to the actor's passivity he or she does not invest / risk anything by hoping, in the case of trusting
loyalty	The actor has taken a faithful stand relative to another actor, behaving totally positively towards that actor's needs	A static and long term concept, does not seem to involve the possibility of breaking down
reliance	The actor may on consideration decide to rely only on certain aspects or features of another actor or system	A narrower concept than trust in the sense that a trusting actor trust another in all respects after judging the character and behaviour of the other.

Table 3.2: Concepts commonly used as synonyms of trust (Blomqvist, 1997)

Similarly, Luhmann (1998) observed that familiarity and confidence are often confused with trust and he found it necessary to distinguish firstly between familiarity and trust, stating that 'familiarity is an unavoidable fact of life; trust is a solution for specific problems of risk; secondly he distinguishes between confidence and trust. He claims that while confidence is required to conduct the basis of living, trust implies going beyond basic activities and presupposes a situation of risk, choice and social engagement.

Although trust is a variably defined concept, there is some agreement that is important for organisations in a number of ways.

- It enables cooperative behaviour (Hardy *et al*, 1998; Whitener *et al*, 1998; Hwang and Burgers, 1997);

- promotes adaptive organisational forms (Brenkett, 1998; Whitener *et al*, 1998);

- eases the management of conflicts (Das and Teng, 1998);

- decreases transaction costs (Williamson, 1975);

- enhances business performance (Sako, 1998);

- supports organisational change (Sydow, 1998),

- and curtails opportunistic behaviour (Nooteboom, 1992).

Further more, trust is required to reduce uncertainty, promote a more participative management style (Hosmer, 1995), and lower the formalisation in the organisation (Whitener *et al*, 1998) emphasising the delegation of authority to the members of the committee to decide about the vital issue of funds distribution

The following sections review the definitions of trust found in the literature, and the importance of trust in organisational governance. In general the various definitions given, attempt to answer the question 'why people trust', and a useful criterion for classification is the distinction between the definitions which reflect the

extrinsic and / or the intrinsic value of trust (Nooteboom, 2002). The following section presents this broad categorisation of the definitions found in the literature.

3.3.1.1 Extrinsic value of trust – instrumental function

The extrinsic value of trust is a point of view that focuses on the instrumental and functional role of trust in interactions. In this approach, trust is defined as an element of a transaction between two parties and refers to the confident expectation based on the predictability of another party's behaviour, that one's interest will not be harmed or put at risk by the other. Trust is based in on a calculative decision to allow someone to act within a spectrum of reasonable and acceptable actions, eliminating the possibilities of opportunistic behaviour. One of the major factors that the function of trust is required to eliminate is the possibility of risk and complexity (Luhmann, 1979). This type of trust develops through knowledge and experience of one's intentions. People organise their efforts in order to achieve better possibilities to meet their own self-interests through social coercion. This approach assumes an under-socialised human behaviour (Granovetter, 1985), which is most influenced by the rational decision model and economic theory (studies on this angle by Blau, 1964; Luhmann, 1979; Bradach and Eccles, 1989; Williamson ,1993).

Lane (1998) explains that in the case of agency theory, game theory, and transaction cost economics, trust is based on calculations which weigh the cost and benefits of certain courses of action to either the trustor or trustee. In particular, Williamson (1993) claims that trust reduces costs in transactions between the principal and the agent (that could refer to individuals, to groups, or to firms). In market conditions the principal negotiate and monitor create contracts to protect against opportunistic behaviour. In hierarchies the principal creates close controls for the same purpose. Contract and control function are substitutes for trust, and they are required because it is difficult to identify the untrustworthy agent. Therefore, if trust

was a given in the relationship between the principal and the agent, the costs of contracts and controls would be eliminated. In Williamson's (1993) view humans are acting with an economic rational that determines the options and formats of cost elimination.

The approach of game theory perceives trust as a factor of cooperative behaviour in the prisoner's dilemma game (Buskens, 1998). Trust is based on an expectation of cooperative outcome. Cooperation and trust can emerge in two situations, first either of the players expect repeated games and a lasting relationship, or when both actors interact intensively with a third person in other contexts and wish to preserve their reputation. As Luhmann (1979) explains, trust is a rational decision under risk. A rational actor trusts only if her /his calculation suggests that the gain from reciprocated trust is higher than the loss threatened by a betrayal of trust and when trust relations are supported by negative sanctions. Deutsch (1958) states that risk taking and trusting behaviour are different sides of the same coin. However, Harvey and James (2002) believe that in the prisoners dilemma there is a paradox of trust, in that if one trust another because there are incentives for the other to be trustworthy, then the vulnerability to exploitation is removed which gives its very meaning.

From a sociological perspective, Blau (1964) explains that trust promotes reciprocity in social exchange. The need to reciprocate for a benefit received (material or non-material), meets the expectation for continuous social interaction and group structure. The difference with an economic interaction is that the benefits involved in the social exchange have no price and therefore the generation of feelings of 'personal obligation, gratitude and trust' need to develop.

Further, Zand (1972) divided trust into personal behaviour (as a decision to trust) and individual expectations (expected outcome). Trust in these terms is an individual decision based upon optimistic expectations or confidence about the

outcome of an uncertain event, where also an element of vulnerability and lack of control over the action of others occurs. Zand (1972) adopts the view that individuals fundamentally behave autonomously and calculative. Also that groups characterised by strong feelings of common purpose and interest are better able to focus on group problems directly, whereas groups that are more self interested tend to generate interpersonal conflicts when problems arise.

Deutsch (1958) examined the relationship of personality to trust and suspicion, and found that people who were indicated as 'suspicious' were more likely to have a low opinion of human nature, to be submissive to authority, to be punitive of deviant behaviour and to be less interested in 'feeling'. Further, he stretches this point to the 'pathology of trust' which is a situation where someone acts in a trusting manner without regard to the characteristics of the situation in which the behaviour is to take place.

In organisations studies, authors such as Tyler and Degoey (1996) identify that trust is linked to individual beliefs about the likelihood of receiving positive outcomes (also Bhattacharya *et al* 1998) from interactions with authorities and is also related to the nature of the social bond to authorities. Similarly Mayer, Davis and Schooman (1995) state that trust is the willingness of a party to be vulnerable to the actions of another party, based on the expectation that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party. They also identified trust as a crucial component to more participative management styles and that a need for trust arises in a risky situation.

3.3.1.2 Intrinsic value of trust- Goodwill belief

Another way that trust is viewed in the literature takes an oversocialised view of human behaviour (Granovetter, 1985). In this approach trust is referred to as an expectation based upon the other party's goodwill, that one's interests will be protected (Fukuyama, 1995; Nooteboom, 2002). This approach is often analysed as a facilitator of long term, interdependent and stable relationships. Trust is conceptualised as a belief in the other's goodwill beliefs and values. It often takes the form of an irrational predisposition that one is 'doing the right thing' (Fukuyama, 1995), for the general 'well being' or 'quality of life' (Nootemboom, 2002). This definition conceives trust as embedded in the context where people live, creating shared norms and values habitually or through routines and cultural experiences. These approaches suggest that values and norms may enter into trust relations in very specific substantive areas or specific cultural contexts, i.e. trust relations are embedded in particular social relations and the obligations sourced in them. Thus, common values and norms of obligation can develop in a long-standing relationship where trust was initially created in an incremental manner but where value-consensus emerges from the relationship.

Hollis (1998) explains that from a moral perspective trust becomes something more complex than knowing ones' interests. Hosmer (1994, 1995) states that trust is based on an assumption of an implicit moral duty. He observes trust in the form of individual expectations that reflect the persistence and fulfilment of the natural (and existing) social order in which the individual found her-self or him-self. Trust, in an interpersonal relation, is reflected in as a moral value developed from the interaction between the two people involved. In managerial situations, trust generates commitment, and commitment builds effort to cooperate. However, he observes that although in economic transactions business managers often do act on the basis of trust –the difficulty in identifying trustworthy agents is so great that organisations have to

structure themselves as if all agents could not be trusted (negotiation and control of contracts to protect against opportunistic behaviour).

Fukuyama (1995) insists that trust is based on shared values between actors that support each other and they share a 'community of trust'. 'Spontaneous sociability', which is associated with trust, varies across national and cultural boundaries. He found that trust exists in the 'shared ethical habits' of people. He believes that trust is non-rational and is the expectation that arises within a community of regular, honest and cooperative behaviour based on commonly shared norms. Webb (1996) explains that trust is a central component in the most trivial and routine activities of organisational life. In that sense, people's predispositions create habits that reflect certain ways of conduct through everyday practice. Through these practices, people become used to and are more comfortable with social routines and situations.

Lewis and Weigert (1985) insist that trust is social and normative rather than individual and calculative and requires a social relationship to exist. They also maintain that trust can have both an emotional, cognitive and behavioural base. Cummings and Bromiley (1996) explain that trust is an individual's belief or a common belief among a group of individuals that another individual or group makes good faith efforts to behave in accordance with any commitments, both implicit or explicit, is honest in whatever negotiations preceding such commitments and does not take excessive advantage of another even when the opportunity is available. Kramer *et al* (1996) state that individuals who engage in trusting behaviour create opportunity and vulnerability.

Bradach and Eccles (1989) work contributes to transaction cost economics, but they do not assume that the risk of opportunism is always present in economic transactions; also they also adopt a sociologically informed notion of economic exchange. They view as sources of trust the interpersonal relations and social norms,

rather than rational computations of self interest. Trust as a social control is seen as both functionally equivalent to price (market) and authority (hierarchy) and as a complement to them. They contend that price, authority and trust can be combined in a variety of ways.

Whitener *et al* (1998) examined the antecedents of managerial trustworthy behaviour. Trust in another party, reflects an expectation or belief that the other party will act benevolently. Also trust involves a willingness to be vulnerable and risk that the other party may not fulfill that expectation. Moreover trust involves some level of dependency on the other party, so that the outcomes of one individual are influenced by the actions of another. They defined managerial trustworthy behaviour as volitional actions and interactions performed by managers that are necessary though not sufficient to engender employee's trust in them.

Parsons (1971) views trust as affection motivated loyalty, for the acceptance of solidarity in relationships. In his view, rational self- interest is rejected and the basis of collective order is solidarity. Solidarity is the main characteristic of a legitimate order of societal community whose primary function is to define obligations of loyalty to the societal collectivity. He emphasises the notion of generalised morality, where in a power relation trust is based on the expectation that the other will meet her/his social obligation and exercise responsibility. In his framework, he identifies four conditions for trust. First all group participants must believe that action is focusing on common values (e.g. education in the case of The University). Second, the common values identified must be 'translated into common goals' (e.g. teaching and research excellence in the case of The University). Third, each participant's expectations must generally fit into the 'general set of solidarity' (e.g. collegiality between faculties in The University), and finally, participants must be reasonable in 'light of relevant empirical information' (e.g. transparency and training on using financial figures).

These conditions generate trust that becomes 'an unexamined assumption' and govern the participant's social and moral expectations.

Zucker (1986) states that trust is a set of social expectations shared by everyone involved in an economic exchange. This definition includes 'broad' social rules and legitimate social processes. It is the 'background expectations' or 'common understanding' taken for granted as a part of the 'world known in common' among the members of a society. However, Shapiro (1987) and Gambetta (1988) reject the argument that trust could be institution based. Asking the question 'who guards the guardians?'(Shapiro 1987) and 'can we trust, trust?' (Gambetta, 1988), they explain that despite the ethical, social and legal statuses in which common expectations are embedded, the temptations to lie, to steal, and to misrepresent the security of institution based guarantees continue to exist.

3.3.1.3 Trust as a dynamic concept

Trust in most of the literature is examined as a dynamic concept that develops and decreases through time or type of interaction. Given the distinction between extrinsic and intrinsic trust, different factors have impacted on its development or decline. The reasons that trust develops vary depending on the assumptions of human nature, 'self interest' or 'community-oriented individuals'. As has already been mentioned trust exists and / or increases when it is possible to expect with calculative precision, the outcome of the relationship, or when the social binding between individuals presupposes or creates conditions of trust development (sections 3.3.1.1 and 3.3.1.2). As trust is a dynamic concept, the literature tends to associate the declining of the functional trust with suspicion and fear, which is related to risk of opportunism and exploitation of one's resources due to lack of information . On the other hand, the declining of the intrinsic value of trust appears to leave the individual

vulnerable and insecure, unable to associate herself/.himself with the other part of the relationship, which in times leads to a deeper identity crisis.

Elangovan and Shapiro (1998) examine trust betrayal from an organisational management angle and put forward a model of betrayal. They defined betrayal as a voluntary violation of mutually known pivotal expectations of the trustor by the trusted party (trustee), which has the potential to threaten the well being of the trustor. Betrayal is different from deviant behaviour and antisocial behaviour. They demonstrate that the key characteristics of betrayal are a voluntary violation of pivotal expectations of the trustor, mutually awareness of expectations (not necessarily accepted ones), involves behaviour i.e. actual violation, potential to harm. Although betrayal involves a violation of personal trust it is not necessarily unethical or antisocial. There are also several types of betrayal that can be outlined as accidental betrayal, intentional, premeditated and opportunistic (which is actually the most frequently observed). The reasons for opportunistic betrayal can be self-interest, group need or prosocial interests and interpersonal role conflict. They proposed a model of opportunistic betrayal. Another study by Bies and Tripp (1996) investigated how people react when they are betrayed by others, with whom they believed they had a trusting relationship. They found that two types of harm result from the violation of trust. First, a damaged sense of civic order through the failure of others to follow social rules and second, a damaged identity or social reputation. Sitking and Stickel (1996) studied the dynamics of distrust, in the case of an organisation that seeks to implement a 'total quality management' programme on a group of employees. The case illustrated how misperceptions between managers and between the two groups involved affect the trust between them.

Nooteboom (1992) investigated the impact of opportunistic behaviour to trust, and he stated that when opportunism is absent, one can leave contracts open and trust that unforeseen contingencies will be met in good faith and to mutual benefit.

Opportunistic partners may exploit events that are unforeseen, and hence not covered in the contract, or conditions of information asymmetry, in order to gain advantage at the expense of the partner. Hwang and Burgers (1997) developed an analytical model of trust and found that trust supports cooperation through its impact on fear and greed, which are commonly perceived as the main threats to cooperation. Deutsch (1958) associates the concept of 'fear' with 'suspicion'. He observes that suspicion and trust are both based on the expectation of a particular event, on the individual or social environment. He argues that trust is based on an expectation of an event and suspicion is a preference of disconfirmation of the event's occurrence. He perceives the choice to trust, as a decision of optimism in contrast to the development of suspicion, which is a choice of pessimistic preference. Kramer (2002) calls the moderate form of suspicion 'prudent paranoia' which can be highly valuable to the distrustful individual or organisation, in falling prey to opportunistic behaviours.

Lane (1998) observes that interpersonal trust in business relations is rarely offered spontaneously, but requires an extended period of experience. This time consuming experience is required in order to know the other person through direct contact or though a reliable third party. In the case of direct contact, trust develops through the interaction, given the assumptions on where human expectations / belief are based (confidence or goodwill trust). On the other hand in the case of indirect contact, 'symbolic tokens' such as reputation, brands, quality standards establish channels of communication (Giddens, 1990).

Romm (2002) adopts the 'trusting constructivist' position which focuses on ways in which individuals, who are enquiring the systems may create cycles of trust, whilst recognising that those conferring other with trust may feel vulnerable in the process. She suggests that to create vulnerability trust is developed through discursive accountability. Through accountability, trust develops but when people believe that

70

there are alternatives that have been left out and not acknowledged, that can become a source of distrust.

3.3.1.4 Objects of trust

We might consider that trust involves two sides of a relationship; where there is the subject who trusts and an object of trust (i.e. the subject has trust in the object). One approach towards trust investigation in the literature examines the difference between trust in people and trust in systems, or institutions (Luhmann, 1979; Lewis and Weigert, 1985; Giddens, 1990). The argument of this approach is based on the long debate within sociology of action and structure, where on one side humans are viewed as independent from their institutional environment entities and they are acting consciously and individualistically. On the other side is the approach that perceives individuals as embedded in their historical and institutional structures and their actions are continuously reflecting the systems to which they belong. Nooteboom (2002), in considering this issue, adopts the Giddens (1984) approach which tries to bridge the two sides, and maintains that the system provides an institutional basis for action, but is produced or changed by that action (also Sydow, 1998). Trust in the system affects trust in people. In the same way, behaviour and experience have effect on the trust that one has in a system and therefore personal and system trust are symbiotic. The major fundamental assumption is that trust requires a process of interaction. Lewis and Weigert (1985) demonstrate that trust is applicable to the relationships among people and exists between collective units (dyads, groups, collectivities). Therefore, attention is concentrated on the relationship between the subject and object of trust and the dynamics developed rather than in a static self-evident assumption of perceived trustworthiness of peoples or systems.

More precisely, subjects and objects of trust can be people or systems that interact with each other. However, it is difficult to define the distinction between the

people or system trust, because as Granovetter (1985) claims, human action is both embedded in the structural properties of the interaction and at the same time dissembedded from such context. Giddens (1990) stresses the argument that social relations are 'lifted out' (dissembedding) from the local contexts of interaction (and often face-to-face) and are restructured 'across indefinite spans of time-space'. He views this as an effect of modernity, and trust is required to balance the result of insecurity that the absence of face-to-face interaction creates. Therefore, the object of trust is not a rational and independent social actor but an abstract construct (identified in a 'system of expertise') that has a role also socially defined by the place and era where she / he belongs. As a result the boundaries of reference to 'individual' or 'system' trust are difficult to define – an effect that is observable in this study's context, where the participants are knowledgeable and independent when they express their views but are also defined from the context of their interaction and their role in the process.

Context of interaction
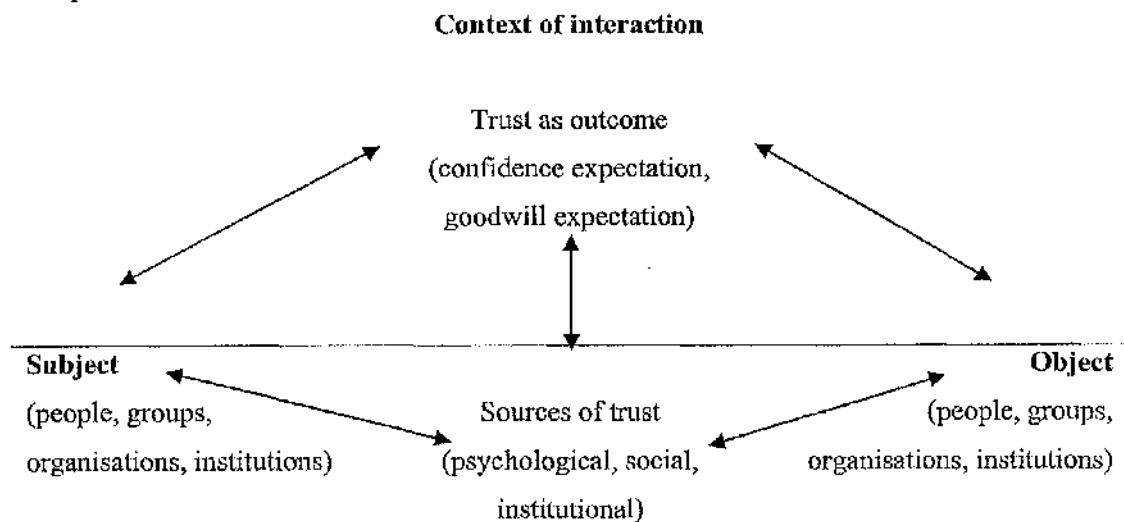
Figure 3.2: The dynamics of trust in an interaction as perceived in this study.

Building on the assumption that trust is developed in an interaction, between subject and object, and agreeing that an action has a cause and an effect, Nooteboom (2002) conceives the causes of the possible action of trust as displayed in the following table. The analysis of trust, as a dynamic action between the subject and the object of trust, requires the understanding of the disposition to trust and behaviour of trust. Cause and effect patterns of action might form a useful framework for the analysis.

Form of trust	Object of trust	Multiple causality (Aristotle)
Behavioural trust	An actor	Efficient cause
Material	Means, inputs	Material cause
Competence	Ability skills, knowledge, to use technology, methods, language etc.	Formal cause
Intentional	Aims, intentions	Final cause
Dedication trust	Dedication/care	
Benevolence trust (or goodwill trust)	Benevolence, goodwill, lack of opportunism	
Conditional	Outside enablers, contracts	Conditional cause
Exemplar	Role models	Exemplary cause
Informational trust	Information	All causes
Honesty trust	truthfulness	

Table 3.3: Elements of behavioural trust (Nooteboom, 2002)

Trust as an outcome of the interaction between subjects and objects is formed by the context of the particular interaction. As objects of trust can be individuals, organisations or particular established 'abstract systems' (Giddens, 1990), trust represents the security that a relationship is not going to fail, while the direct face to

73

face contact between individuals is replaced with structural properties (symbolic tokens) such as expertise knowledge and money. Trust in this context, is an outcome of the interaction with the object and it is maintained with continuous reference to the particular engagement.

Trust as a source of the interaction between subjects and object, is also examined in the literature. Various authors, who examined the complexity of concept of trust, attempted to distinguish between different kinds of sources of trust which in Nooteboom's (2002) terms offer a 'kaleidoscopic set of insights in trust'. Zucker (1986) distinguishes between process based, characteristic based and institutional based trust. Process based trust, is developed when a record of past operations or expected exchanges occurred such as a gift exchange or reputation and is identified in the individual's psychology. Characteristic based trust is developed when viewed as an element of network of collaborations, produced between groups and individuals with similarities and common cultural system. And institutional based trust is generated in a wider network of relationships and is derived by traditions, professions, and associations. Similarly, Tyler and Kramer (1996) approach the literature of trust production in different levels of 'dynamics'. The macrolevel (similar to institutional level of Zucker 1986), the mesolevel that includes network collaborations as kinship, membership in professional communities, historical experiences and group memberships, and mutual dependencies. Finally, the microlevel is considered with the individuals psychological model of trust. Sako (1998) distinguishes between contractual trust (based on moral honest and promise keeping), competence trust (based on professional conduct, technical and managerial standards) and goodwill trust (based on consensus on the principle of fairness). Lewicki and Bunker (1996) distinguish between knowledge based, identification based and calculus-based trust.

Briefly, trust is an interdisciplinary as well as complex and dynamic concept. It has been demonstrated that trust could be understood as bearing an extrinsic and an

intrinsic value. Either value dimensions reflect a presumed set of assumptions about the nature of social relationships and the driving dynamics of human action. Respectively, trust's extrinsic value is expressed as a confident expectation that the other party will act in a predictable manner. On the other hand, trust can be understood as a goodwill belief that others are intrinsically motivated to maintain and built a social relationship. In any case, trust should be viewed as a dynamic and fragile value. Further the present study maintains that trust should be understood as being embedded in the context of interaction between two parties. However, the literature reviewed indicates that one should cautiously interpret the social construction of objects and subjects of trust. The following section will introduce the Structuration Theory perspective as a useful framework to understand the ways that trust is produced and reproduced in an interactional context.

3.3.2 The constitution of organisational trust

Sydow (1998) suggests that Structuration Theory could be a useful framework to understand the constitution of organisational trust. Trust in this perspective is viewed as a medium and outcome of both intentional actions and a product of an interplay of structures of communication, authority and legitimation.

structure	*signification*	$\leftrightarrow$	*domination*	$\leftarrow \rightarrow$	*legitimation*
modality	trust as a rule of signification: the world is interpreted trustingly, e.g. based upon a corresponding propensity to trust		trust as an authoritative resource: trust or trust relations as a resource referred to in further interactions and co-operative ventures		trust as an independent normative rule
	interpretative schemes positively influencing the evolution of trust -images of people - images of organisation		allocative and authoritative resources stimulating the constitution of trust or facilitating trust (e.g. information patents)		norms positively influencing the evolution of trust: - openness - honesty - tolerance
Interaction	*communication*	$\leftrightarrow$	*power*	$\leftarrow \rightarrow$	*sanction*

Figure 3.3: The constitution of trust (Sydow, 1998).

Rules and resources of social interaction generate meaning, enable the exercise of authority and produce moral obligations and anticipation. In that sense individuals communicate with rules that help them to interpret the social world as a trusting context of action. Also, trust enables the involvement of individuals in the interaction, while it expands the possibilities of control over material resources or other individuals. Finally, trust could be seen as a rule of legitimation to which individuals refer as an acceptable moral behaviour.

Also in this perspective the continuous interactional relationship between the subject and the object of trust (which can be a person and / or system) produces and reproduces trust with reference to the particular context where the interaction occurs

(i.e. experiences, characteristics or institutions). Systems and peoples coexist and dynamically shape and construct the context of their interaction. Bachmann (2001) discusses the relationship between trust and power as an 'embedded decision' in trans-organisational relations. He insists that social actors build their decisions on good reasons rather than on calculation of idiosyncratic preferences. Their decisions are 'constitutively drawn from structural contexts and institutional arrangements in which their expectations and patterns of interaction are embedded'.

Object of trust	Source of trust		
	Experiences	*Characteristics*	*institutions*
Person	Positive experience with persons in exchange relations	Personal characteristics features relevant for trust	Regulations concerning interpersonal exchange relations
System	Positive experience with social systems in exchange relations	Social system properties relevant for trust	Regulations concerning inter-organisational exchange relations

Table 3.4: Conditions of the constitution of personal and system trust (Sydow, 1998)

Sydow's (1998) view on the constitution of organisational trust using Structuration Theory as a useful framework of interpretation is a considerable suggestion for the present study. In particular, the suggestion that the production and reproduction of trust in an interactional context could be viewed both as a medium and outcome of the continuous interplay of structural modalities of communication, domination and legitimation is considered useful in the present study. However, a further and more detailed reference on Structuration's main concepts will be presented in section 4.4. Following, a review of the literature in respect to the creation of organisational governance and the importance of trust in such a perspective, will support the understanding of the role of trust in the governance of organisational processes.

3. 3. 3 Trust and governance

This section reviews the main arguments found in the literature about the role of trust in the operation of effective governance. The review is built on the assumption that democratic governance is the contemporary answer to the organisation's challenges. According to Rose (1999), governance refers to the process and outcome of interactions and interdependences of a range of politically aware individuals or groups. He views politics as increasingly involving exchanges and relationships amongst organisation without a clear sovereign authority. He argues that trust is required, in these terms, to support the actual operation of the exchanges through which governance occurs. Similarly, Hardin (1999) explains that trust is important in democratic governance because to trust someone, with respect to some matter entails delegating that matter to them to some extent. Therefore, trust is an issue because by delegation, the delegator empowers someone else to look after the well-being, or to cause them harm or to fail in some task in return. He states that trust in that case should be considered as a requirement in a reciprocal relation. Further, Uslaner (2002) clarifies that good government does not generate trust, but trust in others helps make governments work better.

Considering that democracy has an intrinsic as well as instrumental value (Warren 1999) an association of each kind of trust can be drawn (following the distinction of extrinsic and intrinsic value). Seligman (1997) explain that trust is a modern phenomenon and not generalisable to all forms of social organisation. It is articulated to a particular idea of the 'self' and is a solution or type of specific interactional problems. The following table refers to the trust role in the main concepts of liberal and deliberative democracy (also found in the literature as 'expansive', 'participative', 'discursive'). Although the political theorists' debate on what constitutes each type of democracy is beyond the scope of the present analysis,

some points are interesting to develop an understanding of the role of trust in organisational democratic governance.

Table 3.5: Trust and Democratic governance	
Standard liberal democracy / extrinsic trust	Deliberative democracy / intrinsic trust
Democracy: instrumental value for protecting or realising the interests of individuals or groups	Democracy: increasing scope and domain. Increased participation in and control over collective decision making
Individuals are formed by hierarchical or anomic relations – (hierarchies, markets)	Individuals are formed by their experiences.
Self: pre-politically constituted, - defined by individualistic interests.	Self: constituted by social relations and practices that provide occasions for mutual interest.
Change of social relations: from bureaucratic hierarchies	Change: individual experience and higher level representative institutions.
Trust and power: substitutes – each functions as instrument of securing individuals interests	Trust and power: complements-presuppose each other to fair, equal, open representation of interests.
Communication: meaning – and information sharing has not constitutive feature, it is only instrumental.	Communication: discursively constituted – speech increases one's sense of identity and autonomy
Legitimation: moral commitments are sourced in the expectations of the roles functionality in the system.	Legitimation: Moral commitments derived by the engagement of the parties in the embedded identity of 'we'

On the one hand, the liberal approach to democracy is based on the assumption that individuals are formed by hierarchical functions or markets, and their interests are independently sourced in their individual desires and needs. These individuals wish to participate in the decision making processes, to the extent that they are assured that the systems of expertise are working properly to represent their interests and needs. Democracy in this sense is viewed as an instrumental function of assurance that the rules and routines regulating the decision processes are well justified. Emphasis is given to information disclosure and sharing is viewed as an instrumental function of communication between the parties involved. Trust, particularly in abstract systems and routines, functions as an alternative to power and substitutes the possibilities of risk of failure of the systems of governance (Luchman, 1979; Warren, 1996; Korczynski, 2000). According to Hardin (1999), trust is placed in institutions only when the 'basic idea' of the institution is known and accepted. It presupposes identification of interests and is a reciprocal expectation.

On the other hand, the deliberative approach to democracy is based on the assumption that individuals' identities, needs, and interests are transformed by their experiences in the political interaction with others. Increased willingness to participate in and control over the collective decision making process, motivates them to engage in collective actions reflecting mutual interest. Democracy which generates values that are intrinsic to political interaction are closely related to self development (Warren, 1999). In this type of democracy, the decision making process is inclusive for those who are affected by the outcome. Romm (2002) suggests that trust earning goes hand in hand with an orientation toward discursive accountability. Trust is viewed as a pattern of authority emphasising inclusiveness, equality and fairness (both distributive and procedural) (Warren 1992; Warren, 1996 a,b; Hunold 2001)

Warren (1999) suggests that democracy depends more on interpersonal trust than on trust in political institutions and elites. However, not all kinds of interpersonal

trust are good for democracy. He suggests that the attention should be focused on the 'social capital' concept. Coleman (1990) was the first to define 'social capital' as the social norms and expectations that enable individuals to act collectively. Trust and other forms of social capital are particularly interesting because they are moral resources, which operate in a fundamentally different manner than physical capital (Powell, 1996). Uslaner (1999) claims that trust which is generalised to strangers and not in specific group of people only, is in favour for democracy. By that means, interpersonal trust that is built in people, who do not have any characteristic type of family, culture, religion, ideology, is more likely to be favourable for democratic institutions.

3.3.3.1 Organisational governance and trust – Extrinsic value

In the literature, the instrumental value of trust and democracy in governance relates the notions of authority exercise and control. From this perspective, studies of organisational governance and management, view trust and power as a substitute to each other. Some studies, while adopting the economic theory perspective, investigate the role of trust as an alternative mechanism of market control or control in an unequal relationship of the principal and the agent in the agency problem. Ranging from viewing trust as the most general of three classes of control mechanism – price, authority and trust (Bradach and Eccless, 1989) to viewing trust as essential factor that permits all forms of risk taking in any social system. The main function of trust, is the assurance that the risk of opportunism within the agency relationship in an absence of a contract in the relationship (Luhmann, 1979). Another instrumental view of trust and power as substitutes to each other include the very influential writings of Luhmann (1979 and 1988) and Blau (1964). They address the association of trust and power as alternatives to each other in situations of social exchange and control. In

particular, Blau (1964) develops the 'social exchange theory'. As suggested, in general terms trust can be developed through increasing the quantity and or quality of communication exchanges over time

Adopting the substitute relationship view, Mills and Ungson (2003) demonstrate that the need for empowerment in a decentralised form of decision-making authority to employees, arises from high uncertainty and ambiguity. Empowerment for them, is an effective way to facilitate stable exchanges and to sustain relational agreements. They propose the development of mechanisms of organisational constitutions and trusting relationships, as alternative control mechanisms in response to the limited effectiveness of traditional controls such as monitoring, certification, and contracts. Sheppard and Tuchinsky (1996) observe that lateral alliances and social relations are increasingly replacing hierarchies. In such relationships, individuals need to develop negotiating skills in an evolutionary manner. Spreitzer and Mishra (1999) suggest that trust may help managers to be more willing to involve lower hierarchy employees in decision making. They view trust as an alternative to traditional control mechanisms. Finally Whitener *et al* (1998) maintained that openness of communication is an important determinant of organisational trust.

3.3.2.2 Organisational governance and trust - intrinsic value

Trust, as an intrinsic value of governance, is increasingly considered in the literature. Although the structural characteristics of organisational governance are not ignored, studies that adopt this approach give emphasis to the development of trust as a value instilled into the employees of the organisation. Nooteboom (2002) views the engagement of individuals to the affairs of their organisation as a 'relational contracting' (Zaheer and Venkatraman 1995; Poppo and Zenger, 2002). He views

relational contracting as a broader form of governance, where reliance may be based on several sources as norms and values, advantage, bonding and routinisation. He explains that management by relational contracting (involving trust) with incentives from self interest, has the advantage that is cheaper than contracts, is more flexible, and is in the player's own interest to be seen to comply with agreements.

Hunlop (2001) proposes a deliberative model of bureaucratic accountability and explains that deliberation is not merely 'talk' but meets with norms of freedom and equality, publicity and inclusiveness in discussion and decision making. In order to enhance these norms and strengthen the democratic governance in administration, attention should be place on the following issues:

- the inclusion of everyone affected by a decision of substantial political equality, including equal opportunities to participate in deliberation
- equality in methods of decision making and in setting agenda
- free and open exchange of information and reason
- reasons sufficient to acquire an understanding of both the issue in question and the opinion of others (Hunlop 2001)

Grey and Garsten (2001) observed a transformation of the notion of 'bureaucracy' in the late 20th century decades, to a 'post-bureaucracy'. The new organisational culture of 'post-bureaucracy' is reflected to the reduction of formal levels of hierarchy, where emphasis is given on flexibility rather than rule following, and the creation of a more preamble boundaries between inside and outside the organisation (increased use of sub-contracting, temporary working and consultants rather than permanent and / or in-house expertise). Control in this new organisational reality is produced with trust which is constructed for and by people in organisations. Trust delivers a degree of non rationalised predictability, which is based on a sense of community and is deeper than the enforced standardisation through organisational rules.

Investigating the role of trust in the organisational designs, Meyerson *et al* (1996) observe that organisations are moving away from formal hierarchical structures to more flexible and temporary groupings, where trust is sourced not on traditional structures (such as the ones Zucker proposed) but on a new form of conduct. They call it 'swift trust' and it involves a series of hedges in which people behave in a trusting manner. Similarly, Creed and Miles (1996) believe that broad patterns of values and norms embedded in governance, shape a general baseline of trust as a shared set of expectations and predispositions. In organisations, the predisposition to trust or distrust is embedded in managers' philosophies and has been displayed through time, in different organisational structures and mechanisms that their philosophies prescribe and / or accommodate. Powell (1996) studied network forms of governance that are based on trust, such as business groups and strategic alliances, and found that although cooperation entails moving to a vulnerable position, such a risky move requires creating governance structures that allow constant monitoring and consultation. The key point is that monitoring is both easier (more natural) and more effective when done by peers than by superiors. Trust must be deliberate or even studied. The relationship of power contains within itself both the seed of transformation and the risk of severe failure.

In respect to decision making processes, Whitener *et al* (1998) state that organisations with a high degree of centralisation and formalisation, and a primary focus on efficiency will constrain or impede the development of trustworthy behaviour, such as a delegated and open communication. However, low control organisations - with greater decentralisation and lower formalisation, and a focus on effectiveness, should make managers more likely to delegate decisions and communicate openly. McGregor (1967) stated that managers are more likely to involve their employees in decision making if they are able to trust that employees care about the interests of the entire organisation. Mayer *et al* (1995) claim that senior

84

manager's trust reflects the belief that the employees are reliable in their actions and are honest about their intentions. They also stress that trust facilitates the use of self directed work teams and delegation of decision making by supervisors that require employee involvement. Minkes (1997) illustrated that in decentralised organisations trust is an understanding of one's discretion and is reflected in the support on can expect from the superior.

Investigating information sharing in the decision making process and the importance of trust, Butler (1999) conducted a research with 324 managers to determine if there was a relationship between trust and information quantity shared with effectiveness and efficiency of a negotiation. He found that information sharing, following from initial trust expectations and information sharing, did not fully mediate the relationship between expectations and a climate of trust. Also, negotiation effectiveness was associated with the quantity of information shared, but not with trust, and procedural inefficiency (time to discover the solution). Hardy *et al* (1996) made the case that in an inter-organisational relationship, trust grows out of a communication process in which to share information, means to provide the necessary foundation for non-opportunistic behaviour. Considering the outcome of the organisational decision making outcome, Brockner *et al* (1997) claim that the establishment of trust, is a potent force in overcoming the adverse reactions that employees may exhibit in response to decisions yielding unfavourable outcomes.

Particularly when examine resource allocation, trust is found to be important in promoting collaboration and fairness. Mishra (1996) examined the reasons why organisations respond differently during crisis and in particular in allocation resources under the pressures of crisis. He found that trust is especially important in the context of crisis and the scarcity of resources, because it fosters collaboration over the allocation of resources within firms. He states that collaboration over the allocation of resources within organisations is difficult to sustain in the absence of trust.

Tyler and Degoey (1996) investigated trust in organisational authorities and found people focus on 'the motive inference' of trustworthiness when they interact with authorities. In other words, they found that people prefer to develop incomplete but satisfactory answers, giving value to information about benevolent intentions, rather than engage in complex cognitive processing of events

3.3.3.3 Organisational sector and trust

The relation between the sector of the organisation (for profit, governmental, non - governmental), and the development of trust as a necessary condition for organisational governance could be an interesting issue to consider. However, the tendency of trust theorists not to distinguish organisational trust between sectors, and the limited empirical literature on such a relationship, calls for a cautious adoption of a particular framework of reference and a profound need to expand the theoretical agenda of trust. Nevertheless, the following review intends to introduce the role of organisational trust in management of the non - for profit organisation while seeking literature insights for this particular organisational context, as required for the understating of trust development in The University.

The attempt to develop a conceptual framework of trust in public sector management has been a recent but promising development. Albrecht and Travaglione (2003) proposed a model that identifies 'key' antecedents and consequences of trust in public sector senior management. They conducted a survey with employees of two organisations (325 responded from the first organisation which was involved with publicly funded library services, arts and theatres and 425 responded from the second organisation which was responsible for the administration of land tittles). Antecedents of trust in the model were procedural fairness, organisational support, security and communication. The proposed consequences of trust were affective commitment, continuance commitment, change cynicism and turnover intention. The findings of

the survey established a relationship were trust mediated between the proposed antecedents and the expected consequences. Moreover, the findings supported the fact that trust in public sector senior management can be measured and employees are able to distinguish trust from other alternative organisational factors such as procedural fairness and commitment. Overall, though, the level of trust was not high and Albrecht and Travaglione (2003) suggested that there may be significant opportunities to improve public sector efficiency and effectiveness by improving levels of trust between employees and senior management in public sector. They also found that open climate of communication, fairness and equity in organisational policies and procedures, perceived organisational support and satisfaction with job and career security were significant determinants of trust. Further, the findings suggested that trust in senior management influences the extent to which employees are cynical towards change, they feel emotionally committed to their organisation and they intent to remain in the organisation. In that respect the proposed role of trust is to be considered as a critical factor in determining employees attitudes to change, which is a very a important role considering the continuing change of the public sector environment. With a similar type of research, Perry and Mankin (2004) surveyed the employee trust in management in a public organisation, a large municipal fire department, and in a private sector one, a private manufacturing company. However, the study's intention was not to compare between the two sectors but rather to model antecedents of employee's trust in different levels of management. The model included characteristics of the trustee (namely gender, ethnicity, years worked under the manager), characteristics of the organisation (layoffs, managerial turnover) and characteristics of the manager (technical expertise and credibility). The study's findings were that different levels of trust observed for different levels of management.

In general, while considering governance as a process and outcome of interactions and interdependencies (Rose, 1999), the organisational context of such processes should be considered when studying trust. The role of trust in such a perspective could be an important insight of managing a range of organisational challenges, while maintaining patterns of deliberate communication, influential participation and engagement in mutual moral commitments. The following sections will review the existing literature of trust in relation to accounting procedures as an aspect of organisational control and accountability.

3.3.4 Trust and accounting systems / structures of accountability

Although research on trust in accounting literature is not well developed, there are some views that tend to perceive trust as calculative expectation that can be a solution to the agency monitoring problem or as behaviour favourable to the reduction of transaction costs. In studies that are associated with the implementation of management control mechanisms, there is disagreement whether accounting functions as a substitute or complement to trust in organisations. In general lines, the views that argue for the substitute relationship suggest that trust and accounting are inversely related, therefore more trust results in less use of formal control mechanisms and vice versa (Sitkin and Stickel, 1996; Power, 1997; Sztompka, 1999; Shore and Wright, 2000). In that respect more accounting damages trust. On the other hand the complementary relationship suggests that trust and formal control are additively related and an increase in the level of either trust or formal control results in a higher level of control, and therefore enhances trust (Das and Teng, 1998; Poppo and Zenger, 2002). Seal and Vincent-Jones (1997) reason that the replacement of trust with a formal monitoring process is abstract and essentialist and they suggest that it is necessary to specify the empirical conditions under which formal accounting and accounting processes are supportive or compatible with the development of trusting

88

relationships. Dekker (2004) suggests that the possible explanation of the two different conceptions is that firstly, the relationship may not be linear, secondly, the changes of trust may be a moderating effect of problems of the control system, and that different types of trust (goodwill or competence) may differentiate between different purposes of control. Seal, Berry and Cullen (2004) distinguish the theoretical origin of the arguments and they explain that from a managerialist perspective, the importance of trust in business relationship is seen as a desirable and feasible strategy irrespective of the institutional environment. On the other hand, they explain that it is the institutionalist perspective, which is focusing on the production of trust and its relationship to power in interfirm relations (such as Gambetta, 1988; Zucker 1986). The third approach is the neo-functional perspective, which dichotomises trust and control as alternatives to each other (such as Luhmann, 1979).

The following table is drawn to create a framework of association between the concept of trust, (as it has been explained in previous sections), and its relation to the implementation of accounting as a control system in the organisation along with accounting's presumed function of accountability. The left landside of column of the table demonstrates the conceptual association of the extrinsic / instrumental value of trust with the function of accounting as substitutes to each other. The next column of the table, links the intrinsic value of trust with the accounting function as complements to each other. At this stage it is necessary to indicate the concepts of 'accounting system' and 'system of accountability'. The definition of management accounting as a combination of accounting system and system of accountability proposed by Roberts and Scapens (1985, see section 3.2.2). The choice of the particular way of analysis is explained in the Methodology chapter (section 4.4).

| Table 3.6: Trust and accounting systems / systems of accountability ||
Substitute	*Complement*
Undersocialised assumption of human action (transaction cost economics, self interest, opportunism, rational decision model)	Oversocialised assumption of human action (community oriented individuals, critical and self reflective)
Trust as predictable expectation (confident expectation that the other will perform in particular important to trustor)	Trust as goodwill expectation (unforeseen contingencies will be meet in good faith and mutual benefit)
No trust increases Suspicion	No trust increases Vulnerability
Accounting system: formal control, contracting, close monitoring	Accounting system: social control, informal, interpersonal relations
Accountability is enforced by contract, punishment, and checking (auditing)	Accountability is enhanced by trust Actors deliberately participate in the exercise of authority

3.3.4.1 Accounting and trust as substitutes

The role of accounting procedures as a formal control and monitoring mechanism as a substitute to trust emphasises the elimination of risk effects, caused by the lack of trust between mainly self-interest individuals. Whitley (1999) examined the relation between management control procedures and systems, and the organisational and societal context where they operate, at the extent that controls is exercised through formal rules and procedures, the degree of control exercised and the scope of information used in the system. He observes that in societies with low trust in formal institutions it is likely to find close control over behaviour. Also, Neu (1991) follows that when high levels of trust exist, there is no need for a contract, and the introduction of formal mechanisms may displace human linkages and therefore break down trust.

Accountability

Proxy for trust based upon duty

to account by agent to principal

Distrust		Lack of distrust
Assumption that the agent will pursue self interest with guile	Range of suspicion	Reliance on the predictability of the agent's behaviour
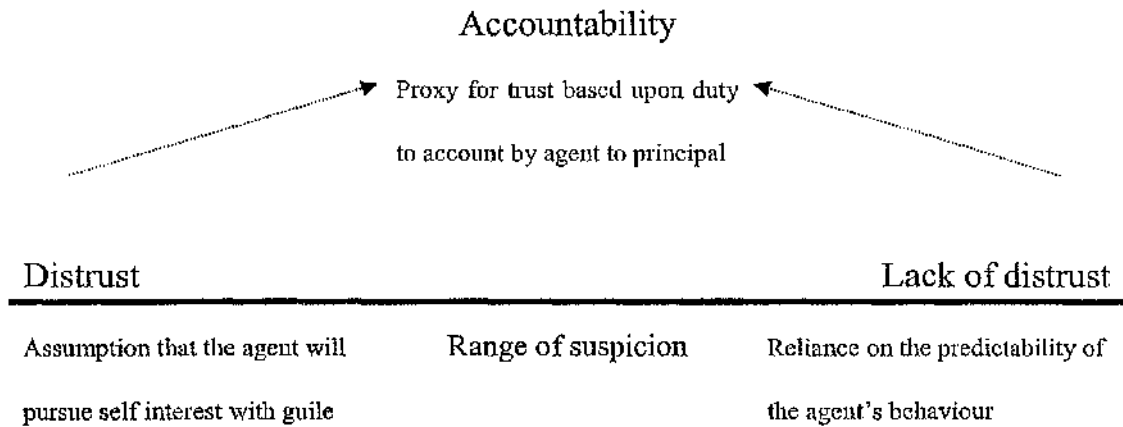
Figure 3.4: Traditional view of accountability (Swift, 2001)

The pattern of accountability from this angle is developed as a disciplinary structure that forces the involved parties to behave in a trustworthy manner. Swift (2001) explains that in the agency perspective, accountability acts as a proxy for ensuring behavioural predictability through control mechanisms, and stakeholder dialogue is largely unnecessary in such a framework. Power (1997) illustrated that accountability mechanisms, such as auditing, are demanded under circumstances where resources are entrusted but where trust is lacking and must be restored by the audited activity. Financial auditors are social control specialists, who oversee the processing of information flow to principals in the form of accounting and disclosure requirements. He further admits a 'growing feeling that organisations are theoretically undersocialised as strings of transactions and contracts' and that 'the rise of contracting, expresses a loss of faith in the binding power of obligations'. Similarly, Sztompka (1999) claims that accountability means the enforcement of trustworthiness. It is the presence of agencies monitoring, and sanctioning the conduct of the trustee, or at least potentially available for such monitoring and sanctioning if the break of trust occurs. He believes that accountability enhances trustworthiness because it changes the trustee's calculation of interests, it adds an extra incentive to be trustworthy,

namely to avoid censure and punishment. The sheer presence of the agencies of accountability is not enough to make the trustee accountable. Those agencies must be able to act effectively with respect to the trustee. The conditions that make agencies of accountability effective are the characteristics of the trustee (non – anonymity, dependence, possession of resources) and some structural factors as special organisational arrangements (legally enforceable contract). In respect to the growing attempt to introduce managerialist schemes to the universities, Shore and Wright (2000) attempted implementation of audit model of accountability. They demonstrated that this approach damages trust, while it encourages the displacement of a system based on autonomy and trust by one based on visibility and coercive accountability.

3.3.4.2 Accounting and trust as complements

Empirical studies suggest that trust and formal contracting are not necessarily mutually exclusive (Deakin and Wilkinson, 1998). Poppo and Zenger (2002) suggest that formal contracts and relational governance function operate as complements, while well-specified rules of contracts may promote cooperative, long term, trusting relationships. That is the effect of 'well-crafted rules' that narrow 'the domain and severity of risk to which the exchange is exposed and thereby encourage cooperation and trust'. Also they suggest that relational governance may heighten the probability that trust and cooperation will safeguard against hazards, which are not predicted by the contract, with a bilateral commitment to 'keep – on - with – it' despite unexpected complications and conflicts.

Accountability

Based upon interdependent

relationships between

organisations & stakeholders

Lack of trust		Trust
Ignorance of whether the other	Range of vulnerability	Confidence in goodwill of the
is trustworthy or not		other's intent and behaviour
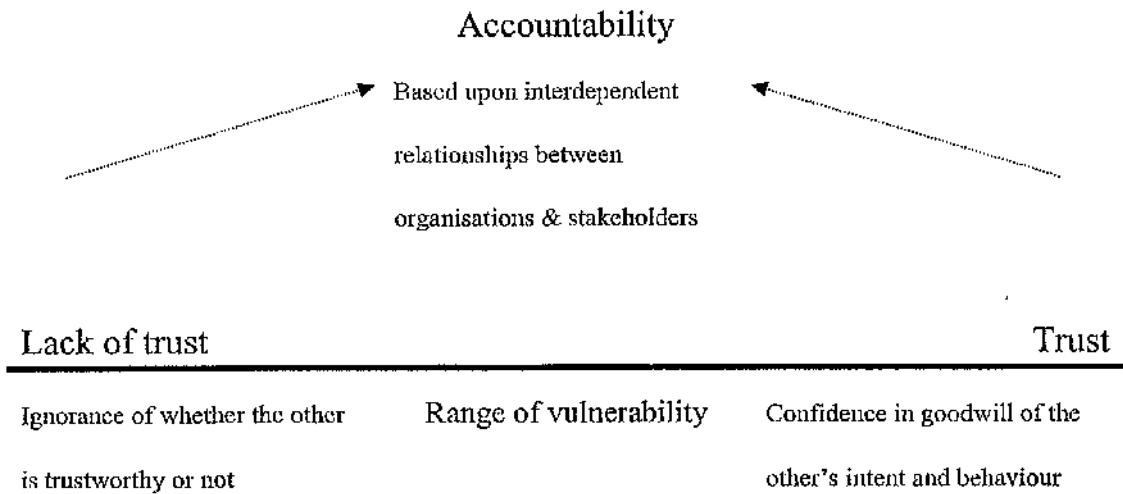
Figure 3.5: Contemporary form of accountability (Swift 2001)

Swift (2001) explains that trust based interdependent relationships, underpinned by mutual risk and reciprocal confidence that neither will walk away, are promoted as an alternative to relationship monitored and policed by social controls. Although this kind of relationship does not contain the element of mechanistic controls, it involves increased vulnerability and the necessity to develop social controls to ensure that another's behaviour is not available. Boisjoly (1993) perceives as 'true' accountability the action, implicit or explicit, of deliberate involvement to correct and hold responsible the managers who are acting irresponsibly. Warren (1996) maintains that a deliberate pattern of accountability in relations to participants and authority for decisions made in a society, can be generated only by extending the possibilities of democratic challenge by empowering individuals to demand justification and rebuild relations of trust.

3.3.4.3 The dynamics of the relationship between trust and accounting

Tomkins (2001) observes that the link between trust and control depends on the stages of the relationship between the two parties. She defines trust as the adoption of a belief by one party in a relationship that the other party will not act against her / his interests, where this belief is held without undue doubt or suspicion and in the absence of detailed information about the actions of that other party. She states that trust is grounded in learning from experience, and is dependent on information that is needed in order to gain trust. She suggests that trust can be an active control in early stages of a contractual relationship, but must be replaced with unobtrusive monitoring to avoid the risk of trust violation. Johansson and Baldvinsdottir (2003) while adopting the Tomkins' (2001) definition of trust, examined the effect of performance evaluation system between the evaluator and the evaluated and the accountant who is provided with the accounting figures. They conducted a longitudinal case study in a manufacturing company. In respect to the tension observed in the performance evaluation setting, they stressed that it was itself an indication of trust problems. They also demonstrated that accounting figures can provide a basis for creating or violating trust providing the actions of the others. Similarly, in respect to the observed accounting change, they found contracting attitudes by the people responsible for the accounting system with one focusing on trust and the other neglecting it. In any case they propose that trusting the accountants as well as trusting the accounting figures is necessary for performance evaluation

Other studies propose trust based control models and they claim that in a dynamic change environment new forms of control and governance emerge between or within organisations where trust appears to be a fundamental necessity (Ring and Van De Ven, 1992; Gietzmann, 1996; Van der Meer-Koistra and Vosselamn, 2002, Zaheer and Venkatraman, 1995). Characteristically, Van der Meer-Koistra and Vosselman (2002) investigated how contractual interfirm relationships can be

controlled using a trust approach based on a transaction cost model. They claim that from a management control point and depending on the interfirm transactional relationship characteristics, three management control patterns can be found. The market based pattern, the bureaucracy based pattern and the trust based pattern. In particular to the trust based pattern (table below), they emphasise that it is important that the parties establish an open commitment to each other and that principles of fairness dominate the relationship.

Trust based management control pattern	
Contact phase	Trust, stemming from friendship, former contractual relationships or reputation
Contract phase	International contracting, framework contracts, contractual trust, loose links between payment and activities and output
Execution phase	Personal consultation and coordination, development of competence trust and goodwill trust, process oriented and culture based control mechanisms
Transaction characteristics	High asset specificity, low repetition, activities or output cannot be measured well, long term contract
Transaction environment characteristics	Future contingencies are unknown, high market risks, social embeddedness, institutional factors influence the relation
Party characteristics	Competence reputation, experience in networks, experience with contracting parties, risk sharing attitude, no asymmetry in bargaining power.

Table 3.7: Management control of interfirm transactional relationships- the trust based pattern (Van der Meer-Kooistra and Vosselman, 2000)

In conclusion, trust as an aspect embedded in the organisational context, in which it develops, it has been considered increasingly in the recent research literature of control and accountability. Although there is no agreement on the nature and extent of the relation of trust with accounting, recent theorisation and empirical research incline to focus either on substitute or complementary relationships. More comprehensive views argue, though, that such associations are abstract and essentialist (Seal et al, 1997) and that it is necessary to consider whether the relation is linear or the extent that different types of trust may differentiate between purposes of control (Dekker, 2004). In general, the importance of trust in organisational procedures, such as accounting, is an emerging theme in accounting related studies.

3. 4 Summary

In this chapter the literature of accounting and trust in the organisational context is reviewed. In respect to the accounting perspective, the main argument addressed was that accounting practices should be studied in the organisational context in which they operate (Hopwood, 1983). In particular, section 3.2 of the chapter reviewed the literature addressing the need to study accounting in a socio-political perspective in the context of specific organisational settings. Two major thoughts derived from that review, first was that organisations are socially constructed entities, and second that the organisational practices are embedded in that context and are shaped through political interaction continuously and dynamically. The rationality of organisational decisions should be viewed by other perspectives than strictly economic. Accounting systems and procedures are useful to governing the diverse interests, views and opinions, experiences, knowledge within the organisation. As Warren (1999) ascertains the management of diverse possibilities make the situation political, and therefore accounting has an important role to play in that context.

The next part of the chapter reviewed the trust literature. In attempting to demonstrate an inclusive (interdisciplinary) review of the literature concerned with trust, the chapter developed introducing the literature arguments on issues related to the concept such as its objects, faces, and functions. In particular, respecting the concern that trust is a complex concept, the chapter developed through the Nooteboom (2002) distinction of extrinsic and intrinsic perspective of understanding the concept (section 3.3.1.1 and 3.3.1.2). Trust is also viewed as being embedded and shaped within a continuous and dynamic interactional context, and in that perspective the relation between the subject and object of trust should be considered carefully (section 3.3.2.4). The importance of the role of trust in democratic governance is examined in general (section 3.3.2), and in the particular perspective of organisational governance

(section 3.3.2.1 and 3.3.2.2). It is suggested that trust is an underlined crucial value for governance.

The final section of the chapter, investigates the causal relationship between trust and accounting in the context of organisational governance and control. In that sense, trust and accounting are substituting each other or complete each other (section 3.3.3). The chapter closed with the view that the relationship between trust and accounting should be viewed more as an interplay than linear causality between the two.

In relation to the overall theme of the present dissertation the review of the literature enlightens the importance of studying accounting processes and trust relationships within the context in where they occur. Both accounting and trust are considered to be complex and dynamic social phenomena, that have attracted an interdisciplinary theoretical and empirical academic attention. In that respect, the theory of Structuration, has been suggested to be an informative framework of understanding the construction of accounting procedures and relationships of trust within organisations. The following chapter describes the methodological considerations that the study commenced.

Chapter 4 – Research Methodology

4. 1 Introduction

This chapter considers the theoretical and empirical stages of the research undertaken to explore the role of trust in the resource allocation process of The University. The chapter explains how the research inquiry developed in a reflective manner, while theoretical assumptions and empirical justifications were generated during the course of the study (see section 4.5). In that respect the study adopted a flexible approach to the research paradigm implementation (section 4.2), while it absorbed a variety of evidence collection methods which allowed an interpretive approach of analysing the evidence gathered (section 4.7). The outcome of the research process was intended to provide an in-depth study of The University resource allocation process case.

More precisely, the theoretical approach of the research rests on the attempt to generate a framework of understanding the role of trust in accounting practices, such as the resource allocation process. Trust, within the resource allocation context, is perceived as a reality relevant to the study's participants who are considered to be aware and capable actors to be involved in and to shape the conditions of interaction in the particular situation. In respect to the social sciences research paradigm debate, as it is explained in section 4.3, the study adopts other than the positivist perspective. The concept of trust and the use of resource allocation process are considered as perceptions of the participants of the study. The reference to Structuration theory (Giddens, 1984) in this stage is used as the essential theoretical background in the study. In particular the concept of trust according to Sydow (1998) can be viewed as a media and outcome of an interaction between knowledgeable actors, while it is affected by structures of signification, domination and legitimation. Similarly, the concept of resource allocation (as accounting practice) derives from the influential argument of Roberts and Scapens (1985) that accounting practices can be understood

in the twofold articulation of accounting systems and systems of accountability. Accounting systems, in that perspective, are rules and procedures of accounting in practice such as the resource allocation process and the resource allocation model of The University. Systems of accountability involve structures of domination, communication and legitimation.

The explanation of the evidence collection stages of the research process is developed in the later sections of the chapter. Briefly, the major methods of investigation are described including the chronological sequences of contacts with the participants, research ethics, methods of analysis and demonstration.

4. 2 The research paradigm debate

The need to acknowledge and assess the fine line between the philosophy of science and the undertaken research in the organisational context of social practices has created a well-established debate during the last decades. The underlined attempt is to defend the ongoing and often paradoxical research approaches adopted from organisational researchers, who contribute to the deeper and broader understanding of organisations, under the wide spectrum of social sciences. This need is stretched further when an interdisciplinary approach is adopted to investigate a particular phenomenon, employing a variety of qualitative and quantitative methods.

Burrell and Morgan (1979) proposed a matrix based on two bipolar continuums. One continuum shows the alternative approaches to social science (ranging from 'subjective' to 'objective') and the other contains different assumptions about the nature of society (ranging from 'sociology of regulation' to the 'sociology of radical change'). More specifically, the social science continuum includes assumptions on ontology, human nature, nature of society, epistemology and methodology.

The sociology of radical change

Radical Humanist Paradigm Anti-organisation theory	**Radical structuralist Paradigm** Radical organisation theory
Interpretive Paradigm Hermeneutics, ethno-methodology and phenomenological symbolic interactionism	**Functionalist Paradigm** Behaviourism, Determinism and abstracted empiricism

Subjective (left) — Objective (right)

The sociology of regulation

Figure 4.1: Paradigms and related schools of organisational analysis (Morgan, 1980)

Morgan and Smircich (1980) following on the analysis of Burrell and Morgan (1979) suggest that the dichotomy between quantitative and qualitative methods in the social sciences is a rough and an oversimplified one. In addition the thorough adoption of the underlined epistemological and ontological assumptions concerned with the constitution of knowledge, reality and human nature, reveals a cautious interpretation of the organisational phenomena under consideration. More precise social researchers, implicitly or explicitly, approach their scientific disciplines via assumptions 'about the very essence of the phenomena under study' (ontology), 'the grounds of knowledge' (epistemology), 'the relationships between human beings' (human nature), and 'the way in which one attempts to investigate and obtain "knowledge" about the "real world" ' (methodology) (Hassard, 1991). These assumptions fall into the wider categorisation of paradigms where the researcher settles. However, the transition from one perspective to another must be seen as a gradual one and it is often the case that the researchers of any given position may attempt to incorporate insights from others (Fossey *et al*, 2002). Therefore the direct fit of a particular organisational research project to a given paradigm might be

unattainable, while the assumptions may well be adopted from a variety of paradigms in-between the extreme objective and subjective ones.

Subjective		**Objective**
Nominalism	---------Ontology-----------	Realism
Anti-positivism	-------Epistemology---------	Positivism
Voluntarism	------Human nature--------	Determinism
Idiographic	-------Methodology---------	Nomothetic
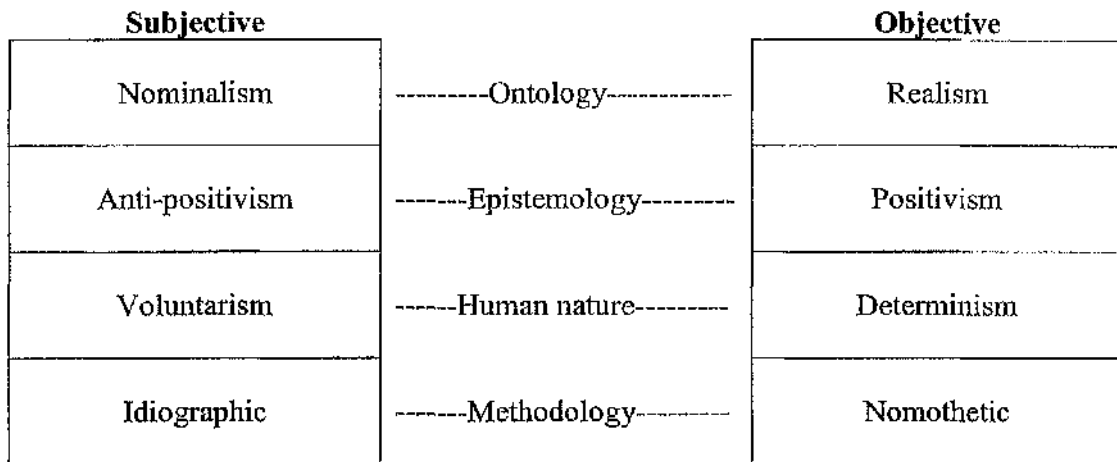
Figure 4.2: The subjective – objective dimensions of the social sciences
assumptions (Burrell and Morgan, 1979)

Although the detailed reference to the representation of each paradigm is considered beyond the scope of this analysis, closer attention to the particular assumptions of the extreme subjective and objective approaches might be considered valuable. More precisely, the extreme subjectivist view suggests that the everyday reality is socially constructed and it does not exist as an external concrete form. Social science is a product of subjective experience. Humans are viewed as intentional beings, shaping the world within the realm of their own immediate experience. This extreme position claims that there may be nothing outside oneself: one's mind is one's world (Morgan and Smircich, 1980). Researchers in these paradigms, seek to deconstruct the phenomenological processes through which shared realities are created, sustained and changed. Quantitative techniques may have an important but only partial role to play in the understanding of the phenomena under investigation. Qualitative research stands for an approach rather than a particular set

of techniques and appropriateness- like that of quantitative research- is contingent on the nature of the phenomena to be studied. The researcher can no longer remain as external observer, measuring what one can see, but they move to investigate from within the subject of study and employ techniques appropriate to this task (Morgan and Smircich, 1980; Fossey *et al*, 2002).

On the other hand, the extreme objective paradigms tend to rest on the premises that the society has a real, concrete existence and a systematic character. Social science is believed to be objective and value free, and that gives rise to positivism. Human beings are a product of the external forces in the environment to which they are exposed and their behaviour is a predictable and determined response to the external stimuli. Researchers in this approach tend to manipulate 'data' through sophisticated quantitative approaches attempting to 'freeze the social world into structured immobility' (Morgan and Smircich, 1980). Large-scale surveys and detailed laboratory experiments are likely to be favoured in this approach.

Other attempts to provide framework of assumptions of the social sciences were also produced, challenging the contribution to the issue. Particularly, Deetz (1996, also Alvesson and Deetz, 2000) demonstrated that although the Burrell and Morgan (1979) framework provided 'a kind of asylum' to a variety of different kinds of research, it had been used to reify research approaches and lead to quick and poorly formed categorisations. In addition Deetz (1996) explains that although many questions admit numerical answers, when codification, counting and statistical reduction are separated from the full process of determining problems and influencing communities; when only one slice of the research is claimed as science, then research loses relevance and critical parts of the process are not investigated. He suggests to locate research differences in discursive moves and social procedures rather than procedures and individuals, gives a more contemporary look at alternative research programmes in organisation science.

Relation to dominant social discourse
Dissensus

Origin of concepts and problems	Local / emergent	Dialogic studies, post-modern, deconstructionist	Critical studies, late modern, reformist	Elite / a priori
		Interpretive studies, Pre-modern, traditional	Normative studies, modern, progressive	

Consensus

Figure 4.3: Contracting dimensions from the metatheory of representational

practices (Deetz, 1996)

His approach focuses on two dimensions of the contrast between research approaches. The first dimension focuses on the origin of concepts and problem statements, as part of the constitutive process of research and can be contrasting between local / emergent and elite/ a priori ones. The local/emergent approach to research attends to the feelings, intuitions and multiple forms of rationality of the researcher and the researched. Instead of using a single logic of objectification or purified rationality, it is based on interactions in the research process. It is expressed by researchers who engage in forms of participatory research. The knowledge form is more often one of insight rather than truth, aiming to aid the deeper understanding of particular settings. On the other end, the elite /a priori dimension of research tends to be heavily theory driven with careful attention to definitions prior to the research process. The researcher hopes to produce rational knowledge not constrained by tradition or particular belief systems of the researcher or researched.

The second dimension focuses on the relation of research practices to the dominant social discourses and the wider community, which can be contrasting between consensus and dissensus discourses. These two dimensions represented unity or difference with a given discourse and it is similar to the Burrell and Morgan's 'change' and 'regulation' distinction. Therefore, the consensus part draws attention to the way research seeks order in social systems. Conflict and fragmentation are usually

103

treated as system problems and attention is given to how social systems deal with them, attempting to maintain social order. On the other hand the dissensus part draws attention to research programmes, which consider struggle, conflict, and tensions to be the natural state.

4.3 Research in management accounting and trust – the organisational context

The study of trust and also of accounting in the organisational context have been attained through the engagement of many human science disciplines (such as sociology, economics, politics, psychology) and at different levels, ranging from institutional and philosophical theorisations to everyday organisational practices (Chua, 1986; Rousseau *et al*, 1998).

More accurately, the importance of the consideration of the social sciences philosophical debate, found an overwhelming appreciation among accounting researchers, who attempt to contribute to the understating of accounting in the organisational context in which it operates (Hopwood 1978, 1983; Llewellyn, 1993). Sathe (1978) addressed the relevance of the modern organisation theory for managerial accounting, arguing that there is a connection between the two, while management accounting is concerned with the design and implementation of processes in organisations such as budgeting systems, responsibility accounting and more. Building on this linkage, Hopper and Powell (1985) admit that attempts, such as the Burrell and Morgan (1979) framework, provide a useful bridge and map in the research of the social and organisational aspects of accounting, acknowledging that certain fundamental theoretical and philosophical assumptions underlie any piece of research. They claim that individual values, philosophical assumptions, theoretical backing and research methods should all be related to each other and the aims of research. They emphasise the importance of the understanding of the principal

assumptions with particular respect to the multi-disciplinary nature of management accounting, and its practically oriented character (also, Johnson 1995). On the other hand, Scapens (1994) suggests that management accounting researchers should 'never mind the gap' between theory and practice, trying to address the link between accounting and mainstream economics, rather they should focus more closely on the study of management accounting *per se*. He views accounting practices as institutionalised routines which enable organisations to reproduce and legitimise behaviour and to achieve organisational cohesion.

On providing critique of the Burrell and Morgan approach, Chua (1986) explains that several problems are raised, based on the use of mutually exclusive dichotomies (determinism v. voluntarism), the latent relativism of truth and reason which the framework encourages, and the dubious nature of the differences between the radical structuralist and humanist paradigms. Similarly, Willmott (1993) suggests that the sharp division of 'subjectivist' and 'objectivist' forms of analysis should be challenged, with the understanding that there is a continuity as well as asymmetry in the process of theory development. Roberts and Scapens (1985), find constraining the model's insistence to provide exclusive paradigm limits where dialogue across paradigms is precluded. They suggest 'Structuration Theory' offers a possible synthesis of the different schools of contemporary social theory. Laughlin (1995) admits that although the Burrell and Morgan (1979) framework is too simplistic, it is a useful starting point to search the key characteristics under which various social sciences and accounting, in particular can be located. However, an alternative matrix of approaches to empirical research in accounting is provided and a 'middle range thinking' approach is considered also valuable (Laughlin, 1995). In that respect, Weick (1989) admits that 'middle range theories' are a necessity if the process of the research is to be kept manageable, and representations (such as metaphors) are inevitable, given the complexity of the subject matter.

4. 4 Structuration theory

It has been suggested in chapter 3 that accounting practices, such as the resource allocation process (section 3.2.2), and organisational trust (section 3.3.2) could be viewed under the prism of Structuration theory. In this section a review of the particular theory would reveal the main concepts of the theory and its contribution to the understanding of social interaction in the organisational context.

In 1984 the sociologist Anthony Giddens published a manuscript proposing a theory for the society named the 'structuration theory'. In his theory, the two poles of subjective and objective understanding of society are bridged with a continuous production and reproduction of conditions of social interaction across time and space. Social action and social environment (also applied to organisational context), are produced and reproduced in a dialectic order and are constructed in relation to each other. This continuous interplay is named 'structuration' and can be identified in the conditions of an interaction between social actors.

The social environment (context) that affects and is affected by the social interaction is constituted by social structures of signification, domination and legitimation. Each structure is not 'external' to individuals and it does not predetermine her / his actions, although it can be 'constraining and enabling' (Giddens, 1984:25). Individuals have a choice of a range of actions within a given social framework. Structures are identified as organised rules and resources which are produced from the interaction between knowledgeable individuals. Rules refer to norms used in the constitution of meaning between individuals and enable (or constrain) communication between them during their interaction. Rules also can be the perceived notions of acceptable moral behaviour, which constitute the perceived moral obligations and moral anticipations of the individuals involved in the interaction. There are both formal and informal codes of conduct. The resources, allocative and authoritative, constitute the structure of domination. Allocative

resources refer to the capability to exercise command over material sources, while authoritative resources form the ability of an individual (or a group) to exercise power over another individual (or group). Rules and resources of conduct are both medium and outcome of the interaction and this double role is what Giddens names 'duality of structure' (*Giddens*, 1984).
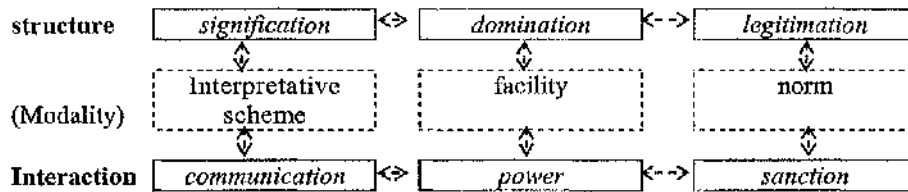
Figure 4.4: The duality of structure (Giddens, 1984)

The interaction between individuals is driven by their discursive consciousness and 'they always know what they are doing' (Giddens, 1984). However, individuals are not able to predict or predetermine the consequences of the activities in which they engage. Their actions are always embedded in the context where they occur. Characteristically, Giddens (1984) states that human history is created by intentional activities in an unintended project. In his view, human action is sourced on three different levels of consciousness, which generate the reflexive monitoring of action, the rationalisation of action and the motivation of action. Reflexive monitoring is the purposive or intentional character of human action and it should be considered in the continuous process of action. Rationalisation of action is the capability of humans to 'keep in touch' with the grounds of what they do and if asked by others they can supply reasons for their activities. Both the reflexive monitoring and rationalisation of action are embedded in the context of the interaction and are expressed as modes of action in that particular context. Motivation of action, however, refers to the potential of action rather than the mode that this action occurs.

Unacknowledged conditions of   Reflexive monitoring of action → Unintended consequences of
action   action

                     Rationalisation of action

                     Motivation of action
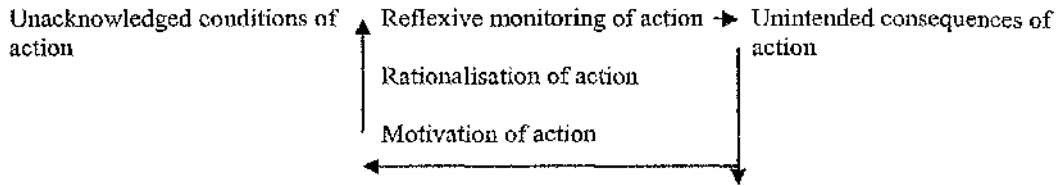
Figure 4.5: The model of action (Giddens, 1984)

The continuous interplay of action and structure on a regular basis develops institutionalised patterns of inter-depended social practices. These patterns are the 'systems' which, although tend to have an organised and regular character, do not exist in isolation or externally of the social practices that produce them. However, their difference with the structures of rules and resources is that systems are embedded in particular time and space. In a sense, systems are produced and reproduced during the interaction of knowledgeable social actors which draws upon rules and resources of communication, authority and moral anticipations on a regular and organised manner within a particular set of social practices. Control within such systems is organised as both dependence and autonomy between social actors. The 'dialectic of control' explains the situation where a less powerful individual has the ability to manage resources in such a way as to gain control over the most powerful part of the relationship.

4. 5 Methodological assumptions of the study

Bearing in mind the social and organisational context of accounting and the interdisciplinary understanding of trust and of accounting, the need to consider a multifaceted research approach emerged. Romm (1998) suggests that 'interdisciplinarity' as a practice, can be understood as a reflexive orientation that enables researchers to entertain possibilities for taking on board ideas / interpretations, exceeding the boundary of some 'source discipline'.

More accurately, the research approach resulted from a reflective manner during the course of the study. Covaleski and Dirsmith (1990) claim that what is needed in field research is self-consciousness and reflexivity on the part of the researcher, who should reflect her/his own detachment from both the original thesis and antithesis, and the possible role of synthesis in channelling and directing research attention and creating or altering that which is observed (also Denzin and Lincoln, 1984; Weick, 2002). In addition to this, Hopper and Powell (1985) suggest that researchers into management sciences should consider their own values and beliefs concerning the nature of society and social sciences. Therefore, the self-reflective mode gave bones to the potential ideas, wonderings, assumptions, decisions and practicalities faced through the research process. Adopting the 'going to the Wizard of Oz' attitude, the project developed through the interaction between the main persons involved in the research (my supervisor and I), the reflections gained from the academic community (academics who provided constructive advice and criticism during the study) and the participants of the study. However, considerable attention has been placed on the need to attain a reasonable 'distance' for independence and reflection in the study.

More precisely the research developed as a gradual process of experience and understanding, seeking the depth and insights in the ongoing exploration of the research subject. Although the learning exercise evolved from the expanded literature

review to the actual field research, the required understanding is gained through a continuous interpretation and reflection during the course of the study. The broad knowledge of the literature was aiming to provide background to the research topic rather than to form and adopt a particular stance. In other words, the literature review inspired the project but in no way provided a pre-formed theorisation or derived to testable presuppositions. Supporting this approach to knowledge, Alvesson and Skoldberg (2000) state that reflective research has two basic characteristics, careful interpretation and reflection, which gives a constant assessment of the relationship between 'knowledge' and 'the ways of doing knowledge'.

Adopting the reflective perspective, the importance of the interpretations made in order to realise the phenomenon under study was centred in the perceptions of the study's participants. Each of them gave a view which is treated in the study as insight to the world where the participants feel, think, believe, act, and produce the meaning of their existence in the particular organisational context. This ontological approach of 'Seeing the world through the eyes of others' is widely defended as an option of relativism, where reality is constructed socially and changes through social interactions occurring through time and space. Due to the relativism of the particular reality of the participants, a distant or 'external' observation would be dangerously abstract.

The methodology followed to uncover and address the nature of the research subject, involved different methods of evidence collection and interpretation. The need for in-depth investigation was satisfied by the all-time access to The University's day-to-day organisational life and its Intranet, where various documentation was reached, while the broader cultural experience of The University's main self – explanation of an old research led institution was considerably important. This access facilitated the understanding of the concerns of the senior personnel of The University for funding resources in a changing environment and the trust between them as an

underlined attitude. The use of a quantitative attitude scale measurement – organisational trust inventory (see section 4.7.1) – was functioning more as a 'snapshot' of the particular attitude rather than as a self–sufficient method for conceptualisation. As Morgan and Smircich (1980) state, narrow empirical snapshots of isolated phenomena at fixed points of time do not do complete justice to the nature of the subject, so the need for qualitative semi-structured interviews emerged (see section 4.7.2.1). Both methods were used in the research context and the information gained was subject to the understanding of the phenomenon in order to derive propositions relating to how the situation could or should be interpreted. Attention should also be placed on the methods of data analysis which are not simply neutral techniques because they carry the epistemological, ontological, and theoretical assumptions of the researchers who developed them (Alvesson and Skoldberg, 2000; Mauthner and Doucet, 2003). Therefore the outcome of each of the methods of data collection and analysis would be considered in the overall research context.

4. 6 Research Ethics

The research project gained an Ethical Approval from the Social Science Ethics Committee of the Faculty of Law and Financial studies of the University of Glasgow. The Ethical Approval requirement was in compliance with University of Glasgow policy on all non clinical research involving human participants, material or data. The need for formal Ethics Approval considered appropriate in respect to the participants involvement to the project. Further, the committee commented that the project 'does not appear to involve vulnerable subjects'.

The issue of ethical organisational research is extensively discussed in the literature (Gill and Johnson 1997; Brewrton and Millward, 2001). Guillemin and Gillam (2004) define as 'ethics in practice', the day – to – day ethical issues that arise

in undertaking research, issues that are not addressed in an ethical research protocol. They explain that the ethically important moments when conducting qualitative research methods (for instance interviews) arise due to participant's indication of discomfort with their answer or reveal vulnerability. They suggest that researchers should be aware of all potential influences and be able to step back and take a critical look at her/ his role in the research process.

It was therefore a serious consideration of conducting an ethical research approach, that resulted in the adoption of several actions assuring sensitivity to possible risks and hazards in respect to the research participants' involvement. First of all, the participants were invited to be involved in the research project with a letter explaining the purpose, the nature, and the prospective contribution of the research outcome (appendices 9 and 10). It was clearly explained that the research was a contribution to a PhD completion. Further, a description of what is expected from the participants to do, in compliance to the specific methods employed was explained on the covering letter, for the questionnaire, and before the recording for the interview. In addition, the participants were asked permission in order to record the interview beforehand. A particular consideration of a possible effect of the tape recorder on the 'authenticity' or 'naturalness' of the expressed views was taken into account when analysing the transcripts (Speer and Hutchby, 2003). In both stages, the questionnaire and interview, anonymity was promised. Moreover, the questions of the questionnaire and the ones during the interview were carefully applied trying to avoid exposing the participants to psychological distress and inconvenience.

4.7 Research Methods

A case study approach was considered as the most appropriate, with respect to the richness and depth of the evidence required. Eisenhardt (1989) defines the case study, as a research strategy, which focuses on understanding the dynamics present within single settings. Humphrey and Scapens (1996) explain that case studies have an important role to play in researching the day-to-day functioning of accounting in contemporary organisations, although 'no theory is true, no case study is objective and no findings are universally justified'.

Brewerton and Millard (2001) explain that the advantages of the case study are that it enables a more in-depth examination of a particular situation than other research designs; the information it yields can be rich and enlightening and may provide new leads or raise questions that otherwise might never have been asked; the people involved usually comprise a fairly well – circumscribed and captive group, making it possible for the researcher to describe events in detail. In that respect Otley and Berry (1994) insist that greater clarity is needed in the 'write – up' of the case so that maximum benefit is gained. They suggest that this clarity should be applied both at the initial theoretical positions, and to the interpretation of the empirical evidence, which should be in a way that indicates the theoretical modification that the empirical observations have generated.

The criteria which define a valid case study according to Brewerton and Millard (2001), are its significance in the public or theoretical interest; it's completeness as a sense of understanding the 'whole' case; the consideration of alternative perspectives by drawing on the work of other researchers; the provision of sufficient evidence to enable the reader to make her/his own judgements and finally the sensitivity and respect shown for the disclosures recounted in the research report and for the role of participants in the research process.

In constructing case studies, a combination of a variety of methods is often undertaken. The use of multiple methods, named triangulation (Jick, 1979), is often chosen to provide greater validity and reliability to the research project. It is also described as convergent validation and it shares the notion of complementary qualitative and quantitative methodologies rather than competing approaches (Gill and Johnson, 1997). However, Thurmond (2001) argues that the use of triangulation strategies does not strengthen a 'flawed' study. Researchers should use triangulation if it can contribute to understanding the phenomenon.

The present case was studied employing two major methods of evidence collection. In chronological order, the first method was an attitude scale measurement and the second semi-structured interviews. However, other type of information was also gathered during the study from The University's intranet and the Faculties committee's agendas and minutes that contributed to the in depth investigation of the case (see appendix 10). The table (4.1) demonstrates the diary of the questionnaire administration and conduct of the semi structured interviews.

In respect to the research undertaken, an emphasis was given to the analysis of the evidence gathered, which was focusing to 'make sense' of the case. The current method e followed three steps of analysis

1. Identify individual patterns: the evidence collected using multiple sources of data was first analysed individually to increase validity.

2. cross case analysis: to identify the main themes which emerged in the group.

3. Comparative analysis between cross-case patterns of the two major groups of participants.

Yin (2003) maintains that pattern matching analysis technique strengthens the internal validity of the case study. The intention of this technique is to seek and compare the patterns and see if there is 'a master pattern that expresses them all'.

Miles and Huberman (1994) also developed a cross case analysis demonstration building matrices of variables. Eisenhardt (1989) explains that searching for cross case patterns eliminates the tendencies to derive false conclusions as a result of information processing biases, forcing the investigators to go beyond initial impressions through the use of structured and diverse lenses on the data.

Resource Units	Name	OTI response date (Post date 7/2/2002)	Interview
RU 1	Head of Resource Unit 1	11/2/2002	20/8/2003
RU 2	Head of Resource Unit 2	12/2/2002	6/8/2003
RU 3	Head of Resource Unit 3	8/3/2002	1/10/2003
RU 4	Head of Resource Unit 4	8/3/2002	14/8/2003
RU 5	Head of Resource Unit 5	4/4/2002	18/9/2003
RU 6	Head of Resource Unit 6	7/5/2002	27/8/2003
RU 7	Head of Resource Unit 7	23/9/2002	12/9/2003
RU 8	Head of Resource Unit 8	29/10/2002	21/8/2003
RU10	Head of Resource Unit 10	-	9/9/2003
RU11	Head of Resource Unit 11	-	2/10/2003
Management Group			
MG1	Management Group participant MG1	25/4/2002	5/8/2003
MG2	Management Group participant MG2	24/10/2002	19/8/2003
MG3	Management Group participant MG3	7/3/2002	8/9/2003
MG4	Management Group participant MG3	-	5/9/2003
MG5	Management Group participant MG3	-	8/1/2004

Table 4.1: Questionnaire and interviews diary

4.7.1 Measuring trust

In order to design an instrument that would measure and provide useful information about the levels of interpersonal trust between the participants of the study, a conceptualisation of trust was found necessary. The research instrument developed was a reformed version of the 'Organisational Trust Inventory', which was first designed by Cummings and Bromiley (1996) as an instrument of measuring the degree of trust between units of an organisation or between organisations. Cummings and Bromiley (1996) developed a reliable and valid OTI, analysing each dimension of trust across the three components of belief identified by Creeds, Fradigar and Petty (1994).

		Component of Belief		
		Affective State	Cognition	Intended Behaviour
Dimension of trust	Keeps Commitments			
	Negotiated Honestly			
	Avoids Taking Excessive Advantage			

Figure 4.6: Definitional Matrix of Trust as a Belief by Cummings and Bromiley (1996)

Similar measures developed by Butler (1991) were used to analyse 10 dimensions of trust during 84 interviews of managers. In earlier studies the measurement of trust was performed using sociometric scales (Rotter 1967; Cynthia and Swap 1982; Rempel; Holmes and Zanna 1985).

The reformation and development of the instrument in order to fit the specific organisational context of The University and to provide a useful insight to the research subject, occurred in different levels (see appendix 11). First, the re-conceptualisation of trust involving six correlated dimensions (named competence, openness, concern, reliability, loyalty and fairness) instead of three (named keeping commitments, honest negotiations, not take advantage) that the original instrument had, was considered necessary. More specifically, trust as a concept is discussed extensively in the current organisation and management literature (see chapter 3). However, there is a variation of definitions in the relevant literature. In order to meet the designing needs of the particular method, trust is defined whilst bearing in mind the current literature and the specific organisational setting. Therefore, trust is defined as the willingness to be vulnerable based on belief / expectation that the other is competent, open, concerned, reliable (Mishra, 1996), loyal and fair (Butler 1991, Swift 2001, Webb 1995).

The core characteristic of this definition is that Trust is an attitude (belief) that a person adopts towards others, based on the predictable expectation that the other is competent, open and reliable and also in the goodwill belief that the other is concerned, loyal and fair. This definition involves both ontological dimensions of Trust, as referred in the literature (section 3.3). Furthermore the concept involves the notion of willingness to be vulnerable, that reflect the notion of freedom of choice in terms of belief and expectation. Thus trust is not examined when conditions of enforcement and contractual cases are involved.

Component of Belief

	Affective state	Cognition	Intended Behaviour
Competence			
Openness			
Reliability			
Concern			
Loyalty			
Fairness			

Dimension of Trust (row labels at left)

Figure 4.7: The definitional matrix of trust as reformed for the study

More analytically, the concept includes the use of dimensions as broadly have been identified in the literature. The mentioned dimensions of Trust are competence, openness, concern, reliability, loyalty and fairness. In the relevant literature, these dimensions reflect an extension of socio - psychological perception on a given set of reactions and /or outcomes. More precisely, competence rests on the belief that managers will make correct decisions (Tyler and Kramer, 1996). McAllister (1995) reports that past measures of trust in organisational setting suggest that competence and responsibility are central elements of the concept. Additionally the dimension of openness is used to reflect the belief that someone will give straightforward accounts of events (Tyler and Kramer, 1996). Very often openness is related to the meaning of honesty. Moreover, the belief that someone is concerned about the welfare (McAllister, 1995) of the other partners of the interaction facilitates the notion of trust. Furthermore the degree to which people's statements and their actions are consistent is reflected in expectations of reliability (Tyler and Kramer, 1996; McAllister, 1995; Giddens, 1990). Loyalty also is referred to the literature as an indicator of trust

(Rousseau *et al* 1998, Butler 1991, Webb 1995). The notion is related to a degree of responsibility and reciprocity and can be generated by a number of forces among these norms. Finally, the dimension of fairness can be identified in trust. In the literature, a distinction is made between procedural form of social justice and distributive form of justice (Butler, 1991; Brocker and Siegel, 1995; Sheppard and Tuchinsky, 1995; Swift, 2001).

Trust as an attitude/belief involves affection, cognition and intention. Oppenheim (2001) explains that attitudes are reinforced by beliefs (the cognitive component) and often attract strong feelings (the emotional component) which may lead to particular behaviour intents (the action tendency component). In addition, he explains that attitudes, as many other determinants of behaviour, are abstractions - though very real to the person who holds them. They do not exist in isolation within the individual. They generally have links with components of other attitudes and with the deeper levels of value systems within the person. In addition, they are acquired or modified by absorbing or reacting to the attitudes of others.

However, researchers such as Crites *et al* (1994) insist on stating some profound drawbacks in attitude literature. Firstly, the relationship between attitudes and behaviour is vague (Liska, 1974; Crespi, 1971; Gross and Niman, 1975; Tittle and Hill, 1967), although recent research supports that attitudinal response can be classified broadly into affective, cognitive and behavioural categories (Mc Broom and Reed, 1992) . Secondly, researchers have failed to take into account the effect that structural characteristics of the measures, (such as wording, response format), can have on individual responses. Thirdly, researchers often fail to assess the reliability and / or validity of their scales. Generally, reliability refers to the purity and consistency of a measure, to repeatability, to the probability of obtaining the same results again if the measure were to be duplicated (Oppenheim, 2001). The reliability of the scale can be assessed by the correlation coefficient. Sets of questions are more

reliable than single opinion items, they give more consistent results, mainly because vagaries of question wording will probably apply only to particular items, and thus any bias may cancel out, whereas the underlying attitude will be common to all the items in a set or scale (Sarantakos, 1998; Oppenheim, 2001; Shumman and Presser, 1996). Reliability of scaled measures - includes both the characteristics of the instrument and the conditions under which it is administered. It is expressed in the form of a correlation coefficient and in the social and behavioural sciences; it is rare to find reliabilities much above 0.90. The square of a correlation expresses the percentage of shared true variance (thus a reliability coefficient of 0.90 means that the two measures have 0.81 or 81% in common- they overlap or share a common variance by just over four fifths) (Oppenheim, 2001)

Validity tells us whether the question, item or score measures what it is supposed to measure (Oppenheim, 2001; Sarantakos, 1998) the difficulty in assessing the validity of attitude questions is the lack of criteria Oppenheim (2001) Social desirability is referred to as the tendency to reply 'agree' to items that the respondents believe reflect socially desirable attitudes, in order to show themselves in a better light (Oppenheim, 2001; Liska, 1974). There are two ways of checking the validity of an instrument: empirical validation and theoretical validation. In the empirical the validity of a measurement is checked against empirical evidence - the findings produced through the measure are supported by empirical evidence. In the theoretical the validity is ascertained through theoretical or conceptual constructs - the findings are supported by theoretical principles.

Finally, the degree of reliability (consistency) sets limits on the measure of inconsistencies to some degree. On the other hand, if we find that a measure has excellent validity, then it must be also reliable. (Oppenheim, 2001)

4.7.1.1 Pilot Study

Having the Organisational Trust Inventory of Cumming and Bromiley (1996) as a yardstick, the design of Trust scale measurement developed.

Firstly, a number of written statements reflecting each dimension of trust in accordance with the structural stages of an attitude were formed. The total number of statements developed were 120, reflecting each dimension of Trust and Belief. Each category had three positives and three negatives in meaning statements. The main concern was to develop couples in order to be able to check the validity of each single statement.

The concern for the statement's wording and structure was to express as clearly as possible the state of affection, cognition and intention of the respondent. For that reason the words 'feel', 'think', 'In my opinion', 'I'm planning to', 'I'm going to' etc are employed to emphasise each component of belief as referred in Creeds, Fabrigar and Petty (1994). Additionally equal negative statements were formed as 'I feel they don't', 'I don't think', and 'I'm not going to'.

Second, all the statements did not include the word 'trust'. Rather, the words used to set each statement were similar or the same as those used in the literature where the Trust dimensions were defined. For instance, Tyler and Kramer (1996) define competence as the belief that managers will make correct decisions, so the statement reflecting this dimension in its affection state is 'I feel that Y will make a correct decision'.

Third, all statements were to be kept as simple as possible i.e. having only one verb to reflect the response mode and avoiding conditional statements. Finally, all statements needed to be phrased at the group level and the letter 'Y' used to identify the other Unit i.e. 'we think that Y'' rather that 'I think that Y'.

The next step was to identify and highlight the statements that were clearer in meaning and structure. Forty-five (45) statements remained to construct the final

form of the Organisational Trust Inventory. The statements were listed in a random order so as not to bias the responses. The list was scaled in seven levels from Strongly Disagree to Strongly Agree.

The Organisational Trust Inventory was divided in two parts. The first part was seeking to identify the level of trust that the respondents have towards their counterparts. All the statements at this part had the form of 'WE think for Y'. At the second part of the instrument, the respondents were asked to evaluate how they believe their counterparts think of them in terms of Trust. So all the statements at this part had the form of 'Y think that We'.

At the front page of the Organisational Trust inventory was an explanation of how each response should be notified at the scale, and how to interpret the 'Y' which is referred in the statements. More over, an identification of the responded was required in order to analyse the potential response. However, on the accompanying covering letter, a promise of confidentiality and anonymity was expressed.

The first form of the Organisational Trust Inventory was administered to the staff of the Accounting and Finance department of The University of Glasgow. The reason for choosing this specific population to test the instrument was the similarity of the educational, organisational and social background with the perspective respondents. The total number of questionnaires administered was 12 (twelve). Eleven (11) were given to academic staff and one (1) to an administration secretary. There were eight (8) responses.

According to these responses and bearing in mind the recommendations given as a feedback, the Organisational Trust Inventory took its final form. Some of the statements were replaced and some were rephrased in terms of clearance both in language and purpose. Further more, an additional selection was made in order to reduce the number of the items.

The final form of the Instrument had thirty six (36) statements in each part. Also, changes were made on the front page of the instrument, according to the recommendations given as feedback from the instruments test.

At the end, the complete and pre-tested Organisational Trust Inventory was posted to the members of the Star Chambers at 7th of February of 2002.

4.7.1.2 The organisational trust inventory – design and administration

The Heads of Resource Units and the selected members of the Central Management Group, were asked to respond on the formulated Trust inventory instrument.

The Heads of Resource Units were asked to express their degree of agreement in a attitude scale of 1 to 7, with 1 being 'strongly Disagree' and 7 'Strongly Agree' (see appendix 12) . Bearing in mind the initial difficulties that the respondents would face because of the nature of the responses required, a different questionnaire was designed for the members of the management group (see appendix 13). More precisely, the respondents from the central Management Group were asked to evaluate in the scale of 1 to 7, all thirty six (36) statements for each of the two parts of the questionnaire for all the thirteen (13) Resource Units. In simple words, each of the participants of the central Management group would have to reply to thirteen (13) questionnaires. Concerned about the volume and consumption of the participants time, the redesign of the instrument was considered necessary. The new questionnaire varied in relation to the one administered to the Heads of the Resource Units only in its form, all statements and scale of evaluation remained the same.

The procedure followed, in order to approach the members of the Star Chamber meetings, is shown chronologically in the following table 4.1.

When	What	Who
14/11/2001	Email arranging meeting	to Dean of Law and Financial Studies
16/11/2001	Dean's email 'doctoral student and star chamber'- asking involvement to research	to MG1, MG2, MG3, MG4, RU2, RU3, RU6, RU9, RU10, RU11
22/11/2001	email thanking for first response	to MG1, MG3, MG4, RU2, RU6, RU10
17/12/2001	Forwarding Dean's email to other prospective participants	to RU1, RU4, RU5, RU7, RU8, RU13
4-5/3/2002	1st phone call reminding the OTI	
3/4/2002	2nd phone call reminding the OTI - email	to MG4, RU6, RU7, RU9, RU8, RU11, RU12, RU13
18 /9/2002	Post reminding letter and a copy of the OTI	to MG4, RU9, RU10, RU11, RU12

Table 4.2: The contacts diary

First a meeting was arranged with the Dean of Law and Financial Studies in order to obtain access and support in The University's Star Chamber committees. His advice was considered very helpful and the desirable access achieved with his email contact to the rest of the Star Chamber members asking for permission to distribute the questionnaire. Following the chronology and interest expressed of the responses to the Dean's email, a first message was formulated to give thanks for the positive response and agreement to participate in the project was sent on the 22/11/2001. It is necessary to mention that the particular Dean did not participate to the following stages of the research due to the termination of his office service. The new Dean of the Law and Financial Studies appointed at December 2001 accepted and participated in the following stages of the research and was treated equally with the rest of the participants. On December 2001, the access permission email was forwarded to the members of the Star Chamber who were accidentally not included in the first contact list provided by the Dean.

On The 7th of February 2002, the Organisational Trust Inventory, including both parts and a cover letter explaining the interest of the research and giving

guidance on the way that the response could be provided, was posted by mail to all the Heads of Resource Units and the major members of the Central Management Group (see appendix 12 and 13)

Considering the response chronology a second contact action took place on March 2002 and April 2002. This contact included a phone call to the secretaries of the Star Chamber members in March reminding them of the questionnaire existence and in April, an additional email sent to both the members and their secretaries for the same reason.

Finally, a further required contact took place in September 2002 including a reminder letter and a copy of the original cover letter with the questionnaire attached, sent to those who didn't respond by that time. In total eight (8) Heads of Resource Units responded to the questionnaire and three (3) members of the management group response rate 11 out of 18 (61 %).

4.7.1. 3 The organisational trust inventory – analysis

The received responses of the OTI were tabulated in the Microsoft Excel. Following the pattern of the questionnaire's matrixes (see appendix 11), statistical correlations for each pair of questions were calculated. In that way it was possible to detect whether the participants responded with the same strength for similar statements (see appendix 14). Further the correlated weighted average of all the responses was considered as the indicative level of agreement with the statements, which was further interpreted as the participants overall level of trust. The analysis also considered the weighted averages of similar groupings of statements such as the different dimensions of trust and belief, as explained in section 4.7.1. The next stage was to draw the responses into a column chart, which was useful to graphically

present the outcome of the questionnaire to the participants in a later stage of the research project (see section 5.6.4).

Bearing in mind that the initial purpose of the questionnaire was to capture an indicative picture of the trust level between the participants, its results interpreted as a 'snapshot' for the study's inquiry. Subsequently, a series of individual semi-structured interviews with all the potential participants (those who responded to the questionnaire and those who did not respond to the questionnaire), were conducted to explore the role of trust in the resource allocation process of The University.

4.7.2 Semi-structured interviews

The major method of evidence collection for the study involved qualitative individual semi-structured interviews with all the potential participants of the study. Kvale (1996) explains that qualitative research interviews attempt to understand the world from the subject's points of view. In that respect, interviews are conversations where the outcome is a co-production of the interviewer and the subject. However, qualitative interviews are more focused, deeper and more detailed than normal discussions (also Rubin and Rubin, 1995).

Semi structure interviews have a sequence of themes to be covered as well as suggested questions. Rubin and Rubin (1995) explain that interviews are flexible, iterative and continuous in design. However there is openness to changes of sequence and forms of questions in order to follow up the answers given, and the stories told by the subjects (Silverman, 2001). Advance preparation is essential to the interaction and outcome of an interview. Also interview questions should contribute thematically to knowledge production and dynamically to promoting a good interview interaction (Kvale, 1996)

Finally, Kvale (1996) outlines a number of criteria that would justify the quality of a qualitative interview. First is the extent of spontaneous, rich, specific and relevant answer from the interviewee. Also, the shorter the interviewer's questions and the longer the subjects answers, the better. Next is the degree to which the interviewer follows up and clarifies the meanings of the relevant aspects of the answers. In many respects, the ideal interview is to a large extent interpreted throughout the interview. Another quality criteria is the extent to which the interviewer attempts to verify her / his interpretations of the subject's answers in the course of the interview. Finally, it is important to maintain a level of quality where the interview is 'self- communicating', it is a story contained in itself that hardly requires much extra descriptions. These criteria were considered seriously during the interview sessions with the study's participants as it is explained in the next section.

4.7.2.1 The interview process

The need to obtain rich and deep insights that would provide a better understanding of the role of trust in the study, and that would also challenge or validate the observations gained from the organisational trust inventory, led to the decision to meet the study's participants for a discussion on the matter. The interviews were considered a more appropriate method, where the participants could be given the chance to comment on the resource allocation process, the relationship between them and the importance of trust in their own understanding. All the initial participants were contacted to arrange an interview on the subject, although some of them where reluctant to reply to the questionnaire (RU11, RU10, MG4). Therefore for some of the interviewees there was no initial questionnaire response, but their interviews were considered very valuable and interesting for the research topic. Also, the participant MG5, attended only an interview, because his participation in the study was decided after a constructive suggestion at the PhD progress presentation at the

Department of Accounting and Finance research committee (biannual progress presentations required by the PhD programme). The interviews took place in the interviewee's offices (except the MG5 who is retired and the interview took place at his home), and all of them were private, quiet and comfortable, giving the respondents time to talk about the issues they found relating to the initial questions. However, two of the interviewees (RU6, RU10) had a time restriction, due to their busy timetable, and the conversation had to be more focused and guided than average. The interviews were all tape recorded after the participant's approval and fully transcribed by the researcher in order to be analysed in detail afterwards.

The sequence of the interview was chosen to be more of a 'focused interaction' (Denzin, 1970) rather than following a given protocol. The primary objective was to maintain spontaneity (Oppenheim, 2001) and the reduced role of the interviewer to avoid leading the responses. It was also considered important not to provide any 'interview questions' or questionnaire outcome information to the participants beforehand, in order to obtain authentic attitude reactions during the interview. However, in order to avoid potential misconceptions due to the researcher's use of English as a second language and the very sensitive nature of the word 'trust', three key theme open ended questions were provided on a question sheet to the participants at the beginning of the interview. This question sheet in most of the interviews tended to function as 'a kick off' to the conversation and the interviewees followed their own discussion pattern (see appendix 15). In any case, a 'hidden agenda' (Oppenheim, 2001) of questions was carried by the researcher who sometimes had to question on an issue not mentioned but relatively important for the study (see appendix 16).

Approaching the end of the interview, the interviewees were allowed to see and comment on the organisational trust inventory graphs which showed the responses of all the participants anonymously. The purpose of this reveal was to observe a

reaction for their own rating, the levels of trust in The University and to ask them to provide any possible explanations of the graphs. More detailed references on this stage of the interviews can be found at the analysis chapter.

4.7.3 Evidence analysis methods

After conducting the interviews, a short note of the interview 'atmosphere' was kept in order to facilitate the interview analysis. This note included observations related to, for instance, the level of cautiousness and hesitation of the interviewees, the perceived gradual openness and directness of their references during the interview, the way they were when sharing their personal thoughts, and the perceived confidence they seemed to have in their own position. Although this information was absolutely dependent on the researcher's impression and state of mind, a strict self-discipline required ensuring the fair treatment of each piece of 'atmosphere' information, and respect of each single interviewee's personality and position.

The interviews were transcribed by word processor. Transcribing the interviews proved useful to direct attention to particular points. In addition, through repeated reading of the transcripts, themes emerged and attempt to organise them in a sensible order, resulted in categorisations between them. The initial intention was to make an overall sense of the data rather to reduce it to manipulative codes. A useful assistance to this exercise was found from the Nvivo software for qualitative research. Although this software has highly sophisticated functions, its usefulness to the project was more as an advanced word processor than a stand- alone data analysis and explanation facility. More specifically, the interview transcripts were reformatted into rich text format and were downloaded to the programme. Then a line by line highlighting with the programme's 'coding stripes' pooled the themes and references into 'nodes' (see appendix 17 for node list). Then the node reports were printed out

and used to write the interview analysis in chapter 5. In almost all the parts of the chapter, a number of nodes were referred in the analysis together and in combination, carefully interpreted in the interview context.

Writing up the analysis of the interviews three approaches were employed. First seeking for a pattern of thought in every individual interview, second a cross case analysis with the attempt to find common thoughts that were expressed by all the interviewees in the same group. The individual patterns, with the use of the 'after the interview' notes were used to write the interview summaries (section 5.2 and section 5.4). The cross case analysis of each separate group organised around the themes emerged from the interviews bearing in mind the initial aim of the research (section 5.3 and section 5.5). The final stage involved a comparative analysis and synthesis of all the participants' views (section 5.7).

4.7.4 Participant's views on trust and agreement notional position matrix

In chapter 5 the notional position of the participants' views in matrixes of trust and agreement display the patterns identified from the interview and questionnaire analysis. The initial intention of this presentation is to give an overall picture of the attitude of the participants as it was expressed by them. For this reason, three different matrixes are found to be useful in communicating, as fairly as possible, the trends and positions as conceived in the discussion with the participants (see sections 5.3, 5.5 and 5.7). The first matrix attempts to show the picture in the way it is believed to be expressed by the Management Group participants (section 5.3); the second matrix attempts to show the picture as it is believed to be given by the Heads of the Resource Units (section 5.5); and the last one is based on the researcher's perception as formulated at the finishing of the analysis exercise (section 5.7). The assumption underlined in this matrix exercise is that there is no 'right', 'real' or

objective viewpoint, which is useful to acknowledge when deriving impressions from subjective interpretations, therefore three different matrixes were considered necessary. The differentiation between trust and agreement is based on the assumption that it is possible to trust a person even if there is not a complete agreement either on the way the process of the relationship operates or what the prospective outcomes of the relationship are. This relation is examined in the 'common interests and trust' discussion, where objectives are perceived to be the individual targets of the faculties and strategy or vision is the sense of common mission that the participants perceive in the relationship (section 5.3.6.4 and section 5.5.6.4).
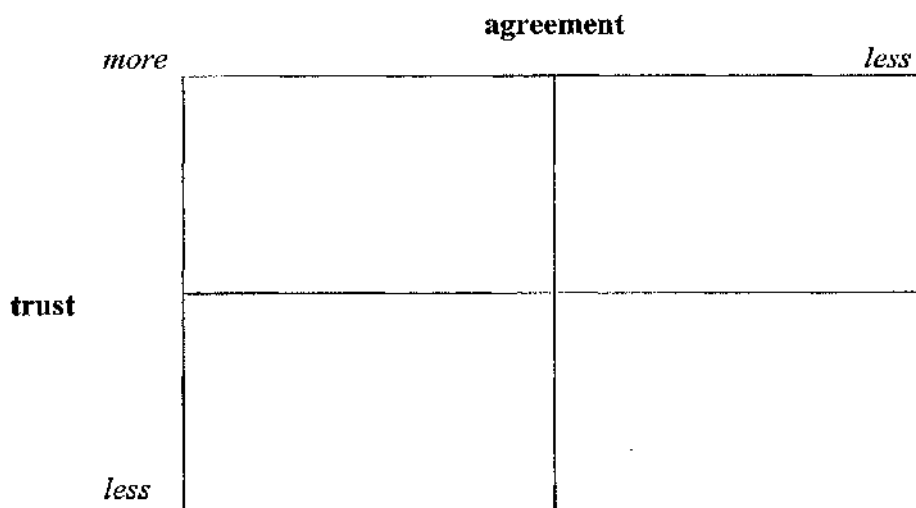
Figure 4.8: trust and agreement notional position matrix

However, the drawing of notional position matrixes does not intend to claim a static representation of the views expressed by the participants, that are believed to be dynamic and changing over time and interaction. In addition the position of each individual's view in the matrixes does not intent to demonstrate measurement of level of trust and / or agreement. Further, the participants' views are considered individually and the groups are treated as non homogenous due to the individual

participant's experiences, personality, opinions and other characteristics. In spite of this, the broad distinction between two major groups involving participants from The University's central management and participants who are Head of Resource Unit is demonstrated in the matrixes, even though differences in trust and agreement within the groups are respected considerably. It is also necessary to acknowledge the difficulty to notionally position each participant in the matrixes due to the complexity of the issues discussed. Nevertheless, the matrixes of the notional position of the participants were designed to display a notional picture of the perceived trust and agreement between them and as such are considered useful.

4. 8 Summary

This chapter dealt with the methodological considerations of the study. Following an interpretive point of view, it has been demonstrated that the case study approach was an appropriate way to investigate the research inquiry. Both the theoretical and empirical considerations of the study were developed and adjusted during the course of the study, employing a reflective and multiple methods perspective. In particular, theoretically the study adopted a non positivist perspective, in respect to the social sciences paradigm debate. Additionally, the consideration of Structuration Theory of Anthony Giddens (1984) has been addressed as an influential background theory in the study. The empirical part of the chapter included the description of the Organisational Trust Inventory development and implementation, and the semi structured interviews with the study's participants, along with issues of ethics and evidence analysis.

In more detail, the first sections of the chapter (4.2, 4.3 and 4.4) included the theoretical considerations that organisational research projects should take into account. Opening with the argument that management accounting practices (such as the resource allocation process) should be studied in their organisational context; the

social research paradigm debate highlights the theoretical assumptions underlined in this approach. Further, the suggestion that Structuration theory could be a useful framework to understand the phenomenon under investigation, led to the brief review of the theory's main concepts. This particular framework considered appropriate while the study's core assumptions were respected. In particular, the study adopted an interpretive and reflective approach to knowledge; while the phenomenon of trust is best realised as a perception of the study's participants within a specified resource allocation practice. In that view, the participants are independent, individual and knowledgeable while their interaction and references are embedded in the particular context.

The empirical arrangements of the study are described at the subsequent sections of the chapter (4.5, 4.6 and 4.7). In time sequence, the development of the Organisational Trust Inventory occurred first, to gather a 'snapshot' indication of the levels of trust between the study's participants. After that, a series of semi- structured individual interviews with all the participants of the study were intending to collect in-depth insights for the project's specific inquiry and general context. The matrix of the evidence gathered from both methods is displayed in the notional position matrix for demonstration purposes. The analysis and discussion of the observations gathered from the research methods is reported in the next chapter (chapter 5).

Chapter 5 - Analysis and discussion

5.1 Introduction

This chapter includes the analysis of the interviews and the organisational trust inventory. Although the sequence of the research evolved with the inventory administration first and the interviews later in time, the analysis follows the pattern of the interview protocol (see appendix 15). As it is explained in the methodology chapter (section 4.7.2.2), the interview protocol involved first the discussion about the participants' trust and its relation to the resource allocation process; and at the end of the interview the questionnaire graphs were shown to the participants to provide with their comments on their own response and the anonymous responses of others (see appendix 16). Therefore, in the present chapter the analysis of the interviews is demonstrated first and the analysis of the inventory follows. The primary focus of the research was to attain the participants' views on issues related to the participant's trust and its relation to the resource allocation in The University. Another issue that was considered important to address, is that because the study intends to acquire an 'in depth' understanding derived from the richness of the qualitative evidence, the quantitative part of it, although important, is not disclosed extensively in the following analysis but it is sited in the appendix of this dissertation (see appendix 16).

The first part of the chapter includes views expressed by members of the Management Group, who participated in the study (section 5.2). The analysis moves from their individual opinion patterns (presented in this dissertation as narrative summary of the main themes of the each pattern), to the themes emerged during the interviews within the group (section 5.3). The second part includes views expressed by the Heads of the Recourse Units. The analysis is also moving from the individual views (as a narrative summary of the main themes raised by each individual, section 5.4), to the opinions expressed by most of the participants (section 5.5). The section 5.6, of the chapter includes the outcome of the Organisational Trust Inventory (OTI).

The responses to the OTI are disclosed and relate to the comments and views given in the interviews. Although in chronological order the questionnaire was applied sometime before the interviews, its usefulness is considered within the specific context of the individual views of the participants. The third part of the chapter (section 5.7) summarises in a comparative manner, between the two main groups of participants, the main themes emerged from the interviews about the role of trust in the resource allocation process.

At the end of the chapter a concluding section (5.8) summarises and highlights the major themes emerged from the study's analysis.

5.2 Individual views – Management Group Participants

5.2.1 Participant MG1

MG1 believes that trust is developed in a relationship when the other person thinks that s/he has been listened to. Paying considerable attention to the other party's expressed views has been of major importance for trust in a relationship. Intentional ignorance of someone's voice and an assumption that the outcomes are predetermined undermines trust. The preferable situation, where trust is built in a relationship, is openness. Lack of openness between individuals devalues the relationship and causes a loss of confidence in the decisions taken between them. In that respect when the financial resources to be allocated are restricted, more openness and trust is required to perceive the resource allocation decision as a fair one.

MG1 explains that the way the resource allocation process operates, is similar to the way all management processes operate in The University. There is a Management Group at all levels of The University hierarchy and these Management Groups decide every issue in The University. The link between the faculty's Management Group and The University's Management Group is the Vice Principal, who transfers the messages from the centre to the faculties, and vice versa, and dialogue operates in The University through that process.

The three major Star Chamber meetings focus on the communication of important issues and there can be more intermediate meetings if there are issues to be explored. The role of the Star Chambers, in MG1 opinion, is to look at the detailed budget of each Resource Unit so a wider and more participative meeting (with more than one Resource Units) would be inefficient in this context. MG1 views the allocation process as an inclusive dialogue, based on the assumption that the other person is able to consider the 'big picture' of The University's position. MG1 thinks that when the approach to management is an open and inclusive dialogue, this may prevent the system from unexpected corruption and crisis. MG1 also believes that

openness is preferable in the academic environment because one has to deal with an intellectual community where *'there are customs, sort of Socratic dialogue, and that they expect to go on the managerial scenes as they do with their own academic discipline scenes'*[5]. MG1 also expects that if there is any issue of imbalance in views and anticipations, the Deans will find a way to express that disagreement and they will not keep silent.

MG1 thinks that the IDRM tends to be more *'user friendly'* in terms of accessibility, time required to work with it, easiness, and transparency. MG1 also thinks that the Deans will voluntarily seek information from the IDRM spreadsheet and if there is a case, they will compare their financial position with other successful Resource Units of The University so that they will learn from other's situation. The IDRM facilitates the Deans with financial information but the strategic direction of The University is not dependent on how the model works.

MG1 feels responsible to manage The University and finds herself/himself accountable to the Funding Council (SHEFC), where the financial pressure comes from. In respect to organisational climate s/he thinks that there is not a major dissatisfaction with how The University is managed because the Deans do not complain, although they have the mechanisms and the time to express their concerns. MG1 believes that the main reason that s/he is not receiving major complaints is because the Deans trust her/him.

In respect to the questionnaire, the analysis shows that s/he has a relatively high level of trust of the Heads of the Resource Units and s/he believes that they trust her/him less than s/he trusts them. S/he also appears more concerned about trust in her/his relationship with RU2, RU4, RU5, RU10, and RU13. For these Heads of Resource Units s/he indicated an overall less trust in comparison to the rest of them. From the analysis of her/his response, we gather that s/he trusts RU2 less than they

---

[5] Phrases highlighted in italics indicate original interview quotes. Also for issues of confidentiality both gender pronouns are used when referring to persons who participated in the study.

trust her/him and this is also the case with RU13. Similarly, s/he believes that RU4, RU5, and RU10 trust her/him less that s/he trusts them. The values that are stronger in constructing her/his trust level to the Heads of the Resource Units are openness, loyalty, and reliability. Similarly, s/he believes that the Deans' trust is based on their belief that s/he is open, loyal, and fair.

5.2.2 Participant MG2

The management participant MG2 relates trust to the issue of time. In this respect the more time one interacts in a relationship with others, the more possibilities exist for trust to grow or decline. MG2 also believes that when a power difference exists in a relationship, the senior partner conceives an assumed level of trust higher than the other person does. However, s/he thinks that trust develops in a relationship when two individuals are working together. In any case, the time element of the relationship is highly crucial to develop trust, which is based on the belief that the other person fairly represents a situation and has no intention of '*dressing up*' a situation. MG2 also thinks that the trusted partner should tell things as they are and to provide the other person information which is a fair representation of the financial situation. MG2 believes that the information received in the relationship should be accurate and sufficient in order to built trust. MG2 states that it is important to ensure that the financial system of The University is '*as accurate as possible*'.

MG2 views the IDRM as a highly transparent model, however s/he expresses concerns about the system's complexity that leads to a limited understanding in the resource allocation process. MG2 expresses her/his intention to try to make the model '*as simple as possible*' so to be understandable, as well as transparent. MG2 admits that the model is improving through time. In relation to the information received by the Deans on what to discuss in the Star Chamber, s/he said that '*ideally*' they have the IDRM before any committee meeting, although s/he admits that there

were times where the spreadsheet was not available on time. S/he states that there has never been an intention to hide any information and s/he believes that the whole management system is *'an open book'*. In any case, s/he thinks that information distortion may harm the confidence in this information and not the trust between the individuals who are dealing with the budget setting in The University, because trust is *'a human thing'*.

S/he believes that there is a sufficient level of trust between the Deans and the management members who are in the Star Chamber process because there is an established working relationship where regular meetings occur, as well as personal appreciation of the Principal's efforts and skills. S/he views the Star Chambers as a communication process of the hopes and aspirations of both sides. S/he states that there is efficient level of dialogue in the higher level of The University's management, although there is not such a communication in the lower levels i.e. below the Deans. S/he also thinks that the management has been always supportive to the Deans and there has never been any conflict because there is a very high level of trust. S/he expects from the Deans, a receptive attitude and willingness to compromise as well as a good interpersonal relationship to maintain trust.

In terms of management expectations from The University, s/he thinks that the Deans should be managerially capable, because universities are becoming as *'business like'* therefore there has to be a *'professionalisation of the management academic'*. Although s/he thinks that trust is based on the individual's nature, s/he believes that professional qualifications and status, may enforce the confidence of the expertise level of an individual.

S/he thinks that the Deans may see her/him as their number one enemy, because her/his role is a *'sort of corporate police'* role. S/he describes the authority setting as an *'us and them'* traditional situation, where s/he has a stewardship role and s/he has to ensure that the money is properly spent and properly accounted for.

In respect to the organisational trust inventory, her/his response shows quite a high level of trust, although there was difficulty in compromising with the instrument. In the interview, s/he explained that her/his hesitation to answer the questionnaire was primarily influenced by the time required for its completion.

5. 2. 3 Participant MG3

S/he views trust in a hierarchy of three levels, where the importance moves from material evidence to human characteristics. Her/his base of trust is related to the confidence in the numerical facts given in the budgeting process. S/he appreciates the importance of an effective and efficient information system, that delivers accurate and reliable information. The next level of trust, is linked to the level of expertise of the people involved to give meaning to the facts derived. S/he thinks that it is crucial to trust the interpretive skills of the information users. The following level of trust, refers to the belief that the other person has good intentions to communicate honestly and straightforward. S/he says that political or financial reasons may distort the information importance between people. In general, s/he thinks that it might be questioned that most of the Deans trust most of the Management Group most of the time; by comparison whether most of the Management Group trusts most of the Deans, most of the time.

S/he views the financial shortage of resources for The University as an influential factor in The University's budgeting process. S/he also thinks that The University cannot afford financial errors, although a strategic priority can be the support and development of a not financially successful unit. Therefore, there is no straightforward answer to financially important issues and her/his view is that political viewpoints should also need to be considered. In any case, s/he believes that financial figures and statistics should be accurate in order to be convinced of the

appropriateness of any decision. Once the trust level of the figures is established, the disagreement between the negotiation participants will not be on what the economic objectives of The University are, but on the way that these objectives will be achieved and how the Management Group should take a collective decision. S/he views her/his role as a mediator between the Management Group and the Deans. However, in case of any major disagreement s/he believes that there are sufficient roots of communication and dialogue to resolve this disagreement. S/he believes that there is not a *'conspiracy of silence'* within the current Management Group, but there will be a change of the people in the group and then everything may alter to a very different situation.

In terms of transparency of information and processes, s/he thinks that there is no intentional limit on communication in The University and any lack of transparency is unintentional. However, s/he believes that there is a constructive change in that communication links. In terms of the Star Chamber, s/he thinks that there is a gradual opening process, where at the early meeting information is not very transparent to the participants and when the second and third meetings occurs, the level of information increases. S/he believes that transparency increases the levels of trust to obtain fair discussions in the Star Chamber. Her/his view is that the importance of transparency relates to the time the Management Group decides to disclose the necessary information to the Deans. S/he also believes that the Deans trust the Management Group gradually, in relation to the timing of the resource allocation process. In other words, s/he thinks that at the first meeting the Deans do not have a particular high level of trust.

In respect to the organisational trust inventory, her/his responses reflect the skepticism s/he expressed at the interview, phrased as *'I think most of the Deans trust the Management Group most of the time (...), little skeptical about some of The University's truth that most of us trust most of the Deans most of the time'.* More

precisely, her/his response shows a generally high degree of trust. However, the analysis reveals that s/he thinks that the Heads of the Resource Units trust the Management Group more than her/his perceived trust to them. It is also possible to observe that s/he is more concerned for some Units than others. In more detail, s/he thinks that RU2, RU5, RU12, and RU13 are the less trusted. In addition, s/he feels that these particular Units have less trust for the Management Group in return. Furthermore, s/he trusts the Deans when s/he feels that they are loyal, open, and competent. In addition, s/he thinks that the Dean's trust to the Management Group is based on loyalty, reliability, and openness.

5.2.4 Participant MG4

Trust for MG4 exists in a relationship between individuals, who are willing to give information to each other or they are willing to discuss information that is of a sensitive nature. S/he also believes that in a trust relationship, a dialogue is an essential condition for communication. Moreover, s/he thinks that when trust exists then someone can expect reasonable behaviour and not using information to one's advantage.

S/he views the Star Chambers as a dialogue where trust is important at all stages but much more at the first meeting, where various issues are discussed and the budget is in an indicative form. The importance of the first meeting is based on communicating the faculty's perspective to the centre of The University, who also provides financial indications of what the financial situation of The University might be, although the figures discussed are not firm due to the expectation of the Funding Council's announcement (i.e. first Star Chambers held at January – February each year and the Scottish Higher Education Funding council Grant letter announced at late March [see also appendix 7], at the year of the research the Grant letter announced on the 21st of March 2002). S/he believes that in any case, the information disclosed is

provided with the best intention to discuss it further and derive some consensus at later stages of the process. S/he believes that the process is more for fair communication, rather than confrontation between the centre and the Deans. For this reason s/he also thinks that Star Chambers can involve more than one Dean, based on territorial groupings. S/he believes that territorial based Star Chambers would facilitate trust and collegiality between the Deans and the centre.

S/he expresses her/his views on the way Deans are chosen by The University Court (by the time of the research the Deans were appointed rather than elected, see more on the issue in section 5.3.6.4), where s/he states that the Deans should be individuals with strong academic and managerial sensibility.

S/he finally believes that trust in The University is built on individual relationship and is not affected by the process and the systems employed. However, s/he sees a very strong affect of the individuals on the systems, operating in The University and s/he characteristically states that when the Principal changes the whole system changes.

5.2.5 Participant MG5

The Management participant MG5, demonstrates that trust is developed in an interaction between individuals and it is affected by the personalities and the personal qualities of them, rather than directly by the given power structure or the particular resource model of The University. However, s/he argues that the particular management style that formed the resource allocation process and the way the IDRM model was operating was *'very much a creation of the product of the personalities involved; how the individual Principal in particular wished to operate and run up The University'*.

S/he argues that although there were funding pressures in Higher Education and many Universities have chosen a spreadsheet resource allocation model, the

particular IDRM was the unique response to the situation, with the particular preferences of the Principal at that time. S/he claims that in other similar universities with a similar model, the process happens to be *'relatively stable and relatively well accepted'* with a degree of integration of budgeting and planning. In contrast to the IDRM which operated in a way of shifting money from one Resource Unit to others, creating the potential for disagreement between the Principal *'who was controlling the model'* and the Deans who *'had to accept the consequences of the model'*. S/he believes that the model *'would have worked if people wanted it to work'*. S/he argues that the model had the *'appearance of rationality, but it is a series of subjective judgments'* where *'there is nothing specifically academic (...) it is all about money(...) nothing about coherence, academic excellence, excellence in research'*. Further, s/he argues that the model became too complicated to understand and nobody, including herself/himself, could know exactly what was going on in the model. S/he describes it as *'a big computer program for flight aircraft, where you don't know whether it would bug somewhere in the middle and after few million miles of travel... the aircraft mysteriously ends into the sea'*.

In respect to the Star Chambers, s/he claims that they were *'explorative discussions'* of how to cut costs, which had never been formalised and not enough consideration of longer term planning so The University would not go *'through waves of crisis'* as it was actually happening. In addition, the time of the announcement of the Funding letter, resulted in the Heads of the Resource Units not having *'enough time to assimilate the messages, which were contained in this extremely complicated model'*. However, s/he believes that particular Deans managed to *'learn how to play the game'* and they were more organised in meeting this challenge, while pursuing their own agendas in the Star Chamber meetings.

5.3 Views of the Management Group Participants

This section will deal with the views expressed from all the participants of the Management Group, in order to investigate whether there is a shared pattern that expresses them all. The investigation develops while focusing the analysis on specific comments / matters that the interviewees were asked or on which they choose to express an opinion.

For the purpose of illustration, the views expressed by the participants are plotted in the matrix of trust and agreement below, which are 'notional positions' of the Management Group participants. As is explained in detail in the methodology chapter (section 4.7.4), the initial intention behind the matrix drawing is to communicate the impressions gained in the course of the study and not to be perceived as 'right', 'judgmental', or 'fixed'. The impressions gained are illustrated individually in the first part of the analysis and in combination in the second part of the analysis. The matrix below attempts to demonstrate the views of the Management Group as fairly as possible. In other words, the matrix shows the perceived trust and agreement in The University as it is believed to be expressed 'through the eyes of the Management Group participants'.

agreement

more   *less*

	MG1, MG2, MG3, MG4	
trust	*RU1, RU3, RU4* *RU6, RU7, RU8, RU9, RU11*	
	MG5	
less	*RU2, RU5, RU10, RU12, RU13*	

Figure 5.1: Management Group participants, trust and agreement notional position matrix

The matrix shows the relation of each individual opinion to the opinions of the rest of the members of the group and to what MGs believe is the opinion of the Heads of the Resource Units. In more detail, the Management Group participants expressed a quite strong belief that there is a climate of trust and agreement in The University. To justify the level of this trust and agreement comments referring to what they thought was the picture some time ago were considered carefully. However, gathering closer to their views it seems that MG1 and MG2 hold a view similar to each other but a in a sense different from the views of MG3 and MG4. The most different view, is the one expressed by MG5, who tends to be more critical of the Management Group participants and more sympathetic to the Heads of the Resource Units.

In relation to the Heads of the Resource Units, the participants of the Management Group tend to express a contrasting viewpoint, and although MG2, MG3, MG4, and MG5 view their role as assisting the relationship with the Heads of the Resource Units, they choose to speak from the 'centre's point of view'. According to some specific comments during the interview and considering their explanation to the questionnaire responses the participants of the Management Group, distinguish between relationships with some of the Heads of the Resource Units (see section 5.6.3). It is interesting to notice that they choose to differentiate from the Head's of the Resource Units group only when there is a reason to perceive someone less trusted than the average, and they did not indicate anyone who could be perceived 'more trusted' than the average.

The justification of trust and agreement is based on comments made in respect to structural issues, analysed subsequently in more detail (see section 5.3.6, section 5.6.2 and section 5.6.3). Outlining some of the major issues that were discussed as relevant to trust, the extent of agreement (or disagreement) can be drawn. These issues are related first to the system of resource allocation involving the process and

the model where the outcome of the process is based, and second to the structural issues as authority, communication, moral anticipations that influence the interaction between the participants. A more detailed analysis of the issues discussed in the interviews follows.

5.3.1 Trust in general

The participants of the Management Group discuss the resource allocation process, perceiving trust as a condition that should exist in all interactions, including the particular context and The University's management in general. They tend to give a broader view of how trust may develop in their relationship with the Heads of the Resource Units, with the resource allocation process as a part of the wider management approach. However, they also refer to their particular understanding of trust and its possible implications with an intention to clarify the notion.

More precisely, trust as the participants from the Management Group believe exists between individuals (MG1, MG2, MG5) who think that the other person is a reasonable one (MG1, MG4), takes into account all the different needs (MG1) and does not seek to take advantage (MG2, MG4) giving a fair representation of requirements (MG2) and feels that s/he has been listened to (MG1). Although, trust is a '*human thing*' (MG2) and a function of personalities (MG5) or might be based on an instant impression (MG2), it is also affected from structural conditions such as availability and accuracy of information in the process (MG1, MG2, MG3, MG4) and the senior position in the interaction (MG1, MG2). Very interestingly, the comprehensive exploration of the notion of trust by MG3 claims there are three levels. The first is related to the system that produces '*material evidence*' and the other two to the individuals involved in the process. The trust of individuals is based first on their competence to interpret the evidence correctly, and second on the intentions of

the person to give a true and straight account independent of political or financial reasons.

Trust is built when the senior partner in the relationship is not *'overtly dominant'* (MG1) and does not treat the situation as a typical *'master and servant'* relation (MG2). Openness (MG1, MG2), dialogue (MG1, MG4), communication (MG2) and a good reason (MG1), are acknowledged extensively as the crucial elements in the interaction in order to build or retain trust. In addition, a very good interpersonal relationship, knowing each other, experience of working together (MG2), ability to feel and be part of the whole context of The University (MG1, MG3, MG4) with the willingness to compromise (MG2) supports the development of trust. They also explain that it is possible for trust to change through time (MG1, MG2, MG3). On the other hand misunderstanding, tendency to keep information and prejudice about the situation and outcomes (MG1), suspicion (MG3), surprise, mistakes and inaccurate information (MG2) are likely to affect ones trust unconstructively.

5.3.2 Trust in The University now

The views of the participants of the Management Group, in respect to the estimated level of trust in The University in general and in the resource allocation process in particular, vary in a degree of confidence. MG1 and MG2 seem to be more confident to state that *'the level of trust has always been high!'* (MG2) and this is primarily a response in their aim and effort to *'maintain trust as far as one can'* (MG1). However, MG3 and MG4 appear to be *'little sceptical'* (MG3) and emphasise the need to trust the two major individuals of the Management Group who direct the resource allocation process (MG4).

5.3.3 Accountability and trust

It is widely acknowledged by the participants of the Management Group that relevant and necessary information within the resource allocation process is *'not hidden'* (MG2) and in general, they adopt an approach of openness in the process. However, in their explanation of the intentional willingness to 'let the Deans know' about elements of the resource allocation process, and the way the final decisions incorporated to the model, it is possible to gather a degree of reservation.

In particular, the extent to which specific information relevant to the resource allocation decision is acknowledged to the Heads of the Resource Units is very much related to the attempt to control and influence this information before the Deans get involved in the process. MG1 characteristically explains *'I'm sorry I can't tell you the outcome of that at the moment, because there are other political consequences and this is 'political' with a small 'p', but as soon as things are bit tidier (...) I will bring into the open'.* However, as MG3 is concerned that although the management participants *'have agreed not to do it right at the very beginning'*, because *'if you keep people informed all the way through and then you are just going to spend a huge amount of time on the information set (...) so it is much easier not to tell the next group of people down what the plan is, until the plan is reasonably well developed'*, but, *'equally if you wait until everything is completely signed(...) no spare capacity in the system then that's too late'.*

The other dimension of this reservation to 'let the Deans know' relates to the extent that particular 'adjustments' of the IDRM were justified and rationalised in the process. MG1 explains that *'sometimes you have to produce rationalisations, which are...mmm ...partially closed'* in order to accommodate the needs of every Resource Unit in The University, rationalisations that are based on *'strategies in my head of what and how I am doing'*. MG3 believes that trust is very important during the final stages of the process when the cash limited budget is finally set. MG5 explicitly

explains that there are potential disagreements between the Principal, who is controlling the model, and the Deans who have to accept the consequences of the model's subjective judgments, with the Principal being *'the last guy at the top of the tree who is willing to stand by these subjective judgments saying 'this is the way I want to do it' this is the model...this is the way (...) to run The University.... end of story...I will not contemplate things''*.

In general, the very open attitude to the resource allocation process and in The University's management overall, is believed to be a potential for trust, but some angles of the process can be challenged as consciously less open, and explanation might be found in the authority inequality is the process, the modes of communication and particular stand on the presumed reciprocity of rights and obligations in the particular context.

5.3.4 The resource allocation process and trust

The major resource allocation setting, according to the Management Group participants, is the Star Chamber meeting. They tend to refer to the meeting as an attempt to communicate *'hopes and aspirations'* (MG1, MG2) in an inclusive way. It is claimed that there is a greater flexibility for more or different style of meetings. As MG4 explains, *'the whole thing is a dynamic...it has been changing over the years and it is not the same Star Chamber process as it was four years ago'*.

More specifically, the Star Chambers are three meetings, where the first one is a *'positioning one'* (MG1) where there are *'explorative discussions'* (MG5) about the *'parameters they see from the faculty perspective'* and The University *'would give indications of how things might be financially'* (MG4). The second meetings are *'looking at the indicative budget'* (MG4) which is based on the Grant letter announced by the Funding Body at the end of March. These second meetings have *'little stress'* due to attention on the list of individuals (MG5) and other cost cutting efforts, which

need to be discussed in *'detail'* (MG1). The last Star Chamber is the stage where the outcomes of the process are administered.

The two major disagreements in respect to the Star Chamber organisation are the extent which are formalised, and the perspective of conducting them in territorial rather than individual basis. Firstly, as MG2 argues, the Star Chambers are considered formal meetings with minutes and when the Head of the Resource Units *'come to the Star Chamber they have the IDRM'*, but on the other hand MG5 explains that *'the Star Chambers were never formalised...the agenda was never really formalised...players became more used to thinking that the format of the meeting itself, was becoming more apparent'*. Secondly, as MG1 thinks that letting many Heads of the Resource Units attend the Star Chambers together *'is very inefficient'* and s/he argues that although there was an attempt to organise territorial meetings, a number of Deans did not wish to participate because, in her/his opinion, *'they only needed to be present if the process was not open and fair'*. However, MG3 thinks that *'it would be very useful'* and MG4 argues that it *'would bring more of a collegial approach'*. In terms of the influence of the Star Chamber on the trust in The University, MG2 argues that there is no effect on interpersonal trust but possibly influences the confidence in the system, and MG3 believes that trust in the Management Group develops gradually during the process. MG4 believes that at the second and third meetings trust between the participants is very important.

Other contacts regarding resource allocation issues, involve the resource strategy committee where the *'outcomes of the Star Chambers are shared'* (MG1) and the task force meetings that are organised *'in an informal setting with no minutes and without anybody else there...that break in much more relaxed'* (MG2). In addition it is also possible to have a *'little side discussion'* (MG1) or a Head of Resource Unit can *'write to (the Principal) privately'* (MG1).

5.3.5 The Resource Allocation Model

The allocation of resources through the IDRM is perceived as a necessary approach for most of the participants of the Management Group. The only individual who questions the appropriateness of the particular model of The University is MG5. The rest of the participants tend to accept the model and they argue that although it is quite complicated, it changes through time to be more a *'user friendly'* (MG1, MG2) mode, and it is available to everyone who is concerned. Moreover, MG2 argues that the model is supplied to the Heads of the Resource Units before the Star Chamber meetings; MG3 explains that some of the aspects of the resource allocation process are not incorporated in the model and that make it less transparent. MG5 claims that the model is a *'largely arbitrary model'* which has *'the appearance of rationality but it is a series of subjective judgments'*. MG5 is concerned with the level of top slice, the limited incentives that could be generated from the model, and the behavioural and political consequences of the model's outcome.

5.3.6 University management and trust

5.3.6.1 Overall

The responses of MGs to the questions related to trust and power revealed an assumed level of trust of the senior partner in a relationship. They also believe that although the authority structure is quite centralised, an efficient level of dialogue exists to facilitate The University's needs. One of the major difficulties that The University's management has to deal with is the shortage of funding resources. However the general agreement is that the allocation of funds should not be decided considering the economic efficiency of a particular Resource Unit only, but according to the strategic teaching and research objectives of The University. They also agree

that dissatisfaction over a decision taken from the Management Group, is an indication of disagreement with The University's overall mission and interests.

In terms of the resource allocation process, they agree that the current system suffers from complexity but there is an intention to change this condition through time. In any case, they agree that there is no reason that the current allocation model should influence the trust level that the Deans have, because trust is primarily a personalised feeling towards individuals. Therefore, the allocation model has nothing to do with the trustworthiness of the people involved. Similarly, they view the Star Chambers as a structured process, where trust is not a major necessity because there is no room for effective interaction between the participants. However they mention that there is much more importance in the interaction between the major budget setting participants in the Resource Strategy Committee, and the task groups or even in a direct personal contact between them. Trust develops in these other meetings, although there is not any decision taking delegation.

5.3.6.2 Hierarchical structure and trust

The importance of the role, positioned in the hierarchical structure of The University is mentioned in all the Management Group conversations. It is believed that one's position in The University determines the role's specified obligations and rights. Although there is an agreement that the individual's personality and experience is heavily important, there is a general view that one's position in the hierarchy specifics defined expectations. A major part of these expectations is based on a given level of trust, which the senior one has the responsibility to maintain.

More precisely, MG1 believes that it is the responsibility of the senior partner in a management relationship, to create a trust development circumstances such inclusive involvement and open communication in the process. S/he believes also that if the senior partner is '*overtly dominant*' and decides without consultation or

ignoring the opinions of the lower level individuals then that *'undermine(s) trust'* in the relationship. This type of dominant behaviour also eliminates the confidence of the decision's outcome. Moreover, s/he states that it is the senior partner's responsibility to ensure that the other partner feels that have been treated fairly. S/he believes that when there is an *'us and them'* climate in the relationship, then the other tends to be defensive. The outcome of this type of relationship is not going to be as productive as desired. S/he also argues that *'there are many private sector systems and some public sector systems, where it is very hierarchical and there is a great deal of trust... you can have hierarchical systems with high levels of trust (...) because there is a very high degree of openness'*

MG2 believes that one's position in the hierarchical structure of The University holds a presumed level of trust. S/he states that *'you start a senior management situation from an assumed level of trust'*. However, s/he thinks that trust may change when working together rather than from *'just a straight master servant typical situation'*. S/he also believes that a given position, is not a faceless role-playing post, but depends on the individual's personality. S/he recalls when s/he was employed in another University; there was not a high level of trust towards the person who was holding the leading position of management. However, when s/he is asked whether s/he thinks that others trust her/him, s/he states that s/he assumes that they do trust her/him to do her/his job as best as s/he can. In addition, if there is a reason that the Deans may dislike her/him, it is because her/his position is a sort of *'corporate police'* role, meaning that her/his role is to ensure order and good use of resources in The University.

However, MG3, MG4 and MG5 give more emphasis to the personality of the individuals involved, rather that the position they hold in The University's management. MG3 believes that it is everybody's responsibility to ensure a fair and effective relationship between the Dean and the Management Group. However, MG3

assumes the greatest effort should be done from the central management perspective, and that can be achieved when working together over a period of weeks and months. S/he also gives value to the trust relationship between the Deans and s/he expresses the view that when they are confident of each other, then their relationship is going to be constructive with the Management Group as well. In any case, s/he perceives the Deans as major actors in The University's management.

5.3.6.3 Decision authority and trust

The Management Group participants tend to agree that The University's management system is highly centralised, but they believe that there is a degree of dialogue that ensures an equal representation of all their views to the centre. Although they believe that the centre is quite approachable and there are established roots of appeal if one disagrees with a given perspective, they do not see this openness as a delegation of authority but as a convincing mechanism that may facilitate trust in a decision. They also agree that in the hierarchical structure of The University the Principal and the Management Group are the legitimate decision making group whereas the Deans are the next authority level, who although they are the major budget holders, have no direct participation in Management Group. The Deans are not perceived as equal participants in the resource allocation process and their role is more to receive and implement the decision, rather to discuss and negotiate their faculties' recourse situation.

The resource allocation process is designed in a centralised way as well. However, there are major developments that facilitate more participative patterns and it is believed that they also facilitate a degree of trust between the Management Group and the Deans and also within the Dean's group. These other resource meetings involve The Resource Strategy committee and various task groups where issues like

strategic direction, the IDRM restructure and the organisational structure change of The University are discussed. Although these contacts are less formal than the Star Chambers and the Management Group participants believe that they help to establish a encouraging working climate and increase the level of trust in The University, they do not have a specific decision power, and their outcomes are perceived as recommendations to the Deans.

The importance of participation in the resource allocation discussions is placed on the development of a 'collegial' feeling between the Deans, rather than an intended decentralisation of the decision-making responsibilities. There is a general appreciation of the Dean's effort to ask for territorial based resource-planning meetings, in replacement of the individual Star Chamber ones. In that perspective, the Deans of faculties with similar educational orientation (i.e. sciences based, medical based, arts and social sciences etc), would have the opportunity to gather in the same resource allocation meeting. However, an initial unsuccessful attempt was perceived as unwillingness to 'know about others', rather than a miscommunication of the purpose underlined to these territorial meetings. It is believed that trust will be developed and maintained more easily when the territorial meetings operate more effectively.

More specifically, MG1 states that *'the way the resource process operates is the way the management process operates, and overall is a general strategy about where we want to take The University'*. S/he explains that there is a Management Group in each of the faculties and that Management Group controls the resources. A member of the Central Management Group, the Vice Principal, supervises the views of that Management Group. The Vice-Principal's role, in MG1 opinion, is focusing on communicating views and reminding the Faculty groups of The University's general strategy. S/he thinks that conducting the Star Chambers with more than one Dean would be very *'inefficient'* because the focus of the Star Chamber is to have a

detailed look at the individual faculty's resources. Therefore, the Resources Strategy Group meeting is required just after the first Star Chamber, to explain and discuss the changes of the IDRM model. S/he explains with an example referring to the proposed territorial basis meeting with the Deans of the medical related schools, that the meeting never actually took place because the Deans did not wish to participate, although they were invited to attend. In her/his view the Deans had possibly realised that they did not need to be present at this type of meeting because *'they only needed to be present if the process was not open and fair'*.

MG3 explains that the decisions, no matter how difficult, have always been made centrally in The University and the major difficulty is to communicate clearly the reasons for a particular decision to the parties concerned. S/he thinks that the Management Group has to decide collectively. S/he admits that there are still a limited number of people who have been involved in the discussions and s/he believes that this is a major matter within The University. S/he believes that there is a tremendous need for trust when participation is so limited and s/he thinks that the situation has changed through the last few years. S/he feels that the vice-Principal's role is *'to make sure that everything is a fair game'* although, in her/his opinion, the Vice-Principals role is to support the central Management Group decisions even if they disagree.

On the same motif but on a different level of conduct, MG2 and MG4 argue that although trust is an individual matter, a more participative management style may facilitate a collegial approach to the allocation of resources. MG2 believes that participation of more than one Dean in the same Star Chamber meeting is not a necessary condition for trust, because trust is developed more easily in the individual meetings that take place for the different managerial issues raised. S/he refers to the various task groups, where interpersonal interaction formulates the working climate. S/he believes that business is *'all about interpersonal relationships and willingness to*

compromise'. Trust is developed in such an interpersonal contact, rather than in the formal Star Chamber meeting. Similarly, MG4 places more attention on the individuality of the Deans and views the Deans as a very disparate group of people where some may prefer more involvement in the management issues of The University and others prefer *'to divide up the money in a fairly formulaic way'.* However, s/he thinks that territorial meetings could be more effective than individual ones. S/he also says that there should not be a major focus on the different authority level between the Deans and the Management Group in terms of trust. S/he believes it is a fairly equal distribution of power in the senior management level of The University and that includes the Deans also. S/he states openly, *'I do not necessarily buy the concept of power here'.* However, s/he admits that the Deans do not have a direct impact in The University's decisions; because the way the Management Group is organised is *'entirely up to the Principal'* and therefore the Deans have to trust her/him.

In contrast, MG5 argues that there is a great inequality of authority that stresses the relationship between the Principal and the Deans. S/he believes that in the resource allocation process, the two major Management Group individuals controlled the budget and although there was some participation of the Deans, there was not an actual *'scope to manoeuvre'.* S/he explains that this is related to the particular *'hands on'* management style of the involved personalities. However s/he believes that the original intention of the Principal was to try and increasingly devolve the power downwards to the Deans although *'the opposite actually happened'.*

5.3.6.4 Interests and trust

The drawing of common interests is increasingly important in The University, according to the Management Group members. Trust is a key factor between the groups of diverse interests, in order to achieve a reasonable consensus on the

objectives that drive The University's strategy. It is of major importance to consider the financial constraints of The University, as a whole, rather than individual faculty needs for resources. The Management Group participants agree that the ability to view The University's 'big picture' is a crucial skill, which is required in the resource allocation process. The MGs also believe that the trust level between the parties involved, is related to this ability and influences the perceived fairness in the process and its outcomes. In order to ensure that the individuals have this 'managerial skill', a reform of the elective process of the Deans took place under the current management. The previous process gave emphasis to the elective choice of the candidates in their own faculties, even if the individuals were profoundly opposed to the central management's perspectives. After the reform, this elective process was replaced with an appointment of a capable individual by The University Court, who has the last 'word' in the process. The ideal capable individual for the position of the Dean, is the person who combines both academic distinction and managerial awareness, because the role has both a budget holding responsibility and academic leadership requirements. It is also believed that the appointed Deans are reasonably experienced at managing The University's budget due to their previous position as Head of Department.

The Management Group participants also tend to agree that an academic, rather than a trained professional manager should be employed in the Dean's position, because of The University's importance as a leading research University. In general, they agree that if there is a level of disagreement in the resource allocation process, it is much more related to the way the process operates, rather than the reasons that support the decision made as an outcome of the process. The MGs acknowledge that major issues of possible disagreement with the Deans, are the top-slice level of the IDRM, its timeliness and the choice of strategic cross-subsidisation of specific Resource Units. The Management Group participants believe that when the Deans

are able to view The University as a 'big picture' rather than their faculty's particular needs only, they would trust the Central management's processes and outcomes more. In any case, they think that there are sufficient roots of appeal, ranging from direct personal contact with the Principal, to the mobilisation of indirect mechanisms of resistance, as the formation of working groups for any kind of inquiry.

More precisely, MG1 explains, with an example, that when a particular Dean asked for resources, that would ensure more students' allowance, the central management evaluating the proposition decided that could have harmful impact to some other faculties. They finally convinced the Dean that her/his demand was not feasible *'making them (the Deans) see their needs in the whole context of The University'*. S/he states that their approach is *'not to set aside the aspirations and needs'* and on the other hand to manage the situation in a way that will *'not just shift the problem from there to there'*. Her/his attention is focused on putting the Deans in a position that they *'didn't distrust us because we didn't meet their wishes'*. MG4 thinks that although the Deans may not agree with a financial decision, they are required to trust that the decision taken is in The University's interests. MG4 particularly believes that the Deans need to have trust of the Principal and the Director of Finance, because many important decisions, such as freezing the reserves so that balances cannot be carried forward from one year to the next, are taken by them. Similarly, MG2 thinks that trusting the major participant's commitment to The University's interests, is a feeling that develops through interaction and interpersonal relationship. MG3 believes that trust is essential to avoid suspicion and conflict in the resource allocation process because there are few aspects of the overall resource allocation, which are not in the IDRM. S/he also thinks that the Deans trust most of the Management Group most of the time, and s/he challenges the statement with scepticism wondering whether *'most of us trust the Deans most of the time'*.

5.3.6.5 Financial resources and trust

In terms of financial resources, the discussion with the participants of the Management Group revealed a great awareness of the limited financial resources provided to The University. They express a general sensitivity to the issue and they expect the Deans to be economically efficient. Financial sensibility is a major factor that influences them when they deal with a specific Resource Unit, however the financial position of the faculties is not the major condition that influences their trust. In addition, they state that when funds are very limited, trust is an urgent requirement in the funds allocation process. They also state that the rational of resources distribution in The University, is to maintain and develop the research and teaching units of The University, which are in a disadvantaged situation due to limited ability to attract funding from research councils, or they are new disciplines that are not very popular to the student population and other reasons. They are also aware that the particular financial situation of a specific faculty, may influence the Dean's level of trust to the system employed, but they give more weight to the Dean's experience and personality.

In more detail, MG1 believes that when resources are tight, trust between those who decide resources allocation is very important. It may prevent a climate of suspicion and continuous questioning of the factors that drive the decision, and of the relationship between other participants. To aid trust, one has to be open and when resources are tight, then one must be more open. S/he explains that if the Principal is not open with the Deans, then the Deans would not trust the Principal. Further, the Deans would not trust each other either, because they would not know about each Dean's relationship with the Principal. S/he thinks that the senior managers of The University are accountable to the funding council (SHEFC) for the resources allocated, and s/he would expect the Deans to be responsible for the resources they receive. S/he also sees the allocation decision, to be influenced from the *'agreed*

strategic direction' and not to aid specific needs of individual faculties. This strategic direction is partly communicated through the outcomes of the IDRM and the Resources Allocation Process, but the model does not necessarily reflect the long-term strategic objectives of The University. S/he explains that if there is a need to subsidise a specific faculty, the model will incorporate this decision anyway. Therefore, s/he believes that this decision would be appreciated if only trust exists between the resource allocation participants. MG2 adds to this perception with the exercise of a *'stewardship'* power that will prevent The University falling bankrupt and convinces the Deans to manage their finances with care and in agreement with The University's strategy.

The other very strong opinion on resource's management, comes from MG3 who states *'we can't afford financial errors'*. Nevertheless, s/he admits that The University's resource allocation process is not black and white; therefore, the financially successful areas would not necessarily be financed in accordance to the income they generate. S/he argues that the main rational, is to finance areas that are developing and those which are new with no reputation in the student population. S/he argues that every Dean has to understand that the faculties should run within the budget because *'we can't afford to run consistently at a loss'*. S/he believes that trust between the resource allocation participants is important to accept the decisions taken and s/he relates the trust developing levels to the time the budget is disclosed. S/he also thinks that trust should be high, not only between those who express a direct view in the allocation process but also with those who are supporting administratively the process. Similarly, MG4 agrees that the budget constraints are quite strong and influential in the resource allocation decision and expects both sides of the table to make the best effort to come to an agreed consensus.

5.3.6.6 Communication and trust

The importance of information communication is perceived by the participants of the Management Group, as a major issue that needs to be considered when discussing trust. The attention of the conversations is focused on the information communication during the resource allocation process, and to the availability of this information through the IDRM; as well as the understanding of the interests and the decision purposes in the process.

They tend to believe that their approach to the process is openness in any form of dialogue that builds both on the quality of information and on frequency of contacts. Although they agree that, there were times that the resource allocation negotiations had to be conducted with insufficient knowledge about the angles of the planning process, they explain that there is a time restriction on some of the important aspects of the required information such as the announcement of the funding letter from the government body. However, they claim that their intention is to work on the resources allocation with an open and transparent manner. They also tend to agree that although the Star Chambers are the major three resource allocation meetings, there is an attempt to conduct more and less formal meetings when necessary. They believe that the more open and reliable this conduct is the more trust exists between the participants.

Their argument of openness for improvement, and transparency for trust, includes the format and availability of the IDRM. They claim that it tends to be more *'user friendly'* both in terms of accessibility and simplicity. However, they believe that it is still a complicated spreadsheet that needs to be improved. In any case, they believe that the way the model is displayed does not influence the participant's trust, because trust is based more on interpersonal relationships.

MG2 believes that trust relies on the existence of a reliable provision of information. S/he argues that the required condition for trust in the budget setting

routine, is the belief that the other person represents the financial situation fairly and that there is no indention to *'dress it up'*. S/he also thinks that time is necessary to establish trust as a condition in the relationship. Regularity of contact proves to be beneficial in the relationship and establishes trust between the individuals involved. S/he claims that when people are meeting often, for a period of time they get to know each other and that emphasises the secure feeling of trusting each other. S/he thinks that accurate and sufficient decision making information is essential and the system providing this information should be competent, however, s/he states that when the people *'know that the senior management want to use funds for the benefit of the institution'* they should trust the decisions taken. S/he also admits that although the current IDRM becomes more transparent and the process is *'an open book'*, there is a difficulty to *'understand it'*. S/he clearly states that there is a difference between *'openness and understanding'*. S/he states that the IDRM changed through the years. In terms of the timing of the information in the budget process, s/he claims that all the interested parties have the required level of information in advance, but there were times in the past when this information was unintentionally not available. In any case, s/he thinks that this should not influence trust, because *'if they need to know information they can ask for it'*. S/he also perceives the first Star Chamber meeting as a primarily communication meeting, where the Deans are communicating to the central management *'their hopes and aspirations.* Similarly MG1 emphasises the importance of openness in the process and s/he adds that *'if people believe that the information that everybody has been told is the same and the circumstances in which each of the negotiation is taken place is the same, then even if in one year the outcome may not be what they would wish, they will live with it'*. S/he also admits that *'although open systems are difficult to run, because you have to invest a lot of time in it, but they rarely go very wrong, very quickly'*.

Interestingly, MG3 believes that although during the last four years The University improved in terms of transparency, there is still a lot of effort required to improve the communication patterns in The University. S/he also addresses the issue of timing of information disclosure in the resource allocation process. S/he states that the question is not whether the process is going to be transparent, but when transparency is going to take place in the process. S/he thinks that transparency develops gradually through the process of the Star Chamber meetings. S/he also thinks that in parallel, the trust between the participants develops through the process.

5.3.6.7 Legitimate anticipations and trust

The participants of the Management Group seem to pay considerable attention on the appreciative and open profile on the position of responsibility they hold, which reflects both the need to comply with overall moral anticipations to maintain, care and grow The University, and to reciprocate fairly to the particular anticipations of individual Resource Units. Similarly they tend to seek understanding and support of their position from the Deans as a moral duty.

MG5 explains that the reason behind the top slice amount was to support more the academic side of The University, than being specifically administrative, or to *'do with the fabric of the buildings'*. MG2 views her/his own role as being dedicated to providing *'administrative support as well as to train the Deans...to coach them along'* so they can deal with the demanding financial paper work. MG1 demonstrates that due to fact that the faculties represent scientific disciplines that are meaningful and necessary in the community, the decision to support them with more resources is *'absolutely critical'*. In her/his vocabulary the words 'reasonable', 'sensible', and 'good reason' appear frequently indicating her/his need to persuade others that the decisions taken were based on such an approach. On the same motif, MG3 with an example, explains that the Management Group is dedicated to the support of sciences

even if they face difficult financial periods *'getting the faculty back to profitability as you legitimately do in the course of the year'*.

In that respect, they trust the Deans to reciprocate with responsibility and do not overspend or sacrifice the already limited resources on activities not in compliance with the *'agreed strategy'* (MG1). MG2 explains that *'if you actually develop that trust relationship they won't spend it because they know that the senior management want to use it for the benefit of the institution'*. MG2 also admits in times the Dean cooperated on this basis and it would be unfair for her/him to say *'that the Deans never reciprocate to (her/his) expectations'*. Furthermore, MG1 believes that even if the Deans were not happy with the outcome of the year's negotiations, they have to accept the decision because they should appreciate The University's effort to take into account all the different needs of all Resource Units.

5.3.6.8 Changes and trust

The issue of trust is also discussed in the context of changes through time, that can be observed at different levels. In respect to the resource allocation process, changes have been diagnosed both in the process and the model employed. Additionally, various organisational and managerial changes took place in recent times in order to achieve The University's *'agreed strategy'*. Concerning the reasons that influence these changes, the Management Group participants hold different opinions, which are related to the nature of individuals and the influences of The University's funding and institutional environment.

In respect to the changes applied to the IDRM model, they argue that it has been more transparent and with less complexity through the years. Although there is a tendency to overstate the improvements of the model in terms of complexity and length, they do not discuss its essential purpose in the resource allocation process. In that respect, MG1 argues that although people ask her/him if there is a secret model

that s/he operates, s/he states that there are strategies of what and how to do things but these strategies are not reflected on the model's operation. In addition, s/he states that although there have been discussions of *'how much easier one wants to do things (...), at the end of the day they will do it even if the model was difficult to manage'*. Moreover MG2 revealed that there have been considerations of *'putting things together'*, when referring to the other sources of financial information in The University such as the student record system, the finance system for overheads, estates utility charges, depreciation, space costs, *'a couple of capital projects'*, *'all sort of things that have to pooled together and put in the IDRM'*.

In terms of the resource allocation meetings, they acknowledge the usefulness of more frequent meetings and they tend to think that it may influence the participants' trust. They also agree that altering the consistency of the Star Chamber meeting from an individual basis to a territorial basis may affect the participants understanding of process. However, they tend to believe that if there is a reasonable claim from the Deans to design more types of contact, it is considered carefully. They acknowledge the formation of the Resources Strategy Group and the *'task groups'* as an implementation of their approach to 'management by openness'.

In the discussion on the factors that affect such changes at The University's resource allocation approach, the participants of the Management Group are placing the weight onto different perspectives. MG1 and MG2 argue that there are structural influences of how the resources should be allocated efficiently by The University's 'business' environment. MG2 states that *'as universities have to become more business like, in everything that they do, inevitably there has to be a professionalisation of the management academic'*. S/he thinks that the formation of resource allocation efficiency criteria and an advanced allocation model is a step further towards this professionalisation. MG1 recalls the case when The University was asked by the people from the government body *'to set up a more managerial*

process of looking at competence' when appointing the Deans. S/he also admits that there might be a relative loss of trust towards the Principal because people may complain about the approach chosen as anti-democratic and *'strong managerialist'* that is *'not how a University should run'*.

On the other hand, MG3, MG4 and MG5 explain that the individuals involved, their personalities and actions, fundamentally drove the changes of the resource allocation process. Characteristically MG4 argues that *'the whole thing is dynamic... it has been changing over the years...and it is the individuals involved in the process for years'*. S/he also estimates that there will be changes the next year in expectation of the appointment of a new Principal. Furthermore, her/his belief of the influence of the individuals involved to the resource allocation changing process is emphasised when s/he states that it is not the resource allocation model that affects trust but the individuals concerned.

5.3.6.9 Confidence in system or trust in people

The participants of the Management Group tend to agree that there is a distinction between the confidence developed in a competent system and the trust between the individuals involved. They all argue that although there might be structural disadvantages in the resource allocation process and the model, that should not be major factor that will influence trust. They believe that openness and willingness to compromise with The University's objectives will build a productive working climate and will facilitate trust between the individuals involved. They consider the individual's personality as an important factor that affects one's behaviour and attitude, and they argue that knowing each other better will prevent dysfunctional behaviour and /or major misunderstandings.

More precisely, MG2 expresses an awareness of the distinction between confidence in the information provided in the resource allocation process and the trust

between the individuals involved. S/he believes that when the process and the model employed is transparent and less complex, that improves the confidence in the robustness of the data provided. S/he also thinks that, when the personnel producing these data are knowledgeable and experienced that may also emphasise the confidence in the resource allocation process. On the other hand, s/he believes that trust is *'a human thing'* and reflects the assumption about the qualities of the other person. S/he explains that it is different when one feels confident about the information supplied and different when one feels that this information will be kept confidential. In any case, s/he thinks that confidence in the robustness of the information affects the trust between individuals and influences the working relationship. S/he states that *'if there is no confidence, the relationship becomes distant and that diminishes trust'*.

MG1 thinks that if there is a break down in someone's trust it is, nearly always because there is a serious misunderstanding. S/he believes that The University's process should be open because it is a *'very intelligent'* community of academics. S/he also thinks that the Deans trust the person who above them in the hierarchy if s/he is a reasonable one. S/he also thinks that in the academic environment people have specific customs of doing things, customs *'sort of Socratic dialogue'*. This is also the reason that there would be a reaction from Deans from whom *'the Texas is coming'*. In other words, s/he thinks that openness is an approach that would facilitate trust considering the customs and values that the academic community has.

5. 4 Individual views - Heads of Resource Units

5.4.1 Participant RU1

The Head of RU1 believes that trust is built with the experience of working together. In order to develop trust in a working relationship, s/he believes that there should be a good communication, consultation between the participants, regular meetings with each other, and delegation of responsibilities. S/he feels that in The University, these conditions are not developed to a satisfactory level and the major reason for that is the highly hierarchical and centralised structure of the *'male way of management'* that The University employs. S/he further argues that a female Dean would *'not trust men as men trust each other'*.

S/he views the Star Chamber as a negotiation process between non-equal parties and s/he argues the *'real'* negotiations are out of the Star Chamber. S/he feels that the Deans should develop The University's strategy because they know what they can do and they are able to generate income. S/he feels confident enough to propose the agenda to the resource allocation negotiations and s/he believes that communication between the Deans is essential to establish a dynamic response to The University's financial challenges.

S/he believes that the individual Star Chambers are designed in a way to *'keep the Deans in their place'* and the Management Group approach is *'we are listening but we are not negotiating with you'*. S/he believes that the degree of confidence and knowledge s/he obtained, developed through her/his own willingness to *'make the other side understand'*, and her/his relationship with other Deans.

In terms of the IDRM, s/he argues that it is not providing incentives to generate income for educational development and its short-termism create uncertainty about the Resource Unit's future. For that reason, s/he believes that, most of the Deans are trying not to disclose all the information to the centre about their finances. S/he also thinks that the finance office instigation of a monthly return on expenditure

indicates that they do not believe the Deans completely. S/he states that s/he was expecting a degree of technical support and training for her/his position as a budget holder, which s/he never received.

5.4.2 Participant RU2

The Head of Resource Unit 2 believes that trust develops in a two-way communication between equal partners, who are honest and do not try to take advantage of each other. S/he thinks that there is no trust between the participants of the resource allocation process because the central management *'disregards and devalues'* the Deans, which deals with them in an antagonistic process trying to impose a flawed financial model.

More precisely, s/he argues that the Star Chamber meetings are a *'financial arena, deliberately gladiatorial in its design'*. S/he demonstrates that the antagonistic atmosphere is created giving an advantage to the *'centre'*. S/he claims that it is a very formal meeting where *'papers and calculators'* are a proxy to make the Dean think that *'they know what they are doing'* and make her/him feel defensive and depressed. S/he believes that the financial presumption is that the Heads of the Resource Units are incompetent to manage their finances and the purpose of the meeting is to impose the IDRM to individuals, *'who will look at it and do not understand it'*. S/he states that the purpose of the Star Chambers is to negotiate on particular costs, whereas s/he would prefer to discuss the way the IDRM is modelled. S/he claims that the Resource Strategy committee is a simple *'talk meeting'* where there are no reporting links to the Management Group. Overall, s/he thinks that the Management Group *'is completely out of touch with what is going on in The University'*, because no Deans are participating in it.

S/he believes that the IDRM is a very flawed concept. S/he argues it is so complex that even the Principal and Director of Finance do not understand it

completely. S/he claims that there is no transparency in the system because the model is designed with a *'bit of creative accountancy'*, and shifts money between units formulating unfair surpluses and deficits. S/he suggests that the financial model appropriate to The University is one that will be Resource driven rather than Income driven. S/he argues that the Resource Units should be charged only for the services they use with a non-fixed rate. S/he disagrees strongly with the level and purpose of the top slice arguing that it is not clear where the top-sliced amounts are used.

5.4.3 Participant RU3

The Head of RU3 explains that trust is based on the sense that the other person will behave *'reasonably'* and that s/he behave *'in the right sort of way'*. S/he conceives the concept in the particular allowance to manage a budget and s/he argues that the *'trust to delegate the confidence'* in one's ability to manage the budgeted amount appropriately, will affect her/his expectations and the manner of her/his behaviour towards a particular individual. S/he also states that in the situation of the delegations of resources, the position of power of each of the sides definitely affects the trust and expectation for each party.

In regards to the resource allocation process s/he thinks that in some respect, the academic background of most of the participants in the process affects their attitude towards the whole concept of budget and constrained resources. S/he names this stance *'academic creative law'*, and s/he explains that *'academics do not want to be and do not like to be managed.... (and) they are very distrustful...(because) they find it very difficult to come to terms with the fact that the resources may not be there.... or they may not be as many resources as there should be'*. In addition s/he explains that her/his trust changes during the process and her/his *'level of trust and satisfaction'* is often higher at the end when s/he has *'got closer to what (s/he) wanted'*. S/he emphasises the importance of the intention to share information and

the *'power posture'* at the meetings, where in particular at the first ones s/he feels that *'they are flexing their muscles...and they are trying to give a sense of the parameters'*.

Referring to the IDRM, s/he claims that the *'people who have the power there...can juggle the figures in one way, they can juggle the figures another way, they can make expectations for me'*. S/he appears very much aware of the individual influences in the agreement and construction of the model, along with the external changes that *'the people creating the IDRM...have to react to things'*, and therefore major changes may appear in the model. However, s/he argues that although the model operates on a yearly basis, that *'has not stopped (her/him) trying to have plans for more than one year'*.

5.4.4 Participant RU4

The Head of Resource Unit 4 believes that trust develops when there is an open and honest communication between two parties. S/he also believes that it is important to know that the other's interests are compatible with the overall University objectives and to feel that there is no intention to take advantage of one's weak conditions. S/he feels that there is an essential need for agreement and understanding of both parties' interests. S/he states that you *'trust the tiger do what tigers do'*, meaning that s/he can place her/his trust on someone only when s/he knows her/her/his interests and intentions. Therefore s/he thinks that s/he trusts the individuals involved, although not at the same level, because they all try to achieve the same objective to make the faculty a surplus one.

In terms of the Star Chamber process, s/he argues that although it has to deal with very important issues that many people depend on, it is very unstructured, unpredictable and goes into unnecessary details- micromanagement- that could be discussed in another type of meeting. S/he thinks that there is an imbalance of experience in budget negotiations, and s/he therefore feels very uncomfortable with

the fact that there is no predetermined agenda and minutes of the actual meeting. S/he thinks that the Star Chamber meeting is *'intended to be a highly stressful meeting because it is orchestrated in this way'*. S/he refers to the tones and the body language that increase the stress in the situation. S/he also believes that the Star Chambers consists of a more negotiation rather than a communication meeting.

S/He views the IDRM as a very complex formula that only a few people understand. S/he argues that although it is a formula, there is a certain point where a human judgment has to be exercised, and trust is required. In particular, when discussing strategic allocations, a level of intervention exists. S/he also argues that s/he has never been given any type of instructions or training of how to deal with the model. Additional to the model's complexity, the Star Chamber atmosphere creates a level of suspicion for *'second accounts'* (meaning other agenda's of University resource objectives). S/he argues that the opaqueness of the situation diminishes trust and creates a disadvantage for the Deans. S/he thinks that s/he would be happy if *'the detail of how accounting is done'* was more transparent. S/he also believes that the appearance of a deficit has to do with *'rules of the game'*, and is more a consequence of the complexity of the IDRM model or the political interests of The University's centre.

5.4.5 Participant RU5

The Head of Resource Unit 5 believes that trust is not a generic feeling for a group of people but is strictly related to particular individuals. S/he thinks that trust is expressed when one wants to understand, be interested, and give value to the relationship with the other person. S/he also believes that trust is based on the estimation of the other person's integrity. Additionally s/he gives importance to the history of the particular interaction. S/he demonstrates that her/his trust will fall when s/he feels that the other is trying to conceal information, they are not straightforward, and they change *'rules of engagement'* in the relationship without

declaring it. S/he also explains extensively that the trust in individuals should not depend on the systems employed, because that will form an unfair presumption about the individual skills and aspirations. To illustrate this point s/he explains that is not fair to state that the central administration of The University is not worth trust within The University, just because the systems employed are opaque and incompetent, and that is also the case for the deficit Resource Units.

In respect to the resource allocation process, s/he argues that it is not clear what the Star Chamber meetings are about. S/he thinks that they should not be called 'Star Chambers' in the first place and should be renamed to fit their purpose as financial budget negotiations. S/he feels discomfort with the fact that there are not *'fixed points'* with basic rules of engagement, which is illustrated with the changes (of the resource allocation model or process) decided by the Management Group every year. S/he claims that it is a very illogical and opaque process which is based on different and often contradicting data. S/he explains that the information that one should have, to be prepared for the negotiations is either coming from inaccurate databases (for instance, s/he explains that there are two staff records systems which do not give similar outcomes) or it is not disclosed by each parties purposely, in order to gain control on the process. S/he thinks that when there is opacity in the process then there is a *'room to manoeuvre'* and to manipulate information. However, s/he claims that if one wants to achieve a specific agreement then one has to approach the Principal outside of the Star Chamber to deal with it. S/he also thinks that purpose of the Resource Strategy committee has a very questionable role and it does not make decisions. Similarly, s/he sees the 'task force' as an *'internal pressure group'* which, in her/his experience, were the worst meetings because people were not well informed and had to work on inaccurate data.

S/he argues that the IDRM is very complex model that may be transparent but difficult to understand. Its opacity is related to the way the strategic allocations are

formulated and more fundamentally to the quality of data used to build the model. That inaccuracy creates an uncertainty of whether the faculties are getting what is due to them. S/he also argues that the model is used to give *'notional deficits'* to specific Resource Units, which are not fair. S/he argues that one has to consider the volume of the income that a Resource Unit generates, which is related to the volume of the deficit, illustrated when imposing the top slice percentage. In her/his view the bigger the faculty is the more amount of deficit would appear in its accounts.

S/he suggests that major improvement required gathering accurate data. S/he also suggests that there should be careful consideration and changes on the central administration costs that the top slice pays, the time period that the financial planning covers, the documentation of the meetings and the incentives to generate income in The University.

5.4.6 Participant RU6

The Head of the Resource Unit 6 thinks that trust is related to the belief that the other person is fair and reliable when dealing with difficult situations, such as the financial discomfort of The University. S/he acknowledges the difficulties of The University to deal with a shortage of resources and s/he believes that trusting each other should be the way of challenging that difficulty. S/he believes that when one is reasonably open and honest about the situation, then the people will respond in the same way. S/he can also trust someone only when s/he knows that this person is not commenting on others' behaviour or situations. In the particular University setting, s/he claims that although there are financial difficulties and the systems employed are maybe not the most effective ones, s/he trusts the two major actors differently because s/he believes that they have different perspectives of The University.

In her/his opinion, the IDRM is not an easy model to understand, but s/he explains that even if the way the resources are allocated was changed, that would not change the fact that there are not enough resources to allocate. Therefore, s/he places her/his attention more on to the personal interaction with the people involved in the process and s/he expects that they should approach the allocation issues in a fair and reasonable manner. S/he argues that trust is essential in the resource allocation setting in order to deal with pressure and stress. S/he also claims that if the resource allocation meetings were to be designed on a territorial basis, that would be an *'eye opener'* by learning about other's attempts to improve their situation, and people would not take advantage as they can on the individual basis ones. S/he believes that one's confidence to ask for money and explanations is a necessary skill to achieve a satisfactory outcome and control in the negotiations.

5.4.7 Participant RU7

The Head of Resource Unit 7 perceives trust as the willingness to provide support and understanding in order to achieve one's well-being and development. S/he argues that it is directly related to particular individuals who are interacting with each other and it is influenced from the other's personality and respecting each other's interests. More particularly, s/he explains that her/his trust is directed not to the whole Management Group but to two specific individuals, the Principal and the Director of Finance. S/he explains that s/he trusts one more than the other because s/he feels that s/he understands the academic purpose of The University better, and s/he is trying to cope with a degree of academic sensitivity towards The University's challenges, although the whole University's managerial approach should be revised. In contrast, s/he thinks that the second individual, not only does not see the *'things back in academic'* but s/he also see things *'in black and white'*. S/he feels confident

to ask for financial support and s/he believes that some Deans are better in manipulating the system than others.

S/he appears quite sceptical of whether The University's management culture is compatible to the research and teaching challenges of Higher Education. S/he argues that centralised services and decision authority are causing major problems, when employing significantly late and inaccurate systems. In her/his proposed solution, s/he argues that a complete devolution of the management system would aid the demands of efficiency of both financial and educational purposes. S/he thinks that the Deans should be the ones who decide how the resources should be allocated, design the IDRM, plan, and control their finances for research and teaching. S/he argues that the current consistency of the Management Group is totally incompatible with The University's mission and s/he suggests that the Deans should be involved more actively. S/he thinks that some administrative units represented at the Management Group such as the Finance Office, Information Services, and Estates and Buildings should not be active, and have more influence than they should, because they do not understand The University's issues *'of excellence in teaching and excellence in research'*. S/he also argues that there should be a degree of devolution to the Research and Enterprise, Finance, and Information Services because the current services that are provided are not satisfactory both in terms of time and quality. S/he also believes that if these services operated in a faculty level they would achieve the level of expert knowledge required by the particular needs of each faculty.

S/he believes that one of the important aspects that the Deans should work out together is the collaboration between them in order to develop strong links in social and educational terms. S/he believes that if the Deans managed to build a sufficient degree of communication and cooperation, then The University would be more effective in its educational role and would manage to cope with the financial challenges.

In terms of the IDRM, s/he thinks that as a planning tool is too short-term and s/he argues that The University's planning model should operate on a three-year basis with the allowance to be reviewed every year. S/he also argues that the top slice is too high and s/he feels that s/he is *'taxed to pay people who are too slow to come and help me'* with specialised services. Moreover, s/he believes that financial performance should be measured considering the faculties past performance and future plans. Additionally s/he suggests that the faculties should be given incentives to *'re-invest'* the resources they generate, in order to develop in research and teaching. However, s/he admits that the model has improved over the recent years because of the pressure that the Deans put on the Principal and the Finance Officer. S/he also thinks that it is more transparent because of the new software The University obtained. In terms of the resource allocation process, s/he claims that s/he feels surprise when s/he realises that *'they are changing rules...upping the top slice again'*. S/he believed that they *'fiddled the sums'* and that was how her/his *'deficit was appearing'*.

5.4.8 Participant RU8

The Head of Resource Unit 8 believes that trust is developed when you get to know someone through time. It is built on various different contacts ranging from direct personal interaction, to the formal group interaction in a committee meeting. S/he feels trust when s/he knows that s/he shares a common vision for the institution with anyone in The University. S/he believes that one feels trust when one realises where one fits in the institution. S/he claims that if there is an issue of mistrust in The University, it is more horizontal, with the other Deans, rather with the senior administrators. S/he claims that the trust s/he received from the Management Group was not conditioned on her/his faculty financial situation, although her/his faculty had passed through phases of both surplus and deficit situations. However, s/he argues

that there is a tension between the faculties concerning the deficit ones because there is tendency to question whether they have the intention to *'short out'* their situation.

S/he claims that her/his experience in the Star Chambers has always been constructive because there is trust on both sides. However, s/he admits that the tension in the meetings may be sourced in the financial pressures of the circumstances and the financial position of the faculty in particular, because there are different types of issues to be discussed, but that does not affect the trust between the participants. S/he argues that it was always been clear to her/him what the senior managers want from him, and they have always supportive and understanding. S/he also admits that although there is *'not a piece of paper that tells you the rules of engagement'* and that *'you learn on the draw'*, s/he always had the chance to discuss her/his agenda as comprehensively as possible. S/he also admits that the very nature of the Star Chamber requires the Deans to be ready to *'discuss everything'* like operational, general strategic or staffing issues. S/he also argues that it is very rare to be surprised by unexpected changes in the resource issues, because the Deans are meeting monthly in the Resource Strategy Committee for an updating discussion. S/he also thinks that in this meeting, everybody has a chance to make an input and *'single faculties are not in isolation'*.

S/he believes that there is no perfect resource allocation model; therefore, the IDRM has some bad and good points. S/he mentions her/his involvement in a group with several other Deans whose task was to look at different models of other universities but, in her/his view, none of these other models were completely efficient. s/he also argues that, although some of the other Deans prefer it more, paying only for the central services that a faculty uses it would be very complex, non transparent, and an inefficient model because there will be no mechanism to justify what would be a fair price with very high transaction costs created by a huge bureaucracy. S/he

suggests that if a top slice is justified to the use of the resources available, it will be a fair and reasonable solution.

5.4.9 Participant RU10

The Head of Resource Unit 10 explains that trust is a sense of security that develops in a working relationship when both parties perform in a consistent fashion and they say things as they actually happened. S/he thinks that trust is more crucial when there are no written rules and well-defined responsibilities. S/he also distinguishes between the competence of people to perform on specific job and the trust that the individuals deserve. S/he explains that the difference is founded on one's awareness of academic and managerial issues. S/he believes that it is important to know that the individuals involved in the process have academic interests and are professionally competent.

S/he claims that the major difficulties in the resource allocation decision process in the lack of clear and open communication before the Star Chamber meetings and is the lack of certain rules of conduct. S/he also feels that there are *'other agendas' that may be important but not open to all the interested parties and that causes a climate of 'noxious meetings'*. The importance of the meetings is also an issue considered as an uncertain concept. S/he thinks that only at the last of the meetings there is *'something of value'* in terms of the budget. S/he also claims, one has to be *'lucky'* to have all the information required to negotiate before the meeting. However, s/he states that once the same problems keep arising and not getting fixed every year, unpredictability becomes predictable. Additionally, s/he argues that the proposition to conduct territorial Star Chambers is not well justified because the territories are arbitrarily justified. S/he also thinks that the sort term resource planning, although influenced by external factors, is a major factor of uncertainty for the faculties. Furthermore, s/he argues that the IDRM paradoxically is called a

'*model*', whereas in fact it does not functioning in a modelled fashion. It is built by non-determinist adjustments, which were created to solve some problems on an ad hoc basis.

5.4.10 Participant RU11

The Head of Resource Unit 11 refers to trust in a Star Chamber context and states that s/he would feel trust if s/he knew that the agreements made were honoured. S/he thinks also that her/his trust is influenced by the IDRM's transparency, and the reliability of the information gathered. S/he also needs to know that all the members of the process are operating for a common interest. S/he believes that all the individuals involved in the process are deciding in the best interest of The University as a whole.

S/he thinks that the resource allocation negotiations are not an equal setting and that the Principal along with the Director of Finance, control the budget completely. S/he views the whole system from a wider perspective and explains that as s/he gets the budget already developed in the Star Chamber and s/he tries to negotiate to change some aspects, the same happens in the faculty's Management Group where s/he discloses the budget to the Heads of the departments. However, s/he claims that in faculty, after recent reforms, the Heads of the department's have more power than s/he has in the Star Chambers. S/he believes that the Resource Strategy Committee should gain more authority and a flexible size. S/he believes that empowering the resource strategy committee will effectively affect the resource allocation process rather that reconstituting The University's Management Group, which has a very loose relationship with the Star Chambers. In any case s/he sees the power interventions as a chain of reactions where the Heads of the departments blame the Deans; the Deans blame The University's Management Group; the Management Group blames SHEFC; and SHEFC blames the government. S/he argues that the

major inputs in the process are the personalities involved and to a very considerable degree, some structural factors such as the time when the grant letter is announced and the effective operation of The University's administration. S/he states that the administrations' competence is crucial and it tends to be *'standard practice'* to receive the IDRM on the morning of the Star Chamber meeting.

S/he thinks that the model is getting more transparent and that supports the collegiality between the Deans, because it is easier to see who is in financial difficulty. However, s/he states that the model's outcome should not be perceived as the Dean's incompetence to manage the financial situation.

5.5 Views of the Heads of the Resource Units

This section deals with the views of the Heads of the Resource Units as indicated in the interviews. Although the interviews were carried out on an individual basis, the cross case analysis is concentrating in finding a possible pattern that expresses all or some of the Heads of the Resource Units. Although the outcome of the analysis indicates differences between the views, a more attentive consideration reveals some degree of consensus in the views on the issues of concern in the resource allocation process. In other words, it is interesting to conceive that the Deans choose to mention to a degree, the same events or issues that influence their perceptions in respect to the resource allocation process. Attempting to illustrate the notional 'position' of the Dean's views in respect to their trust and agreement in the resource allocation and in the relationship with the Management Group, the following matrix was drawn. The matrix attempts to show the picture of trust and agreement in the relationship as explained by the Heads of the Resource Units, which is to an extent 'the view through the eyes of the Heads of the Resource Units'.

agreement

Figure 5.2: Heads of Resource Units participants,
trust and agreement notional position matrix

It is also important to clarify that the views expressed for the relationship with the participants of the Management Group were, although directed to particular individuals, tend to comment on the role of them i.e. the 'Vice Principals' or the 'Management Group', rather than particular individuals from these groups. However, when referring to the Principal and the Director of Finance, the views included comments directed to personality, attitude, and individual 'input' in the resource allocation process.

In respect to the way the Deans' position themselves in the relationship with The University's Management Group, some of them (RU8, RU11) present themselves as very trusted and in their view, they tend to agree with the Management Group (see also section 5.7). In their opinion, the instances of disagreement that occur, are based on differences of their role's perspective which tend to emanate from sufficient consensus with The University when adopting an approach of openness and trust in the negotiations. Similarly, RU4 and RU5 believe that they trust the Management

Group a lot although they do not agree in all cases. They tend to express a 'condition' in their relationship, which is almost always accepted by the Management Group and that is the major reason that they claim high level of trust. It may also be interesting to mention that both Deans represent units in deficit, which is a possible influential factor in their perceived trust and agreement with the Management Group. The Head of RU3 expresses a relative high level of trust and agreement and the Heads of RU1 and RU6 tend to think that they are more critical although optimistic for this relationship. The Heads of RU7 and RU10 argue their cases with a lot of scepticism and they are quite critical, and argumentative about their relationship with the Management Group. Finally, the Head of RU 2 appears not only critical but also very aggressive in her/his view. S/he, more or less, blames everybody and everything in the process for non supportive, ignorant, and arrogant attitude in resource allocation process and s/he makes her/his case stating *'I am not particularly interested in making people at the central administration of The University happy!'*.

More details of the issues that the Heads of the Resource Units commented on, during their interviews are analysed following.

5.5.1 Trust in general

The discussions with the Deans were built around the resource allocation process and their perceived trust; however there was an underlying need to clarify what trust is for them, when they trust and how trust changes. In some of the interviews, the Heads of the Resource Units voluntarily revealed the meaning of the concept for them and some others had to be asked. In this part, the definitions given by the Deans are outlined, although the issues they perceived as related to trust are sited in the subsequent parts of the analysis.

More specifically, trust is a value judgment of the other's personal integrity (RU5), and exists between individuals and it is not generic for a group of people

(RU5, RU6, RU8, RU10). The Heads of the Resource Units trust people because of previous experience of working together (RU1, RU5, RU6, RU7), when they assume that the others are operating with a common interest and they have a vision for The University (RU4, RU5, RU8, RU11), when they think that the other is fair (RU4, RU6), when they are honest (RU2, RU7), when the other keeps and value the agreements made (RU1, RU5, RU6), when they do what they say (RU6, RU7) and when one is fair with her/his dealing with other people (RU6).

They explain that trust exists as an intuition based on the assumed values of the other and it is built when one is getting to know the individual (RU1, RU5, RU6, RU8,). However, the Head of RU10 argues that *'sometimes it is better not to know someone...if you know people will actually affect your trust inappropriately'*. They also explain that trust is built with good lines of communication (RU2, RU10). Trust also declines when there is suspicion within the relationship (RU4) and when one is speaking about others with a gossiping intention (RU6).

Some of the Heads of the Resource Units also distinguish clearly the trust they have in individuals, to the confidence that the systems employed are working well. They tend to argue that trust is built when individuals interact with each other and it should not be affected if the *'system is not working'* (RU5, RU6, RU7, RU8, RU11). On the other hand, some of them do not assume this separation and they tend to believe that the inefficiency of the system, is an indication of the intentions that the individuals who are involved have, and they argue that when the specific individuals change, the whole resource allocation process and atmosphere will change as well (RU1, RU2, RU3).

Another point that the Heads of the Resource Units make is that trust is changing through their interaction and it is related to their experience of the process (RU4, RU6) and to the cycle of the negotiations during year (RU7, RU11). However, when they were asked to comment on the graphs relating to the organisational trust

inventory employed for this study, most of them verified the indications as close to what they were expecting them to be for themselves and for the other Deans, whose indications were graphed anonymously.

5.5.2 Trust in University now

In the interviews, the Heads of the Resource Units had the opportunity to express their estimate of the trust level in The University nowadays, before the organisational trust inventory graph was revealed to them. They also specified their view within in the Star Chamber context, where several signs of misconduct could have caused a change in the levels of trust of the individuals involved.

In particular, one view expressed is that trust might be very important in the relationships in The University but the current financial pressure in Higher Education also might have affected it. Specifically, the Head of RU6 explained that *'the financial situation that we are unhappily at the last three years, has put a lot of pressure where trust is really important. And in some areas I think is broken a bit. Because when there is pressure then people start thinking: "oh! You are getting more than I am, or, what about him?".* In that respect, competition about resources during periods of financial distress would affect the willingness to trust others. In addition, there are views that support the idea that the deficit faculties may trust the Management Group more than the surplus ones (RU4, RU11). However, there are others who do not agree with this argument, they do not associate the trust level of a faculty with its financial position (RU5, RU6, RU8,).

A presumption that the Management Group participants might have more trust in the Deans in general, than the Deans for the Management Group, is articulated by the belief that the Management Group has the choice to recruit people who they trust. Characteristically the Head of RU5 claims that *'your job as a senior manager is to make sure that you have people in place who you do trust'.* However, there are

estimations about lower trust indications with the finance office, which have resulted in either operational tensions, or in the impression that professional administrators do not understand the issues that the academic Deans are concerned with (RU2, RU3, RU6, RU7).

Furthermore, the Heads of the Resource Units tend to argue that there is a declining confidence in The University's management information systems, and this belief is also expanded in the information provided for the decisions related to the resource allocation process (RU5, RU7, RU8).

Moreover, there are views that direct the concerns about trust in The University to the relations between the Deans rather than with the Management Group (RU2,RU8). However, in general the common spirit tends to be that the Deans are growing an attitude of collegiality, getting more knowledgeable about the resource issues of The University and that they require more authority to decide about The University's management related issues (RU1, RU11).

Trust in the Star Chamber context is much more related to the individual interaction and although there are tensions related to the bargaining for resources, trust tends to be reflected in estimations about the compliance between the individual's interest and the strategic direction of the institution, to the personality of the participants and other issues.

5.5.3 Accountability and trust

Considering the external financial pressures and the difficulties of the current resource allocation system of The University, the Heads of the Resource Units pay particular attention to the extent to which reporting of issues relating to the allocation is practiced. Firstly, a major concern relates to whether the Resource Units manage to generate savings or the way in which they spend their budget is reported to the finance office promptly and in detail. Secondly, the extent to which the intention to

subsidise particular units is justified and acknowledged and / or widely accepted within the rest of the Resource Units. Generally, the Head of RU11 believes that the relationship between the Deans and the centre improved during the years in that respect *'... When I started, (...) if the finance office made a mistake you didn't tell them that they made a mistake. It was always in your favour. You didn't tell them that they made a mistake. And you kept that so that you can use it later as sort of savings'*.

The Heads of the Resource Units RU1, RU3, RU6, RU7, RU8 explain that the way the budget operates it is impossible to have detailed accounts on spending during the year and it is a matter of trust if the Units will choose to be open and accountable at the end. The Head of RU8 explains that *'they cannot actually check if we are fulfilling what actually the money is spend for...until next year they will not have the chance, until we report back, they will not actually have the chance to check if we have spent it in the way we meant to spent it...I suspect that there is again trust'*. In that extent their views vary, with the Heads of RU3, RU4, RU7, RU8, RU11, claiming that they have always been open and with detailed reports in order to *'build a very good relationship...and get support in the Star Chambers...(as) have gone on the basis of trust* (RU3)'. Similarly, but with more hesitation, the view of the Heads of RU1, RU5, RU6 demonstrates a willingness to be open and have a detailed reporting practice but with a degree of cautiousness in doing so. For instance, the Head of RU6 claims that s/he goes to the Star Chambers with a lot more openness than *'potentially some other people do'* because s/he believes that if s/he is *'fair with my boss, s/he would be fair with me'* but *'nobody is totally open...I would be surprised if s/he was 100% open'*.

The intention to withhold information about the level and source of savings at the end of the financial period is highlighted by some of the Deans. The main argument is that although the operation of the IDRM does not allow them to keep

some of the resources as savings, there is a great need to have some *'room to manoeuvre'*. This view is explicitly demonstrated by the Heads of RU1, RU5, RU6, RU7, RU8. They tend to argue this as a major problem of the IDRM and they propose that the model should be reviewed, with greater consideration of this particular need for flexibility.

The other issue that some of the Heads of the Resource Units are considerably concerned about is the extent of acknowledgement and justification of the cross - subsidisation provided to some of the Resource Units. The Head of RU1 claims that *'I do not know what is promised in other Star Chambers'* and the Head of RU4 explains that there is a fix on the model every year to support some units but *'there is no account...no record of the way that this is happening'*. Similarly the Head of RU10 claims that *'there are other agendas maybe important but not written, so you understand them'*.

In general, reporting and acknowledging issues related to resource allocation is perceived as good practice of trust in The University. However, there are concerns for doing so, which vary to the extent that they are based on particular interests in The University or on the limited operational capacity of the model employed.

5.5.4 The resource allocation process and trust

5.5.4.1 The Star Chambers

The Heads of the Resource Units discussed the role, operation, and importance of the Star Chamber meetings in the resource allocation process. Their comments indicate a level of uncertainty about the purpose of the meetings, their atmosphere and conduct. To some extent, their explanations of the meetings are conflicting and that creates a need for careful interpretation of whether their view is affected by their attitude towards the meetings or it is distorted by a degree of very different experiences. The major issues discussed which indicate a different type of meeting

for each Head of the Resource Units, are the formality of the meetings, the degree that the meetings follow a particular documentation and the operational or strategic nature of the discussions.

In particular, the extent to which the meetings are formal or informal, the Heads of the Resource Units have different views. The Head of RU5 states that the Star Chamber meetings are very informal, where there are no defined rules of engagement. Moreover, the Head of RU8 thinks that the earlier meetings are more informal than the later ones. In terms of the documentation of the meetings, the Deans seem not to agree on the type of 'papers' required during the meeting, and the extent to which the agenda of the meeting is discussed beforehand. However, it seems that all agree that there are no formal minutes of the meetings. The Heads of RU2, RU4, RU5, and RU10 argue that there is no agenda set by either side in the meeting and that makes them feel uncertain of what the issues of discussion are. The Head of RU5 describes her/his surprise when at the meeting s/he wonders *'what are all these big files sitting on the other side of the table'*, whereas s/he would prefer to discuss a set of agreed papers beforehand in order to negotiate in a *'meeting of that importance'*. Similar comment is made by the Head of RU4, who thinks that an elementary rule of any meeting is that *'the papers you have in front of you are the same as the papers that your opponent has... (however) that is not the case at the Star Chamber...and if what shocked me profoundly at the Star Chamber process is that there is no agenda and no minutes...and that I find incredible!'*. On the other hand, the Heads of RU1, RU3, RU6, RU7, RU8 and RU11 seem to have a different approach and they argue that they are always prepared to discuss their own agenda, which they circulate at the meeting. For instance, the Head of RU11 states that *'I give them an agenda and I say here are the issues I want to discuss'*. Similarly, the Head of RU8 states that *'we use the operational planning document as a sort of basis to the Star Chamber discussions'*. S/he also says that s/he always circulate her/his agenda before the

meeting. In addition, the Head of RU1 explains that s/he takes her/his *'business and finance plan'* to the meetings and s/he is always prepared to give specific details of what s/he is looking for.

Another issue that seems to confuse the role of the Star Chambers is the nature and extent of particular discussions. It seems to be unclear whether the Star Chambers have an operational or a strategic planning character and to what level of detail these issues are discussed. The Head of RU8 explains that the discussions are wide ranging and occasionally they might be financial due to staffing issues, general strategy or operational and s/he claims *'I think you just come prepared to discuss everything'*. The Head of RU2 argues that *'there is no strategy involved at all, it is purely a financial arena'*. The Head of RU6 views the discussions clearly as budgeting ones on *'how you are going to meet your budgets'* in contrast to the Head of RU5 who thinks that *'it is completely confused'*. More specifically RU5 explains that there is an uncertainty in the purpose of the Star Chambers and especially the early ones which are based *'a lot around fantasy'* with discussions oriented to *'wish lists'*. In any case s/he sees the meetings more as a game where the participants try to gain power controlling the information around the table. Similar language and views are held by the Heads of RU2 and RU10. The Head of RU4 finds it difficult to comprehend with the *'micro-management'* of the meetings, when discussions of particular posts are consuming the limited time of the meeting, whereas more strategic planning issues need to be analysed in greater depth and detail.

The atmosphere of the meeting is another controversial point, where the Deans seem to have different views and experiences. Their explanations range from interpersonal tensions in the meeting to the financial position of the units. The Heads of RU1, RU3, RU6, RU8, RU11 give a constructive indication of the climate in the Star Chamber meetings, although they had not always been in surplus situation or they have not agreed on a satisfactory outcome for them. Characteristically, the Head of

RU8 explains that although her/his faculty had been in a deficit and then surplus situation s/he admits that her/his Star Chambers were always reasonable, and if there was any discomfort, it was more related to the financial position of the unit rather to create 'atmosphere' at the meeting. On the other side, the Heads of RU2, RU4, RU5, and RU10 are more akin to give a picture of intentional tension and stress in the meeting. They do not hesitate to characterise the Star Chambers as *'noxious'* (RU10), a *'gladiatorial arena'* (RU2) or that is *'orchestrated to be stressful'* (RU4). However, there is a recognition that the stressful atmosphere may be created by the *'input of some individuals'* as the Head of RU6 indicates when s/he comments on the participants personality (see more in section 5.5.6.8). Similarly, the Head of RU11 believes that it is all about personalities and that *'there are some Deans who are very large eagles and really like to go to battle'.*

In conclusion, the Star Chamber meetings are perceived in many different ways and their importance in the resource allocation process is related to the direct contact with the Principal and the Director of Finance, and the fact that they are the only officially authorised meetings for budget related discussions.

5.5.4.2 Resource Strategy Committee, Task Force and Individual contacts

The resource allocation process has developed through the recent years, and other meetings in addition to the Star Chamber, have an additional role in the interaction between the Heads of the Resource Units and the Principal or the Finance Office. Although their perceived importance in terms of influence on the decision process for funding distribution varies, the Heads of the Resource Units refer to them as very relevant to the issue. These contacts are the Resource Strategy Committee, the Task Force groups, and although not accepted widely, the interpersonal direct interactions with the finance officer and the Principal.

The Resource Strategy Committee is also referred to as 'the Deans' group' and according to the Deans, has a degree of input to the 'collegiality' between them. The Head of RU5 explains that it is a committee that *'sits between the Management Group and the faculties'* and it meets once a month. The Head of RU11 recalls that s/he and two other deans requested the Principal to reform the Group into a Committee, with the ability to achieve *'decision making power as opposed to just sitting around and talking about things'* it made no difference- s/he says *'it's still not working'*. Its size and limited authority result to characterisations as *'debating chamber...very questionable'* (RU5), *'enormous committee...it doesn't really make decisions'* (RU1), *'talk shop...it doesn't have reporting lines back to the centre'* (RU2). Major issues that can be discussed are the resource allocation process and the individual experiences within the Star Chambers, the IDRM reform and top slice, general financial update and strategic issues. However, there is some widely acknowledged usefulness in terms of the issues discussed and the interaction between the Deans. In that respect the Head of RU8 thinks that in the Resource Strategy Committee, everybody can express their experiences and thoughts about the resource allocation process and there is *'a chance to make input if there is something you don't like'*.

The other development where Resourcing issues can be discussed is the 'task force' meetings. The Head of RU1 explains that its function is to *'see how faculties are meeting targets'* where a *'lot of negotiation is going on'* and it involves the Heads of the Resource Units individually, the territorial vice Principals and an officer of The University's finance office. S/he also calls them *'mini Star Chambers'* and gives emphasis to the regular character of them and their impact in the resource allocation process as important to *'make the other side understand what we want'*. The Head of RU5 describes one of her/his experiences as the *'worst meeting'* s/he ever had, and s/he believes that it functions more as an *'internal pressure group'*. S/he argues that on occasions, the group has not been well informed and the atmosphere was of the

'most unsupportive nature'. In general, the task force meetings although relevant to the resource allocation process, do not intend to contribute with strategic or decision making insights.

The importance of individual influences based on interpersonal relationships in the resource allocation process is an issue that some of the Deans comment on, as an alternative approach achieving a desired outcome. The Head of RU1 describes a time when the *'real negotiations came outside the Star Chamber'*. S/he refers to her/his direct interaction with the finance office where s/he found the agreements made in the Star Chamber *'blocked'*. Similarly the Head of RU5 explains that *'people who want investment money they don't do it at the Star Chamber...they do it outside'*.

5.5.5 The Resource Allocation Model

5.5.5.1 Critique of the Income Driven Resource Allocation Model (IDRM)

The Heads of the Resource Units tend to adopt a sceptical approach towards the usefulness of the resource allocation model employed, with some degree of disbelief in its appropriateness in the current planning needs of The University. Although they acknowledge that it might be difficult to find a model that would reflect The University's character as an old research University, they think that changes for improvement should be addressed to justify the purpose of the existence of the particular model. The major issues that make the model unsuitable are the level and use of the top sliced amounts, the yearly period of the model's operation, the lack of incentives to generate income and the rational underlined at the strategic allocations drawn on the model each year. Furthermore, most of them argue that the model gradually became very complex, although they have different opinions on the extent to which this complexity is intended by the major Star Chamber participants, a condition which is emphasised with the believe that some arbitrary manipulations end in unfair outcomes. In any case, they think that the model is improving in

transparency but they warn that making the model visible does not imply that it is improving its understanding.

Specifically, the top slice level is questioned by almost everybody in terms of its necessity and value. The Heads of RU2 and RU11 argue that the uniform top slice system operates as a tax mechanism where the units pay for services that they do not use. RU7 believes that the top slice is high, firstly because *'there is not enough tension to the centre to reduce its costs'*, and *'some faculties have been allowed to overspend'*, a fact that leads them to be in deficit and then they have *'to be rescued'* by the safety mechanisms of the model. Moreover, s/he argues that the top slice amounts are spent for the provision of not *'particularly good'* central services and s/he argues her/his case with examples of insufficient quality of financial and other services. Similarly, the Head of RU8 addresses the question of the top slice level to the value of money spent for The University central services. The Head of RU2 recalls a talk given by the Director of Finance to the Dean's group, presenting to them the arguments for the increase in the top slice level from 43 to 48. 8% trying to convince them that the *'top slice didn't really go up...it is just the way we calculate it'*. S/he also states that it is not clear what the top slice pays for and all money *'goes in to the black hole of The University'*.

The other issue raised by the Deans is on the yearly basis of the model's operation. They argue that it is difficult to plan for development due the short-term nature of the model. In the worst cases, due to the unpredictability of how the planning is carried out, the model instils feelings of uncertainty and surprise. In more detail, the Head of RU5 states that *'budgeting on a yearly basis is hopeless'* and the Head of RU8 calls the model *'short sighted'* arguing that *'there are a number of plans and developments to formulate which are not only for one year'*. Similarly, the Head of RU7 believes that one of the biggest weaknesses of the model is that it discourages planning for savings and investments in the longer term.

Commenting on the IDRM's operation, the Heads of Resource Units also express concerns about the rationality of the strategic allocations and the second and third reallocations (see section 2.5.4), where they believe that there is not a satisfactory justification of the 'strategic' usefulness of the allocations. They emphasise the demotivational effect of the second contribution applied to the surplus faculties. For instance the Head of RU5 wonders *'why would anybody come into a surplus?'* once a surplus amount is immediately taken away. Similarly, the Head of RU7 argues that the way the model works makes her/him feel that her/his efforts to generate income are left unappreciated and s/he is *'not rewarded'* for that. The Head of RU8 argues that there are two major issues that concern her/him with strategic allocations. First that *'there are lots of them...and is difficult to see how many of these are actually strategic and how many of these are just for...a part of the structured cross subsidy'*. Second, the model operates on a t-1 basis that is the income of the previous year, whereas s/he believes that for rapidly growing departments the model should allow them to operate on t (the current income) basis, which would support them on further investment. The same argument is put forward by the Head of RU1 claiming that *'to develop you need t, you need the money you are earning this year'*.

Furthermore, some of the Deans are concerned with the degree that the model is exposed to manipulations that are sheltered by its complexity, which in turn leads to difficulty in understanding it, although it is exhibited transparently on the website of The University. The Head of RU10 states that although the IDRM is supposed to operate in a modelling manner, the strategic allocations function more as 'non deterministic adjustments' rather than as rationally modelled justifications. S/he explains that these adjustments *'are made to solve problems on an ad hoc basis...so it is really not a modelling, is just to solve problems which is disappointing'*. The Head of RU6 explains that the model is difficult because *'money is flying out and in there'* in a non predictable manner and the Head of RU2 claims that *'the IDRM kept shifting*

money from one resource centre to the other and therefore what you negotiated had impact on somebody else'. The Head of RU4 says that *'there are some very strange little columns to that spreadsheet, which very few people in The University understand completely and that's not good'*. Adding to this observation, s/he explains that *'every year something complicated happens and they have to make things work...and they add three or four or five lines, and every year gets more and more complicated'*. In a similar tone the Head of RU2 adds that *'with a bit of creative accounting...they just fill in the deficits'* and s/he gives an example when *'they took two and a half million just straight out of the IDRM to try to make the books balance'* but *'it became so crucial that they couldn't actually cope with that and then again they had to become nasty'*. S/he also argues that deficits are constructed by the way the model works and s/he argues that when *'they argue that you are in deficit this year'* and s/he says *'no I am not in deficit...you make me like that'*. Similarly RU7 say that they *'fiddle the numbers'* and the Head of RU3 says that *'they can juggle the figures in one way, they can juggle the figures in another way...they can make expectations of me'*. The Head of RU5 explains that *'where there is opacity there is an ability to manipulate'* and there are some key areas who have been given *'notional deficits by the centre'*.

5.5.5.2 Changes of the Model

The need to review the IDRM is considered extensively by the Heads of the Resource Units and they tend to believe that although there is not a perfect model that allocates resources, the current one requires major changes that will alter its presentation and operation.

The Head of RU6 comments on the way that a lot of debates in The University address the need to replace the IDRM with some other model thinking that *'of course the IDRM has lots of faults...but essentially changing the way things are distributed is*

not going to alter the fact that we do not have money to distribute'. The Head of RU8 also refers to the discussions taking place around the issue of the model's replacement and s/he states that *'there is not a perfect system...if there was then it would have been invented many years ago'.*

There are also views that acknowledge the improvements of the model such as the one expressed by the Head of RU11 who believes that *'it is getting better, the new IDRM is much more accessible...much easier to navigate'.* The reason that some constructive changes occurred according to the Head of RU7, is that the Deans applied a degree of *'pressure to have the resource model modified',* however s/he recalls that there *'was a strong resistance from the centre, particularly from the Principal and the finance officer to change...simply because they wanted to get the resource model to work in a way that The University finance is appeared to be balanced'.*

Further more, they tend to express their preferred suggestions for the model's improvements. Some more radical views want a complete replacement of the resource allocation model with other more sophisticated mechanisms, such as a formulation of financially independent Resource Units that will have the choice of buying the services required from the centre of The University or from other units. More of these views are expressed by the Heads of RU2, RU5 and RU7. However the Head of RU8 expresses her/his concern with this approach and argues that such a system would create a dysfunctional bureaucracy and it is also impossible to justify the fair level of the service's price due to the lack of market conditions.

More suggestions talk about to the length of the planning cycle and the performance indicators that should reflect the units' present performance and future development. Additionally, the Deans believe that the resource allocation model should operate in such a way to motivate investments, rewarding the efforts for developments and giving a financial flexibility to the way resources are allocated.

For instance, some Deans suggest that the faculties should be allowed to use the money they earn that current year with an option of retaining some savings.

Finally, there is a tendency to believe that the model will change because a new Principal will be appointed to The University and a lot of changes will happen to meet her/his new management style, including the resource allocation model.

5.5.6 University management and trust

5.5.6.1 Overall

Some of the Heads of RUs argue that there is a definite effect of the power relationship on trust. However, some other Deans argue the power structure of The University is not related to trust. The views expressed on the question of whether power relationships affect trust tend to indicate a level of association between power and trust in The University for some of the Deans.

5.5.6.2 Hierarchical structure and trust

According to some of the Heads of the Resource Units, the power structure of The University appears to be regarded as an important factor that affects the relationships between the individuals involved in the resource allocation process. There are views that express a degree of awareness of the political power and the bargaining tensions for resources in the process that are related to one's position in the hierarchical structure of The University. These Heads argue that when there is more power distance, and less equality between the posts of the individuals negotiating for resources, then trust is regarded as useful but difficult to develop. They also tend to mention the positional inequality in the hierarchical structure of The University as a condition that devalues the importance of trust in their interaction. However, some of the Deans claim that the hierarchical structure does not affect the trust between them,

which is built on individual contact rather than defined structured roles and responsibilities.

In particular, the Head of RU11 believes that the units in The University have a strong power position and they want to maintain it, attempting to keep information to themselves. The Head of RU5 argues that the highly hierarchical structure of The University affects the trust in The University harmfully, and the Head of RU2 thinks that trust is devalued when the individuals who are *'on the top of the pile'* choose to maintain a superior profile. Also, the Head of RU1 demonstrates that the hierarchical power structure expresses a particular management style with strong gender associations, which needs to consider change and to *'flatten the hierarchies.... (but) each time, the hierarchy seems to go more and more pyramidal and is not flattened at all'*. S/he believes that this *'affects issues'* and creates inequality in the relationship where the senior members approach the resource allocation discussions in *'we are listening but we are not negotiating with you'*. However, s/he believes that the subsequent change of the organisational structure that merged two faculties together strengthen their position towards the central management *'both in terms of political position and financial position now'*. Similar views are expressed by the Heads of RU3 and RU6 who insist that the position in the hierarchical structure affects *'the manner in which I ask them...and affects my sense of whether or not I trust them to do something (RU3)'*.

On the other side, there are views that indicate a relevant confidence in the particular 'strengths ' of the faculties, which seem not to be affected by the level of the faculty's position in the power structure, and trust towards others is much more related to the individual contacts in The University. The Dean of RU5 thinks that trust is much more related to the individual's personality and the relationship with her/his/ rather than that defined structured role expectations. Similarly, the Head of

RU8 argues that one's position in The University structure affects the bargaining power of the person but not the trust in their interpersonal relationship.

5.5.6.3 Decision authority and trust

The issue of participation in the decision making process and centralised pattern of authority distribution at The University was broadly discussed with the Deans. They direct their attention to the way the 'final say' in the resource allocation depends on the Management Group side of the table, which they perceive as an attempt to maintain control of the decision process. They explain that in the Star Chambers, their role is formulated into a 'receptive' mode where the acceptance and implication of the decision is expected. Furthermore, they propose that a more decentralised authority pattern would be more appropriate in The University, in order to deliver to their demanding responsibilities. Some of the Heads of RUs argue that one of the major issues that one should place attention on, is the consistency of the Management Group. They suggest that the immediate empowerment of the Deans as a group would facilitate more effective management of The University. They tend to argue that when the Dean's opinion is sufficiently represented to The University's decisions, then they may feel more trust in the reasoning and appropriateness of the decision.

In particular, the Heads of RU7 tend to argue that although the Resource Units are to a degree dependent on complying with their academic responsibilities, the decisions concerning the financial and strategic issues are controlled in a highly centralised manner. However, they give different explanations about the reasons that underlie such a centralised system, which vary from the management style of the specific individuals who want to control the budget (RU2, RU5, RU8, RU11), the incompetence of the monitoring systems that causes an feelings of insecurity to the

centre that they *'don't feel in control'* (RU6), and there is limited contact of the senior management with the academic units (RU3, RU7). Most of them believe that there is a need to devolve authority to the Deans and that can be achieved if the Management Group would trust the Deans more. Characteristically, the Head of RU6 states *'I do understand that you are responsible for £200 million business and you are in deficit...must be a nightmare...and all these independent units...which financially do their own thing...and they (the finance office) don't control it...and an actual trust is hugely important ...and my experience is that the finance office don't trust what I am doing'.*

The attempt to maintain the centralised character of the decision processes is pictured also in the Star Chamber meetings, where some of the Dean's feel that their role is to 'receive and implement' an already decided budget. The Head of RU2 argues that the structure of the Star Chamber is very *'closed to providing proper dialogue...I think that's a control mechanism'.* In addition, the Head of RU11 explains that the Principal and the Director of Finance control the budget and *'when it comes to crunch they say: no! You can't do that'.*

The proposed solution to rebuild trust in The University is the distribution of decision authority to the Deans (Resource Strategy Committee) and the actual participation of the Deans in The University's Management Group. In that respect, they demonstrate that the Deans are becoming more knowledgeable and more powerful in The University, a development that should be appreciated by showing trust to them. The reason that the Deans feel that they should have a more active participation in the Management Group or more decision authority to the Resource Strategy Committee is as the Head of RU11 states that *'they communicate...they can reach the feeling from the troops to get through to the Management Group'.* Moreover the Head of RU 5 explains that the system of centralised authority, and the lack of Deans' participation in the decision processes in The University, is a system of

failure to achieve effectiveness and s/he believes that it is acknowledged that when something is going wrong it is *'not that they don't trust me or they don't trust my judgment...The University is set up in such a way that people don't truly have devolved power and authority'.*

5.5.6.4 Interests and trust

The interview conversations with the Heads of the Resource Units revealed an interesting association between their trust feeling and the belief that the individuals they are dealing with, have common interests. The importance of this belief is emphasised when the limited resources for the faculties stretch financial pressure. The notion of the 'big picture' along with the emphasis on common direction and interest is reflected by their estimation of the other's attitude judgment that is indicated by experience of the personality, the ability to compromise and understand the academic role of The University and the intention to minimise competitiveness and to develop collegiality between the Deans. They all direct their explanation of their trust in relevance to these issues and also tend to justify their own trustworthiness in accordance with their ability to fit and understand The University's broad role.

More precisely, some of the Deans expressed very confidently the view that they feel a part of The University's 'big picture' and common vision, and they argued that they also feel trust in the individuals who share this vision. The Head of RU4 claims that *'our emotions are compromising in terms of trust...I am quite clear of what The University wants to do...we both have the same aims...we both have an agenda which says that we have to balance the books'.* Similarly, the Head of RU11 believes that *'we are actually operating in common interest'* and s/he recalls a comment expressed by the Principal indicating relief about the *'bunch of Deans who all point in the same direction'.* In addition, the Head of RU8 explains that knowing the individuals s/he is dealing with, affects her/his trust when s/he says *' thank*

God...if I was going into a meeting with complete strangers, who had a very different vision for the institution than I have, that would with no doubt affect my level of trust. Instead ... I meet them to share views informally or formally about where the institution is going, then you realise where you fit in the institution'.

However, some of the Deans express some cautiousness over whether there is a 'big picture', and how specific understandings of The University's role can be expressed by a common view, which affects their trust. The Head of RU1 states that s/he *'would like to see what the big joined up picture was...I don't get the feeling that we all are in the same boat going to the same direction'.* Moreover, s/he explains that s/he would feel trust only if s/he *'knew what the broad picture was and ...the Deans themselves were deciding what the strategy was'.* The Head of RU6 believes that as a Dean s/he has to have knowledge of the whole perspective of The University, however s/he feels different level of trust towards specific individuals s/he is dealing with, because s/he thinks that they are *'operating in two different ways'.* S/he explains that s/he trusts the Principal and what s/he is doing because s/he has a *'vision of The University'* and s/he *'is doing things to grow The University'*, in contrast to the Director of Finance who *'is there to hold on to some money'.* The Heads of RU3 and RU7, who argue that they have the feeling that the two individuals are working on different agendas and there are times that they have very *'diverging views'*, addressing the same point. They explain that this divergence is affected by the personality of the specific individuals and their professional experience.

The most extensive disbelief in the compliance of specific individuals within the mission of The University is expressed by the Head of RU2. S/he argues that The University's mission statement *'gets lost in finances'* and there are individuals in the Finance Office who *'think that The University's business is financial, where in fact The University's business is educational'.* S/he believes that the overall approach to The University's future is in a sense in contradiction with her/his faculty development

and s/he argues that because the *'Management Group is completely out of touch with what is going on in The University'*; her/his faculty's specific needs are not considered at all. In addition, s/he feels it is necessary to state that her/his loyalty is to the faculty and its people although The University comes against that and *'maybe some of the aggressive attitude comes from me'*.

5.5.6.4 Financial resources and trust

The acknowledgement of the strict higher education financial environment and the impact of this on The University as a whole and the faculties as part of this whole was mentioned a lot by the Heads of the Resource Units.

However, the limited availability of financial resources is not considered as a self-sufficient cause for why some of the Resource Units have been shown a deficit outcome at the IDMR, and they argue in some cases they have been given notional deficits, which are either a result of the problematic rational of the model or an intentional attempt of The University's centre to create higher expectations of the faculties. In other words the Heads of the Resource Units challenge the distributive fairness of the IDRM model, arguing that the top slice level and the judgments for subsidisation are used to impose a control on some faculties naming them *'deficit'*, not acknowledging the income that the faculties generated from research or teaching. In that respect, RU5 complains that *'some parts of The University actually believe that the financial difficulties in The University can be attributed to one or two key areas. And they blame them for that. But what they forget is the fact that those two areas are given notional deficits by the centre. But they are actually the biggest income generating parts of The University. And they are actually supporting the other lower earning faculties and they are paying a huge chunk to the central administration'*.

It is also interesting to consider the extent to which the financial position of the faculty affects the level of trust in the Management Group. To address this

relationship two methods are considered in the present study. First, correlating the actual results found in the IDRM to the outcome of the questionnaire, assuming that the IDRM outcome reflects the actual financial position of the faculties, an assumption which has been challenged by the Heads of the Resource Units and that the questionnaire rating reflects the actual level of trust an assumption, an assumption which should be considered bearing in mind the limitations of the instrument (Appendix 16). Second, relating the responses expressed in the interviews by the Heads of the Resource Units when they were asked to guess the financial position of the faculty, whose Dean score the lowest or highest response to the questionnaire (Appendix 16)

In either case, there is no consistent pattern of observation and it should be therefore concluded that the financial situation of the Resource Units is not a driving reason for trust.

5.5.6.6 Communication and trust

The discussion with the Deans about the importance of transparent and open information communication in the resource allocation process, reveal a degree of uncertainty in relation to the accuracy of the information required, and the network through which this information is transferred. Firstly, it is argued that during the resource allocation discussion, the information relevant to the decision's formation is not completely available to the Deans, and if it is, the timing of the information released to them is considered stressful because it is presented to them late to respond. They argue that one has to be assured that the required information is accurate and available in order to feel confident in the process. Some of them explain this argument while referring to the student numbers and staff numbers database, and the transparency level of the IDRM model. The communication flow on the required information, is also considered vital for their trust. They tend to argue that there is

communication network inefficiency in The University and therefore higher trust levels between the individuals are difficult but necessary to build. The discussion then follows the aspects of clarity, openness, and frequency of communication. It is also interesting to mention that although some of the Deans believe there is a communicative intention in the resource allocation process, some others argue that the process is a negotiation rather than a communication one, indicating a degree of misconception in the role of the Star Chambers.

The importance of access, accuracy, understanding and timing of the information provided for the resource allocation process is highlighted as crucial. One of the tendencies is to differentiate the information the Deans acquire from The University's management information system and the one they gather through their own sources. Some of them argue strongly that the need to work on their own sources is so crucial that, as the Heads of RU5 and RU7, had to organise their '*mini University*' with personnel working on finance, research, and human resources issues of the faculty. Almost all of them expressed a worry about the information services provided by The University. However, they tend to give different explanations that vary between the intentional climate of '*dark suspicion*' (RU11) and the incompetence of The University's administration that is very bureaucratic in character and it does not respond rapidly enough to the changes of the funding environment (RU8).

The other part related to information provision is the clarity, openness, and frequency of the contacts between the individuals, which also affects their perceived trust. Furthermore, it is very indicative that they are not convinced that the Star Chambers are trying to create conditions of negotiation that ensures sufficient communication at the same time. Participants tend to give different views on that matter and they separate their trust existence in either situation. The Head of RU4 explains that '*this process in not to communicate something but (...) it is a negotiation process, how much, how close...how much money can be taken out of the budget*'.

And the Head of RU1 claims that '*I thought I was negotiating, I wasn't negotiating, I was laying down my needs...*'. However, they demonstrate that communication patterns are extremely important to maintain trust as the Head of RU2 argues that '*to improve the trust...you need better lines of communication with the central administration*'.

5.5.6.7 Legitimate anticipations and trust

In the perceived trust levels between the Deans and the Management Group it might be interesting to highlight the dimension of moral anticipations which trust is based on and develops through time. The revealed moral rights and obligations, to which they both exercise and expect reciprocity on basis of trust, are articulated around the perceived openness, care, fairness, loyalty and support between them and the Management Group.

Firstly, the Deans feel they need to make the Management Group believe that they are able to be trusted with financial resources, and to respect their right to use these resources for the faculty's development and well being. Such rights on resources is for instance the expectation to '*have the right to roll on the budgets*' (RU10), the right to spent a '*reasonable share of the income*' (RU7) which they manage to generate through activities of research and teaching, to be rewarded for generating income (RU1, RU5, RU8), the right to get training in order to understand and work effectively with the budget (RU6). Secondly, they expect that they should have the right to be trusted in the decision making process by being informed about all the aspects that concern them in the process and to contribute with their views in a participative pattern because they are knowledgeable (RU1), they care and they are loyal to their faculties (RU2) in the context of The University's vision.

On the other hand, they believe that the Management Group enjoys the faculty's trust when they meet certain expectations. Therefore, to the Heads of the

Resource Units, the Management Group is obligated to operate in the interest of The University, is obligated to reciprocate in the same way when they treat them fair (RU6), they are obliged to support them to meet The University's mission statement, and they are obligated to keep the agreements they make during the process (RU1, RU11). They also claim that The University should support them to deliver on their own responsibilities.

Within this kind of distinction, there are Deans who, in the context of the resource allocation process, are negotiating on the basis on trust because they know or expect that the Management Group will be fair (RU6), that they operate in the interest of The University (RU11), they are concerned about the faculties real needs. However, there are Deans who believe that their expectations have been mislead and even lowered, due to uncertainty in the process (RU2, RU10), and they either do not perceive that the reasons for particular decisions are well defined (RU2, RU7) or they think that they are completely in contrast to what they perceive as trustworthy behaviour (RU2).

5.5.6.8 Other issues (personality, gender, training- professional vs academic)

Personality: The degree to which the particular process and model design is influenced by the involved individuals, is considered very important in interaction in terms of trust. Some of the Deans identify the personality and management style preference of the particular Principal and they argue that when the specific individual changes, the whole process and system might change. Characteristically, the Head of RU1 claims that *'there is a degree of uncertainty due to the change of the Principal...because the whole IDRM might change...radically'.* The same argument is supported by the Heads of RU4, RU6, RU7, and RU8. The Head of RU2 explains that the current Principal has a *'very impressive background in terms of financial*

management' and that the *'finances of The University became* (the Prinsipal's) *baby when s/he was appointed as vice chancellor and Principal'*. However s/he is more reserved about the input of the Finance officer *'not sure where history will write her/his (*Principal'*s) partnership with the (*Director of Finance*) as a financial success or not...it might be a risk of not been regarded as the financial savours of The University'*.

Similarly, for other Deans the Principal's personality seems to influence their trust and they differentiate her/him from other individuals involved in the process. The Head of RU6 clarifies that it is *'not the rest of the Management Group'* who is represented at the Star Chambers. Within a group (such as the Finance Office) there are some members who s/he trusts in different levels. S/he explains that s/he trusts the Principal more because s/he is *'transparent(...) reasonable(...) fair'* and s/he thinks that s/he believes the same for her/him, but s/he has reservations about the *'finance team'* and s/he explains *'I suppose they don't feel that they trust me'*. However, the view that the system's failure should not be regarded as a persons' failure and trust should be maintained in the individual level is quite noticeable. For instance the Head of RU5 explains that although her/his Resource Unit faces several problems which are partly caused by the systems in operation *'continued help to this faculty depends on a trusting relationship between me as an individual and the Principal as an individual'*. S/he explains that s/he believes that the Principal trusts her/him because *'knows that I am trying to address the financial situation'*, although s/he has different view about the Director of Finance.

In terms of negotiations, all of the Heads of Resource Units explain that they would never change their negotiations content on the others' personality but they may consider their way of negotiation, in that respect. The Head of RU11 explains that the 'atmosphere' in the Star Chambers depends on personalities and s/he thinks that the Management Group members will not trust someone who is a *'trouble maker'*. In

that respect, the Head of RU10 believes that *'personalities shouldn't be part of the process...otherwise you get into the situations where it is hard to pass...people making decisions on the basis of attitudes rather than people work in the interest of The University'*. Further, the Head of RU7 explains that *'some Deans are more influential than others'* and they are better able to *'manipulate the system'*. The Head of RU8 claims that the Star Chamber process *'has been hard work, but it is quite a positive experience'*. For the Heads of RU1, RU3, RU6, they argue that they feel confident in arguing their case when they are 'annoyed' about things they don't like in the process.

Gender: some of the Dean's recommended that it might be interesting to consider the gender of the participants when discussing trust and the decision processes of The University (RU1, RU4, RU6, RU11). The Head of RU1 demonstrates that there is an 'imbalance' of gender in the management of The University and a female dean would not *'trust men as much as men trust each other'*. S/he believes that there would be less hierarchical authority structure and more consultation if there were more females, but s/he states that if there was a female Principal who followed the same management style s/he would not trust her/his either. The Head of RU11 thinks that *'it's a pity that we don't have a female vice Principal'* and s/he recalls when one of the female Deans was the convenor of the Dean's group, practices changed a lot and *'it was much less of that premature male posturing'*. However s/he explains that *'being a woman (does not) automatically makes you good'*. The Head of RU6 explains that being a female in the Star Chamber process might be different. S/he states *'I think it is different but I am not sure it is for worse or better. It is different. But people make assumptions that (females) don't know anything about figures or money! Which is absolutely wonderful! ... (but should not) feel disadvantaged in any way. It is just different. Not disadvantage'*.

Professional vs academic – training: one of the issues discussed with the Deans was the necessity for professional experience or training of the Head of the Resource Units and the effect of such experience on the trust level developed in the resource allocation process. They tend to argue that they do not associate the 'professional' experience with the successful management of The University's faculties because the role has academic importance along with the financial management of the unit. More precisely, the Head of RU10 states that *'it will be useless to have a professional manager'* and s/he feels the same for the Principal's position who has to be *'both the chief administrator in a sense but also a person who makes academic decisions'*. The same view is expressed by the Heads of RU1, RU2, RU3, RU5, and RU11. In addition, they acknowledge that the Faculty's Secretary, who accompanies them in the resource allocation negotiations, is the person with the financial and administrative expertise required to support the faculty's effective administration (RU1, RU8).

In addition, they appreciate the importance of training courses to increase awareness, although they claim that more purpose-designed courses for the Deans about the resource allocation model (IDRM) and process do not operate in The University. The explanations on this vary, as an intended limited support mechanism for the Dean's understanding of the model or process (RU2) to the extent that the frequent changes of the model and the process cannot be followed in the Deans promotion in The University's administration after being Heads of a Department. Characteristically, the Head of RU1 explains that the IDRM *'changed considerably since (s/he) was the Head of the Department'* and that the Management Group don't *'view their position as being trying to give us assistance and understanding...but one would have expected training'*.

Further, on the expertise support provided by The University's central services, the proposed assistance by an administrator who will hold a post in the faculty, but s/he would be reporting to the Finance office, is perceived with caution by

the Deans. Although a similar post is monitored by the Human Recourses service of The University with a lot of appreciation by the Deans, the similar finance personnel post is not broadly accepted (RU2, RU4, RU6, RU7). The Head of RU1 thinks that this proposition was perceived with '*absolute horror at the thought that there will be financial moles in every faculty and in fact working for the centre rather than the faculty*'.

Generally, the Deans seem to be aware of the necessity of specific financial knowledge but they think that '*it will not be acceptable between academic colleagues*' (RU1) to appoint a professional manager in the faculties, even more when they become more knowledgeable on resource issues in Higher Education (RU3, RU6, RU11).

5. 6 Organisational Trust Inventory Analysis

5.6.1 The responses to the Organisational Trust Inventory

The information gathered from the questionnaire responses varies on an individual basis. However, an overall view of the responses might be valuable to draw an understanding of the general attitude formed between the members of the Star Chambers. It is necessary also to mention the time dimension of the responses, which may influence the sensitivity of the attitude measured. Therefore, the following analysis should be considered as an attempt to highlight a few points in the overall picture taken from the responses to the organisational trust inventory, and not as a generalised fact. The following graphs show the level of trust as drawn by the responses to the questionnaire. The particular graphs are indicative of the trust attitude on average, and more detailed analysis undertaken, involving the different dimension of attitude and trust along with the 'checking' questions and other technical 'tricks', are placed at the relevant appendix of the present (Appendix 16).

The level of trust, as a reflective attitude, is captured in dual form, as it is expressed in the two parts of the Organisational Trust Inventory. The first part of the questionnaire referred to the trust of the participant in others, and the second part referred to what the participants thought that the others would feel for them in terms of trust. The trust existing in the relations between the members of the committee, as they were identified before, should be levelled in the same degree as both parts of the questionnaire indicate. However, it would be imprecise to define the exact level of trust as the average between the two degrees drawn from each part of the measurement, because that might drive us to arbitrary explanations of what this number reveals.

In respect to the questionnaire of the Heads of the Resource Units, the first part attempted to obtain the level of the perceived attitude that the respondents had toward the Management Group. The second part attempted to gain information about the level of trust that the Head of Resource Units perceived that the Management Group has for them.
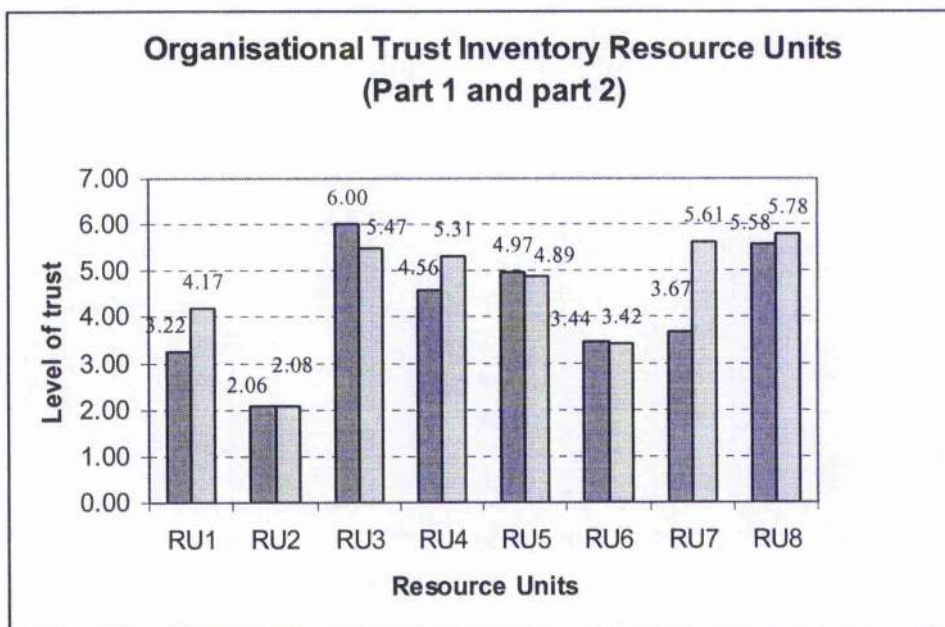

Figure 5.3

The Figure 5.3 shows the level of trust as it is expressed in both parts of the questionnaire. In technical terms, the perceived level of trust is the weighted average of the responses given in a scale of 1 to 7, where 1 indicates less trust and 7 more trust. In respect to individual responses the graph shows that RU 3, RU4, RU5 and RU8 in both parts of the questionnaire indicated high level of trust. RU 1, RU6 and RU7 responses show a medium level of trust that might be interpreted as a cautious response to trust. The lowest rating is the one given by RU 2.

In respect to the differences in strength between the two parts of the questionnaire, it is possible to observe a degree of consistency at the responses of the Heads of RU2, RU5, RU6 and RU8. It seems that these participants have similar level of trust in the Management Group, as they believe that the Management Group has for them. However, the Heads of RU1, RU3 and RU4 indicated a relatively significant difference (more than 0.50) from the trust level that they believe that the Management Group have to them. On the other hand, a very significant difference (more than 1 degree) exists at the level of perceived trust of the Head of RU7, which after interpretation, it seems that the Dean thinks that the Management Group trust her/him more that s/he trusts them.

In respect to the responses gathered from the participants of the Management Group, the next graph shows the first part of the questionnaire which indicated what the participants think about the Heads of the Resource Units in terms of trust. The Management Group responses to the questionnaire indicate an overall high level of trust (more than 4). The response provided by MG2 is high but it is subjected to the structural effects of the questionnaire, which proved inconvenient to the participant.

It is interesting to observe a degree of consistency between the two participants who provided a detailed response. In particular, MG1 and MG3 found it necessary to differentiate in the first part of the questionnaire the Heads of RU2, RU5, RU10 and RU13. With careful interpretation, that means that the two Management Group

participants trust these Heads of Resource Units less than the rest of them.   Other
interesting ratings in the first part of the questionnaire are those given to RU10 and
RU12 from MG1 and MG3 respectively.

Figure 5.4

Table. 5.1: Organisational Trust Inventory - Part A
Management Group

	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8	RU9	RU10	RU11	RU12	RU13
MG1	5.19	4.94	5.19	5.19	5.17	5.19	5.19	5.19	5.19	5.06	5.19	5.19	5.03
MG2	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22
MG3	4.78	4.17	4.83	4.81	4.39	4.72	4.86	4.72	4.89	4.94	4.81	4.33	4.53

The second part of the questionnaire also shows a higher level of trust from the
three participants of the Management Group (MG1, MG2, MG3).   The structural
effects of the instrument are also observable at the responses, although MG1 and
MG3 provided a more detailed response. A degree of consistency can be observed in

the second part of the questionnaire, where the participants MG1 and MG3 gave the Heads of RU2, RU5 and RU13 lower ratings, meaning that they think that these particular individuals trust them less than the rest of the Heads of the Resource Units. Similarly, in the second part of the questionnaire RU 4, RU10 are differentiated by MG1, and RU12 by MG3.
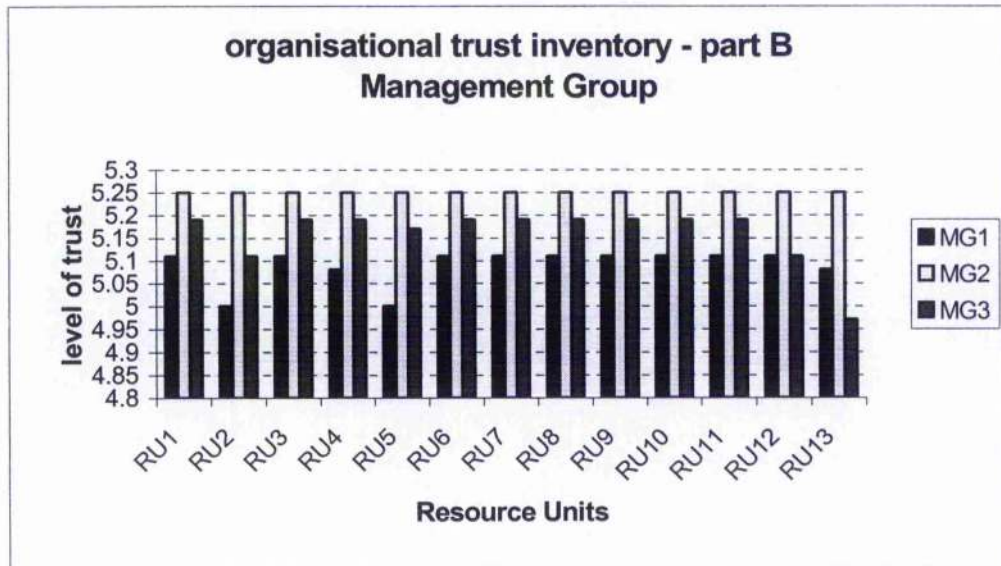
Figure 5.5

Table 5.2: Organisational Trust Inventory - Part B
Management Group

	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8	RU9	RU10	RU11	RU12	RU13
MG1	5.11	5	5.11	5.08	5	5.11	5.11	5.11	5.11	4.72	5.11	5.11	5.08
MG2	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
MG3	5.19	5.11	5.19	5.19	5.17	5.19	5.19	5.19	5.19	5.19	5.19	5.11	4.97

5.6.2 Management Group Participants responses- Design difficulties

The responses from the participants of the Management Group tend to reflect the particular nature of the individual inquires which expressed concerns about the design of the questionnaire. The main reason for such an issue was firstly, the number of units to be assessed and secondly, the time and attention given by the respondents considering their busy daytime schedules.

In order to help the respondents in providing with their answers, a potential design restructure of the questionnaire applied. The focus was to help the respondents to evaluate the statements given, for all the thirteen (13) Resource Units.

The outcome of this consideration was a development of a Management Group Questionnaire, which differed from the one given to the Head of the Resource Units only in its outlined structure. The number and wording of the statements remained the same. However, due to further individual enquiries, a specific format of reply was suggested.

In particular, in the case of The University's Principal, a meeting was organised to justify the type of acceptable responses to the questionnaire. The meeting took place on the 18 April 2002 at 4:30 pm at the Principal's office, where my supervisor explained the questionnaire design to the Principal. During this discussion, no further information was provided in order to achieve an unbiased response. The suggestion discussed in order to provide acceptable answers to the statements was that the Principal could score all the statements with her/his preferable rating, notifying it at the side and to specify whether the statement had a different value for some of the Resource Units. For example, if the statement 'we think that Y is competent' was rated with a 'strongly agree' value for most of the Resource Units but with a different value for some other, then the Principal had to specify the units and the rating given for this particular case. After this clarification, the Principal's response to the questionnaire received by the researcher on the 25th of April 2002.

A similar enquiry was raised by the Director of Finance who expressed, by email, her/his difficulty in dealing with the questionnaire due to her/his 'extremely busy' timetable. Replying to her/his enquiry a letter was attached to an email sent by my supervisor, addressing the importance of the research topic and acknowledging the potential difficulties of the questionnaire. A recommended response format was provided illustrating an example of possible response. Further to this clarification, the questionnaire was by the researcher on the 24 of October 2002.

The third participant, a Vice Principal, who replied to the questionnaire, did not express any difficulty with the design of the instrument and provided full and clear indications of her/his response.

5.6.3 Management Group Participants' responses – explanation by MGs

The responses of the participants of the Management Group to the questionnaire indicate an overall high level of trust. Specifically, in both parts of the questionnaire, the three participants of the Management Group who replied to the questionnaire rated the Resource Units with high scores. This indication can be observed in both parts of the questionnaire in respect to the perceived trust of the Deans. The outcomes of the questionnaire was presented to the interviewees in a graphical format, revealing the level of trust between them and the faculties, which were indicated anonymously.

The process of approaching the graph's discussion had three major steps. First, the interviewees were asked to guess the outcome of the questionnaire. The reason for this was to justify their sincerity when discussing trust issues during the interview. This approach revealed an interesting fluctuation of attitude in their speech. More precisely, MG1 in expectation of the revealing graphs built a series of defensive arguments of whether s/he thinks that s/he deserves the trust of the Deans.

s/he explains that s/he believes that the Deans trust her/him because they never complained, because s/he tried to assist them in difficult times, s/he also thinks s/he treats them fair, and s/he hopes that her/his effort to improve the IDRM model is appreciated. On the other hand, MG2 thinks that the Deans see her/him as their *'enemy number one'* because of her/his stewardship role, however s/he thinks that they believe that what s/he is saying and doing is *'actually right'*. In addition, MG3, estimates that the Deans trust most of the Management Group, most of the times, however s/he wonder whether the Management Group trusts most of the Deans most of the time.

The second stage of the graph disclosure included their comments on the highest and lowest level of trust given by the Deans. Characteristically MG2 believes that the reasons that the lowest level achieved is possibly because the Head of the Resource Unit is *'more distant'*, is *'feeling lonely'* or s/he is not a very senior management person. On the other hand, s/he thinks that persons with the highest level of trust is getting on well with the Management Group, and there is an openness and fairness in sharing information. MG3 believes that the person who trusts the least is either a new Dean or a Dean of a deficit faculty. In the case of a new Dean, MG3 believes that the Dean might have low trust because s/he needs time to develop a working relationship based on trust. Similarly, if the Dean is responsible of a deficit faculty then time is also needed to convince the Dean that the intentions of the Management Group are to support the Resource Units to become a surplus of break even faculty. In contrast, MG3 thinks that the person who expressed the lowest indication is a Dean of a surplus faculty, because s/he thinks that the Dean could be not happy when the top slice is quite high. S/he also states that s/he has in mind a particular individual *'who has been very vocal in her/his views'*. In addition, s/he explains that the faculty might be a deficit one, because s/he can think of a particular individual who thinks that her/his faculty is in deficit because of the system.

221

The next stage focused on the possible explanations of the variation of the level of trust expressed by the participants of the Management Group who had a variation in their ratings. The discussion was constructed with considerable attention and respect to the interviewee's opinion, so they made the comments for specific Head's of Resource Units deliberately. In other words, the questions at this stage were not addressed to specific faculties, although the comments revealed a degree of consistency in the views of the two participants of the Management Group. More precisely, they expressed similar concern for a specific Head of Resource Unit (RU2) who they both scored lower in the trust scale. MG1 said that there were some *'difficulties because of the openness I sought to give to the Dean, but I felt there were occasions s/he did often, a whole of a lot of other things without letting me know'*. It is also very interesting to mention that s/he referred to a specific case when s/he explained previously that s/he had been supportive of the faculty during a turbulent period. For the same individual, MG3 comments that s/he believes that the Dean was feeling *'isolated and unloved'* although few years ago the Management Group worked very hard to persuade her/him that they *'like them (the faculty) and they are very useful wonderful people'*. Similar pattern is implied to RU5 which although got the second lowest rating by both interviewees, the score was commented only by one of them. S/he specifically said that there is a belief that the Resource Unit, used to not report on large amounts of money received by *'non academic activities'* and they maybe *'still hiding some money under the mattress, which I suspect they probably are'*.

In respect to other Resource Units, both participants gave their explanations for the different ratings to cases they choose to comment on. MG1 explanations tend to have a more open type of reasoning. For instance, s/he says that s/he rated RU13 lower because s/he felt that s/he didn't *'get told things'* s/he was over concerned with, although s/he believes that there were things that were overlooked rather hidden

purposely. S/he also comments on her/his rating for the surplus RU10 because *'there was a sort of feeling that I was aware that they thought I was taking their money'*. MG3 comments are based on the role ambiguous role of RU12 to the services provided in The University.

5.6.4 Resource Unit Participants' response – explanation by RUs

The responses of the Heads of the Resource Units indicate a degree of variation between them. Overall they all accepted the graph revealed to them and they added comments and observations for their own response or the responses of the rest of the Deans. It is also important to notice that none of the Head's of the Resource Units mentioned a difficulty in responding to the questionnaire related to its design and the delay or reluctance to provide with responses is primarily due to their busy time-tables. However, some of them mentioned that their response refers to particular individuals involved in the resource allocation process rather that 'the Management Group' as a whole. It is also important to concentrate on the particular individual comments as revealed following.

More precisely, the Head of RU1 agreed with the drawn level of trust and s/he added that due to her/his experience in the Star Chamber, the level of two columns of the graph would be *'more equal now'* bringing the lower one up, and s/he adds that *'I think they trust me as much as I trust them'*, although s/he specifies that *'there is a problem on an individual basis'*. S/he also thinks that the Dean who scored the lowest level is just a cynical person.

The Head of RU2 on seeing the graphs, commented for her/his own response that I *'got (her/him) on a good day!'*. S/he explained that s/he thinks that the Management Group had a *'very impoverished opinion of the Deans'* and that they tend to find a few chosen individuals. On justifying the possible reasons that some of the Deans scored quite high levels of trust, s/he explained that the specific individuals

may *'have a more user-friendly financial relationship with the centre'*, or they may be *'more aligned with the thinking of the attitudes of the people of the centre'* or they were *'less pragmatic in the responses'* thinking that the results will be shown to the Principal.

The Head of RU3 accepted the graphed level of trust of her/his response, and that s/he feels *'comfortable with that'*. S/he also claimed that s/he was not surprised with the variation of the views because some *'Deans found it such a negative and untrusting experience'* which could explain their attitude, although her/his own experience has been good. S/he explains that *'given (her/his) best understanding of The University's resource position (her/his faculty) got a reasonable deal'*. For the lower indication s/he thinks it is a surplus faculty *'because that Dean would be very disillusioned with the way...the faculty works very hard, and every time it generates a surplus, this surplus has to be given across The University'*.

The Head of RU4, before being shown the graphs, started explaining that her/his trust levels may change every year depending on the Star Chamber's process and outcome and it is possible one year to be *'quite happy'* and the next year to feel *'miserable'*, if s/he is *'unlucky and they haven't given enough money'*. At this stage s/he also stated that s/he trusts the Management Group because s/he believes that they are trying to achieve the same objectives, and that they have been open and honest in the meetings but that does not mean that they do not disagree. At the moment s/he saw the graphs s/he seemed relieved that her/his response was one of the higher and quite surprised with the level of the lowest one. For her/his response s/he said although her/his faculty had a lot of financial difficulties s/he thinks that *'if you have come out from a very hard period in a very positive way...then that is ok'*. Commenting on the responses of the rest of the Deans s/he stated that their consistency for both parts of the questionnaire is predictable because *'if you trust somebody then they trust you...there are both sides creating the atmosphere'*.

The Head of RU5, before the graphs were revealed, s/he proclaimed that s/he had been extremely open and transparent with her/his dealing and therefore the Management Group should trust her/him. S/he also clarified that her/his trust differs on an individual basis and s/he *'distrusts'* those who do not understand the *'conflicting interests'*. S/he also stated that the *'continued help for this faculty should be depended on a trusting relationship between me as an individual and the Principal as an individual'*. However the success of The University *'depends on how the system take place'* and the system *'involve a whole lot of individuals, it involves databases, it involves evidence, it involves thinking, it involves interaction between other people within that system which can create instability'*. On being shown the graph, s/he restated her/his view that *'any management system should ultimately depend on trust between individuals'*.

The Head of RU6, before seeing the graphs, also clarified that her/his response would differ for each individual in the Star Chambers. S/he made it very clear that if s/he was completing a different questionnaire for the Principal and the Finance Office that would vary because her/his *'experience with working with the Principal is that s/he has been fair in terms of budget...and investments and whatever...and (I) have a lot of trust on her/him ...and her/his commitment to do her/his things.... (But) don't have the same level of trust with the Finance Office'*. For the overall variation of the Dean's responses s/he said s/he is *'not surprised given the make up of the Star Chamber group'*.

Although the Head of RU7 questionnaires' response showed a very significant variation between the first and the second part, s/he accepted the graph stating *'ok! That's what I thought!. . . I think that makes sense to me'*. Her/his explanation of having being in the 'middle' is that s/he has got on reasonably well with the Principal and much less well with the finance officer.

The Head of RU8 on finding out her/his questionnaire outcome said that *'it is probably right'* because her/his experience of the Star Chamber's has been relatively good. S/he thought that the variation of the rest of the responses might depend on different experiences and that it should be indifferent to the financial position of the faculties and has *'more to do with attitudes...perhaps the nature of the personal relationship'*.

5.7 Management Group participants vs Heads of Resource Units

This section attempts to provide a comparative analysis between the participants of the Management Group and the Heads of the Resource Units as a group. In order to demonstrate the comparison, the attention of the analysis is based on the degree of agreement or disagreement of the participants on the issues that influence their trust in the study's context. Therefore, an indicative position on the matrix of agreement and trust gives the potential strength of the comparison. In this sense, the participants who agree more on the particular issues of the resource allocation process are found closer on the matrix and those who disagree more are further from each other on the matrix. The matrix itself is based on the researchers interpretation and understanding of the possible position of each participant and her/ her/his match with the rest of the group/s, as a result of their own self- explanation, the views of the others and the response to the organisational trust inventory. The intention behind this subjective justification is demonstrative rather than 'judgmental' and it is not attempting to test the 'honesty' or 'reliance' of the individual's statements. For example, if an individual during the interview course expressed a very cynical self image (for instance RU11), but a quite optimistic belief in others, then this participant is positioned on the higher trust level of the matrix in comparison to others who were trying to give a optimistic self image but their conversation

outcome showed anything else except agreement or trust in the relationship (for instance RU5).

agreement

more   *less*

MG1,		RU8	
MG3,MG4		RU11	RU3 RU4
MG5			
		MG2 RU1,RU6	
		RU7	
		RU5, RU10	
less			
			RU2

trust

Figure 5.6: Trust and agreement notional position

matrix

More precisely, the participants of the Management Group, in general, have shown a relatively high level of trust in the Heads of the Resource Units and they seem to think that the Heads of the Resource Units trust them too. The reasons for this high level of trust might be found in various explanations such as superiority in the relationship, or belief of sufficient communication and understanding in the relationship or acknowledgement and respect of the legitimate needs and aspirations of each side. In respect to individual expressions, MG1 seem to feel very confident that the Deans trust her/him and her/his decisions and that s/he manage to demonstrate a degree of approachability and openness that results in a relatively close position to the Heads of the Resource Units. In addition, the relatively broad appreciation of her/his efforts, personality, and vision expressed by the majority of the Deans in

combination to the very higher outcome to the OTI formulated her/his position on the matrix.

MG2 was positioned at a relatively high level of trust because s/he insisted continuously that s/he trusts the Heads of the Resource Units and s/he believes that they trust her/him in return. However, her/his tendency to contradict her/his statements and the relatively distant *'corporate police'* role s/he chose as her/his self-confessed image, resulted in a lower position on the trust axis than MG1. Furthermore, the opinions expressed by some of the Heads of the Resource Units about the particular individual's personality and input in the resource allocation process were also considered. Her/his response to the questionnaire is also indicative of a possible inability to fit in to the very high level of trust in the matrix.

MG3 and MG4 are very close to each other in their views and it seems that the Heads of the Resource Units consider them quite optimistic as individuals and their efforts in the resource allocation process, although their role is not broadly appreciated by the Deans who they see them as very supportive individuals but with potentially problematic role in the relationship. The questionnaire response provided by MG3 indicates this optimism and apparently shows a compatibility with the views of MG1. Although MG5 is a participant from the central administration, seems to have a quite critical view about the role of the Management Group participants in the resource allocation process and s/he appears very sympathetic to the Heads of the Resource Units. However, her/his involvement in the resource allocation process was not directly related to either parts, and as the Head of RU1 explains her/his unit is *'semi independent'* and therefore her/his view can be interpreted as a *'third party observer'* in the relationship.

The Heads of the Resource Units have also demonstrated a wide diversity of views. Starting from the individual holding the lowest position on the trust axis, the Head of RU2, a cautious interpretation is necessary. More precisely, the rational of

placing her/him on the lower trust and agreement levels is based on the comparative basis with the other Heads of the Resource Units, therefore this position means that s/he expressed the most pessimistic view and it does not mean that s/he is the most unhappy participant. This point is very important considering that none of the Heads of the Resource Units 'see her/his face' on the lowest trust column when they were asked to comment on the OTI graph. However, both of the Management Group participants (MG1 and MG3) who provided a thorough response to the questionnaire mentioned her/his case as one of concern.

Other Heads of Resource Units who are positioned relatively low on the axis are RU5 and RU10. In particular, the case of RU5 is a very interesting one. Although her/his questionnaire responses indicated a relatively high level of trust and during the interview, s/he tried to provide a nice image, there are several indications that support the opposite. First, the participants of the Management Group both in their interviews and in their questionnaire response expressed a degree of concern over their relationship with her/him. Second, several other Deans mention her/his case in their interviews and they appear divided on comments for her/his faculty difficulties, her/his personality and competence, and the support they claim her/his faculty finds at the resource allocation outcome. A possible explanation of the change of her/his view might be a particular situation s/he faced during the process of the particular planning year. In particular, her/his questionnaire responses were received after the first Star Chamber meeting and before the second one and very close to the day the Grant Letter was announced (the letter announced 21st of March and her/his response received 4th of April). Although her/his faculty agendas, and minutes of the faculty meetings had restricted access (see appendix 10), other Deans at the same time expressed a vague but optimistic view of the amounts of the allocation due to the overall high performance of The University at the recent Research Assessment Exercise. However, in the interview with RU5, s/he revealed s/he was

negotiating with the faculty's institutional arrangements for *'inappropriate cross charging'* but *'you get to a point in the negotiations where the centre of The University has to be involved and then there is a sort of backing off'*, and then on trying to find possible reasons s/he says *'incompetence? No, no, no. Has to do with management culture really'*. S/he also claims that the task force is an *'internal pressure group... of the most unsupportive nature '*, which may also be considered a comment for the particular years' resource allocation process. One of the very indicative descriptions of the particular event is the one of MG5 who said *"the worse occasion was last year (the participant interviewed later in time) when the (Dean RU5) went 'fine! This is not enough; if you want me to sack twenty (...) academics I will do it! But you have to take the consequences that we are issuing a public outcry because I can not take the responsibility for this'...s/he knew perfectly well that this was not going to work. So at that point the Principal backed down and the faculty (...) magically got the money to continue to employ'*. Considering all these points the position of RU5 on the matrix in one of low trust and low agreement, which is believed that to be changed from a higher position at the beginning of the process. RU10 is also positioned at quite a similar level due to her/his *'vocal'* (MG3) views in the process. The participants of the Management Group mentioned her/his case. It is interesting that several participants thought that this Head of the Resource Unit could be the one rating the lowest level of trust in the questionnaire graph.

The Heads of RU1, RU6 and RU7 are positioned at medium level of trust and agreement due to their cautiousness in their views. The three of them seem knowledgeable and supportive to the changes for improvement made in the process, willing to contribute constructively. However, they appear to have a degree of reservation on whether they should support the decisions Members of the Management Group, because they do not *'know what the big picture was'* (RU1), or do not agree with the centralised authority pattern of The University (RU7), or simply

think that the centre do not trust them much (RU6). Their OTI results also support this position.

RU4 and RU11 position is on a quite high and with similar level of trust but it seems that they have differences in their views. In particular the Head of RU4 expresses her/his trust to the individuals of the Management Group, but is less prepared to agree with them on several issues. Her/his trust seems to be conditional to her/his faculty support by the centre based on the belief that they have the same objectives. MG3 explains extensively that one of the strategies of The University was to support the Resource Unit 4 because it had been faced with difficulties outside of their control. The outcome of the OTI of the Head of RU4 is quite high too. The Head of RU11 tends to be more optimistic in accepting the arguments given by the centre and s/he argues that her/his trust is not blind. The Heads of RU3 and RU8 are on a higher trust position on the axis. They both demonstrated a high degree of 'management' or 'financial' knowledge and they tend to provide a very supportive and understanding attitude to the difficulties that the centres of The University have to face. Their OTI response also gave a higher indication of trust.

5.8 Summary

The following discussion draws on the main themes that emerged from the interviews with the participants, as an attempt to focus and synopsize the arguments supporting the multifaceted role of trust in the resource allocation thesis.

The table 5.3 below includes the views given by the participants from the Management Group and the Heads of the Resource Units on what trust is, where it can be found, how it grows and how it declines.

Table 5.3: Trust	
Participants from the Management Group	***Heads of the Resource Units***
<u>Trust:</u>	<u>Trust</u>
Exists between individuals, Is a human thing, When one feels that s/he has been listened to, gets with an instant impression	Exists between individuals, is not generic, Is a value judgment of personal integrity, intuition for others' values
<u>Exists when the other</u>	<u>Exists when the other</u>
is a reasonable person, does not take advantage, gives a fair representation of requirements	Is fair, honest, keeps and value agreements made, do what they say, fair with others
<u>Builds with:</u>	<u>Builds with</u>
A function of personalities, Accuracy of information, Senior position in the interaction Time, Openness, dialogue, communication, good reason, Knowing the other, Working together, Ability to feel a part of the group, Willingness to compromise	Good lines of communication, Previous experience, working together, stage of the process
<u>Declines with</u>	<u>Declines with</u>
Misunderstanding, Tendency to keep information, Presumption of outcome and situation, suspicion, surprise, mistakes and inaccurate information	Suspicion, when one is talking about others.
<u>In University now</u>	<u>In University now</u>
Always high, efforts are appreciated, better than before	Is broken a bit maybe because of financial pressure, Management Group may trust the Deans more cause they choose individuals, not good with finance office, no good management information system, common vision, personalities, better than before

It should be said that the participants from both groups when explaining the notion of trust in general, all gave different but personal views on what they think trust is, and these views are considered individually. In general, both groups gave very similar contexts of where trust can exist and develop. However, in regard to their perceived level of trust in their current interaction, there are differences in views, which will be analysed later, but here tend to demonstrate that the participants of the Management Group think that there is more trust in their relationship with the Deans, and the Deans seem to think that there is an issue of trust in the relationship. To avoid misunderstanding, this explanation will be developed further in the subsequent parts of the section.

Table 5.4: Accountability and trust 'let the other know'	
Participants from the Management Group	*Heads of the Resource Units*
'Openness' and 'dialogue' But Reservation on giving information before the decision is taken Little explanation about the reasoning of the model's 'adjustments'	Savings or expenditure of budget is acknowledged or reported 'back to the centre' 1. Very open, detailed accounts at the end (RU3, RU4, RU7, RU8, RU11,) 2. Willingness to provide this information but cautiousness to do so (RU1, RU5, RU6) Need to know about the reasons of 'cross subsidisation' of other units.

The above table 5.4, shows the opinion of the two groups about the intentional efforts to 'let the others know' as a form of 'trust them to know' about issues of importance in the resource allocation process. Both groups argue that they are willing and they make efforts to some extent (more or less), to maintain accountability

of issues that concern both groups. Firstly, the participants from the Management Group argue that there is sufficient 'openness' and 'dialogue' in the process, and if there is some inefficiency that is due to technical (for instance the IDRM complexity) rather that intentional intricacy. However, with closer consideration of this claim, it is possible to gather a level of inconsistency and reservation in the group that might be either an effect of the centralised authority pattern (they do not let the Deans know because they never considered them part of the Management Group, they are the next lower level of authority- never given decision making power), or insufficient communication modes (listening but not doing it), or simply a presumed stance of moral rights and obligations (because Deans are not considered part of the Management Group, therefore they do not have the right to express disagreement but they have the obligation to be loyal to the decisions of the Management Group) that they reciprocally expect in the particular context. On the other hand, the Head's of the Resource Units opinions vary to the extent that they trust the Management Group to know about the way they use their budgets, or the amount of savings they manage to generate. These differences can be explained considering the possible effect of the centralised authority pattern of The University (which does not involve the Deans in the Management Group), the different 'messages' that the Deans acquire from the distant relationship with the Management Group in respect to the resource allocation, and the perceived reciprocity to their legitimate anticipations.

Table 5.5: Resource allocation process	
Participants from the Management Group	*Heads of the Resource Units*
<u>Star Chambers</u>	<u>Star Chambers</u>
Inclusive pattern, Flexible,	Uncertainty about purpose, atmosphere,
Communication of hopes and aspirations	conduct
But disagreement on:	1. No papers
Formality	But optimistic attitude – confident to set
Individual or territorial group Star	their own agenda (RU1, RU3, RU6, RU7,
Chambers	RU8, RU11)
<u>Resource Strategy Committee</u>	No papers and pessimistic attitude (RU2,
The outcomes of the Star Chambers are	RU4, RU5, RU10)
shared	2. not sure if operational or strategic
<u>Task force:</u> informal/ relaxed	but optimistic(RU1, RU3, RU6, RU8)
<u>Individual contact</u> – as a indication of	pessimistic (RU2, RU4, RU5, RU7, RU10)
approachability, inclusiveness, and	3. Atmosphere of the meeting
openness	Good (RU3, RU4, RU6, RU7, RU8, RU11)
	Bad (RU2, RU4, RU5, RU10)
	<u>Resource strategy committee</u>
	Increases collegiality between the Deans
	But no communication with the centre
	No influence on centre's decisions
	<u>Task force</u>: mini Star Chambers, but also
	'internal pressure group'
	<u>Individual contact</u>: real negotiations, way
	to achieve a favourable outcome

In respect of the resource allocation procedure employed in The University, the participants choose to raise a variety of issues perceived to be influential to the trust between them. These issues were further explored in the semi-structured interviews. It is argued that it is possible for trust to evolve as the process evolves in different stages. In general, the main resource allocation meetings, the 'Star Chambers', are perceived in very different ways by the participants. The participants of the Management Group tend to argue that they are the only possible way the negotiations can take place and the style and frequency of the meetings is appropriately flexible and feasible. Although they agree that the Star Chambers can be a very different experiences for each faculty, they argue that this is due to the individual attention paid to particular needs and settings. However, they tend to argue that focus is to retain trust and also to find the most reasonable solution to the financial situation of The University as a whole. However, the highly centralised hierarchical pattern of the decision authority, the limited participation of the Heads of the Resource Units to the Management Group (no academic Heads of Resource Units are members except the case of the Executive Dean of Medicine), result to the questioning of trust. This attitude is expressed as a cautious belief in what the senior management believes is the 'big picture' or the award of 'notional deficits' as an attempt of the central management to control the Units.

Table 5.6: Power and trust	
Participants from the Management Group	*Heads of the Resource Units*
Hierarchical structure	Hierarchical structure
Senior management – responsibility of trust	Unequal distribution of power
	Different views on trust and Hierarchy
Very hierarchical systems with trust - openness	Decision authority
Decision authority	No participation in resource allocation decision making
Centralised but Devolved responsibility system	Very centralised authority
Inclusive pattern	Trust could be built with more participation
Very approachable centre	No Deans in Management Group
Many different meetings for resource allocation	Political
Political	'Big picture' – affects trust
Big picture – managerial skill	1. belief in common vision – fit into the whole context (RU4, RU8, RU11)
Changing the way Deans are elected	2. not sure if there is a 'big picture' but accepting to fit (RU2, RU3, RU6, RU7)
Need of academic Deans to see the 'big picture'	3. no big picture – no fit (RU2)
Financial	Financial
Limited resources for University	Financial pressure – trust is important
University in deficit	Financial position not necessarily affect on trust
Financial pressure – trust is important	'notional deficits'

One of the main arguments of the participants of the Management Group is that the Star Chambers should be individually, faculty based, in order to have sufficient flexibility, closer consideration of each faculty's needs and to maintain levels of dialogue and communication.   They tend to quote the improvements made on the information system of The University and the IDRM model itself, in order to provide a less complex and highly transparent system.   On the other side, the 'individual attention' claimed by the participants of the Management Group tend to have different meanings to the Heads of the Resource Units.   This refer to not very well developed communication pattern which tends to be not transparent, very complex, and quite formal and distant with very centralised character (table communication).   In respect of the resource allocation, one of the main issues of concern among the Heads of the Resource Units is the accuracy and availability of important information for both sides.   It is argued that the management information system that provides data to the already complex IDRM has been found inaccurate and inappropriate in several occasions (for instance, the student and staff numbers statistics).   Therefore the Heads of the Resource Units face potential difficulties in acquiring with confidence the required information.   Their views vary to the point that the system's inefficiency influences their trust to the Management Group.   Some argue that the system should be separated from the individuals involved and others that the system is reflecting the individual's intentions to keep and hide information in order to maintain control of the process.

Table 5.7: Trust and communication	
Participants from the Management Group	***Heads of the Resource Units***
– Dialogue, openness, transparency, focus on quality of information in the process – IDRM – user friendly, improvements	– Uncertainty if info is accurate or not – No open communication of views – No available info to all important meetings – Deans prefer their own sources than the info gathered from centre – 'Mini University'

The other dimension that should be considered in the analysis, is the role of trust as a value that ensures reciprocity, acceptance and cultivation of moral anticipations in the resource allocation process. Both sides argue that they should be trusted to deliver, maintain, and care for the units they are responsible for. In that respect, the Management Group participants are viewed responsible for The University as a whole and the Heads of the Resource Units responsible for the Resource Units in the context of the whole University.

Trust and legitimate anticipations/ obligations	
Participants from the Management Group	***Heads of the Resource Units***
– Moral responsibility to maintain, care and grow The University – Expect appreciation, support, understanding – Promote a Reasonable, sensible, good reason profile	– Moral support and reciprocity to anticipations on the basis of trust – Openness, care, fairness, loyalty – Right to roll the budgets; spend a reasonable share of income; be rewarded for efforts; be trained – Should know all the relevant aspects in the process

Chapter 6: Conclusions

6.1 Introduction

This dissertation reported a research undertaken to investigate the role of trust in the resource allocation process of an old Scottish university. The focus of the investigation was developing an in-depth understanding of the trust relationship between the members of the resource allocation process of The University. In particular, the study was concerned with the conditions of the social interaction, and the relation of the participants' trust with a variety of aspects of the process. The broader context of the study incorporated insights from British higher education reform and the challenges facing the universities to reinvent their processes and managerial arrangements. The initial thought of the study was that organisational processes, such as the resource allocation process, should be understood as embedded in the organisational context where they occur. In that case, trust between the actors interacting in these processes would be an important aspect; it could facilitate a better operation of the resource allocation process specifically and, in general, the University's governance in general

The study gathered evidence with the use of an organisational trust inventory together with a semi-structured interview with the senior members of the resource allocation Committee, the Star Chambers. The present chapter provides concluding remarks for the study's inquiry (section 6.2). Also, the subsequent sections attempt to address the study's observations toward the themes considered in the literature review (Chapter 3), such as importance of accounting processes and trust in organisational governance (section 6.3.1); the impact of public sector reform in British higher education (section 6.3.2); the social embeddedness of trust and accounting (section 6.3.3); the sources of trust in a relationship (section 6.3.4); the objects of trust (section 6.3.5); and a final discussion on accounting change (section 6.3.6). At the end of each

section, a number of suggestions for further research are proposed. The final section (section 6.4) discusses with the empirical and theoretical limitations of the study.

6.2 The role of trust in the resource allocation process

6.2.1 The thesis

The need to study accounting practices in their organisational context has been addressed in the literature chapter (Chapter 3) as a prerequisite to understand the holistic coordination and interdependence of accounting with other organisational functions. The fundamental assumption is that organisations are complex and dynamic entities, and it is difficult and unrealistic to study an aspect of the organisational activities, such as accounting, as being an abstract function with clearly defined boundaries with other related functions, such as management. Therefore, the exploration of the systems operating in an organisation should not focus only on a particular accounting practice, but on a wider understanding of how such practices are performed within the organisation (see section 3.2).

However, numerous and diverse theories for organisations have been developed, while a variety of different frameworks for organisational context conceptualisation have been proposed. The relevant section of Chapter 4 (section 4.2.1), referred to the variety of existing organisational theories, concentrating on a socio-political perspective of the organisation. In this case, attention is placed on the importance of human perceptions and social dynamics in shaping organisational practices, including accounting. The fundamental reason why different organisational theories have been proposed is that these theories are derived from different assumptions about human nature, knowledge, truth, reality and methodology. In Chapter 4 (section 4.2) an indicative review of this wide spectrum of theoretical assumptions, along with their various perspectives of organisational theory are associated with the related assumptions of epistemology, ontology, human nature and

methodology. The referred frameworks of assumptions cover the fundamental philosophical perspectives within social sciences.

A particular reference to the sociological theory of Structuration (Giddens, 1984) has been demonstrated (section 4.4). The usefulness of Structuration Theory in the present study lies in the suggestion that understanding social phenomena, such as accounting and trust, should be accomplished by exploring their role as being both media and outcome of social structures of signification, domination and legitimation, which are produced and reproduced during social interaction. This interaction is viewed as a deliberate attempt of knowledgeable actors to communicate, exercise power, and sanction within the particular context. The continuous interplay of social interaction and social structures, during a given time period and a defined space construct social systems. In that respect, The University's resource allocation process is viewed as an interaction between the study's participants that produces (and at the same time is produced by) structures of communication, domination and legitimation attempting to construct a system of governance (i.e. management of organisational possibilities). In particular, following the suggestion of Roberts and Scapens (1985), the present study is based on the assumption that accounting systems (rules and procedures) have been in place to account for an organisational reality of the participants of the study. Trust in this perspective should enhance the social order within the interaction (Sydow, 1998) and facilitate the production and reproduction of governance.

The main observation evident from the study is twofold. First, the participants who indicated more trust towards others were found to be willing to be more accountable, even when elements of the process were not favourable. Their attitude of trust also facilitated a much more tolerant perspective, while adopting a cooperative stance in order to overcome the difficulties faced in the procedure of the resource allocation. Second, the participants who expressed less trust tended to be willing to

make less effort to be accountable and they also tended to perceive the complexities and difficulties of the system or the resistance to cooperate during the process as deliberate efforts of the 'other side' to manipulate the process.

This observation suggests that the relation of trust and accounting practices should be understood in a dialectic order, rather than a 'cause and effect' relationship as has been suggested in the literature (section 3.3.3.1 and 3.3.3.2). However, this general observation combines a variety of distinctive issues, which although related to trust as a broader attitude, are essential to investigate and be interpreted individually. Such issues are named as the effect of authority and organisational structure of The University to the participants trust attitude, the communication patterns between the participants and other issues which are expansively discussed in Chapter 5, and are summarised in the following section (6.2.2) as an attempt to answer the question 'what is the role of trust in the management of The University's resource allocation process?'.

6.2.2 The evidence

The resource allocation process of The University included a process of committee meetings, between the Principal with the Director of Finance, the Heads of the Resource Units of The University, and the Income Driven Resource Allocation Model. In addition to the official meetings, the Star Chambers, references to other types of meetings (such as the Resource Strategy Committee, task force groups and individual contacts) that are related to the resource allocation decision and provide a more complete picture of the social interaction between the participants were also considered in the study (section 5.3.4 and 5.5.4).

The participants from the management group tend to refer to the resource allocation process as open, inclusive and appropriate (section 5.3.4). Although they tend to give an optimistic account of the purpose of the meetings, they also present

contradicting views with regard to the formality and conduct of the meetings. Similarly, when referring to the IDRM they tend to emphasise its improvements and they hope that the model's users would appreciate the effort to change the model into a more 'user friendly' one. In general, they tend to support the view that trust between them and the Heads of the Resource Units should be not affected by the official meetings or the model, but from their intention to communicate the accumulated messages of the process (section 5.3.6.6). They also tend to express the view that although The University's authority structure is quite hierarchical and centralised there is a potential for trust, once the University's processes are inclusive and open (section 5.3.6.2 and 5.3.6.3). Also, they tend to anticipate an understanding, appreciation and acceptance of the 'big picture' of The University's circumstances, which should be expressed with trust (section 5.3.6.4 and 5.3.6.7).

The Heads of the Resource Units demonstrate a degree of reservation on whether the current Resource Allocation process is conducted appropriately considering The University's circumstances (see section 5.5.4 and 5.5.5). However, it is evident that those who expressed more trust within the process tend to be willing to be more accountable (i.e. to let the 'others' know), than those who expressed less trust (section 5.5.3). In that respect, the Deans who expressed more trust tend to be willing to communicate their faculty's views more openly and appeared to be willing to share their views during the resource allocation process (section 5.5.6.6). Also, they seemed to view their opinions as influencing the decision process in a more collegial (equal and participative) approach (section 5.5.6.2 and 5.5.5.3). In addition, they appear to be willing to reciprocate to the Management Group legitimate anticipations, and they tend to express the view that their own legitimate anticipations have been respected as important from the others (5.5.6.7).

In between the two groups, trust appears to be associated with the belief that patterns of authority influence, communication and reciprocity to legitimate

anticipations would value accordingly the participants effort to let the 'others' know about important aspects of the process. However, it is also observable that the good operation of patterns of authority, communication and sanction should be facilitated with trust in the first place in order to enable the participants' to 'let the others know'.

In addition, a selection of other issues has been found to be related to the level of trust between the participants, such as personality, gender, and professional training (section 5.5.6.8). However, it had been difficult to relate the interpersonal trust level with the financial position of the Resource Units or the financial situation of The University as a whole (5.3.6.5 and 5.5.6.5). It is interesting to observe that for the participants of the study the issues related to trust and accounting are social or political rather than strictly economic. It can be also observed that the participants associated the purpose and importance of the resource allocation meetings with the overall University management culture, which supports the literature's view that accounting processes and trust relationships, should be examined considering the context in which they occur.

In many respects, it can be concluded that there are indications that the resource allocation process would be managed better with more trust between the two groups.

6.3 Contribution to the literature

6.3.1 Accounting and trust for organisational governance

The present study argues that trust between the resource allocation process members, has an important role since it facilitates better managment of the process and supports structures of accountability between the participants. It is also argued that trust contributes to the democratic governance of the organisation. The enhancement of accountability along with the participative – inclusive pattern of the procedures, can be enhanced when the participants trust each other. The main assumption of this supposition is that trust and accounting depend on a specific context of interaction. Important elements of this line of argument, such as the operation of internal organisational process of accounting (management accounting), governance (as a management of a range of organisational possibilities), and social interaction have been developed in the existing academic literature.

More precisely, in section 3.2.2 of the literature review chapter it has been demonstrated that management accounting, and in particular budgets, should be carefully examined in their role of the broader governance of the organisation. The literature suggests that the organisation's internal accounting practices should be considered under the combination of strategic, operational, financial and behavioural issues (Anthony, 1965; Otley, 1994); with a considerable attention on the socio-political effect of accounting which requires an understanding of the norms, values, role expectations and power inequalities within the organisation (Schiff and Lewin, 1970; Merchant, 1981); combining qualitative and quantitative information for performance evaluation and control (Lowe, 1970; Emmanuel *et al*, 1990); considering the boarder organisational context in order to eliminate the effects of the 'only financial' information such as 'inflexibility', 'short-termism', 'abstraction' (Hopwood 1983; Merchant, 1985). The present study argues that, along with the mentioned considerations, particular attention to the role of interpersonal trust

between the actors who are involved in internal accounting practices (such as the resource allocation process), should enhance the perceived role of accounting as an element of the overall governance of the organisation.

It has been also demonstrated in the literature review (section 3.3.2) that trust is necessary for democratic forms of governance (in which the economic and social well being of the governed population is vital). Given the assumption that human behaviour is not based on a strictly economic rational (section 3.3), and also that humans decide not only by calculation, but under the influence of the 'world' or 'context' in which their references are embedded, the 'prepoliticaly constituted self' theorem is not accepted and an approach more in favour of the 'deliberative' form of democratic governance is considered (section 3.3.2). In that approach, discursive accountability is shaped both by the individual's identities (personality as a part of identity), needs and interests and the political interaction with others. This type of accountability is motivated by an increased willingness to participate in, and control over, the collective decision process, generating an inclusive decision making process (see Warren, 1992; 1996; 1999). Bringing this view to the language of Roberts and Scapens (1993), the discursive democratic organisational governance pattern can be viewed as a combination of an inclusive process (accounting system: rules and procedures), and a deliberative pattern of structures of power, communication and legitimation.

In alignment with the above mentioned thoughts, and as it is demonstrated in the sections 3.3.2.1 and 3.3.2.2, trust is also considered to be a very important value in organisational governance. It has been argued that trust's extrinsic and intrinsic value facilitates participative forms of governance (Speitzer and Mishra, 1999); smoothes the power inequalities in the organisational interactions (Meyerson *et al*, 1996); enhances information sharing and the development of 'common' interests and understanding (Hardy *et al* 1996; Butler, 1999); by creating a sense of fairness and

247

collaboration during financial crisis (Mishra, 1996), reflecting to the anticipation of support by others (Minkes, 1997; Albercht and Travaglione, 2003), and enhancing self-direct and flexible teams (Creed and Miles, 1996). Therefore it could be expected that interpersonal trust should provide for more democratic and flexible systems of decision making in the organisation. Therefore, it is argued that a deliberative accountability pattern should be enhanced with trust.

Reflecting on the above mentioned arguments described in the literature, it has been evident in the study that although all the participants admit that both the resource allocation process and the Income Driven Resource Model bare complexities and inefficiencies, they adopted a different attitude towards the 'others' and their association with the accounting system on the basis of trust. This observed trust attitude is found to be stronger in some of the participants and less strong to others. It is believed to be a factor of individual engagement in democratic and inclusive decision process with a particular element of willingness to be accountable to others for the overall well being of The University resource circumstances. In particular, as explained in the section 5.3.6, the participants of the Management Group tend to believe that trust in the University should not be affected by the fact that the processes and the systems are complex and in some degree inefficient. They think that trust should be sustained by the 'approachable' management style and the 'dialogue' culture of their administration. Similar views have been expressed by the Heads of the Resource Units who indicated positive trust levels. They tended to express a willingness to not emphasise the systems' problems but rather to develop interpersonal contacts which enable the decision process (section 5.5.4.1). Therefore, their expressed views are related to the level of interpersonal trust in the process.

However, the present study was not indented to contribute to the literature debate of whether trust and accounting operate as substitutes or complements to each other, although the relevant literature attempted to this clarify them (section 3.3.3).

The fundamental distinction between the two relationships (either as substitutes or complements) is based on varying assumptions of human nature and the perceived role of accounting as a determinant of human behaviour. This issue could be better addressed with different type of evidence that is based on a possible experimentation between the varying types of expected human behaviour (exposing the participants to various dilemmas of choice and behaviour).

6.3.2 Higher education institutions reform

In respect to the literature review of Chapter 2, the British higher education reform should be considered as being a dynamic and diverse process, especially concerning the particularity of the British universities' responses. It has been demonstrated at section 2.4 that the two major classifications of the British universities as 'old' (pre 1992) and 'new' (post 1992) can be founded on deep and very complex characteristics ranging from the governing structure of the institutions up to the belief of what constitutes 'higher education' learning – with distinctive approaches on research and teaching (Ackroyd and Ackroyd, 1999). Although the present study was not seeking to justify the rightness of the differentiation between the old and new universities, the references gathered by previous reports found to be useful.

Old, research lead, civic University is associated with difficult internal change (Salter and Tapper, 2002); highly centralised administration (Hackman, 1985); collegial structure (Ackroyd and Ackroyd,1999); enhanced role of Vice Chancellor as an academic leader and chief executive together with limited participation of staff and students (Knight, 2002); and attachment to civic role (Patterson, 2003). These characteristics are combined with the general issues facing the Higher Education academic culture, such as difficulty to measure research and teaching performance (Kanter and Summers, 1987); resistance to the management academic construction

(Parker, 2000); critical approach to the appropriateness of the Research and Teaching assessment schemes (Humphrey *et al*, 1995); and response to the pressure of 'new managerialism' (Deem, 2004). In addition, university's resource allocation models need more careful consideration of the internal behaviour patterns that might affect the implementation of such processes (Thomas, 2000). When the resource allocation is based on a computerised model, it tends to be perceived more transparent and fair (Angluin and Scapens, 2000). In any case it has been argued that the models are historically and culturally situated in the context of each particular institution (Jarzabkowski, 2002).

Further, Tomkins (2001) argues that trust is necessary at the early stages of the development of accounting systems. We should therefore suggest that considering the introduction and newness of the 'accounting systems' to Higher Education, trust is important. Similarly, adopting the Jones and Dugdale (2001) language, managing with the use of accounting procedures is not yet an established regime in higher education and learning is considered necessary. This learning should be facilitated with trust, which should support the way to democratic and fair accounting processes.

In the present study the above-mentioned considerations gathered in the literature have been reflected on the perceptions of the participants, and in particular to the trust attitude between them. At this point it is necessary to clarify that the homogeneity of the study's participants groups (all senior administrators with distinctive academic achievements and qualifications -- [see appendix 14]) have been considered in respect to their references on 'academic' excellence instead of 'just' financial benefits from the resource allocation procedures. It is also believed that the 'old research led' University character influenced the participants' views in respect to their references to the role of higher education professional manager as oppose to the traditional academic senior administrator (see section 5.5.6.8).

The present study was not intended to compare the trust differences between academics and professional managers. However, this will be interesting to address in future studies. More specifically it would be feasible to undertake a comparative study of the trust between senior administrators in pre and post 1992 universities.

6.3.3 The social embeddedness of accounting and trust

The present study adopted the view that the behaviour of individuals, groups and organisations is based on factors other than strictly economic rationality (similar views found for instance in Cyert and March, 1963; Weick, 2000). The existence of social and political binding between the participants of the study is considered important to understand the role of trust and accounting between them. Influenced by the structuration theory of Anthony Giddens (1984), the interaction between humans is perceived as being situated (embedded) in the context where the particular interaction occurs. Within this interactional context 'structural properties' produced and continuously reproduced creating 'societal totalities' that is a macro level can be referred as 'institutions' (Giddens, 1984). To the extent that the everyday conduct of the individuals is producing (and reproducing) their boundaries of reference and reasoning, the rationalisation of their actions can be found in the particular context rather in a 'universal' or 'external' source of reason and truth. Therefore, their behaviour should be explained while considering the context of their interaction. The adoption of this stance affects the understanding of the participants perceptions about the practice of accounting as a process and an outcome of the interaction (see also Hopwood 1978), and the feeling of trust as a medium and outcome the same interaction (see Nooteboom, 2002). The structural properties produced and reproduced in the interactional context of the participants can be demonstrated as interplay between authority, meaning and moral references.

The question that is not intended to be answered by the present study but it would be interesting to address in an another enquiry is: to what extent the accounting praxis and trust is based on economic or social reasoning. Therefore, a further theoretical and empirical investigation may give an interesting insight to the understanding of both accounting and trust.

6.3.4 Trust: Extrinsic or intrinsic value?

In the literature reviewed in Chapter 3, it was demonstrated that trust could be conceived as encompassing an extrinsic (instrumental) value as well as an intrinsic one. The extrinsic value of trust implies some sort of a rational calculation of the prospective outcome of a trusting relationship between two parties, which very often is associated with the feeling of confidence to a person or system. On the other hand, the intrinsic value of trust implies a social binding or the belief that an unspoken communal or moral law underlies the attitude of trust.

In the present study, the distinction between the instrumental and intrinsic value of trust was found to be difficult because the participant's perceptions were 'embedded' (i.e. situated) in the particular context (also the questions asked to the participants were not intended to resolve this enquiry). However, although the functional conditions of the relationship between the participants can explain the development of trust and of accounting, the intrinsic value of trust and accounting can also be a challenging perspective for the study. Especially, when some of the participants argued that trust 'is a human thing' meaning that its existence is related to individual 'intuition' rather than of how best the conditions of the relationship work (on this issue the stronger views were the ones of MG2, MG4, RU6, RU11). However, this observation is believed not to be strong enough evidence to conclude that intrinsic or extrinsic trust is more weightened in this particular case.

In any case, it would be interesting to address with more consideration the question 'what is trust' and whether is could be distinguished as baring an extrinsic or an intrinsic value in another study.

6.3.5 Objects of trust

The argument of the section 3.3.1.4 was based on the literature discussing the issue of distinction between objects of trust (people, or systems). In that perspective, trust develops in an interaction between individuals who are also affected by the context of this interaction. Nooteboom (2002) and Sydow (1998) acknowledged the possibility of trust to be directed to 'an abstract construct' which can be either an individual engaged to a role or a social system and that it is also a construct of abstraction developed through the particular interaction. The literature perspective that the object of trust is difficult to be separated from the context of reference is found to be useful in the present study. In particular, is it difficult to distinguish between personal trust and systems' trust, especially when considering that the participants references were situated in the particular context of interaction (the resource allocation process).

However, some of the participants seemed to be very certain of the distinction between their trust towards others and their trust in the abilities of the technical information systems (section 5.3.6.9 and section 5.5.1). It is worth mentioning that although the distinction between human and technical system trust was difficult to make, the participant's associations between the two were interesting. In particular, it was observed that the participants with lower trust tended to emphasise the system's complexities and irrationalities as intentional faults caused by the 'others' in order to manipulate and control the process (RU2), or just a disbelief about the explanations presented for the system's problems (RU1, RU3). In that sense, the limited trust in the individuals seems to give 'flesh and bones' to the suspicion that the system employed

is intentionally complex and inefficient. On the other hand, considering the references of some of the participants, those who expressed a higher interpersonal trust tend to not associate the complexities and difficulties of the system with their belief in individuals, and they also tend to be less willing to accuse the individuals involved for these complexities (RU6, RU11, RU8).

However, considering the difficulty to clearly separate the participants' trust towards the individuals and/ or the system, it can be suggested that comparative investigation would be interesting to address the association between interpersonal and system trust. In that respect it would be interesting to address the question: who or what to trust. Furthermore, it would be interesting to investigate whether interpersonal trust is associated with competent technical systems and *vice versa*. That inquiry may investigate the trust relation between individuals and the trust between individuals and two different technical systems within the same organisational context; for instance human resources procedures and resource allocation procedures.

6.3.6 Accounting change

The view that accounting and organisational practices should be conceived as dynamic processes, instead of static ones, is demonstrated in the literature review of section 3.2.3. In agreement with Shields (1997), who argues that research in management accounting should consider 'the wider institutional dynamics and unpredictability of changes', the study adapted a rather non-static and wide view of the phenomenon observed. That need was facilitated with the in depth and ongoing investigation of the participants views and actions. Furthermore, the argument found in the literature that a rather political and social activity of interests shapes the accounting practice and the organisational change observed in the study (see Hopwood and Miller, 1994; or Burns and Scapens, 2000).

In particular, the views of some of the participants were very strong in supporting this approach, for instance the need to feel more involved in the Management Group consistency or the more direct involvement of the Resource Strategy Committee in the resource allocation process. It is also interesting to observe that although the resource allocation decision was rather centralised, the academically devolved – collegial structure of the University's Resource Units facilitated the view expressed in the literature by Burns and Vaivio (2001) that 'the local actors within larger decentralised structures are the real architects and mobilising agents of change'. Finally, it is necessary to mention that the changes observed included both systemic ones (resource allocation process changes, timing and type of meetings, changes in the model), as well as changes in the structures of conduct between the participants (authority interplay, meaning sharing and communication, moral rights and anticipations sourced in their interaction). In that respect, the Gidden's (1984) conception of change as evolution in the form of an 'orderly process of change passing through discernible stages', is a convenient definition to agree with.

However in must be admitted that a more considerate analysis and conception of the observed changes could be undertaken, which although it is beyond the scope of this thesis, it might be an interesting angle to explore in another study.

6.4 Policy implications

In this section, some implications of research into trust within accounting practices will be considered for accounting theory and policy.

The first implication for accounting theory is that the concept of trust offers an interesting insight into social relations of accountability between individuals or groups. The evidence of this study suggests that trust relationships enhanced structures of accountability as a way of communication, influence and moral behaviour. In the same way, individuals who were found to be willing to 'let the others' know' as a form of accountability, tended to be willing to trust others more. It is, therefore, important to conceptually investigate the dialectic nature of trust and accountability in organisational processes. Further, the present study argued that trust is an important aspect for governing arrangements, with accountability a major aspect. Therefore, it is necessary to broaden the scope of trust within organisational process for more advanced understanding of social systems of governance within organisations.

The second implication is that trust and accounting practices are shaped by the nature and extent of social and political interactions between individuals and groups within an organisation. This has important implications for higher education resource allocation policies, in which attention to the embeddedness of accounting practices and trust relationships in the social and organisational environment of universities should be carefully considered. In particular, the effective implementation and operation of resource allocation procedures and models within universities would be governed better while considering trust and accountability structures attentively.

Finally, dialogue across disciplinary, sectorial and professional lines is necessary for conceptual and operational advancement. Trust relationships within organisational practices could be affected by political tension, scarcity of resources, and professional conflict. However, it would be better understood and explained with

a continuous reflection and interpretation within a more inclusive than one discipline perspective. It is therefore suggested that not one discipline can provide a sufficient framework of understanding or realistic suggestions for change of social phenomena as accounting practices and organisational trust.

6.5 Limitations of the study

The study of the role of trust in the resource allocation process developed while considering and challenging a number of practical and theoretical limitations of conducting the research. However, there were limitations that unavoidably occurred and drastically affected the research process.

A major challenge for the study was the required consideration of the sensitive and confidential nature of the participants' perceptions and their trust relationship during the resource allocation process. In addition, the necessity to gain access to a single-case organisation important enough for in-depth exploration was required. The choice of the particular University provided both an advantage of access and a limitation of generalisability of the study's findings. In that respect the present study does not claim that the findings are generalisable, although it would seem likely that other Universities employ similar strategies and processes.

Another important consideration was that the time period of the research was restricted to meet the PhD completion timescale, and therefore only one budgeting period was considered in the study. Nevertheless, archival information and awareness of the subsequent developments after the study's investigation period were considered carefully while constructing the context of the case. Yet, it should be admitted that the study's findings could be better supported by considering a second budget period exploration on comparative basis.

In respect to the theoretical side of the inquiry, a fundamental limitation to acknowledge is that for some readers the assumptions and analysis employed in the

study may be not acceptable. Although similar conclusions could be drawn from other perspectives, different insights could be gained by analysing the case from other philosophical stance. An additional difficulty has also been the integration and synthesis of different literatures. Literature relevant to the concept of trust can be found in many disciplines including philosophy, sociology, management, psychology in addition to accounting and finance. However, this work attempted to introduce the concept of trust within management accounting perspective while shifting accounting from its conventional link with traditional economics to a broader interdisciplinary social science perspective. However, it should be admitted that the tension between these literatures have neither been solved nor reconciled in this work.

Finally, it can be admitted that several other avenues for further research can be suggested based on work done for this thesis.

Bibliography

Abrahamson E. (1991): Managerial fads and fashions: the diffusion and rejection of innovations, *Academy of Management Review*, Vol. 16, No3, p.p. 586 – 612

Abrahamson E. (1996): Management fashion, *Academy of Management Review*, Vol. 21, No 1, p.p. 254 – 285

Abrahamson E., Rosenkopf L. (1993): Institutional and competitive bandwagons: using mathematical modelling as a tool to explore innovation diffusion, *Academy of Management Review*, Vol. 18, No 3, p.p. 487 – 517

Ackroyd P., Ackroyd S. (1999): Problems of university governance in Britain, is more accountability the solution?, *The International Journal of Public Sector Management*, Vol. 12, No 2, p.p. 171 - 185

Ahmed M., Scapens R. (2000): Cost allocation in Britain – towards an institutional analysis, *The European Accounting Review*, Vol.9, No 2, p.p. 159 – 204

Albrecht S., Travaglione A. (2003): Trust in public sector senior management, *International Journal of Human Resource Management*, Vol.14, No.1, p.p. 76 – 92

Alderfer C., Smith K. (1982): Studying inter-group relations embedded in organisations, *Administrative Science Quarterly*, Vol. 27, No 1, p.p. 35 - 65

Alvesson M., Deetz S. (2000): Doing critical management research, Sage Publications Ltd., UK

Alvesson M., Skoldgerg K. (2000): Reflexive Methodology, new vistas for qualitative research, Sage Publications Inc, London

Angluin D., Scapens R. (2000): Transparency, accounting knowledge and perceived fairness in UK universities' resource allocation: Results from a survey of accounting and finance, *British Accounting Review*, Vol. 32, p.p. 1 – 42

Ansari S., Euske K. (1987): Rational, rationalizing and reifying uses of accounting data in organisations, *Accounting, Organisations and Society*, Vol. 12, No 6, p.p. 549 – 570.

Anthony R. (1965): Planning and control systems, a framework for analysis, Harvard Graduate School of Business, USA

Argyris C. (1971): Management information systems – the challenge to rationality and emotionality, *Management Science*, Vol. 17, No 6, p.p. 275- 292

Argyris C. (1973): Some limits of rational man organisational theory, *Public Administration Review*, May / June, p.p. 253 - 267

Armstrong P. (1991): Contradiction and Social Dynamics in the capitalist Agency relationship, *Accounting, Organisations and Society*, Vol. 16, No 1, p.p. 1-25

Arrington E., Francis J. (1989): Letting the chat out of the bag: Deconstruction, privilege and accounting research, *Accounting, Organisations and Society*, Vol. 14, no 1-2, p.p. 107 - 124

Arrington E., Francis J. (1993): Accounting as a human practice: the appeal of the other voices, *Accounting, Organisations and Society*, Vol. 18, No 2-3, p.p. 105 - 106

Ashar H, Shapiro J. (1988): Measuring centrality: a not on Hackman's resource allocation theory, *Administrative Science Quarterly*, Vol. 33.p.p. 275 - 283

Bachmann R. (1998): Trust - conceptual aspects of a complex phenomenon, in Lane C., Bachmann R. (Eds.) Trust within and between organisations, conceptual issues and empirical applications, Oxford University Press, UK

Bachmann R. (2001): Trust, Power and Control in Trans-organisational relations, *Organisation Studies*, Vol. 22, No 2, p.p. 337 - 365

Baiman S. (1982): Agency research in managerial accounting: a survey, *Journal of Accounting Literature*, Vol. 1, p.p. 154 – 213

Baiman S. (1990): Agency research in management accounting: a second look, *Accounting, Organisations and Society*, Vol. 25, No 4, p.p. 341 – 371

Baiman S., Rajan M. (1994): On the design of unconditional monitoring systems in agencies, *The Accounting Review*, Vol. 69, No 1, Jan 1994, p.p. 217 - 229

Barker R.T, Camarata M. R. (1998): The role of communication in creating and maintaining a learning organisation: Preconditions, Indicators and Disciplines, *The Journal of Business Communication*, Vol. 35, No 4, Oct 1998, p.p. 443 – 467

Bateson P. (1988): The biological evolution of Cooperation and Trust, In D. Gambetta (Ed.), Trust: Making and breaking co-operative relations, Oxford, UK Basil Blackwell

Bennett B. (2002): The new style boards of governors – are they working?, *Higher Education Quarterly*, Vol. 56, No 3, p.p. 287 – 302

Benton T., Craib I. (2001): Philosophy of social science, the philosophical foundations of social thought, Palgrave Publishers Ltd UK.

Berlin I. (1958): Two concepts of liberty, Oxford University Press, UK.

Bernard W. (1988): Formal Structures and Social Reality, In D. Gambetta (Ed.), Trust: Making and breaking co-operative relations, Oxford, UK Basil Blackwell

Berry A. (1994): Spanning traditional boundaries: organisation and control of embedded operations, *Learning and Organisational Development Journal*, Vol15, No 7, p.p. 4 - 10

Berry R. (1994): Management accounting in Universities, CIMA

Bhaskar R. (1983): Beef, structure and Place: Notes from a critical naturalist perspective, *Journal for the Theory of Social Behaviour*, Vol 1, p.p. 81 - 95

Bhattacharya R., Devinney T., Pilluta M. (1998): A formal model of trust based on outcomes, *Academy of Management Review*, Vol. 23, No 3, 459 – 472.

Bibliography

Bijlsma – Frankema K., Koopman P. (2004): The oxymoron of control in an era of globalisation – vulnerabilities of a mega myth, *Journal of Managerial Psychology*, Vol. 19, No3, p.p. 204 - 217

Birnberg J., Turopolec L., Young M. (1983): The organisational context of accounting, *Accounting, Organisations and Society*, Vol. 8, No 2 / 3, p.p. 111 - 129

Blau, P. (1964): Exchange and power in social life, John Wiley and Sons Inc., USA

Blomqvist K. (1997): The many faces of trust, *Scandinavian Journal of Management*, Vol. 13, No 3, p.p. 271 - 286

Boisjoly R. (1993): Personal integrity and Accountability, *Accounting Horizons*, Vol. 7, No1, p.p. 59-69

Bordignon M., Minelli E. (2001): Rules, transparency and political accountability, *Journal of Public Economics*, Vol. 80, p.p. 73 - 98

Bourn M. (1994): A long and winding road, the evolution of devolution in universities, in Berry R.H. (ed) Management Accounting In Universities, CIMA, UK

Bradach J., Eccles R. (1989): Price, authority and trust - from ideal types to plural forms, *Annual Review of Sociology*, Vol. 15, p.p. 97 - 118

Brenkett G. (1998): Trust, morality and International Business, in Lane C., Bachmann R. (Eds.) Trust within and between organisations, conceptual issues and empirical applications, Oxford University Press, UK

Brewerton P., Millard L. (2001): Organisational research methods, Sage Publications Ltd, London

Brockner J., Siegel P. (1995): Understanding the interaction between procedural and distributive justice - the role of trust, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Brockner J., Siegel P., Daly J., Tyler T., Martin C. (1997): When Trust Matters - The moderating effect of outcome favorability, *Administrative Science Quarterly*, Vol. 2, p.p. 558 - 583

Brownell P. (1981): Participation in budgeting, locus of control and organisational effectiveness, *The Accounting Review*, Vol. LVI, No 4, p.p. 844 - 860

Brownell P., McInnes M. (1986): Budgetary participation, motivation, and Managerial Performance, *The Accounting Review*, Vol. 61, No 4, p.p. 587 - 600

Bruns W., DeCoster D. (1969): Accounting and its Behavioural implications, McGrawhill Inc., USA

Buckley J. (1983): Comments on 'The organisational Context of Accounting', *Accounting, Organisations and Society*, Vol. 8. No 2 / 3, p.p. 131 - 135

Burks S., Carpenter J., Verhoogen E. (2003): Playing both roles in the trust game, *Journal of Economics Behaviour and Organisation*, vol. 51, p.p. 195 - 216

Burnett C., Smith R., Silberstein M. (1994): The first phase in the development of an alternative course costing system, in Berry R.H. (1994): Management accounting in Universities, CIMA

Burns J., Scapens R (2000): Conceptualising management accounting change: an institutional framework, *Management Accounting Research*, Vol. 11, p.p. 3-25

Burns J., Vaivio J. (2001): Managerial accounting change, *Management Accounting Research*, Vol. 12, p.p. 389 - 402

Burrell G., Morgan G. (1979): Sociological paradigms and organisational analysis, elements of the sociology of corporate life, Ashgate Publishing Limited

Buskens V. (1998): The social structure of trust, *Social Networks*, Vol. 20, p.p. 265 – 289

Butler J. (1991): Toward understanding and measuring conditions of trust: evolution of conditions of Trust Inventory, *Journal of Management*, Vol. 17, No 3, p.p. 643 – 663

Butler J. (1999): Trust expectations, information, sharing, climate of trust and negotiation effectiveness and efficiency, *Group and Organisation Management*, Vol. 24, No 2, p.p. 217- 238

Camp J., McGrath C., Nissenbaum H. (2001): Trust – a collision of paradigms, Faculty research working papers series, John F. Kennedy School of Government, Harvard University, USA.

Caplan E. (1966): Behavioural Assumptions of Management Accounting, *The Accounting Review*, Vol. 41. No 3 p.p. 496 - 509

Carr C., Tomkins, C. (1996): Strategic investment decisions: the importance of Strategic Cost Management, A comparative analysis of 51 case studies in UK, US and German companies, *Management Accounting Research*, Vol. 7, p.p. 199-217.

Carver T. (1908): The basis of social conflict, *American Journal of Sociology*, Vol.13, No 5, p.p. 628 – 648.

Chadwick-Jones J. (1976): Social exchange theory, its structure and influence in social psychology, European Monographs in Social Psychology, Academic Press Inc. London LTD.

Chua W. (1986): Radical developments in accounting thought, *The Accounting Review*, Vol.. LXI, No 4, p.p. 601 – 632

Chua W. (1988): Interpretive sociology and management accounting - a critical review, *Accounting Auditing and Accountability Journal*, Vol. 1, No 2, p.p.59-79

Coleman J. (1966): Foundations for a Theory of Collective Decisions, *American Journal of Sociology*, Vol. LXXI, No 6, p.p.615 - 627

Colingon R., Covaleski M. (1991): A weberian framework in the study of accounting, *Accounting, Organisations and Society*, Vol. 16, No2, p.p. 141 - 157

Colville I. (1981): Reconstructing 'behavioural accounting', *Accounting, Organisations and Society*, Vol. 6, No2, p.p. 119 - 132

Committee on Standards in Public Life (2001): The First seven reports - a review of progress, a brief introduction, http://www.public-standards.gov.uk/stocktake/ summary/ summary.pdf

Cooper D, Hayes D., Wolf F. (1981): Accounting in organised anarchies: understanding and designing accounting systems in ambiguous situations, *Accounting, Organisations and Society*, Vol. 6, No 3, p.p. 175 - 191

Cooper D., Hopper T. (1987): Critical studies in Accounting, *Accounting, Organisations and Society*, Vol. 12, No 5, p.p. 407 - 414

Couch L., Jones W. (1997): Measuring levels of trust, *Journal of research in personality*, Vol. 31, p.p. 319 - 336

Covaleski M., Dirsmith M. (1988): An institutional perspective on the rise, social transformation and fall of a university budget category, *Administrative Science Quarterly*, Vol. 33, p.p. 562 - 587

Covaleski M., Dirsmith M. (1988): The use of budgetary symbols in the political arena: an historically informed field study, *Accounting, Organisations and Society*, Vol. 13, No. 1, p.p. 1-24

Covaleski M., Dirsmith M. (1990): Dialectic tension, double reflexivity and the everyday accounting researcher: on using qualitative methods, *Accounting, Organisations and Society*, Vol. 15, No 6, p.p. 543 - 573

Covaleski M., Dirsmith M., Samuel S. (1996): Managerial accounting research – the contributions of organisational and sociological theories, *Journal of Management Accounting Research*, Vol. 8, p.p. 8 - 35

Covaleski M., Dirsmith M., Samuel S. (2003): Changes in the institutional environment and the institutions of governance: extending the contributions of transaction cost economics within the management control literature, *Accounting, Organisations and Society*, Vol. 28, p.p. 417 - 441

Creed W., Miles R. (1996): Trust in organisations: a conceptual framework linking organisational forms, managerial philosophies and the opportunity costs of

controls, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Crespi I. (1971): What Kinds of Attitude Measures Are Predictive of Behaviour? *Public Opinion Quarterly*, Vol. 5, No. 3, pp. 327-334.

Crespi I. (1977): Attitude measurement, theory and prediction, *Public Opinion Quarterly*, Vol. 41, p.p. 285 - 294

Crites S., Fabrigar L., Petty R. (1994): Measuring the affective and cognitive properties of attitudes: Conceptual and Methodological Issues, *Personality and Social Psychology Bulletin*, Vol. 20, No. 6, p.p. 619 - 634

Cropper P., Cook R. (2000): Activity based costing in universities – five years on, *Public Money and Management*, Apr – Jun 2000, p.p. 61 – 68

Cummings L., Bromiley P. (1996): The Organisational Trust Inventory (OTI), development and validation, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Currall S., Judge T. (1995): Measuring Trust between Organisational Boundary Role Persons, *Organisational Behaviour and Human Decision Processes*, Vol. 64, No 2, p.p. 151 - 170.

Cyert R., March J. (1963): A behavioural theory of the firm, Prentice Hall Inc. UK.

Das T., Teng B. (1998): Between trust and control: developing confidence in partner co-operation in alliances, *Academy of Management Review*, Vol.23, No 3, p.p. 491 –512

Das T., Teng B. (2001): Trust, control and Risk in strategic alliances - an integrated framework, Vol. 22, No 2, p.p. 251 - 283

Dasgupta P. (1988): Trust as a Commodity, In D. Gambetta (Ed.), Trust: Making and breaking co-operative relations, Oxford, UK Basil Blackwell

Davie G.E. (1961): The democratic intellect, University of Edinburgh Press

Deakin S., Wilkinson F. (1998): Contract law and the economics of interorganisational trust, in Lane C. and Bachmann (eds.): Trust within and between organisations, Oxford University Press, USA

Dean M. (1999): Governmentality, Power and Rule in modern society, Sage Publications Ltd. UK.

Deem R. (2004): The knowledge worker, the manager-academic and the contemporary UK university: new and old forms of public management?, *Financial Accountability and Management*, Vol. 20, No2, p.p. 107- 128

Deetz S. (1996): Describing differences in approaches to organisation science: rethinking Burrell and Morgan and their Legacy, *Organisation Science*, Vol. 7, No 2, p.p. 191 - 207

Dekker H. (2004): Control of inter-organisational relationships: evidence on appropriation concerns and coordination requirements, *Accounting, Organisations and Society*, Vol. 29, p.p. 27 – 49.

Denzin N., Lincoln Y. (1998): Collecting and interpreting qualitative materials, Sage publications Inc, UK.

Denzin N., Lincoln Y. (1998): Strategies of qualitative inquiry, Sage publications Inc, UK.

Deutsch M. (1958): Trust and suspicion, *The Journal of Conflict Resolution*, Vol. 2, No 4, p.p. 256 – 279

DiMaggio P., Anheier H. (1990): The sociology of non-profit organisations and sectors, *Annual Review of Sociology*, Vol. 16, p.p. 137 - 159

DiMaggio P., Powell W. (1983): The iron cage revisited: institutional isomorphism and collective rationality in organisational fields, *American Sociological Review*, Vol. 48, p.p. 147 - 160

Dirsmith M. (1986): Discussion of 'social environments and organisational accounting', *Accounting, Organisations and Society*, Vol. 11, No 4-5, p.p. 357 - 367

Dnes A., Seaton J. (2001): The research assessment exercise and the reform of academic tenure in the United Kingdom, *Contemporary Economic Policy*, Vol. 19, No. 1, p.p. 39 – 48

Dunn J. (1988): Trust and Political agency, In D. Gambetta (Ed.), Trust: Making and breaking co-operative relations, Oxford, UK Basil Blackwell

Easterby-Smith M., Thorpe R., Lowe A. (1994): Management research – An introduction, Sage Publications Ltd, UK

Edwards P., Ezzamel M., Robson K., Taylor M. (1996): Comprehensive and incremental budgeting in education – the construction and management of

formula funding in three English local education authorities, *Accounting*, Vol. 9, Issue 4

Eisenhardt K. (1989): Building theories from case study research, *Academy of Management Review*, Vol. 14, No. 4, p.p. 532 – 550.

Elangovan A., Shapiro L. (1998): Betrayal of trust in organisations, *Academy of Management Review*, Vol. 23. No.3, p.p. 547 – 566

Elster J. (1989): Social norms and economic theory, *Journal of economic perspectives*, Vol. 3, No 4, p.p. 99 – 117

Elton L. (2000): The UK Research Assessment Exercise: Unintended consequences, *Higher Education Quarterly*, Vol. 54, No3, p.p. 274 – 283

Emerson R. (1976): Social Exchange Theory, *Annual Review of Sociology*, Vol.2, p.p. 335 - 362

Emmanuel C., Otley D., Merchant K. (1995): Accounting for management control, second edition, International Thomson Business press

Ezzamel M, Bourn M. (1990): The roles of accounting information systems in an organisation experiencing financial crisis, *Accounting, Organisations and Society*, Vol. 15, No.5 p.p. 399 - 424

Ferreira L., Merchant K. (1992): Field research in management accounting and control: a review and evaluation, *Accounting, Auditing and Accountability Journal*, vol. 5, No 4, p.p. 3-34

Fligstein N. (1998): The politics of quantification, *Accounting, Organisations and Society*, Vol. 23, No 3, p.p. 325 - 331

Fossey E., Harvey C., McDermott, Davidson L. (2002): Understanding and evaluating qualitative research, *Australian and New Zealand Journal of Psychiatry*, Vol. 36, p.p. 717 – 732

Fox A. (1974): Beyond Contract – work, power and trust relations, Faber and Faber Limited, London

Fukuyama F. (1995): Trust, the social virtues and creation of prosperity, Hamish Hamilton Ltd, London.

Fulcher J., Scott J. (1999): Sociology, Oxford University Press, UK

Gambetta, D. (1988): Can we trust trust? In D. Gambetta (Ed.), Trust: Making and breaking co-operative relations, Oxford, UK Basil Blackwell

Gellner E. (1988): Trust, Cohesion and the Social Order, In D. Gambetta (Ed.), Trust: Making and breaking co-operative relations, Oxford, UK Basil Blackwell

Giddens A. (1983): Comments on the Theory of Structuration, *Journal for the Theory of Social Behaviour*, Vol. 1, 1983

Giddens A. (1984): The constitution of Society: outline of the Theory of Structuration, Oxford: Polity Press, 1984

Giddens A. (1990): The consequences of modernity, Polity press, London

Gietzmann M. (1996): Incomplete contracts and the make or buy decision: Governance design and attainable flexibility, *Accounting, Organisations and Society*, Vol. 22, No 6, p.p. 611- 626

Gill, J., Johnson, P.(1997): Research methods for managers, second edition, Paul Chapman Publishing Ltd.UK

Gillie A. (1999): Efficiency in universities and resource based learning: A case study of assumptions versus analysis, *Public Money and Management*, Jul – Sept 1999, p.p. 43 – 49

Glass C., Hyndman N., McKillop D. (1996): UK universities: a time series study of economies of scale in the context of Research Assessment Exercise, *Public Money and Management*, Oct – Dec 1996, p.p. 59 – 64

Glass C., McKillop D., O'Rourke G. (1997): Productivity growth in UK accountancy departments 1989 – 1996, Vol. 13, No 4, p.p. 313 – 330

Goddard A., Ooi K. (1998): Activity based costing and central overhead allocation in universities: A case study, *Public Money and Management*, Jul – Sep 1998, p.p. 31 – 38

Good D. (1988): Individuals, Interpersonal relations and Trust, In D. Gambetta (Ed.), Trust: Making and breaking co-operative relations, Oxford, UK Basil Blackwell

Gordon G., Darkenwald J. (1971): Organisational conflict in colleges and universities, *Administrative Science Quarterly*, Vol. 16, p.p. 407 – 412

Gordon L., Miller D. (1976): A contingency framework for the design of accounting information systems, *Accounting, Organisations and Society*, Vol.1, p.p. 59-69

Granlund M. (2000): Towards explaining stability in and around management accounting systems, *Management Accounting Research*, Vol. 12, p.p. 12, p.p. 141 - 166

Granovetter M. (1985): Economic Action and Social Structure: The problem of Embeddedness, *American Journal of Sociology*, Vol. 91, No 3, p.p. 481 - 510.

Gray R., Guthrie J., Parker L. (2002): Rites of passage and the self-immolation of academic accounting labour: an essay exploring exclusivity versus mutuality in accounting scholarship, *Accounting Forum*, Vol. 26, No 1, p.p. 1- 30

Grey C., Garsten C. (2001): Trust, Control and Post bureaucracy, *Organisation Studies*, Vol. 22, No 2, p.p. 229 - 250

Gross E. (1968): Universities as organisations- a research approach, *American Sociological Review*, Vol. 3, No 4, p.p. 518 - 544

Gross S., Niman M. (1975): Attitude - Behaviour Consistency: A review, *Public Opinion Quarterly*, Vol. 39, No 3, p.p. 358 - 368.

Groves R., Pendlebury M., Newton J. (1994): Management Accounting Information in Universities: a Cardiff experiential perspective, in Berry R.H. (1994): Management accounting in Universities, CIMA

Groves R., Pendlebury M., Stilles D. (1997): A critical appreciation of the uses for strategic management thinking, systems and techniques in British universities, *Financial Accountability and Management*, Volc 13, no 4, p.p. 293 – 312

Guillemin M., Gillam L. (2004): Ethics, Reflexivity, and 'ethically important moments' in research, Qualitative Inquiry, Vol. 10, No 2, p.p. 261 – 280

Haas D., Deseran F. (1981): Trust and symbolic exchange, *Social Psychology Quarterly*, Vol. 44, No 1, p.p. 3 - 13

Hackman J. (1985): Power and centrality in the allocation of resources in colleges and universities, *Administrative Science Quarterly*, Vol.30, p.p.61 - 77

Hardin R. (1999): Do we want trust in government?, in Warren M. (1999) 'democracy and trust', Cambridge University Press.

Hardin R. (2001): Conceptions and explanations of trust, in Cook K. (ed.) 'trust in society', Russell Sage Foundation, USA

Hardy C., Phillips N., Lawrence T. (1998): Distinguishing trust and power in interorganisational relations: forms and facades of trust, in Lane C., Bachmann

R. (Eds.) Trust within and between organisations, conceptual issues and empirical applications, Oxford University Press, UK.

Harre R. (1983): Commentary from the Ethnogenic Standpoint, *Journal for the Theory of Social Behaviour*, Vol. 1, 1983

Harrison G. (1993): Reliance on accounting performance measures in superior evaluative style, the influence of national culture and personality, *Accounting, Organisations and Society*, Vo. 18, No 4, p.p. 319 - 339

Harvey S., James J. (2002): The trust paradox, a survey of economics inquiries into the nature of trust and trustworthiness, *Journal of Economic Behaviour and Organisation*, vol. 47, p.p. 291 – 307

Hassard J. (1991): Multiple paradigms and organisational analysis: a case study, *Organisation Studies*, Vol. 12, No 2, p.p. 275 - 299

Hawthon G. (1988): Three Ironies in Trust, In D. Gambetta (Ed.), Trust: Making and breaking co-operative relations, Oxford, UK Basil Blackwell

Hayes, D. (1983): Accounting for accounting: A story about managerial accounting, *Accounting, Organisations and Society*, Vol.8, No 3, p.p. 241 – 249.

Hills F., Mahoney T. (1978): University budgets and organisational decision making, *Administrative Science Quarterly*, Vol.23, p.p. 454 - 465

Hollis M.(1998): Trust within reason, Cambridge University Press

Holzman M. (1958): Theories of choice and conflict in psychology and economics, *The Journal of Conflict Resolution*, Vol. 2, No 4, p.p. 310 - 320

Homans G. (1958): Social Behaviour as exchange, *American Journal of Sociology*, Vol. 63, p.p. 597 – 606

Hopper T., Powell A. (1985): Making sense of research into the organisational and social aspects of management accounting: a review of its underlying assumptions, *Journal of Management Studies*, Vol. 22, No 5, p.p. 429 – 465

Hopwood A. (1974): Accounting and Human Behaviour, Prentice Hall contemporary topics in accounting, Prentice Hall Inc., New Jersey

Hopwood A. (1978): Towards an organisational perspective for the study of accounting and information systems, *Accounting, Organisations and Society*, Vol. 3, No. 1, p.p. 3-13.

Hopwood A. (1987): The archaeology of accounting systems, *Accounting, Organisations and Society*, Vol. 12, No.3, p.p. 207 - 234

Hopwood A., Miller P. (1994): Accounting as social and institutional practice, Cambridge University Press, UK

Hopwood, A. (1983): On trying to study accounting in the contexts in which it operates, *Accounting, Organisations and Society*, Vol. 8, No 2/3, p.p. 287 – 305.

Hoskin K. (1998): Examining Accounts and Accounting for Management: Inverting Understandings of 'the Economic', in McKinlay A., Starkey K. (Eds.) 'Foucault, Management and Organisation Theory', Thousand Oaks, CA: Sage

Hosmer L. (1994): Strategic planning as if ethics mattered, *Strategic Management Journal*, Vol. 15, p.p. 17 – 34

Hosmer L. (1995): Trust: the connecting link between organisational theory and philosophical ethics, *Academy of Management Review*, Vol. 20, No 2, p.p. 379 – 403

Hummels H., Roosendaal H. (2001): Trust in scientific publishing, *Journal of Business Ethics*, Vol. 34, p.p. 87 - 100

Humphrey C., Miller P., Scapens R. (1993): Accountability and Accountable Management in the UK public sector, *Accounting, Auditing and Accountability Journal*, Vol. 6, No3, p.p. 7 - 29

Humphrey C., Moizer P., Owen D. (1995): Questioning the value of the research selectivity process in British university accounting, *Accounting, Auditing and Accountability Journal*, Vol. 8, Issue 3

Humphrey C., Scapens R. (1996): Theories and case studies of organisational accounting practices: limitation or liberation?, *Accounting, Auditing and Accountability Journal*, Vol. 9, No. 4, p.p. 86 – 106.

Hunold C.(2001): Corporatism, pluralism, and Democracy: toward a deliberative theory of bureaucratic accountability, *Governance: An international journal of policy and administration*, Vol. 14, No. 2, p.p. 151 – 167

Hupcey J., Penrod J., Morse J., Mitcham C. (2001): An exploration and advancement of the concept of trust, *Journal of Advanced Nursing*, vol. 36, p.p. 282 – 293

271

Hwang P., Burgers W. (1997): Properties of trust: an analytical View, *Organisational behaviour and human decision process*, Vol. 69, No. 1, p.p. 67 - 73

Jack S., Anderson A. (2002): the effects of embeddedness on the entrepreneurial process, *Journal of Business Venturing*, Vol. 17, p.p. 467 – 487.

Jacob M., Hellstrom T. (2003): Organising the academy: new organisational forms and the future of the university, *Higher Education Quarterly*, Vol. 57, No1, p.p. 48 – 66

Jarzabkowsky P. (2002): Centralised of Decentralised? Strategic implications of resource allocation models, *Higher Education Quarterly*, Vol. 56, No1, p.p. 5 - 32

Jensen M. (1983): Organisation Theory and Methodology, *The Accounting Review*, Vol. 58, No 2, p.p. 319 - 339

Jick T.(1979): Mixing qualitative and quantitative methods: Triangulation in action, *Administrative Science Quarterly*, Vol. 24, Dec 1979, p.p. 602 - 611

Johansson I., Baldvinsdottir G. (2003): Accounting for trust: some empirical evidence, *Management Accounting Research*, Vol. 14, p.p. 219 – 234

Johnson - George C., Swap W. (1982): Measurement of specific interpersonal trust: construction and validation of scale to assess trust in a specific other, *Journal of Personality and Social Psychology*, Vol. 43, No 6,p.p. 1306 - 1317

Johnson P. (1995): Towards an epistemology for radical accounting: beyond objectivism and relativism, *Critical Perspectives on Accounting*, Vol. 6 p.p. 485 - 509

Johnson R. (2002): Learning to manage the University: Tales of the training and Experience, *Higher Education Quarterly*, Vol. 56, No 1, p.p. 33- 51

Jones C., Dugdale D. (2001): The concept of an accounting regime, *Critical Perspectives on Accounting*, Vol. 12, p.p. 35 – 63

Jones S. (1994): Modeling and Muddling: Resource Allocation in British Universities, in Berry R.H. (ed) Management Accounting In Universities, CIMA, UK.

Kalderon M. (1997): The transparency of truth, *Mind*, Vol. 106, July 1997, p.p. 475 – 497

Kanter R., Summers D. (1987). Doing well while doing good: Dilemmas of performance measurement in nonprofit organizations and the need for a

multiple-constituency approach, In Powell W. (Ed.), The nonprofit sector: A research handbook, Yale University Press, U.S.A.

Kilmann R. (1983): The costs of organisation structure: dispelling the myths of independent divisions and organisation wide decision making, *Accounting, Organisations and Society*, Vol. 8, No4, p.p. 341 – 357

Kloot L. (1997): Organisational learning and management control systems- responding to environmental change, *Management Accounting Research*, Vol. 8, p.p. 47 – 73.

Knight M. (2002): Governance in Higher education corporations: a consideration of the constitution created by the 1992 Act, *Higher Education Quarterly*, Vol. 56, No 3, p.p. 276 – 286

Knights D., Noble F., Vurdubakis T., Willmot H. (2001): Chasing Shadows: Control, Virtually and the Production of Trust, *Organisation Studies*, Vol.22, No. 2, p.p. 311-336.

Kollock P. (1994): The emergence of exchange structures: an experimental study of Uncertainty, Commitment and Trust, *American Journal of Sociology*, Vol 100, No 2, p.p. 313 – 345

Konovsky M., Organ D. (1988): Cognitive versus affective determinants of organisational citizenship behaviour, *Journal of Applied Psychology*. p.p. 157 - 164

Korczynski M. (2000): The political economy of trust, *Journal of Management Studies*, Vol. 37, No 1. P.P. 1- 21

Kramer R. (2002): When paranoia makes sense, *Harvard Business Review*, July 2002, p.p. 5 - 11

Kramer R. and Tyler T. (1996): Trust in organisations, frontiers of theory and research, Thousand Oaks, Sage Publications Inc, USA

Kramer R.(1996): Divergent realities and convergent disappointments in the hierarchic relation: trust and the intuitive auditor at work, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Kramer R., Brewer M., Hanna B. (1996): Collective trust and collective action: The deccsion to trust as a social dilemma, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Kvale S.(1996): Interviews, an introduction to qualitative rescarch interviewing, Sage Publications Inc, UK.

Langfield – Smith K., Smith D. (2003): Management control systems and trust in outsourcing relationships, *Management Accounting Research*, Vol. 14, p.p. 281 - 307

Lapsey I. (1999): Accounting and the new public management: Instruments of substantive efficiency or a rationalising modernity?, *Financial Accountability and Management*, Vol. 15, No.4, p.p. 201- 207

Lapsey I., Miller P. (2004): Transforming Universities: the uncertain erratic path, *Financial Accountability and Management*, Vol. 20, No2, p.p. 103 - 106

Lau C., Buckland C. (2001): Budgeting - the role of trust and participation, *Abacus*, Vol. 37, No 3, p.p. 369 - 388

Laughlin, R. (1987): Accounting systems in organisational contexts: a case for critical accounting, *Accounting, Organisations and Society*, Vol.12, No 5, p.p. 479 – 502

Laughlin, R. (1995): Empirical research in accounting: alternative approaches and the case for 'middle range' thinking, *Accounting, Auditing and Accountability Journal*, Vol. 8, No 1, p.p. 63 - 87

Levin D., Cross R., Abrams L. (2002): The strength of weak ties you can trust: the mediating role of trust in effective knowledge transfer, Academy of Management Proceedings

Lewicki R., Bunker B. (1996): Developing and maintaining trust in work relationship, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Lewis B., Pendlebury M. (2002): Surplus or Deficit- who cares? Cross-subsidy in colleges of higher education, *Financial Accountability and Management*, Vol. 18, No 1, p.p. 25 - 38

Lewis D., Weigert A. (1985): Trust as a social reality, *Social Forces*, Vol. 63, No 4, p.p. 967 - 985

Liesbeskind J., Oliver L. (1998): From handshake to contract: Intellectual property, trust, and the social structure of academic research, in Lane C., Bachmann R. (Eds.) Trust within and between organisations, conceptual issues and empirical applications, Oxford University Press, UK

Liska, A.(1974): Emergent issues in the attitude - behaviour consistency controversy, *American Sociological Review*, Vol. 39, No 2, p.p. 261 - 272

Llewellyn S. (1993): Working in hermeneutic circles in Management Accounting Research: some implications and applications, *Management Accounting Research*, Vol. 4, p.p. 231 – 249.

Llewellyn S.(1999): Narratives in accounting and management research, *Accounting, Auditing and Accountability Journal*, Vol. 12, No 2, p.p. 220 – 236.

Lowe E. (1970): Budgetary control, an evaluation in a wider managerial perspective, *Accountancy*, November, p.p. 764 – 769

Lowe E: (1971): On the idea of a management t control system: integrating accounting and the management control, *Journal of Management* Studies, February, p.p. 1-12

Luft J. (1997): Long term change in management accounting – perspectives from historical research, *Journal of Management* Accounting Research, Vol. 9, p.p. 163 - 197

Luhmann N. (1979): Trust and Power, John Wiley and Sons Ltd., New York.

Luhmann N. (1988): Familiarity, Confidence, Trust: Problems and Alternatives, In D. Gambetta (Ed.), Trust: Making and breaking co-operative relations, Oxford, UK Basil Blackwell

Macintosh N. (1994): Management accounting and control systems: an organisational and behavioural approach, J. Wiley, UK

Macintosh N.(1985): The social software of accounting and Information systems, J. Wiley, UK

Macintosh N.(1995) The ethics of profit manipulation: a dialectic of control analysis, *Critical Perspectives on Accounting*, Vol. 6, p.p. 289 – 315.

Macintosh N., Scapens R. (1990): Structuration theory in management accounting, *Accounting, Organisations and Society*, Vol. 15, No 5, p.p. 455 – 477

Macintosh N., Williams J. (1992): Managerial roles and budgeting behaviour, *Behavioural Research in Accounting*, Vol. 4, p.p. 23 – 48

Manicas P. (1993): Accounting as a human science, *Accounting, Organisations and Society*, Vol. 18, No 2-3

Mayer R., Davis J., Schoorman F. (1995): An integrative model of organisational trust, *Academy of Management Review*, Vol. 20, No 3, p.p. 703 - 734

McAllister D. (1995): Affect and cognition based trust as foundations for interpersonal co-operation in organisations, Academy of Management Journal, Vol. 38, No 1, p.p. 24 - 59.

McBroom W, Reed F. (1992): Toward a reconceptualisation of Attitude - Behaviour Consistency, *Social Psychology Quarterly*, Volume 55, Issue 2, p.p. 205 - 216

Merchant K. (1981): The design of the corporate budgeting system: Influences on Managerial Behaviour and Performance, *The Accounting Review*, Vol. 56, No 4, p.p. 813 - 829

Merchant K. (1985): Organisational controls and discretionary programme decision making: a field study, *Accounting, Organisations and Society*, Vol. 10, No1., p.p. 67 – 85.

Merchant K. (1990): The effects of financial controls on data manipulation and management myopia, *Accounting, Organisations and Society*, Vol. 15, No4, p.p. 297 – 313.

Merchant K., Sheilds M. (1993): When and Why to measure costs less accurately to improve decision making, *Accounting Horizons*, Vol. 7, No 2, p.p. 76 – 81

Meyer J. (1986): Social environment and organisational accounting, *Accounting, Organisations and Society*, Vol. 11, No 4-5, p.p. 345 -356

Meyerson B., Weick K. (1996): Swift trust and temporary groups, in in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Miles M., Huberman M. (1994): Qualitative data analysis, second edition, Sage publications Inc, UK

Mill, J. (1977): 'The nature of a cause', in Hospers' Readings in Introductory Philosophical Analysis, Routledge and Kegan Paul, 1977.

Miller P., O'Leary T (1987): Accounting and the construction of the governable person, *Accounting, Organisations and Society*, Vol. 12, No 3,p.p. 235 - 265

Mills P., Ungson G. (2003): Reassessing the limits of structural empowerment, organisational constitution and trust as controls, *Academy of Management Review*, Vol. 28, p.p. 143 - 153

Minkes A. (1998): A note on trust, responsibility and Accountability, *Teaching Business Ethics*, Vol. 1, p.p. 333- 338

Mishra A. (1996): Organisational responses to crisis: the centrality of trust, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Mishra A., Spreitzer G. (1998): Explaining how supervisors respond to downsizing: the roles of trust, empowerment, justice, and network redesign, *Academy of Management Review*, Vol. 23, No 3, p.p. 567 - 588.

Molm L. (1994): Dependence and Risk: Transforming the structure of social exchange, *Social Psychology Quarterly*, vol. 57, No 3, p.p. 163 - 176

Molm L., Takahashi N., Peterson G. (2000): Risk and Trust in social exchange: an experimental test of a classical proposition, *American Journal of Sociology*, Vol. 105, No 5, p.p. 1396 – 1427

Morgan G. (1980): Paradigms, metaphors and puzzle solving in organisation theory, *Administrative Science Quarterly*, Vol. 25, No 4, p.p. 605 – 62

Morgan G. (1998): Images of organisation, Sage publications Inc., 1998

Morgan G., Smircich L. (1980): The case for qualitative research, *Academy of Management Review*, Vol. 5, No 4, p.p. 491 - 500

Neimark M., Tinker T. (1986): The social constructions of management control systems, *Accounting, Organisations and Society*, Vol. 11, No 4-5, p.p. 369-395

Neu D. (1991): New stock issues and the institutional production of trust, *Accounting, Organisations and Society*, Vol. 16, No 2, p.p. 185 - 200

Neu D. (1991): Trust, contracting and the prospectus process, *Accounting, Organisations and Society*, Vol. 16, No. 3, p.p. 243 - 256

Nooteboom B. (2002): Trust-forms, foundations, functions, failures and figures, Edward Elgar Publishing Limited, UK

Noteboom B. (1992): A post-modern philosophy of markets, *International studies of management and organisations*, Vol. 22, No2, p.p. 53 – 76

Offe C. (1999): How can we trust our fellow citizens?, in Warren M. (1999) 'democracy and trust', Cambridge University Press.

Office of Public Services Reform (2002): Reforming our public services, principles into practice, UK. - http://www.pm.gov.uk/files/pdf/Principles.pdf

Oppenheim A. (2001): Questionnaire design, interviewing and attitude measurement, Continuum International Publishing Group - Academic and Professional, Second edition

Otley D. (1994): Management control in contemporary organisations, towards a wider framework, *Management Accounting Research*, Vol 5, No 3/ 4, p.p. 289 – 300.

Otley D., Berry A. (1980): Control organisation and accounting, *Accounting, Organisations and Society*, Vol. 5, No 2, p.p. 231 – 244

Otley D., Berry A. (1994): Case study research in management accounting and control, *Management Accounting Research*, Vol. 5, p.p. 45 - 65

Pallot J. (1991): The legitimate concern with fairness - a comment, *Accounting, Organisations and Society*, Vol. 16, No 2, p.p. 201 – 208

Parker L. (2002): It's been a pleasure doing business with you: a strategic analysis and critique of university change management, *Critical Perspectives on Accounting*, Vol. 13, p.p. 603- 619

Parker L., Gould G. (1999): Changing public sector accountability: critiquing new directions, *Accounting Forum*, Vol. 23, No 2, p.p. 109 -135

Parker M. (2000): Work futures and the McUniversity: Professionalism versus Intellectuals, *Management Research News*, Vol. 23, No 9, p.p. 127

Parsons, T. (1968): The structure of social action, Mc Graw – hill Book company, Inc, First Free Paperback edition, USA.

Parsons, T. (1971): The system of modern societies, Englewood Cliffs, N.J., Prentice-Hall

Paterson L. (2003): The survival of the Democratic Intellect: Academic Values in Scotland and England, *Higher Education Quarterly*, Vol. 57, No1, p.p. 67 - 93

Patterson O. (1999): Liberty against the democratic state: on the historical and contemporary sources of American distrust, in in Warren M. (1999) 'democracy and trust', Cambridge University Press.

Pendlebury M., Algaber N. (1997): Accounting for the cost of central support services in UK universities: a note, *Financial Accountability and Management*, Vol. 13, Issue 3, p.p. 281 – 288

Perry R., Mankin L. (2004): Understanding employee trust in management: conceptual clarification and correlates, Public Personnel Management, Vol. 33, No 3, p.p. 277 – 290

Peters K. (2001): When 'reform' comes into 'play': budgeting as negotiations between administrations, *Accounting, Organisations and Society*, Vol. 26, p.p. 521 - 539

Pfeffer J., Moore W. (1980): Power in university Budgeting – a replication and extension, *Administrative Science Quarterly*, Vol. 25, p.p. 637 – 653

Pheffer J., Salancik G. (1974): Organisational decision making as political process, the case of a university budget, *Administrative Science Quarterly*, Vol 19, p.p. 135 - 151

Poppo L., Zenger T. (2002): Do formal contracts and relational governance function as substitutes or complements?, *Strategic Management Journal*, Vol. 23, No. 8, p.p. 707 – 725

Porter T. (1995): Trust in Numbers, the pursuit of objectivity in science and public life, Princeton University Press, UK.

Powell W. (1996): Trust based forms of governance, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Power M. (1997): The audit society – rituals of verification, Oxford University Press, UK

Pred A. (1983): Structuration and Place: On the becoming of sense of place and structure of feeling, *Journal for the Theory of Social Behaviour*, Vol. 1, 1983

Presser S. Schuman H. (1980): The measurement of a middle position in attitude surveys, *Public Opinion Quarterly*, p.p. 70 - 85.

Prichard C., Willmott H. (1997): Just how managed is the McUniversity?, *Organisation Studies*, Vol. 18, No2, p.p. 287

Puxty A (1998): The Social and Organisational Context of Management Accounting, International Thomson Business Press, UK.

Quattrone P., Hopper T. (2001): What does organisational change mean? Speculations on a taken from granted category, *Management Accounting Research*, Vol. 12, p.p. 403 - 435

Quicke J. (1999): the post-modern turn: problems and possibilities, *British Journal of Sociology of Education*, Vol. 20, No 2

Ramaswami S., Srinivasan S., Gordon S. (1997): Information asymmetry between sales person and superior: Postulates from agency and social exchange theories, *Journal of Personal Selling and Sales Management*, Vol. XVII, No 3, p.p. 29-50

Reed M. (2001): Organisation, Trust and Control: a realist analysis, *Organisation Studies*, Vol. 22, No 2, p.p. 201 - 228

Remer G. (1999): Political oratory and conversation, *Political Theory*, Vol. 27, No1, p.p. 39 – 64

Rempel J., Holmes J., Zanna M..(1985): Trust in close relationships, *Journal of personality and social psychology*, Vol. 49, No.1, p.p. 95 - 112

Ring P., Van de Ven A. (1992): Structuring cooperative relationships between organisations, *Strategic Management Journal*, Vol. 13, No 7, p.p. 483 – 498

Roberts J. (1991): The possibilities of accountability, *Accounting, Organisations and Society*, Vol 16, No 4, p.p. 355 - 368

Roberts J., Scapens R. (1985): Accounting systems and systems of accountability - understanding accounting practices in their organisational contexts, *Accounting, Organisations and Society*, Vol. 10. No 4, p.p. 443 - 456

Romm N. (1998): Interdisciplinary practice as reflexivity, *Systemic Practice and Action Research*, Vol. 11, No 1, p.p. 63

Romm N. (2002): A trusting constructivist approach to system inquiry: exploring accountability, *Systems Research and Behavioural Science*, Vol. 19, No5, p.p. 455 - 467

Rosanas J., Velilla M. (2003): Loyalty and Trust as the ethical bases of organisations, *Journal of Business Ethics*, Vol. 44, p.p. 49-59

Rose N. (1999): Powers of Freedom, reframing political thought, Cambridge University Press, UK

Roslender R. (1992): Sociological perspectives on modern accountancy, Routledge Inc., UK

Rotter J. (1967): A new scale for the measurement of interpersonal trust, *Journal of Psychology*, Vol. 35, p.p. 651 – 665

Rotter J. (1971): Generalised expectancies for interpersonal trust, *American Psychologist*, Vol. 26, p.p. 443 - 452

Rotter J. (1980): Interpersonal trust, trustworthiness, and gullibility, *American Psychologist*, Vol. 35, p.p. 1-7

Rousseau D., Sitkin S., Burt R., Camerer C. (1998): Not so different after all: a cross discipline view of trust, *Academy of Management Review*, Vol. 23, No 3, p.p. 393 – 404.

Rubin H, Rubin I (1995): Qualitative interviewing, the art of hearing data, Sage publications Inc, UK

Ruscio K. (1999): Jay's pirouette, or why political trust is not the same as personal trust, *Administration and Society*, Vol. 31, p.p. 639 – 657

Sako M. (1998): Does trust improve business performance?, in Lane C., Bachmann R. (Eds.) Trust within and between organisations, conceptual issues and empirical applications, Oxford University Press, UK

Salancik, G., Pfeffer J. (1974): The bases and uses of power in organisational decision making, the case of a university, *Administrative Science Quarterly*, Vol. 19, p.p. 135 – 151

Salter B., Tapper T. (2002): The external pressures on the internal governance of universities, *Higher Education Quarterly*, Vol. 56, No 3, p.p. 245 - 256

Sarantakos, S. (1998): Social Research, Second Edition, MacMillan Press LTD, UK

Saravanamuthu K., Filling S. (2004): A critical response to managerialism in the Academy, *Critical Perspectives on Accounting*, Vol. 15, p.p. 437 - 452

Sathe V. (1978): The relevance of modern organisation theory for managerial accounting, *Accounting, Organisations and Society*, Vol. 3, No 1, p.p. 89 – 92.

Scapens R. (1994): Never mind the gap: towards an institutional perspective on management accounting practice, *Management Accounting Research*, Vol. 5, p.p. 301 – 321

Scapens R., Ormston A., Arnold J. (1994): The development of overhead recovery models at the University of Manchester, in Berry R. (ed) Management accounting in Universities, CIMA

Scapens R., Otley D., Lister R. (1984): Management accounting, organisational theory and capital budgeting: three surveys, Macmillan, UK

Schiff M., Lewin A. (1970): The impact of people on Budgets, *Accounting Review*, Vol. 45, No 2, p.p. 259 - 268

Schuman H., Presser S.(1996): Questions and Answers in Attitude Surveys, Experiments on Form, Wording and Context, Sage Publications Inc. USA.

Seal W, Berry A., Cullen J. (2004): Disembedding the supply chain: institutionalised reflexivity and inter firm accounting, *Accounting, Organisations and Society*, Vol. 29, p.p. 73 – 92

Seal W., Vincent-Jones P. (1997): Accounting and trust in the enabling of long term relations, *Accounting, Auditing and Accountability Journal*, Vol.10, No. 3, p.p. 406

Seligman A. (1997): The problem of trust, Princeton University Press, USA

Shapiro S. (1987): The social control of impersonal trust, *American Journal of Sociology*, Vol. 93, No 3, p.p. 623 - 658

Sharp S., Munn P., Paterson L. (1997): Quality Assessment in Higher Education: The Scottish Experience, *Higher Education Quarterly*, Vol 51, No4, p.p. 286 - 307

Shattock M. (1998): Dearing on Governance- the wrong Prescription, *Higher Education Quarterly*, Vol. 52, No1, p.p. 35 - 47

Shattock M. (2002): Re-balancing modern concepts of university governance, *Higher Education Quarterly*, Vol. 56, No3, p.p. 235 - 244

Shaw R. (1997): Trust in the balance, building successful organisations on results, integrity and concern, Jossey - Bass Inc, USA

Sheppard B., Tuchinsky M. (1996): Micro - OB and the network organisation, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Shields M. (1997): Research in management accounting by North Americans in the 1990s, Journal of *Management Accounting Research*, Vol. 9, p.p. 3 - 60

Shore C., Wright S. (2000): Coercive accountability: the rise of audit culture in higher education, in Strathern M. (ed): Audit Cultures, anthropological studies in accountability, ethics and the academy, Routledge, UK

Shore L., Barksdale K., Shore T. (1995): Managerial perceptions of employee commitment to the organisation, *Academy of Management Journal*, Vol. 38, No 6, p.p. 1593 – 1615

Shotter J. (1983): Duality of structure and intentionality in an ecological psychology, *Journal for the Theory of Social Behaviour*, Vol. 1, 1983

Silverman D. (2001): Interpreting Qualitative Data, methods for analysing talk, text and interaction, 2nd edition, Sage publications Ltd, UK.

Sitkin S., Stickel D. (1996): The road to hell: the dynamics of Distrust in an Era of Quality, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Smith C. (1983): A case study of Structuration: the Pure - Bred beef business, *Journal for the Theory of Social Behaviour*, Vol. 1, 1983

Speer S., Hutchby I. (2003): From ethics to analytics: aspects of participants' orientations to the presence and relevance of recording devices, *Sociology*, Vol. 37, No. 2, p.p. 315 - 337

Spreitzer G., Mishra A. (1999): Giving up control without losing control, *Group and Organisation Management*, Vol. 24, No 2, p.p. 155- 187

Strathern M. (2000): Audit cultures- anthropological studies in accountability, ethics and the academy, Routledge , UK.

Strathern M.(2000): The tyranny of Transparency, *British Educational Research Journal*, Vol. 26, No 3, p.p. 309 - 321

Swift T. (2001): Trust, reputation and corporate accountability to stakeholders, *Business Ethics - A European Review*, Vol. 10, No 1, p.p. 16 - 26

Sydow J. (1998): Understanding the constitution of interorganisational trust, in Lane C., Bachmann R. (Eds.) Trust within and between organisations, conceptual issues and empirical applications, Oxford University Press, UK

Sztompka P. (1999): Trust, a sociological theory, Cambridge University Press, UK

Talib A.(2001): Formula based allocation of public funds: The case of higher education research funding, *Public Money and Management*, Jan –Mar 2001, p.p. 57 – 64

Taylor J. (2003): Institutional diversity in UK Higher Education: policy and outcomes since the end of the binary divide, *Higher Education Quarterly*, Vol. 57. No3, p.p. 266 - 293

Thomas H. (2000): Power in the Resource Allocation Process, the impact of 'rational' systems, *Journal of Higher Education Policy and Management*, Vol. 22, No 2, p.p. 127 – 137

Thurmond V. (2001): The point of triangulation, Journal of Nursing Scholarship, Vol. 33, No 3, p.p. 253 - 258

Thurstone L. (1928): Attitudes can be measured, The *American Journal of Sociology*, Vol. XXXIII, No 4, p.p. 529 - 554

Tittle C., Hill J. (1967): Attitude measurement and prediction of behaviour: an evaluation of conditions and measurement techniques, *Sociometry*, Vol.30, No.2, June 1967, p.p. 199 - 213

Tomkins C. (2001): Interdependencies, trust and information in relationships, alliances and networks, *Accounting, Organisations and Society*, Vol. 26, p.p. 161 – 191

Tomkins C., Mawditt R. (1994): An attempt to introduce profit centre management within the University of Bath: a case study, in Berry R.H. (ed) Management Accounting In Universities, CIMA, UK

Tonkiss F., Passey A. (1999): Trust, confidence and voluntary organisations: between values and institutions, *Sociology*, Vol. 33, p.p. 257 – 274

Tsoukas H. (1997): The tyranny of light, *Futures*, Vol. 29, No 9, p.p. 827 - 843

Turner J. (1986): Review essay – the Theory of Structuration, *American Journal of Sociology*, Vol 91, No 4, p.p. 969- 977

Tyler T., Degocy P. (1996): Trust in organisational authorities: the influence of motive attributions on willingness to accept decisions, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Tyler T., Kramer R. (1996): Whither trust?, in Kramer R.M., Tyler T.R. (Eds.) 'Trust in organisations, frontiers of theory and research', Thousand Oaks, CA: Sage

Ulsaner E. (1999): Democracy and social capital, in Warren M. (1999) 'democracy and trust', Cambridge University Press.

Uslaner E. (2002): The moral foundations of trust, Cambridge University Press

Uzzi B. (1997): Social structure and competition in interfirm networks: the paradox of embeddedness, *Administrative Science Quarterly*, Vol. 42, No 1, p.p. 35 - 67

Vamosi T. (2000): Continuity and change; management accounting during process of transition, *Management Accounting Research*, Vol. 11, p.p. 27 - 63

Van de Meer – Kooistra J., Vosselman E. (2000): Management Control of interfirm transactional relationships: the case of industrial renovation and maintenance, *Accounting, Organisations and Society*, Vol. 25, p.p. 51 - 77

Walgenbach P. (2001): The production of distrust by means of producing trust, *Organisation Studies*, Vol. 22, No 4, p.p. 693 - 714

Warren M. (1992): Democratic theory and self transformation, *American Political Science Review*, Vol. 68, No1 p.p. 8 – 23

Warren M. (1996): Deliberative democracy and Authority, *American Political Science Review*, Vol. 90, No1, p.p. 46- 60

Warren M. (1996): What should we expect from more democracy?, *Political Theory*, Vol. 24, No 2, p.p. 241 - 270

Warren M. (1999): Democracy and Trust, Cambridge University Press, UK.

Wcick K, Quinn R. (1999): Organisational change and development, *Annual Review of Psychology*, Vol. 50, p.p. 361 – 386

Weick K. (1980): The social psychology of organising, second edition, McGraw-Hill Education

Weick K. (1988): Enacted sense making in crisis situations, *Journal of Management Studies*, Vol. 25, No 4, p.p. 305- 317

Weick K. (1989): Theory construction as disciplined Imagination, *Academy of Management Review*, Vol. 14, No 4 p.p. 516 – 531

Weick K. (1995): What theory is not, theorising is, *Administrative Science Quarterly*, Vol 40, p.p. 385 – 390

Weick K. (2000): Making sense of the organisation, Blackwell Publishers

Weick K. (2002): Real time reflexivity – Prods to reflection, *Organisation Studies*, Vol. 23, No 6, p.p. 893 – 898

Wengraf, T. (2001): Qualitative research interviewing, Sage publications Ltd, Uk.

West M., Smith H., Feng W., Lawthom R. (1998): Research excellence and departmental climate in British universities, Journal of Occupational and Organisational Psychology, Vol. 71, p.p. 261 – 281

White P. (1974): Resources as determinants of organisational behaviour, *Administrative Science Quarterly*, Vol. 19, p.p. 366 – 379

Whitener E., Brodt S., Korsgaad M., Werner J. (1998): Managers as initiators of trust: an exchange relationship framework for understanding managerial trustworthy behaviour, *Academy of Management Review*, Vol. 23. No.3. p.p. 513 – 530

Whitley R. (1999): Firms, institutions and management control: the comparative analysis of coordination and control systems, *Accounting, Organisations and Society*, Vol. 24, p.p. 507 -524

Whittington G.(2000): Unto every one that hath shall be given: the allocation of resources between subject areas under the HEFCE formula, *Financial Accountability and Management*, Vol. 16, No 3, p.p. 251 - 264

Wildavsky A. (1961): Political implications of budgetary reform, *Public Administration Review*, Vol. 21, p.p. 183 - 190

Williams G. (1997): The market route to mass higher education: British experience 1979 – 1996, *Higher Education Policy*, Vol. 10, No 3 – 4, p.p. 275 - 289

Williams M. (2001): In whom we trust: group membership as an affective context for trust development, *Academy of Management Review*, Vol. 26, No 3, p.p. 377 - 396

Williamson O. (1993): Calculativeness, trust and economic organisation, *Journal of Law and Economics*, Vol. 36, p.p. 453 - 486

Willmott H. (1986): Unconscious sources of motivation in the Theory of the Subject; An exploration and critique of Giddens' Dualistic Models of Action and Personality, *Journal for the Theory of Social Behaviour*, Vol. 16, No. 1, p.p. 105 - 121

Willmott H. (1993): Breaking the paradigm mentality, *Organisation Studies*, Vol. 14, No. 5, p.p. 681 - 719

Yin R. (2003): Case study research, design and methods, third edition, Sage Publications, Thousand Oaks, USA

Young M. (1999): Field research methods in management accounting, *Accounting Horizons*, Vol. 13, No 1, p.p. 76 –84

Young R. (2000): Discussion of 'Accounting Recognition, Moral Hazard and Communication', *Contemporary Accounting Research*, Vol. 17, No 3, p.p. 491 - 496

Zaheer A., Venkatraman N. (1995): Relational governance as an inter-organisational strategy: an empirical test of the role of trust in economic exchange, *Strategic Management Journal*, Vol. 16, No 5, p.p. 373 – 392.

Zand D. (1972): Trust and managerial problem solving, *Administrative Science Quarterly*, Vol. 17, p.p. 229 - 239

Zimmerman, J. (2000): Accounting for decision-making and control, Mc Graw-Hill Higher Education, 3rd edition, USA.

Zucker L.(1986): Production of Trust: institutional sources of economic structure, 1840 - 1920, *Research in Organisational Behaviour*, Vol. 8, p.p. 53 – 111

Internet links

Department of Education and Skills: http://www.dfes.gov.uk/hegateway/

Higher Education Statistics Agency: http://www.hesa.ac.uk/

Scottish Higher Education Funding Council: http://www.shefc.ac.uk/

Quality Assurance Agency for Higher Education: http://www.qaa.ac.uk/

Research Assessment Exercise: http://www.rae.ac.uk/

Her Majesty's Stationary Office (for Higher Education Acts): http://www.legislation.hmso.gov.uk/acts.htm

The Joint Costing and Pricing Steering Group - Transparency review: http://www.jcpsg.ac.uk/transpar/index.htm

Office of Public Services Reform: http://www.pm.gov.uk/

APPENDIX 1: University types in Angluin and Scapens (2000)

Type of Universities	
traditional	English civics
	London University Colleges
	English 1960s 'new' universities
	Older Scottish universities
	Scottish 1960s 'new' Universities
	The University of Wales colleges
	Northern Irish civic
technological	English technological universities
	Scottish technological universities
new	Former polytechnics
	Former Scottish central institutions
	Northern Irish former polytechnic

APPENDIX 2: Higher Education student numbers
a. The University's staff and student numbers
Source: Planning Office, The University's Web Site

The University's Student Number by mode of study

	UG			PGT			PGR		
	Full-Time	Part-Time	Unknown	Full-Time	Part-Time	Unknown	Full-Time	Part-Time	Unknown
1999-00	14681	3941	2	859	1519	2	1066	356	4
2000-01	14803	3931	3	894	1802	6	1109	394	4
2001-02	14805	4776		1046	1570	1	1121	378	
2002-03	15016	4379	1	1170	1362		1061	339	
2003-04	15249	4457		1188	1390		1017	344	

Staffing October 2003

Total Staff Headcount	6,084
Total Staff FTEs	5,155
Male Headcount	2,824
Female Headcount	3,260
Full-time Headcount	4,525
Part-time Headcount	1,559
Internally Funded FTEs	3,640
Externally Funded FTEs	1,515

b. Higher Education Student population
Source: Department for education and skills, http://www.dfes.gov.uk/

Higher Education Student Population: Number of Home HE students (including Open University) by mode of study, United Kingdom (thousands)			
	Full time	Part time	total
1988/89	579.1	382.8	961.9
1989/90	616.2	402.2	1018.4
1990/91	667.3	425.4	1092.7
1991/92	756.6	452.7	1209.3
1992/93	862.1	468.2	1330.3
1993/94	955.6	492.3	1447.9
1994/95	1014.3	562.8	1577.1
1995/96	1020.9	622.2	1643.2
1996/97	1032.8	658.3	1691.2
1997/98	1061.6	664.8	1726.5
1998/99	1068.8	682.8	1751.6
1999/00	1074.1	693.8	1768.0
2000/01	1084.8	720.4	1805.2
2001/02	1117.8	736.4	1854.2

Higher Education student population: Number of home HE students (excluding Open University) by level of study, United Kingdom (thousands)				
	postgraduate	First degree	Other underg	total
1988/89	110.4	476.5	289.8	876.7
1989/90	119.2	514	296.2	929.4
1990/91	133.6	560.3	303.7	997.6
1991/92	157.1	634.5	318.3	1110.0
1992/93	167.9	723.6	334	1225.5
1993/94	186.4	804.5	345.7	1336.6
1994/95	223.9	855.3	387.5	1466.7
1995/96	223.9	872.7	425.4	1522.0
1996/97	232.5	882.0	451.6	1566.1
1997/98	237.1	906.5	459.1	1602.7
1998/99	245.9	915.5	461.1	1622.5
1999/00	250.1	920.2	460.1	1630.4
2000/01	258.2	923.8	471.8	1653.8
2001/02	264.7	949.2	489.4	1703.3

APPENDIX 3: The Russel Group and Universitas 21

a. The Russel Group
Source: http://www.russellgroup.ac.uk

The Russell Group is an association of 19 major research-intensive universities of the United Kingdom. Formed in 1994 at a meeting convened in the Hotel Russell, London, the Group is composed of the Vice-Chancellors/Principals of the Universities listed opposite. There are also a number of active sub-groups.

In 2001/02, Russell Group Universities accounted for over 60% (more than £1.5 billion) of UK Universities' research grant and contract income, over 55% of all doctorates awarded in the United Kingdom, and approximately 35% of all students studying in the UK from outside the EU. In the 2001 national Research Assessment Exercise, 78% of the staff in grade 5* departments and 57% of the staff in grade 5 departments were located within Russell Group Universities.

The aims and objectives of the Russell Group are to promote the interests of Universities in which teaching and learning are undertaken within a culture of research excellence, and to identify and disseminate new thinking and ideas about the organisation and management of such institutions

The Russel Group Universities
1. The University of Birmingham
2. The University of Bristol
3. The University of Cambridge
4. Cardiff University
5. The University of Edinburgh
6. The University of Glasgow
7. Imperial College London
8. King's College London
9. The University of Leeds
10. The University of Liverpool
11. London School of Economics & Political Science
12. The University of Manchester
13. The University of Newcastle
14. The University of Nottingham
15. The University of Oxford
16. The University of Sheffield
17. The University of Southampton
18. The University College London
19. The University of Warwick

b. Universitas 21

Source: http://www.universitas21.com

Universitas 21 is an international network of leading research-intensive universities. Its purpose is to facilitate collaboration and cooperation between the member universities and to create entrepreneurial opportunities for them on a scale that none of them would be able to achieve operating independently or through traditional bilateral alliances.

Established in 1997, Universitas 21 currently has 16 member universities in eight countries. Collectively, its members enrol about 500,000 students, employ around 40,000 academics and researchers and have over 2 million alumni.

Univesitas 21 Universities
- McGill University
- The University of British Columbia
- The University of Virginia
- The University of Birmingham
- The University of Edinburgh
- The University of Glasgow
- The University of Nottingham
- Lund University Sweden
- Fudan University
- Peking University
- The University of Hong Kong
- The National University of Singapore
- The University of Melbourne
- The University of New South Wales
- The University of Queensland
- The University of Auckland

APPENDIX 4: Comparison of The University's Governance Practices with Scottish Higher Education Funding Council Guidelines
Source: The University's Web Site

	SHEFC Benchmark	The University's Practice
1.	Code of conduct for Court members following Nolan principles	Adopted in 1996; reaffirmed in 2000
2.	Role of Chairman formally defined	Defined in Universities (Scotland) Acts, 1858 *et seq* (esp. 1966)
3.	Efficiency and effectiveness of Court meetings	Responsibility for ensuring effective conduct of Court business emphasised in guidance provided to Rectorial candidates
4.	Awareness of Court's strategic role	Induction and 'refresher' sessions held for all Court members in which Court's overall strategic role is highlighted
5.	Formal and explicit delegation of authority	Reaffirmed in 2000 as one of the outcomes of the Review of the Effectiveness of Court
6.	Formal induction process	In place
7.	Definition of non-executive and executive responsibilities	Reaffirmed in 2000 (see 5 above)
8.	Reports required on action taken under delegated authority	Any action is reported for homologation or endorsement to the next meeting of the Court
9.	Explicit definition of the role of the Secretary of Court	Reaffirmed in 2000 (see 5 above)
10.	Review of standing orders every 5 years	Standing orders introduced in 2000 as part of Review of Effectiveness of Court
11.	Register of members' interests	Register (of the interests of Court members and of **all** senior staff) has been kept since 1995. Updated annually and open to inspection on request. Declarations of interest also required during the conduct of business at Court and main committees.
12.	Code on "whistleblowing"	Adopted in 1997; expanded and revised in 2000 in line with recommended AHUA good practice
13.	Maintenance of Court at its full membership	Court is maintained at its full membership allowed by law
14.	Court should, where practicable, not exceed 25 members	The Court has 25 members

15.	Balance among Court members in relation to skills, expertise, gender and age	Nominations Committee attempts to meet this criterion although most places on Court are outwith its control
16.	Membership of Court to be published in Annual Report and Accounts	Membership published in Annual Report and Accounts for 1999/2000 onwards
17.	Members should serve for three years	Term of office of four years specified in legislation
18.	Mechanism for removal of members to be included in standing orders	Mechanism included in The University's Standing Orders for Court.
19.	Members should not serve for more than 9 years	Court guidelines specify a maximum of two terms of office, i.e. 8 years
20.	No more than one term beyond state retirement age	The University does not comply with this benchmark as it does not accept the reasoning for it
21.	Remuneration Committee, Nominations Committee and Audit Committee should all be established by Court	All three Committees are in place
22.	Committees to be provided with clear remits and terms of reference Membership of all key Committees should be published in the Annual Report and Accounts	In place for a number of years; revisited and reaffirmed in 1999 The University does comply with this benchmark. Additionally memberships of other Committees are published and openly available on the University's web site
23.	Governing body to be represented on the board of directors of related companies	Related companies rationalised under Holdings Ltd where the Board is nominated by the Court
24.	Formal reports to be made to Court on companies' performance	Holdings reports regularly and formally to Court via the Finance Committee. Annual accounts also presented to Court
25.	Legal advice to be provided for members	Legal advice is provided to members on request
26.	Performance measures to be adopted and monitored, with outcome of monitoring to be publicly available	The Review of Effectiveness of Court in 2000 started to address this issue: measures are developed in conjunction with other HEIs and are being introduced over the next year.

APPENDIX 5: Financial statements 2003
Source: The University's Finance Office, Financial Statements 2003 (The University's Web Site)

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST JULY 2003

	2003 £000	2002 £000
Income		
Funding Council grants	115,974	106,484
Tuition fees and education contracts	38,752	35,528
Research grants and contracts	76,872	73,238
Other income	47,971	42,566
Endowment and investment income	6,214	7,029
Total Income	285,783	264,845
Expenditure		
Staff costs	170,793	161,741
Other operating expenses	100,075	89,057
Depreciation	14,700	13,699
Interest payable and other similar charges	437	3,959
Total Expenditure	286,005	268,456
Deficit on continuing operations after depreciation of fixed assets at valuation	(222)	(3,611)
Gain on disposal of assets	2,376	734
Insurance reinstatement proceeds	4,250	-
Surplus/(deficit) on continuing operations after depreciation of tangible fixed assets at valuation and disposal of assets	6,404	(2,877)

CONSOLIDATED STATEMENT OF HISTORIC COST SURPLUS/(DEFICIT)
FOR THE YEAR ENDED 31ST JULY 2003

	2003 £000	2002 £000
Surplus/(deficit) on continuing operations	6,404	(2,877)
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	3,301	3,261
Realisation of property revaluation gains of previous years	2,537	5,019
Historic cost surplus/(deficit) for the period	12,242	5,403

THE UNIVERSITY
BALANCE SHEETS AS AT 31ST JULY 2003

Consolidated

	2003 £000	2002 £000	2003 £000	2002 £000
Fixed assets				
Tangible assets	352,377	350,156	352,218	340,443
Investments	2,568	2,795	2,447	2,555
	354,945	352,951	354,665	342,998
Endowment assets	90,195	91,206	90,195	91,206
Current assets				
Stock	537	573	537	573
Debtors	45,771	44,877	44,927	44,440
Investments	15,074	171	14,292	5
Cash at bank and in hand	-	-	13,439	10,036
	61,382	45,621	73,195	55,054
Creditors: amounts falling due within one year	58,769	62,553	68,429	59,845
Net current assets/(liabilities)	2,613	(16,932)	4,766	(4,791)
Total assets less current liabilities	447,753	427,225	449,626	429,413
Creditors: amounts falling due after more than one year	97	-	97	-
Provisions for liabilities and charges	11,815	11,345	11,815	11,345
Total net assets	435,841	415,880	437,714	418,068
Represented by:				
Deferred income	107,529	93,519	107,529	93,519
Specific endowments	90,195	91,206	90,195	91,206
Reserves				
Revaluation reserve	201,049	206,856	201,049	206,856
General reserve	37,068	24,299	38,941	26,487
Total reserves	238,117	231,155	239,990	233,343
Total funds	435,841	415,880	437,714	418,068

APPENDIX 6: Research Assessment Exercise - The University's results
Source: Research and Enterprise, The University's Web Site

2001 UoA	UoA Name	2001 Rating	1996 Rating	1992 Rating	Comments
1	Clinical Laboratory Sciences	5	4	3	Subpanel scores: Cancer 4; Infection & Immunity 5*
2	Community-based Clinical Subjects	4	3b	2	
3	Hospital-based Clinical Subjects	5	4	3	Subpanel scores: Cardiovascular Medicine 5; Neuroscience 4
4	Clinical Dentistry	3a	3b	4	
6	Anatomy	n/a	3a	3	
7	Physiology	n/a	3a	3	
8	Pharmacology	n/a	n/a	3	
10	Nursing	3a	2	2	
11	Other Studies & Professions Allied to Medicine	n/a	4	2	
12	Biochemistry	n/a	5	5	
13	Psychology	5*	4	3	
14	Biological Sciences	5	4/4/5	3/4	
17	Veterinary Science	5	4	5	
18	Chemistry	4	3a	3	
19	Physics	5	4	4	
20	Earth Sciences	4	3a	3	
21	Environmental Sciences	n/a	3a	3	
22	Pure Mathematics	5	4	4	
23	Applied Mathematics	5	4	4	
24	Statistics & Operational Research	5	4	5	
25	Computing Science	5	5*	5	
28	Civil Engineering	4	4	3	
29	Electrical & Electronic Engineering	5	5	4	
30A	Mechanical Engineering	5	3a	3	
30B	Aerospace Engineering	4	4	3	
30C	Naval Architecture	4	4	3	
34	Town & Country Planning (Urban Studies)	5	5*	5	

35	Geography	4	3a	3	
36	Law	5	4	2	
38	Economics & Econometrics	4	4	4	
39	Politics & International Studies	5	5	5	
40	Social Policy & Administration	4	4	2	
41	Social Work	n/a	n/a	2	
42	Sociology	4	4	4	
43	Business & Management Studies	4	4	3	
44	Accountancy	5	4	2	
45	American Studies	n/a	2	3	
46	Middle Eastern Studies	n/a	n/a	2	
48	European Studies (Russian & East European Studies)	5*	5	4	
49	Celtic Studies	4	4	3	
50	English Language & Literature (inc. Scottish Literature)	5*	3a	3	
51	French	5	4	3	
52	German, Dutch and Scandinavian Languages	4	3a	2	
53	Italian	3b	3b	2	
54	Russian, Slavonic & East European Languages	4	3a	3	
55	Spanish (Hispanic Studies)	3a	3a	4	
57	Classics & Ancient History	4	4	2	
58	Archaeology	4	4	3	
59	History	5	3a/4	3/4	
60	History of Art, Architecture and Design	5	3a	3	
61	Library & Info Management	3a	n/a	n/a	
62	Philosophy	4	3a	2	
63	Theology, Divinity and Religious Studies	5	4	4	
66	Drama, Dance & Performing Arts	4	4	5	
67	Music	4	3a	2	
68	Education	4	3a	2	
69	Sports-related subjects	5*	4	2	

	2001	1996	1992	Notes
Staff-Weighted Average Rating:	5.69	4.79	3.36	The Staff-Weighted Average takes account of the numbers of staff in each unit.

The Scottish staff-weighted average moved from 4.49 in 1996 to 5.37 in 2001. (Note that 1992 used a five-point scale; a seven-point equivalent average figure for The University's would be 4.70.)

The UK staff-weighted average moved from 4.61 in 1996 to 5.42 in 2001.

The UK position is for HEIs with 10 or more UoAs, based on staff-weighted average. |
Number of 5* rated Units:	4	2	n/a	
Number of 5 rated Units:	19	5	7	
Number of 4 rated Units:	20	28	12	
Number of 3a rated Units:	4	16	n/a	
Number of 3b rated Units:	1	3	22	
Number of 2 rated Units:	0	2	15	
Percentage of staff in 5* and 5 rated Units:	67	14	15	
Percentage of staff in 4 rated Units:	29	55	22	
Percentage of staff in 3a and 3b rated Units:	4	30	49	
Percentage of staff in 2 rated Units:	0	1	15	
UK Position:	26	33	39	

APPENDIX 7: Star Chambers
Source: The University's Web Site

Purpose

Star Chambers at The University are the financial discussions which take place at
regular intervals which enable better setting of targets for income and expenditure.
They take place between the Heads of Resource Units (on an individual basis) and the
University's Principal / Director of Finance, assisted by supporting staff as
appropriate.

Topics covered

Though there is no set format to star chamber session, typically they cover:
Background development – since last meeting
Any short term plans – what happens next?
Longer term plans – aspirations and investing in the future
Consideration of core, strategic and marginal activities
Integration of faculty academic and financial plans
Changes to faculty academic and organisational structures
Flexibility and efficiency
Setting strategic parameters and long term budgets
Consideration of the IDRM setting of each faculty CLA and CLB
Departmental and QAA reviews, if any
Staffing strategies, retirals, vacant posts and void management
Gaps between I & E / pay / non pay
Faculty waivers and discounts, Erasmus and Socrates programmes
Course costs, recharging and commercial considerations
Increasing income e.g. by CPD, development opportunities
Better use of endowments and scarce resources
Equipment issues
Assets, accommodation, minor works, health and safety issues
Special circumstances and needs (including strategic support)
Opportunities for contributions towards The University's savings targets or reserves

Historical Note in Star Chambers

In English history, was a civil and criminal court, named after the star-shaped ceiling
decoration of the room in the Palace of Westminster, London, where its first meeting
were held. Created in 1487 by King Henry VII, the Star Chamber comprised some 20
or 30 judges. It was abolished in 1641 by the Long Parliament. The Star Chambers
became notorious under King Charles I for judgements favourable to the king and to
Archbishop Laud (for example, the branding on both cheeks of William Prynne in
1637 for seditious libel). Under the Thatcher government 1979 – 1990, the term was
revived for private ministerial meetings at which disputes between the Treasury and
high – spending departments were resolved.

APPENDIX 8: The 2002/2003 Income Driven Resource Model

I D R M - 2 0 0 2

2002 I D R M for 2002-03	COURT	IDRM	AcRUs	ARTS	EDCN	SCCS	LFN	IBLS	PHSC	CSMS	ENGN	CMED	DENT	VETS	INFO	CADB	NOGU	AcOhds	GrOhds	Retained	To alloc	Other
		Total IDRM	Total Academic Resource Units	Arts & Divinity RU Total	Eduen RU Total	Social Sciences RU Total	Law & FS RU Total	IBLS RU Total	Physical Sciences RU Total	CSMS RU Total	Engineering RU Total	Clinical Med RU Total	Dental School RU Total	Vet Med RU Total	Info. Serv RU Total	Central Admin RU Total	Non-GU Organisational Units	Academic Over-heads	General Over-heads	Top-slice monies to be retained	Top-slice monies to be alloc.	Total Other
		(un-inc.def) £'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s

Top-slice on core income for special initiatives = 1.00%
Top-slice on core income for University reserves = 1.78%
Top-slice or core income for other purposes = 46.0%
Top-slice on earned income for other purposes = 33.0%

Gross Income

		Top-slice %
1	SHEFC teaching grants, mainly T-unit excl fees	48.8%
2	SHEFC research grants	48.8%
3	Inter-PU transfers of SHEFC grant & fees	48.8%
4	Fees – home & EU students – UG (FT & PT)	48.3%
5	Fees – home & EU students – PGT	33.0%
6	Fees – home & EU students – PGR	33.0%
7	Fees – all overseas students	33.0%
8	Fees – misc. and full-cost	33.0%
9	Overheads on Res. Council's, CSO & Charities ie 46% of sals	33.0%
10	Overheads on contracts & other services rendered	33.0%
11	Miscellaneous income (NOT top-sliced)	0.0%
12	Central income	0.0%
13	TOTAL gross attributable income	2002-03

Organizational Changes since 2001-02 (2001-02 amounts)
TOTAL previous session's GAI (on new organizational basis) | 2001-02
GAI 2002-03 fees adjusted 2001-02 | £x
GAI 2002-03 fees adjusted 2001-02 | %

INCOME SUMMARY

Gross Income
- 14 Core Income (lines 1,2,3,4)
- 15 Earned Income (lines 5,6,7,8,9,10)
- 16 Other Income (lines 11,12)
- 17 TOTAL gross income

Top-slice
- 18 on Core Income — 46.00%
- 19 of which for general / other purposes
- 20 of which for University reserves — 1.78%
- 21 of which for special initiatives — 1.00%
- 22 on Earned Income — 33.00%
- 23 of which for general / other purposes
- 24 on Other Income — 0
- 25 TOTAL top-slice

Net Income
- 26 Core Income
- 27 Earned Income
- 28 Other Income
- 29 TOTAL net income — 2002-03

I D R M - 2 0 0 2

2002 1 D R M for 2002-03

	COURT	DFM	AcRUs	ARTS	EDCN	SOCS	LFIN	IELS	PHSC	CSMS	EMGN	CMED	DENT	VETS	INFO	CADS	NOGU	AcCnds	G'Cnds	Retained	To alloc.	Other
	for 2002-03																					

Strategic Allocations

101 Core Strategic Allocations

Code	Description	COURT
c01	Premises-related rebate (heating/lighting/maintenance)	
c02	Rebate re-location	
c03	Teaching and Learning Service (salaries and consumables)	
c04	Learning Works (salaries and consumables)	
c05	EFL (English as a Foreign Lang.)	
c06	IWLP (Inst. Wide Lang. Prog.)	
c07	MSport (Marine Biological Station)	
c08	Contrib in recognition of Charities income at	-2.0%
c09	5% RAE UoAs receive top-slice from others' recovs (lines 9 & 10)	#REF!
c10	5% RAE proratum reimbursement of top-slice from RAE (line 2) at	#REF!
c11	VF study leave/sabbatical	
c12	Library Purchases (up from 2680v: i.e. 1% to 2680v)	
c13	Equipment Sub-Committee Allocation	
c14	In-year strategic support	
c15	Vet Practice (Library)	
c16	Vet Epidemiology Post	
c17	Dental Recoup Posts	
c18	CPD Developments (and from 234)	
c19	Part-Time Developments	
c20	UGIIS (Business/Schools leading transfer	
c21	Fee-waivers necessary for ERASMUS+Socrates Students	
c22	Faculty Advisers of Studies / Student Support	
c23	Senate Assessors	
c24	Medical Illustrations transfer support	
c25	Technician transfer support	
c26	Fee Waivers and Discounts cover	
c27	Further special issue (if any):	
102	Sub-total (core)	
103	*Time-limited Strategic Allocations*	
t01	ICT (Knowledge Exam Taskforce) web development (to 31.07.03)	
t02	Deans Teaching Support (to 31.07.03)	
t03	Course Development Ann-Finance (to 31.07.03)	
t04	Course Development Education (Dubai)(to 31.07.03 or earlier pro-rata)	
t05	Moving of Psychology department - support (to 31.07.03)	
t06	Support for post transfers (to 31.07.03)	
t07	Psychology / Bioinformatics capital programme (to 31.07.03)	
t08	Bioinformatics posts (3 years to 31.07.04)	
t09	Vet Med. CoChno Farm (to 31.07.04)	
t10	Archives Underwriting (3 years to 31.07.04)	
t11	Nursing (for transfer NSS subsid.)(phasing out by 31.07.04)	
t12	Student Recruitment & Ad.Service (5RA5K/2 posts)(to 31.07.04)	
t13	Establity Officer (to 31.07.04)	
t14	Support for Social Work (to 31.07.04)	
t15	Support for transfer of RCC to EDCN (transact to 31.07.04)(draft)	
t16	E-Science Initiative (to 31.07.04)	
t17	E-Business Support (to 31.07.04)	
t18	Stress in the Workplace Campaign (to 31.07.05)	
t19	New York Office developments (to 31.07.05)	
t20	Reward Pool (for 1999-00 2nd tranche)	
t21	Reward Pool (for 1999-00 3rd tranche)	
t22	Reward Pool (for 2001-02 1st tranche retained centrally)	
t23	MAU reprocurement	

IDRM - 2002

2002 IDRM for 2002-03	COURT	IDRM	AcRUs	ARTS	EDCN	SOCS	LFIN	IELS	PHSC	CSMS	ENGN	CMED	DENT	VETS	INFO	CADS	NOGU	AcOnds	GYOnds	Retained	To alloc	Other
124	Gravizional Waves adjustment for off-model																					
125	NAME Naval Architecture + Marine Eng adjustment for off-model																					
126	Critical adjustment for E-model																					
127	Glasgow Business School adjustment for off-model																					
128	Tobensen Centre adjustment for off-model																					
129	Further special case (if any):																					
104	Sub-total (time-limited)																					
105	TOTAL Strategic Allocations																					
106	Top-slice remaining to be allocated (lines 29+105)	IDRM	AcRUs	ARTS	EDCN	SOCS	LFIN	IELS	PHSC	CSMS	ENGN	CMED	DENT	VETS	INFO	CADS	NOGU	AcOnds	GYOnds	Retained	To alloc	Other

2002 I D R M for 2002–03	COURT	IDRM	AcRUs	ARTS	EDCN	SCCS	LFN	IBLS	PHSC	CSMS	ENGN	CMED	DENT	VETS	INFO	CADE	NOEU	AcOHds	GrOHds	Related	To alloc	Other
201 Top-slice remaining to be allocated (from bottom of last page)																						
Distribution to Non-Academic RUs and Overheads																						
202 Allocation for Research & Enterprise (for 2002-03)																						
203 Allocation for Central Administration Divisions (for 2002-03)																						
a01 Academic Support Division (incl. in line 203)																						
a02 Campus Infrastructure Division (incl. in line 203)																						
a03 Ext. Relations & Marketing Division (incl. in line 203)																						
a04 Finance & Bus. Resources Division (ex RSE)(incl. in line 203)																						
a05 Managerial Services Division (incl. in line 203)																						
a06 Student & Staff Support Division (incl. in line 203)																						
a07 Senior Management/VP Support (Division) (inc. in line 203)																						
a08 Professional fees adjustment (incl. in line 203)																						
a09 Radiation Protection / Disposal (incl. in line 203)																						
a10 Data Protection and Freedom of Information (incl. in line 203)																						
a11 Additional costs from estate development (Mandatory)(incl. in line 203)																						
a12 Additional costs from estate development (Operation)(incl. in line 203)																						
a13 Extra savings required (if any)(incl. in line 203)																						
a14 Overdrive and other items needed (if any)(incl. in line 203)																						
204 Non-Academic RU income already available (from line 29)																						
205 Additional allocation needed for non-academic RUs																						
206 TOTAL Non-Academic RU allocations 2002-03 (excl strat alloc)																						
207 Overhead requirements																						
208 (a) Depreciation (net) (n.b. change in capitalisation threshold)																						
209 Interest (net) (+/- to be paid or +/-to be received)																						
210 (b) Salary and Honoraria costs																						
211 Deans and HoRUs 50% Costs																						
212 Honoraria - NoRUs																						
213 Honoraria - HoDs																						
214 Faculty Advisers of Studies / Student Support (moved to Strat. Alloc)																						
215 Senate Assessors																						
216 Part-Time Development Co-ordinator																						
217 GUIDE																						
218 Summer School access and pre-access courses																						
219 Student Learning Service																						
220 Widening Access Co-ordinator																						
221 Effective Learning Adviser																						
222 Provision for differential skills (mainly salary) deficits																						
223 Union Rep - Cost of 'Cover'																						
224 Modern Apprenticeship (Youth Training) top-up																						
225 Learning Works Scheme salaries																						
(c) Legal and professional fees																						
Prof fees - legal fees - Communication (RSE)																						
Prof fees - legal fees - Other																						
Prof fees - other fees																						
226 (d) Other Provisions																						
227 Redundancy (short-term staff)																						
228 Provisions - All (A&R, T&S, P&SG)																						

2002 I D R M for 2002 - 03	COURT	IDRM	AcRUs	ARTS	EECN	SOCS	LFIN	ILS	PHSC	CSWS	BNGN	CMED	DENT	VETS	INFO	CATS	NOGU	AcOfnds	GCfnds	Retained	To alloc	Other
229 Maternity pay for contract research staff																						
230 Sick pay for part-time staff																						
231 Vice-Principals' Discretionary Funds																						
232 Provision for VP (Learning & Teaching)																						
233 Provision for Part-Time developments																						
234 Provision for CPD developments																						
235 Fund for development of Innovation in Learning and Teaching																						
236 Provision for contingencies																						
237 PSDF (paid for by top-slice for special initiatives) (for existing commitments)																						
PSDF surplus / unused vired to recurrent																						
238 Other internal earmarked grants to cover existing commitments																						
239 2001 Jubilee Events																						
240 QA support fund																						
24: S.U.E.R.C. contribution																						
242 S.U.R.R.C. contribution																						
Provision for S.U.R.R.C. decommissioning																						
243 Bad debts written off																						
244 Subscriptions (e.g. UUK)																						
245 Universitas 21																						
246 Local authority rates																						
247 Allocation to Equipment Sub-Committee (see strategic allocations)																						
248 Provision for maintenance and refurbishment - SHEFC estates grant																						
249 Provision for maintenance and refurbishment - donations / central income (was in line 12)																						
250 Provision for maintenance and refurbishment - general funds support																						
251 Heat, Light and Power																						
252 Water and sewerage																						
253 Medical and dental authorities (GRI+D.Guthrie Building, Yorkhill) (incl. GU contrib. to Dental Trust costs)																						
254 Provision for Postgraduate scholarships																						
255 Central provision for fee payments to other institutions (e.g. collaborations)(no faculty contrib.)																						
256 Central provision for fee payments to other institutions (e.g. collaborations)(with faculty contrib.)																						
Func payment to Beatson																						
257 Collab. - ISJ M.Sc. Central provision for SLA payments																						
258 Collab. - B.Tech.Ed. Central provision fo: SLA payments																						
259 Tuition fees waivers for GU employees																						
260 Tuition fees waivers for other students (incl./excl. EPASK/ILS+Societies)																						
261 Commission payments to overseas agents for student recruitment																						
262 Telephone fixed charges																						
263 Insurance premiums																						
264 Endowments - factoring																						
265 Rent paid																						
266 Grants to student societies (incl. sabbaticals)																						
267 Directly-funded student amenities (incl. GUSA handbook, student volunteer service, hire of pitches)																						
268 Childcare Facilities																						
269 Exploration Council																						
270 Pensions - ex gratia & F.S.S.U. supplementation																						
271 Learning Works Scheme (fees and contransables)(now Strat Alloc.)																						
272 Strategic expenditure (unspecified)																						

I D R M - 2 0 0 2

2002 I D R M for 2002 - 03	COURT	IDRM	AcHUs	ARTS	EDCN	SOCS	LFN	IBLS	PHSC	CSMS	ENGN	CMED	DENT	VETS	INFO	CADE	NOBU	AcOnds	GrOnds	Retained	To alloc.	Other
273 Miscellaneous expenditure (unspecified)																						
274 Surplus(-)/Deficit(+) on Residences and Catering (net amount)																						
275 TOTAL overhead costs needed above (lines 207 to 274)																						
276 Overheads 2001-02 income already available (from line 79)																						
277 Additional overhead money needed from top-slice																						
278 Transfer from 'monies to be retained' to 'monies to be allocated' (if any)																						
Transfer from NOGU: out (if any)																						
279 Top-slice remaining to be allocated (lines 201+203+204+217+278)	2002-03																					

COURT	IDRM	AcHUs	ARTS	EDCN	SOCS	LFN	IBLS	PHSC	CSMS	ENGN	CMED	DENT	VETS	INFO	CADE	NOBU	AcOnds	GrOnds	Retained	To alloc.	Other
	IDRM	AcHUs	ARTS	EDCH	SOCS	LFN	IBLS	PHSC	CSMS	ENGN	CMED	DENT	VETS	INFO	CADS	NOBU	AcOnds	GrOnds	Retained	To alloc.	Other

I D R M - 2 0 0 2

2002 I D R M for 2002-03		COURT	IDRM	AcRUs	ARTS	EDCN	SOCS	LFIN	IELS	PHSC	CSMS	ENGN	CMED	DENT	VETS	INFO	CADS	NCGU	AcOfhds	G/Ohds	Retained	To alloc.	Other
301	Top-slice remaining to be allocated (from line 279 / last page)																					
302	2001-02 Final CLAs set at 31.07.01 (including any strategic allocations)																					
303	2001-02 CLAs set at 31.07.01 (final prior to strategic allocations [4th-cut])																					
304	Structural and budgetary adjustments from 2001-02 CLA																					
305	2001-02 Adjusted estimated final baseline CLA at 31.07.02																					
306	2001-02 Adjusted estimated 4th-cut baseline CLA at 31.07.02																					
307	1st-cut 2002-03 CLA (for acad RUs = total net income, lines 29,206,275,278)																					
308	1st-cut 2002-03 CLA less last session's adjusted 4th-cut baseline CLA																					
309	1st-cut 2002-03 CLA as % of 2001-02 adj 4th-cut baseline CLA (± %)																					
	Redistribution of remaining top-slice monies																					
310	In proportion to NAI 2002-03 (line 29)/equiv. to extra top-slice)	+1.0%																				
311	Top-slice remaining to be allocated (after rebasing)																					
312	2nd-cut 2002-03 CLA after redistribution																					
313	2nd-cut 2002-03 CLA as % of 2001-02 adj 4th-cut baseline CLA	(±%)																				
	Setting of capping mechanism, if required poundage:	56.0%																				
314	Allocation donated from acad RUs better off than collar set at	+4.9%																				
315	3rd-cut 2002-03 CLA after all allocations above																					
316	3rd-cut 2002-03 CLA as % of 2001-02 adj 4th-cut baseline CLA	(±%)																				
317	Top-slice remaining to be allocated (after capping)																					
	Setting of Rate of Manageable Change (ROMC) mechanism, if required																					
318	Allocation needed for acad RUs worse off then initial ROMC of:	0%																				
319	4th-cut 2002-03 CLA after ROMC needs allocation																					
320	4th-cut 2002-03 CLA as % of 2001-02 adj 4th-cut baseline CLA	(±%)																				
321	Top-slice remaining to be allocated (after ROMC)																					
322	TOTAL Strategic Allocations (line '105)																					
323	Other adjustments such as TOA monies, if any																					
324a	Final 2002-03 CLA with additional agreed amendments ('RUs only)																					
324b	Final 2002-03 CLA with additional agreed amendments (others)																					
324c	Final 2002-03 CLA with additional agreed amendments (all models)																					
325	Final 2002-03 CLA as % of 2001-02 adj final baseline CLA	(±%)																				
326	Final 2002-03 CLA less 2001-02 adj final baseline CLA																					
	Other budgetary adjustments, if any for 2002-03 (between CLA and CLE)																					
327a	Additional income to be identified																					
327b	Adjustments to strategic allocations																					
327c	Claw-back of over-allocation																					
327d	Central strategic support																					
327	Total specific additional allocations to RUs																					
	CLE as base income for Resource Units		2002-03																				Other
			IDRM	AcRUs	ARTS	EDCN	SOCS	LFIN	IELS	PHSC	CSMS	ENGN	CMED	DENT	VETS	INFO	CADS	NCGU	AcOfhds	Retained	To alloc.	Other

APPENDIX 9: Quality Assurance Agency awards for The University
Source: Scottish Higher Education Funding Council,
 http://www.shefc.ac.uk/

The assessment scale used in 1992-93 was: *Excellent, Satisfactory, Unsatisfactory.*
1992-93
Economics: SATISFACTORY
Electrical & Electronic Engineering: SATISFACTORY

The assessment scale used from 1993-4 onwards was: *Excellent, Highly Satisfactory,*
Satisfactory, Unsatisfactory
1993-94
Chemistry: EXCELLENT
Civil Engineering: HIGHLY SATISFACTORY
Computer Studies: EXCELLENT
Geography: EXCELLENT
Geology: EXCELLENT
Mathematics & Statistics: HIGHLY SATISFACTORY
Mechanical (incl. Manufacturing Engineering): HIGHLY SATISFACTORY
Physics: EXCELLENT
1994-95
Business & Management: SATISFACTORY
Music: HIGHLY SATISFACTORY
1995-96
Finance & Accounting: HIGHLY SATISFACTORY
History: HIGHLY SATISFACTORY
History of Art: HIGHLY SATISFACTORY
Law: HIGHLY SATISFACTORY
Philosophy: EXCELLENT
Politics: HIGHLY SATISFACTORY
Social Work: HIGHLY SATISFACTORY
Sociology: EXCELLENT
Theology & Religious Studies: HIGHLY SATISFACTORY
1996-97
Cellular & Molecular Biology: EXCELLENT
Organismal Biology: EXCELLENT
Dentistry : HIGHLY SATISFACTORY
English: EXCELLENT
French Studies: EXCELLENT
Medicine: EXCELLENT
Nursing: HIGHLY SATISFACTORY
Veterinary Medicine: EXCELLENT
1997-98
 Drama: HIGHLY SATISFACTORY
European Languages: assessed under Revised Method: profile here
Psychology: EXCELLENT
Social Policy: EXCELLENT

APPENDIX 10: Chronology of events based on minutes

of Resource Unit Management committees

Diagonal banner across page: **2002/03   8% increase for The University   grant letter   21/3/02   SHEFC**

RU4	RU10	RU9	RU7	RU6	RU2	RU5	RU3	RU11	RU1+RU8	RU8	RU1
8/3/02 *OTI*	22/11/01 'Idrm disatisfaction'		16/11/00 Science Sup Unit					16/1/02 RAE good performance			
	19/2/02 SHEFC increase for teaching is expected'	22/2/02 'SHEFC increase expected'	21/2/02 'improved RAE-SHEFC good news anticipated		*12/2/02* *OTI*		*8/3/02* *OTI*			4/2/02 Mgm-overhead funding	6/2/02 Mgm-not real deficit *11/2/02* *OTI*
		19/4/02 'no significant cuts should be done'				*4/4/02* *OTI*		24/4/02 'No IDRM- £800-£1m research inc expected. Deficit £300-400 k		22/4/02 'Str Ch slow progress IDRM not yet finalised'	
				7/5/02 *OTI*				22/5/02 1st IDRM £1.3 deficit. After revision £970.	22/5/02 'LF76.1 Renegotiation of £700 savings. miscalculation faculty's income	20/5/02 Mgm-despite SHEFC increase GU still in deficit	
	21/5/02 'IDRM issued- organisational change stabilised the model.		23/5/02 'IDRM not finalised – needs another run								
		7/6/02 'budget not yet known									
			23/9/02 *OTI*								
								23/10/02 80% of allocation until depart. budget meet. Deficit £900 savings target £425. 27/11/02 closure of department	9/10/02 'IDRM surplus RU1 and breakeven RU8 Draconian measures	*29/10/02* *OTI*	
	26/11/02 working group on new IDRM										

APPENDIX 11: The questionnaire matrixes – for Part 1 and Part 2

WE/OTHER Part 1		less trust			more trust				more trust			less trust			
		1	2	3	4	5	6	7	1	2	3	4	5	6	7
dimension of belief	dimension of Trust	Number of Question													
Affect (feel)	Competence	28 We feel confident that Y will make a competent decision							25 We worry about Y's ability to take correct decisions.						
	Openness	15 We feel that Y is straight with us							11 We feel that Y does not tell us the complete truth.						
	Concern	19 We feel that Y is concerned about our problems and needs.							21 We feel that Y tries to get the upper hand						
	Loyalty	9 We feel that Y is responsible and supportive							2 We feel that Y never reciprocates to our expectations.						
	Fairness	24 We feel that Y clearly explains the reasons of the decision							3 We feel that Y never explained clearly the reasons for the decisions						
	Reliability	23 We feel that Y will keep its word							33 We worry about Y's willingness to do what they say.						
Cognitive (think)	Competence	16 We think that Y meets its negotiated obligations to our department / unit.							22 We don't think that Y is competent.						
	Openness	36 We think that Y negotiates openly							10In our opinion Y does not disclose all the information we need for negotiation						
	Concern	26 We think that Y knows exactly what we want.							32 We don't think that Y has any idea of our requirements						
	Loyalty	20 We think that Y takes the responsibility for crucial decisions							29 In our opinion Y never takes the responsibility						
	Fairness	18 We think Y's attention is focused on our requirements														
		5 In our opinion Y														

		emphasises equity and fairness as very important	
	Reliability	17 In our opinion, Y is reliable	7 We think Y misrepresents its position in negotiations.
	Competence	34 We are not going to question the correctness of Y's decisions.	6 We plan to monitor Y's compliance with our agreement
Intend (behave)	Openness	27 We intend to speak openly in our negotiations with Y.	
		31 We intend to work openly with Y because they will not take advantage of us.	
	Concern		35 We intend to check whether Y meets its obligations to our department / unit
			30 We don't plan to contribute to Y's decisions because they are not concerned about our position
	Loyalty	4 We plan to support Y's decisions	13 We are not going to express our loyalty to Y
	Fairness	1 We are not willing to question the clarity of Y 's explanations.	14 We intend to ask Y to distribute resources according to our needs
	Reliability		12, We intend to watch for misleading information from Y in our negotiations
			8 We intend to monitor Y closely so that they do not take advantage of us.

1= Strongly Disagree, 2= Disagree, 3=Slightly Disagree, 4= Neither Agree nor Disagree, 5=Slightly Agree, 6=Agree, 7=Strongly Agree

	OTHER/US Part 2	less trust				more trust			more trust				less trust		
		1	2	3	4	5	6	7	1	2	3	4	5	6	7
dimension of belief	dimension of Trust	Number of Question													
Affect (feel)	Competence	19 Y feel confident that we will make a competent decision							8 Y worry about our ability to take correct decisions						
	Openness	14 Y feel that we are straight with them.							13 Y feel that we do not tell them the complete truth						
	Concern	1 Y feel that we are concerned about their problems and needs.							22 Y feel that we try to get the upper hand.						
	Loyalty	28 Y feel that we are responsible and supportive							18 Y feel that we never reciprocate to their expectations						
	Fairness	34 Y feel that we clearly explain the reasons of the decision							12 Y feel that we never explained clearly the reasons for the decision						
	Reliability	25 Y feel that we will keep our word							2 Y worry about our willingness to do what we say.						
Cognitive (think)	Competence	16 Y think that we meet our negotiated obligations to their department / unit							9 Y don't think that we are competent						
	Openness	10 Y think that we are negotiating openly.							27 In Y's opinion we do not disclose all the information they need for negotiations						
	Concern	3 Y think that we know exactly what they want							24 Y don't think that we have any idea of their requirements.						
	Loyalty	21 Y think that we take the responsibility for crucial decisions							30 In Y's opinion we never take the responsibility						
	Fairness	29 Y think our attention is focused on our requirements 15 In Y's opinion we emphasise equity and fairness as very important													
	Reliability	17 In Y's opinion, we are reliable							6 Y think we misrepresent our position in negotiations						

	Competence	**4** Y is not going to question the correctness of our decisions	**5** Y plan to monitor our compliance with our agreement
Intend (behave)	Openness	**26** Y intend to speak openly in their negotiations with us.	
		32 Y intend to work openly with us because we will not take advantage of them	
	Concern		**35** Y intend to check whether we meet our obligations to their department / unit
			31 Y don't plan to contribute to our decisions because we are not concerned about their position
	Loyalty	**20** Y plan to support our decisions	**33** Y are not going to express their loyalty to us
	Fairness	**23** Y are not willing to question the clarity of our explanations	**36** Y intend to ask us to distribute resources according to their needs
	Reliability		**11** Y intend to watch for misleading information from us in our negotiations.
			7 Y intend to monitor us closely so that we do not take advantage of them.

1= Strongly Disagree, 2= Disagree, 3=Slightly Disagree, 4= Neither Agree nor Disagree, 5=Slightly Agree, 6=Agree, 7=Strongly Agree

APPENDIX 12: The questionnaire as sent to the Heads of the Resource Units

Date: 7 February 2002

Professor X
(address)

Melina Maria Manochin
Department of Accounting and Finance

73 Southpark Avenue

University of Glasgow
G12 8LE Glasgow
e-mail: 9909699m@student.gla.ac.uk

telephone: 0141 330 5667

PhD Supervisor: Mr Ken Shackleton

K.Shackleton@accfin.gla.ac.uk

Subject: questionnaire about the Role of Trust in the Resource Allocation process.

Dear Professor X,

I would kindly ask you to contribute to the project concerning the Role of Trust in the Resource Allocation Process, which was mentioned and discussed with Professor Z in November and December 2001. The project is focused on the social interaction of organisational units and the influence of the formulated climate on the process and outcome of the managerial decision of distributing resources. In the relevant literature, the role of Trust is increasingly related to the development of a co-operative organisational climate eliminating tension and conflict, enhancing system stability, contributing to a significant reduction of transaction costs and supporting organisational change. The outcome of the project may be a contribution to the management accounting discipline and literature.

The process of the project includes identification, collection, categorisation and analysis of information derived from the perceived trustworthiness between organisational units when negotiating for budgetary allocations of resources. Bearing in mind The University planning cycle and organisation, the project will be developed in accordance with the chronological order of the Star Chamber committee meetings. Thus you will be asked to contribute with your opinion and feedback in a series of contacts from February to July 2002.

In the first instance a questionnaire will be administered to you in order to identify the organisational trust level. This research instrument is valid and accepted by several academics and researchers. Cummings and Bromiley (1996) originally formed the present Organisational Trust Inventory; however, the instrument is reformed in accordance to the research requirements of this project. The Questionnaire is developed in two forms. The first one is related to the belief / expectations YOU formulate when you interact with the OTHER (Notified as Y) department / organisational unit (i.e. the Central Management Unit). You are asked to respond to the questions circling the relevant answer to you in the scale of 7 rating from Strongly Disagree to Strongly Agree.

Example:

Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

1. We think Y negotiates important details fairly   1 2 3 4 ⑤ 6 7

The second part includes responses of your level of trust as perceived in the eyes of others. You will be asked to estimate how the OTHER (Notified as Y) department / unit i.e. the Central Management Unit, may believe /expect YOU to behave. Again your response will be notified circling the relevant answer to you in the 7 scale rating from Strong Disagree to Strongly Agree.

Example:

Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

2. Y think we negotiate important details fairly   1 2 3 4 ⑤ 6 7

I would like to mention that although at the preface of the questionnaire you will be asked to identify yourself, the analysis of the project will keep this information confidentially and you will be referred as X.

Finally I would like to thank you in advance for your agreement to respond to this survey.

Melina Manochin

Organisational Trust Inventory (Part 1)

Name_____

Position_____

Years in the current position_____

Do you have previous experience in this position? Yes / No

Relevant Courses Attended: _____

Age (tick box as appropriate):

| 20 - 30 |

| 30 - 40 |

| 40 - 50 |

| More than 50 |

Nationality_____

Gender_____

Please choose the unit or department about which you can most knowledgeably report

the opinions of your department or unit

1. Your department is_____(enter name of

department / unit)

2. The other department or unit about which you are responding

is_____

(Enter name of department / unit)

Please circle the number to the right of each statement that most closely describes
your opinion toward the other department. Interpret the Y as defined in the
accompanying letter when referring to the other department about which you are
commenting.

	Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
	1	2	3	4	5	6	7

1. We are not willing to question the clarity of Y 's explanations.   1 2 3 4 5 6 7

2. We feel that Y never reciprocates to our expectations.   1 2 3 4 5 6 7

3. We feel that Y never explained clearly the reasons for the decisions   1 2 3 4 5 6 7

4. We plan to support Y's decisions   1 2 3 4 5 6 7

5. In our opinion Y emphasises equity and fairness as very important   1 2 3 4 5 6 7

6. We plan to monitor Y's compliance with our agreement.   1 2 3 4 5 6 7

7. We think Y misrepresents its position in negotiations.   1 2 3 4 5 6 7

8. We intend to monitor Y closely so that they do not take advantage   1 2 3 4 5 6 7

of us.

9. We feel that Y is responsible and supportive   1 2 3 4 5 6 7

10. In our opinion Y does not disclose all the information we need for   1 2 3 4 5 6 7

negotiations.

11. We feel that Y does not tell us the complete truth.   1 2 3 4 5 6 7

12. We intend to watch for misleading information from Y in our   1 2 3 4 5 6 7

negotiations.

13. We are not going to express our loyalty to Y   1 2 3 4 5 6 7

14. We intend to ask Y to distribute resources according to our needs   1 2 3 4 5 6 7

15. We feel that Y is straight with us   1 2 3 4 5 6 7

16. We think that Y meets its negotiated obligations to our department   1 2 3 4 5 6 7

/ unit.

17. In our opinion, Y is reliable.   1 2 3 4 5 6 7

18. We think Y's attention is focused on our requirements   1 2 3 4 5 6 7

19. We feel that Y is concerned about our problems and needs.   1 2 3 4 5 6 7

20. We think that Y takes the responsibility for crucial decisions   1 2 3 4 5 6 7

21. We feel that Y tries to get the upper hand.   1 2 3 4 5 6 7

22. We don't think that Y is competent.   1 2 3 4 5 6 7

23. We feel that Y will keep its word   1 2 3 4 5 6 7

24. We feel that Y clearly explains the reasons of the decision   1 2 3 4 5 6 7

25. We worry about Y's ability to take correct decisions.   1 2 3 4 5 6 7

26. We think that Y knows exactly what we want.   1 2 3 4 5 6 7

27. We intend to speak openly in our negotiations with Y.   1 2 3 4 5 6 7

28. We feel confident that Y will make a competent decision.   1 2 3 4 5 6 7

29. In our opinion Y never takes the responsibility   1 2 3 4 5 6 7

30. We don't plan to contribute to Y's decisions because they are not   1 2 3 4 5 6 7

    concerned about our position.

31. We intend to work openly with Y because they will not take   1 2 3 4 5 6 7

    advantage of us.

32. We don't think that Y has any idea of our requirements.   1 2 3 4 5 6 7

33. We worry about Y's willingness to do what they say.   1 2 3 4 5 6 7

34. We are not going to question the correctness of Y's decisions.   1 2 3 4 5 6 7

35. We intend to check whether Y meets its obligations to our   1 2 3 4 5 6 7

    department / unit.

36. We think that Y negotiates openly.   1 2 3 4 5 6 7

Organisational Trust Inventory (Part 2)

	Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
	1	2	3	4	5	6	7

1. Y feel that we are concerned about their problems and needs.   1 2 3 4 5 6 7

2. Y worry about our willingness to do what we say.   1 2 3 4 5 6 7

3. Y think that we know exactly what they want.   1 2 3 4 5 6 7

4. Y is not going to question the correctness of our decisions.   1 2 3 4 5 6 7

5. Y plan to monitor our compliance with our agreement.   1 2 3 4 5 6 7

6. Y think we misrepresent our position in negotiations.   1 2 3 4 5 6 7

7. Y intend to monitor us closely so that we do not take advantage   1 2 3 4 5 6 7

   of them.

8. Y worry about our ability to take correct decisions.   1 2 3 4 5 6 7

9. Y don't think that we are competent.   1 2 3 4 5 6 7

10. Y think that we are negotiating openly.   1 2 3 4 5 6 7

11. Y intend to watch for misleading information from us in our   1 2 3 4 5 6 7
    negotiations.

12. Y feel that we never explained clearly the reasons for the decision   1 2 3 4 5 6 7

13. Y feel that we do not tell them the complete truth.   1 2 3 4 5 6 7

14. Y feel that we are straight with them.   1 2 3 4 5 6 7

15. In Y's opinion we emphasise equity and fairness as very   1 2 3 4 5 6 7

    important

16. Y think that we meet our negotiated obligations to their   1 2 3 4 5 6 7

    department / unit.

17.	In Y's opinion, we are reliable.	1 2 3 4 5 6 7
18.	Y feel that we never reciprocate to their expectations.	1 2 3 4 5 6 7
19.	Y feel confident that we will make a competent decision.	1 2 3 4 5 6 7
20.	Y plan to support our decisions	1 2 3 4 5 6 7
21.	Y think that we take the responsibility for crucial decisions	1 2 3 4 5 6 7
22.	Y feel that we try to get the upper hand.	1 2 3 4 5 6 7
23.	Y are not willing to question the clarity of our explanations	1 2 3 4 5 6 7
24.	Y don't think that we have any idea of their requirements.	1 2 3 4 5 6 7
25.	Y feel that we will keep our word.	1 2 3 4 5 6 7
26.	Y intend to speak openly in their negotiations with us.	1 2 3 4 5 6 7
27.	In Y's opinion we do not disclose all the information they need for negotiations.	1 2 3 4 5 6 7
28.	Y feel that we are responsible and supportive	1 2 3 4 5 6 7
29.	Y think our attention is focused on our requirements	1 2 3 4 5 6 7
30.	In Y's opinion we never take the responsibility	1 2 3 4 5 6 7
31.	Y don't plan to contribute to our decisions because we are not concerned about their position	1 2 3 4 5 6 7
32.	Y intend to work openly with us because we will not take advantage of them.	1 2 3 4 5 6 7
33.	Y are not going to express their loyalty to us	1 2 3 4 5 6 7
34.	Y feel that we clearly explain the reasons of the decision	1 2 3 4 5 6 7
35.	Y intend to check whether we meet our obligations to their department / unit.	1 2 3 4 5 6 7
36.	Y intend to ask us to distribute resources according to their needs	1 2 3 4 5 6 7

APPENDIX 13:The questionnaire as sent to the Management Group participants

Date: 7 February 2002

Melina Maria Manochin

Department of Accounting and Finance

73 Southpark Avenue

University of Glasgow

G12 8LE Glasgow

Professor T

(address)

e-mail: 9909699m@student.gla.ac.uk

telephone: 0141 330 5667

PhD Supervisor: Mr Ken Shackleton

K.Shackleton@accfin.gla.ac.uk

Subject: questionnaire about the Role of Trust in the Resource Allocation process.

Dear Professor Z,

I would kindly ask you to contribute to the project concerning the Role of Trust in the Resource Allocation Process, which was mentioned and discussed with Professor Z in November and December 2001. The project is focused on the social interaction of organisational units and the influence of the formulated climate on the process and outcome of the managerial decision of distributing resources. In the relevant literature, the role of Trust is increasingly related to the development of a co-operative organisational climate eliminating tension and conflict, enhancing system stability, contributing to a significant reduction of transaction costs and supporting organisational change. The outcome of the project may be a contribution to the management accounting discipline and literature.

The process of the project includes identification, collection, categorisation and analysis of information derived from the perceived trustworthiness between organisational units when negotiating for budgetary allocations of resources. Bearing in mind The University planning cycle and organisation, the project will be developed in accordance with the chronological order of the Star Chamber committee meetings. Thus you will be asked to contribute with your opinion and feedback in a series of contacts from February to July 2002.

In the first instance a questionnaire will be administered to you in order to identify the organisational trust level. This research instrument is valid and accepted by several academics and researchers. Cummings and Bromiley (1996) originally formed the present Organisational Trust Inventory; however, the instrument is reformed in

accordance to the research requirements of this project. The Questionnaire is developed in two forms. The first one is related to the belief / expectations YOU formulate when you interact with the OTHER (Notified as Y) department / organisational unit (i.e. each Planning Unit). You are asked to respond to the questions filling the box at the right of each Planning Unit, with the relevant answer to you in the scale of 7 rating from Strongly Disagree to Strongly Agree.

Example:

Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

3. We think Y negotiates important details fairly

CMED [1] DENT [2] VETS [3] IBLS [4] SOCS [5] PHSCS [6]

ENGN [7] CSMS [1] LFIN [2] ARTS [3] EDCN [4] INFO [5] CADS [6]

The second part includes responses of your level of trust as perceived in the eyes of others. You will be asked to estimate how the OTHER (Notified as Y) department / unit i.e. the Central Management Unit, may believe /expect YOU to behave. Again your response will be notified by filling the box at the right of each Planning Unit, in the 7 scale rating from Strong Disagree to Strongly Agree.

Example:

Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

4. Y think we negotiate important details fairly

CMED [1] DENT [2] VETS [3] IBLS [4] SOCS [5] PHSCS [6]

ENGN [7] CSMS [1] LFIN [2] ARTS [3] EDCN [4] INFO [5] CADS [6]

I would like to mention that although at the preface of the questionnaire you will be asked to identify yourself, the analysis of the project will keep this information confidentially and you will be referred as Z.

Finally I would like to thank you in advance for your agreement to respond to this survey.

Melina Manochin

Abbreviations

CMED: Clinical Medicine

DENT: Dental School

VETS: Veterinary Medicine

IBLS: Institute of Biomedical & Life Sciences

PHSCS: Physical Sciences

ENGN: Engineering

CSMS: Computing Science, Maths & Statistics

LFIN: Law & Financial Studies

SOCS: Social Sciences

ARTS: Arts & Divinity

EDCN: Education

INFO: Information Services

CADS: Central Administration

Organisational Trust Inventory (Part 1)

Name _____

Position _____

Years in the current position _____

Do you have previous experience in this position? Yes / No

Relevant Courses Attended: _____

Age (tick box as appropriate):

| 20 - 30 |

| 30 - 40 |

| 40 - 50 |

| More than 50 |

Nationality _____

Gender _____

Please choose the unit or department about which you can most knowledgeably report the opinions of your department or unit

3. Your department is the MANAGEMENT GROUP

4. The other department or unit about which you are responding is other PLANNING UNIT

Please fill in the number to the right of each Planning Unit that most closely describes your opinion toward the other Planning Unit. Interpret the Y as defined in the accompanying letter when referring to the other department about which you are commenting.

Strongly Disagree 1	Disagree 2	Slightly Disagree 3	Neither Agree nor Disagree 4	Slightly Agree 5	Agree 6	Strongly Agree 7

1 We are not willing to question the clarity of Y 's explanations.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

2 We feel that Y never reciprocates to our expectations.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

3 We feel that Y never explained clearly the reasons for the decisions

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

4 We plan to support Y's decisions

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

5 In our opinion Y emphasises equity and fairness as very important

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

6 We plan to monitor Y's compliance with our agreement.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

7 We think Y misrepresents its position in negotiations.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

	Strongly Disagree 1	Disagree 2	Slightly Disagree 3	Neither Agree nor Disagree 4	Slightly Agree 5	Agree 6	Strongly Agree 7

8 We intend to monitor Y closely so that they do not take advantage of us.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

9 We feel that Y is responsible and supportive

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

10 In our opinion Y does not disclose all the information we need for negotiations.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

11 We feel that Y does not tell us the complete truth.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

12 We intend to watch for misleading information from Y in our negotiations.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

13 We are not going to express our loyalty to Y

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

14 We intend to ask Y to distribute resources according to our needs

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

	Strongly Disagree 1	Disagree 2	Slightly Disagree 3	Neither Agree nor Disagree 4	Slightly Agree 5	Agree 6	Strongly Agree 7

15 We feel that Y is straight with us

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

16 We think that Y meets its negotiated obligations to our department / unit.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

17 In our opinion, Y is reliable.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

18 We think Y's attention is focused on our requirements

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

19 We feel that Y is concerned about our problems and needs.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

20 We think that Y takes the responsibility for crucial decisions

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

21 We feel that Y tries to get the upper hand.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

	Strongly Disagree 1	Disagree 2	Slightly Disagree 3	Neither Agree nor Disagree 4	Slightly Agree 5	Agree 6	Strongly Agree 7

22 We don't think that Y is competent.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

23 We feel that Y will keep its word

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

24 We feel that Y clearly explains the reasons of the decision

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

25 We worry about Y's ability to take correct decisions.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

26 We think that Y knows exactly what we want.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

27 We intend to speak openly in our negotiations with Y.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

28 We feel confident that Y will make a competent decision.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

	Strongly Disagree 1	Disagree 2	Slightly Disagree 3	Neither Agree nor Disagree 4	Slightly Agree 5	Agree 6	Strongly Agree 7

29 In our opinion Y never takes the responsibility

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

30 We don't plan to contribute to Y's decisions because they are not concerned about our position.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

31 We intend to work openly with Y because they will not take advantage of us.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

32 We don't think that Y has any idea of our requirements.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

33 We worry about Y's willingness to do what they say.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

34 We are not going to question the correctness of Y's decisions.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

35 We intend to check whether Y meets its obligations to our department / unit.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

36 We think that Y negotiates openly.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

Organisational Trust Inventory (Part 2)

Strongly Disagree 1	Disagree 2	Slightly Disagree 3	Neither Agree nor Disagree 4	Slightly Agree 5	Agree 6	Strongly Agree 7

1 Y feel that we are concerned about their problems and needs.

CMED ☐   DENT ☐   VETS ☐   IBLS ☐   SOCS ☐   PHSCS ☐

ENGN ☐   CSMS ☐   LFIN ☐   ARTS ☐   EDCN ☐   INFO ☐   CADS ☐

2 Y worry about our willingness to do what we say.

CMED ☐   DENT ☐   VETS ☐   IBLS ☐   SOCS ☐   PHSCS ☐

ENGN ☐   CSMS ☐   LFIN ☐   ARTS ☐   EDCN ☐   INFO ☐   CADS ☐

3 Y think that we know exactly what they want.

CMED ☐   DENT ☐   VETS ☐   IBLS ☐   SOCS ☐   PHSCS ☐

ENGN ☐   CSMS ☐   LFIN ☐   ARTS ☐   EDCN ☐   INFO ☐   CADS ☐

4 Y is not going to question the correctness of our decisions.

CMED ☐   DENT ☐   VETS ☐   IBLS ☐   SOCS ☐   PHSCS ☐

ENGN ☐   CSMS ☐   LFIN ☐   ARTS ☐   EDCN ☐   INFO ☐   CADS ☐

5 Y plan to monitor our compliance with our agreement.

CMED ☐   DENT ☐   VETS ☐   IBLS ☐   SOCS ☐   PHSCS ☐

ENGN ☐   CSMS ☐   LFIN ☐   ARTS ☐   EDCN ☐   INFO ☐   CADS ☐

6 Y think we misrepresent our position in negotiations.

CMED ☐   DENT ☐   VETS ☐   IBLS ☐   SOCS ☐   PHSCS ☐

ENGN ☐   CSMS ☐   LFIN ☐   ARTS ☐   EDCN ☐   INFO ☐   CADS ☐

7 Y intend to monitor us closely so that we do not take advantage of them.

CMED ☐   DENT ☐   VETS ☐   IBLS ☐   SOCS ☐   PHSCS ☐

ENGN ☐   CSMS ☐   LFIN ☐   ARTS ☐   EDCN ☐   INFO ☐   CADS ☐

	Strongly Disagree 1	Disagree 2	Slightly Disagree 3	Neither Agree nor Disagree 4	Slightly Agree 5	Agree 6	Strongly Agree 7

8 Y worry about our ability to take correct decisions.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

9 Y don't think that we are competent.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

10 Y think that we are negotiating openly.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

11 Y intend to watch for misleading information from us in our negotiations.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

12 Y feel that we never explained clearly the reasons for the decision

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

13 Y feel that we do not tell them the complete truth.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

14 Y feel that we are straight with them.

CMED ☐ DENT ☐ VETS ☐ IBLS ☐ SOCS ☐ PHSCS ☐

ENGN ☐ CSMS ☐ LFIN ☐ ARTS ☐ EDCN ☐ INFO ☐ CADS ☐

	Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree
	1	2	3	4	5	6	7

15 In Y's opinion we emphasise equity and fairness as very important

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

16 Y think that we meet our negotiated obligations to their department / unit.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

17 In Y's opinion, we are reliable.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

18 Y feel that we never reciprocate to their expectations.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

19 Y feel confident that we will make a competent decision.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

20 Y plan to support our decisions

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

21 Y think that we take the responsibility for crucial decisions

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

Strongly Disagree 1	Disagree 2	Slightly Disagree 3	Neither Agree nor Disagree 4	Slightly Agree 5	Agree 6	Strongly Agree 7

22 Y feel that we try to get the upper hand.

CMED [ ]   DENT [ ]   VETS [ ]   IBLS [ ]   SOCS [ ]   PHSCS [ ]

ENGN [ ]   CSMS [ ]   LFIN [ ]   ARTS [ ]   EDCN [ ]   INFO [ ]   CADS [ ]

23 Y are not willing to question the clarity of our explanations

CMED [ ]   DENT [ ]   VETS [ ]   IBLS [ ]   SOCS [ ]   PHSCS [ ]

ENGN [ ]   CSMS [ ]   LFIN [ ]   ARTS [ ]   EDCN [ ]   INFO [ ]   CADS [ ]

24 Y don't think that we have any idea of their requirements.

CMED [ ]   DENT [ ]   VETS [ ]   IBLS [ ]   SOCS [ ]   PHSCS [ ]

ENGN [ ]   CSMS [ ]   LFIN [ ]   ARTS [ ]   EDCN [ ]   INFO [ ]   CADS [ ]

25 Y feel that we will keep our word.

CMED [ ]   DENT [ ]   VETS [ ]   IBLS [ ]   SOCS [ ]   PHSCS [ ]

ENGN [ ]   CSMS [ ]   LFIN [ ]   ARTS [ ]   EDCN [ ]   INFO [ ]   CADS [ ]

26 Y intend to speak openly in their negotiations with us.

CMED [ ]   DENT [ ]   VETS [ ]   IBLS [ ]   SOCS [ ]   PHSCS [ ]

ENGN [ ]   CSMS [ ]   LFIN [ ]   ARTS [ ]   EDCN [ ]   INFO [ ]   CADS [ ]

27 In Y's opinion we do not disclose all the information they need for negotiations.

CMED [ ]   DENT [ ]   VETS [ ]   IBLS [ ]   SOCS [ ]   PHSCS [ ]

ENGN [ ]   CSMS [ ]   LFIN [ ]   ARTS [ ]   EDCN [ ]   INFO [ ]   CADS [ ]

28 Y feel that we are responsible and supportive

CMED [ ]   DENT [ ]   VETS [ ]   IBLS [ ]   SOCS [ ]   PHSCS [ ]

ENGN [ ]   CSMS [ ]   LFIN [ ]   ARTS [ ]   EDCN [ ]   INFO [ ]   CADS [ ]

Strongly Disagree 1	Disagree 2	Slightly Disagree 3	Neither Agree nor Disagree 4	Slightly Agree 5	Agree 6	Strongly Agree 7

29 Y think our attention is focused on our requirements

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

30 In Y's opinion we never take the responsibility

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

31 Y don't plan to contribute to our decisions because we are not concerned about their position

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

32 Y intend to work openly with us because we will not take advantage of them.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

33 Y are not going to express their loyalty to us

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

34 Y feel that we clearly explain the reasons of the decision

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

35 Y intend to check whether we meet our obligations to their department / unit.

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

36 Y intend to ask us to distribute resources according to their needs

CMED [ ] DENT [ ] VETS [ ] IBLS [ ] SOCS [ ] PHSCS [ ]

ENGN [ ] CSMS [ ] LFIN [ ] ARTS [ ] EDCN [ ] INFO [ ] CADS [ ]

APPENDIX 14: Question Sheet given to participants at the beginning of the interview

(a) To what extent do power relationships affect trust?

Power relationships

Two dimensions

Political

(Position of respondents in The University's structure- both parties)

Financial

(Resource issues positive /negative financial position)
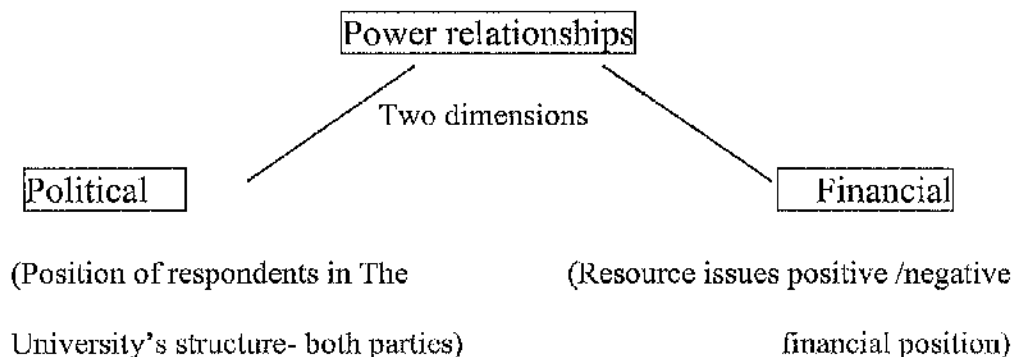
(b) Does holding the Star Chamber process, involving three meetings over a period of time, affect feelings?

How?

Why?

When? (if there is an effect)

(c) Do individual Management Group / Resource Units meetings (*one at time*) affect feelings?

How?

Why?

When?

Melina : draft of questions

Section 1: General opening questions / points

Courtesies (5 minutes)
- Thank them for the questionnaire response
- Thank them for seeing you for interviews

Explanation (5 minutes)
- PhD research on trust in resource allocation / Star Chamber
- Analysis of their responses + need to discuss how/ why they responded – appreciate their willingness to be involved – anonymous.
- Show them results at the end:2002 questionnaire
- Permission to record the interview

- *method: a paper sheet with questions written onto*

Section 2: Star Chamber negotiations

(c) To what extent do power relationships affect trust?

| Power relationships |

| Political (position of interest) | | financial (*resources*) | – organizational change

(d) Does the three- stage Star Chamber process affect feelings (*both ways*)
How?
Why?
When (if there is an effect)

(e) Do individual Management Group / Resource Units meetings (*one at time)* affect feelings?
How?
Why?
When?

Organizational change
    a. How **transparent** is the process?
    b. Do they consider the process as a **participation** or pseudo-participation?
    c. Does the use of financial numbers **create and incomplete picture**? Or inaccurate? Or **create distrust?**
    d. How important is it that you understand the **personality** of the other?

Section 3:
- After the 2002 meetings
- Suggestions for adjustments

(a) Did feelings of trust change after the completion of 2002 Star Chamber (*October 2002- later in the year*) and before the 2003 Star Chamber meetings commenced (March 2003)

How?
When?
Why?

Section 4: Explanation of trust in relation to questionnaire (theme)

(a) Could you explain what the word 'trust' means to you, in relation to others?
    i.   In general life / activity?
    ii.   Specifically in resource allocation negotiations?
    iii.   Are there occasions when these feelings change?

(b) How do you think other people would explain 'trust'?
i.   In general terms?
ii.   Specifically relating to your involvement in resource allocation negotiations?
iii.   Are there occasions when their feelings might change?

(e) What changes / adjustments do you feel might improve the levels of trust in the resource allocation system?

(democracy, transparency, equity/ justice/ fairness- procedural/ distributive)

Them vs average (at the end- show this @ begin / end)
Part (a) us of them
Part (b) them of us
Show questionnaire results to gain their insight into why/how they responded

Section 4
    Thank you for giving me your time and advice (later visit?)

APPENDIX 16: Questionnaire analysis – Resource Units

a. Paired correlations Part A and Part B of Heads of Resource Units questionnaire

Paired Samples Correlations/Resource Units

		Part A				Part B		
		correl	signif				corr	signif
Pair 1	Q28 & Q25	0.81	0.01	**Pair 1**	Q19 & Q8		0.86	0.01
Pair 2	Q15 & Q11	0.99	0.00	**Pair 2**	Q14 & Q13		0.97	0.00
Pair 3	Q19 & Q21	0.14	0.74	**Pair 3**	Q1 & Q22		0.63	0.09
Pair 4	Q9 & Q2	0.83	0.01	**Pair 4**	Q28 & Q18		0.69	0.06
Pair 5	Q24 & Q3	0.94	0.00	**Pair 5**	Q34 & Q12		0.80	0.02
Pair 6	Q23 & Q33	0.55	0.15	**Pair 6**	Q25 & Q2		0.55	0.16
Pair 7	Q16 & Q22	0.36	0.38	**Pair 7**	Q16 & Q9		0.05	0.91
Pair 8	Q36 & Q10	0.73	0.04	**Pair 8**	Q10 & Q27		0.50	0.21
Pair 9	Q26 & Q32	0.46	0.25	**Pair 9**	Q3 & Q24		0.77	0.02
Pair 10	Q20 & Q29	-0.46	0.25	**Pair 10**	Q21 & Q30		0.95	0.00
Pair 11	Q18 & Q5	0.78	0.02	**Pair 11**	Q29 & Q15		-0.78	0.02
Pair 12	Q17 & Q7	0.77	0.03	**Pair 12**	Q17 & Q6		0.76	0.03
Pair 13	Q34 & Q6	0.55	0.16	**Pair 13**	Q4 & Q5		0.20	0.64
Pair 14	Q27 & Q31	0.11	0.80	**Pair 14**	Q26 & Q32		0.97	0.00
Pair 15	Q35 & Q30	0.50	0.21	**Pair 15**	Q35 & Q31		0.30	0.47
Pair 16	Q4 & Q13	0.74	0.04	**Pair 16**	Q20 & Q33		-0.15	0.72
Pair 17	Q1 & Q14	0.31	0.46	**Pair 17**	Q23 & Q36		0.14	0.75
Pair 18	Q12 & Q8	0.89	0.00	**Pair 18**	Q11 & Q7		0.86	0.01

b. weighted average part 1 and Part 2 Resource Units

**Organisational Trust Inventory
Resource Units (Part 1 and Part2)**

	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8
■ Part A	3.22	2.06	6.00	4.56	4.97	3.44	3.67	5.58
□ Part B	4.17	2.08	5.47	5.31	4.89	3.42	5.61	5.78

Resource Units
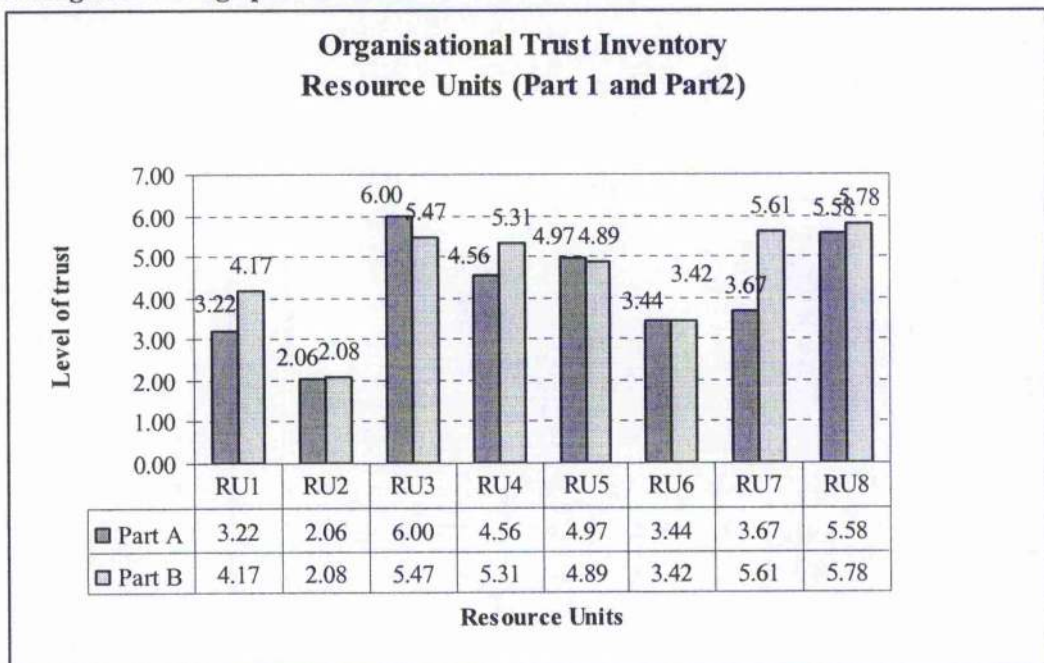
c. weighted average – dimension of belief

Part 1 - affection	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8
competence	2.00	1.00	6.00	5.00	5.00	5.00	3.50	6.00
openness	2.00	1.00	6.50	6.50	5.50	4.00	3.00	6.50
concern	2.50	3.00	6.50	3.00	6.00	4.00	4.00	5.50
loyalty	3.50	1.50	6.00	4.00	5.50	5.00	5.00	6.00
fairness	3.00	2.00	6.50	3.00	5.00	2.50	5.50	7.00
reliability	4.50	2.50	6.00	7.00	5.50	3.00	3.00	6.00

affection-dimension of trust
Resource Units (Part 1)
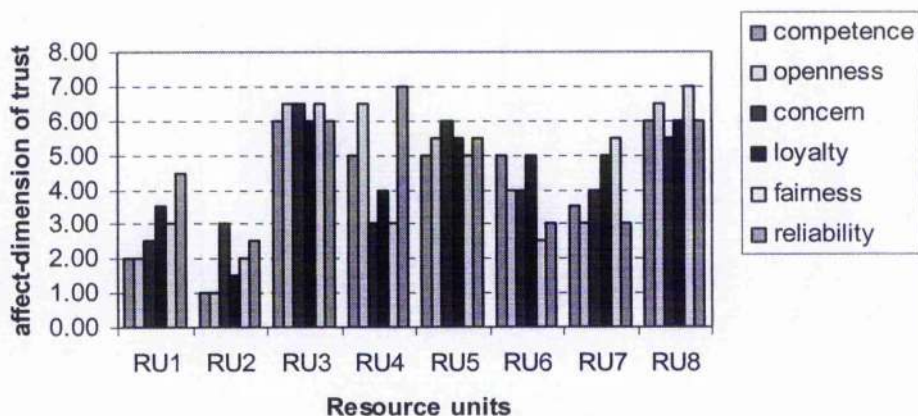
Part 1 cognition	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8
competence	2.00	4.50	6.50	6.00	3.00	3.00	3.00	3.00
openness	1.00	1.00	6.00	4.00	5.50	2.00	3.50	6.50
concern	6.00	1.00	6.50	5.50	5.00	4.00	5.00	5.00
loyalty	6.50	4.50	6.50	6.50	6.00	5.00	6.50	5.50
fairness	2.00	1.00	6.50	3.00	6.00	1.50	4.00	5.00
reliability	3.00	1.50	6.50	5.00	5.00	4.50	5.50	7.00

cognition-dimension of trust
Resource Units (Part 1)
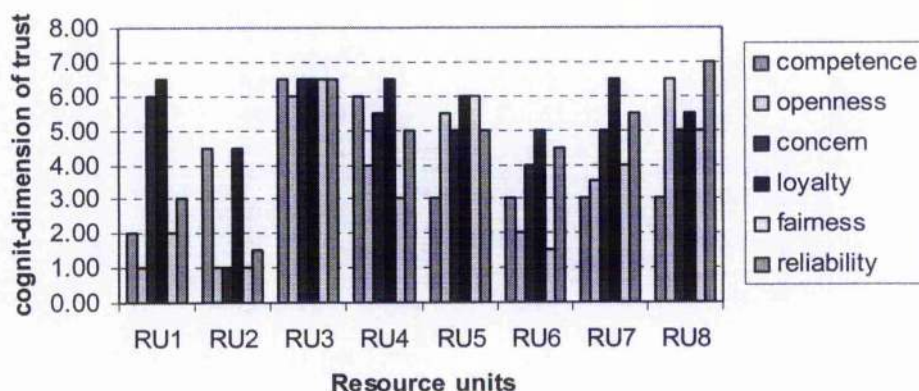
Part 1

intention	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8
competence	2.00	1.00	5.00	2.50	4.00	1.50	1.50	3.00
openness	5.00	4.00	6.50	4.50	5.50	4.00	5.50	6.50
concern	4.50	3.50	6.50	5.00	4.50	3.00	1.00	6.00
loyalty	4.50	1.50	5.00	7.00	5.00	6.00	3.00	5.00
fairness	2.00	1.50	2.50	2.50	2.50	1.00	1.50	4.50
reliability	2.00	1.00	6.50	2.00	4.00	2.00	2.00	6.50

intention-dimension of trust Resource Units (Part 1)
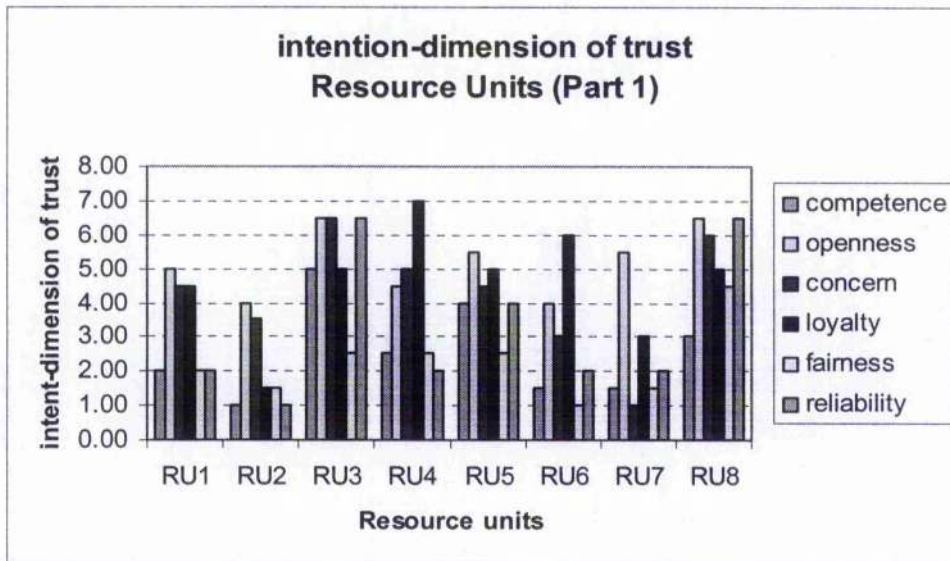
Part 2

affection	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8
competence	4.50	1.00	6.00	6.50	6.00	3.00	7.00	6.00
openness	6.00	1.00	6.00	7.00	6.00	3.00	6.50	6.50
concern	4.00	1.00	5.50	4.50	5.00	3.00	4.00	6.00
loyalty	5.00	1.00	6.50	6.50	4.00	2.50	6.50	6.00
fairness	6.00	4.50	6.00	6.00	6.00	4.00	6.50	6.50
reliability	4.50	2.00	4.00	6.50	5.50	4.50	7.00	6.50

affection-dimension of trust Resource Units (Part 2)
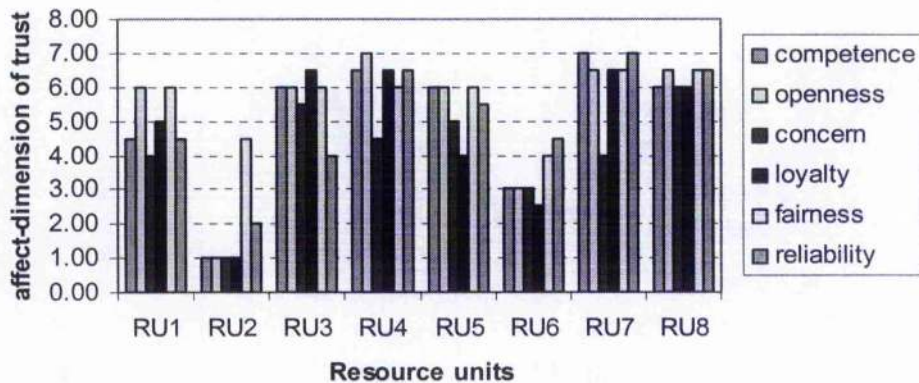
Part 2 cognition	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8
competence	5.50	1.00	6.50	6.00	4.50	3.50	3.50	3.50
openness	6.50	1.00	6.00	3.50	4.50	3.00	6.50	5.50
concern	4.50	1.00	5.00	6.50	6.00	4.00	5.50	6.50
loyalty	2.50	7.00	6.50	5.50	6.00	4.00	7.00	6.00
fairness	4.50	4.00	6.00	6.00	5.50	5.00	6.50	5.00
reliability	5.50	1.00	6.50	6.50	3.50	4.00	6.50	7.00

cognition-dimension of trust Resource Units (Part 2)
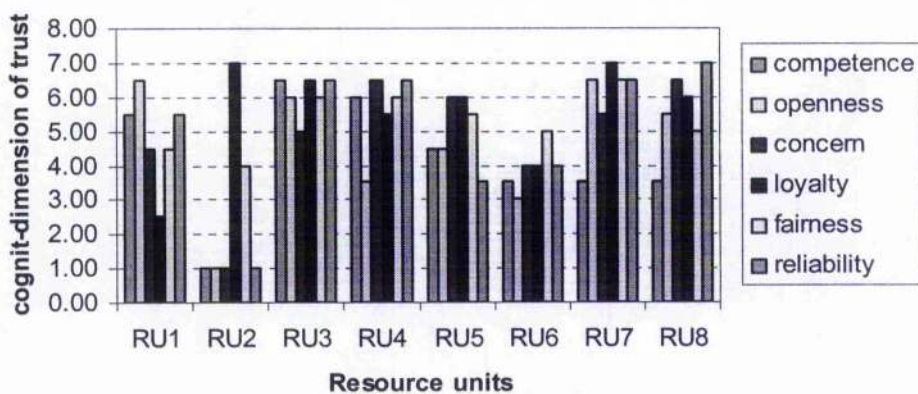
Part 2 intention	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8
competence	4.00	1.00	2.50	1.50	2.00	2.00	4.00	6.00
openness	2.50	1.00	6.00	5.50	6.00	3.00	6.00	6.00
concern	1.00	4.00	5.50	4.50	4.00	3.00	4.50	6.00
loyalty	3.50	4.00	5.00	6.50	5.50	4.00	6.50	4.50
fairness	4.00	1.00	3.00	1.50	3.50	2.50	2.50	3.50
reliability	1.00	1.00	6.00	5.00	4.50	3.50	4.50	7.00

intention-dimension of trust Resource Units (Part 2)
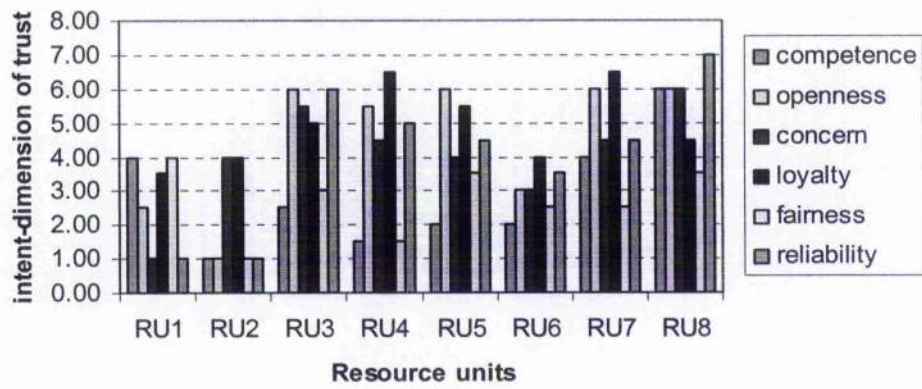
D. financial position – OTI
IDRM

INCOME SUMMARY	ALL RU	RU1	RU2	RU3	R U 4	R U 5	RU6	R U 7	R U 8	RU10	RU11
Gross Income											
Core Income	115,305	4,333	3,051	7,914	8,954	16,329	7,398	16,825	9,410	12,904	17,359
Earned Income	23,291	1,314	6 5 4	1,098	2,558	4,178	2,422	3,663	2,042	1,987	1,789
Other Income	1,638	2 9	1 6	3 5	8 7	9 8 0	3	1 0 5	6 1	1 3	255
TOTAL gross income	140,234	5,676	3,721	9,048	11,599	21,467	9,824	20,592	11,513	14,904	19,403
TOTAL Strategic Allocations	+5,782	+292	+387	+762	+381	+1,003	+587	+469	+502	+642	+667
Allocation needed for acad RUs worse off than Initial ROMC of:	+9 5 3		+237		+491	+225					

	OTI / INCOME idrm – Heads of resource Units			
	Part 1		Part 2	
	correl	sign	correl	sign
Core income	0.402	0.324	0.628	0.095
Earned income	0.235	0.575	0.465	0.246
Other income	0.270	0.518	0.170	0.687
Total gross	0.375	0.361	0.591	0.123
Total strategic allocation	0.563	0.146	0.253	0.545

	OTI / INCOME - INTERVIEWS Heads of resource Units									
	Low graph high income		Low graph Low income		No relevant		High graph High income		High graph Low income	
	correl	sign	correl	sign	correl	sign	correl	sign	correl	sign
OTI part 1	0.186	0.659	0.248	0.553	0.252	0.547	-	-	-	-
OTI part 2	0.070	0.869	0.228	0.587	0.121	0.587	-	-	-	-

E. a)weighted average part 1 Management Group

part 1	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8	RU9	RU10	RU11	RU12	RU13
MG1	5.19	4.94	5.19	5.19	5.17	5.19	5.19	5.19	5.19	5.06	5.19	5.19	5.03
MG2	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22	5.22
MG3	4.78	4.17	4.83	4.81	4.39	4.72	4.86	4.72	4.89	4.94	4.81	4.33	4.53

organisational trust inventory - part A
management group

b) weighted average part 2 Management Group

Part2	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8	RU9	RU10	RU11	RU12	RU13
MG1	5.11	5	5.11	5.08	5	5.11	5.11	5.11	5.11	4.72	5.11	5.11	5.08
MG2	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
MG3	5.19	5.11	5.19	5.19	5.17	5.19	5.19	5.19	5.19	5.19	5.19	5.11	4.97

organisational trust inventory- part B
management group
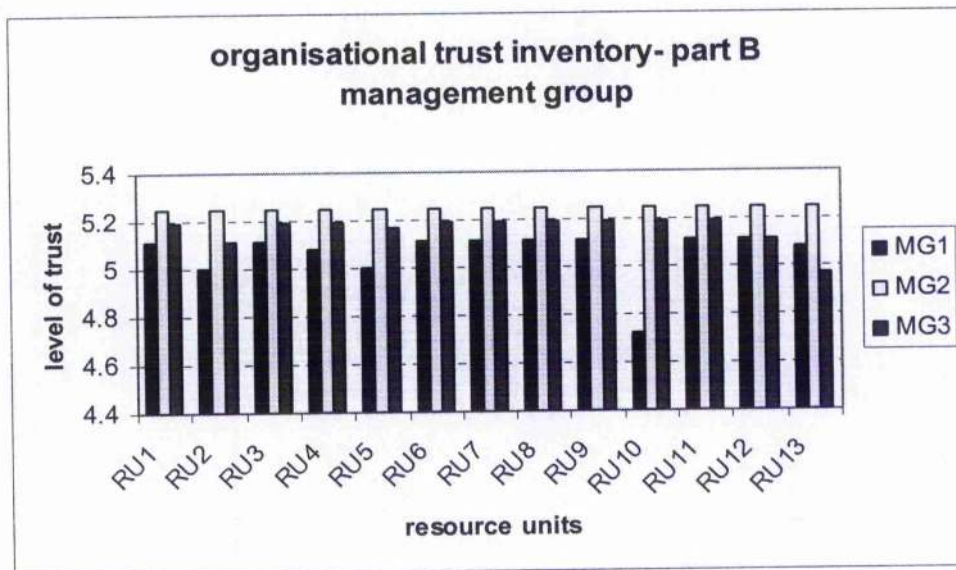
f. demographics
Participants of the management group (except MG5)

	MG1	MG2	MG3	MG4
Years in current position	6.5	N/A	1	3
Previous experience	Yes	N/A	No	No
age		N/A		
20 - 30				
30 – 40				
40 – 50				
More than 50	Yes		Yes	Yes
gender	male	N/A	male	male

Participants Head of Resource Units

	RU1	RU2	RU3	RU4	RU5	RU6	RU7	RU8	RU10	RU11
Years in current position	6 weeks	1.5	1	6 months	1.5	2.5	2	2	3.5	5
Previous experience	No	No	No	No	Yes	N/A	Yes	No	Yes	No
age										
20 - 30										
30 – 40								Yes		
40 – 50						Yes				
More than 50	Yes	Yes	Yes	Yes	Yes		Yes		Yes	Yes
gender	female	male	male	male	male	female	male	male	male	male

Project: Phd   User: Administrator   Date: 21/02/2004 - 14:34:26
NODE LISTING

Nodes in Set: All Nodes
Created: 16/01/2004 - 20:53:24
Modified: 21/02/2004 - 14:33:23
Number of Nodes: 55
1   accountable open
2   agreements
3   big picture
4   common interest
5   control
6   deans appointment
7   deans in management group
8   depends on individuals
9   expectation trust
10   experience
11   finance office
12   financial position
13   financial pressure
14   gender
15   idrm change
16   idrm complexity
17   idrm problems
18   individual star chambers vs group
19   information
20   interpersonal relations
21   learning process
22   management style
23   negotiation vs communication
24   no it is not the rest of the management
25   other deans
26   oti
27   oti low trust
28   participation in decision making
29   personality
30   planning
31   position
32   power
33   pressumptions MG
34   principal's personality
35   professional vs academic
36   resource strategy committee
37   room to manoeuvre-financial
38   rules of engagement