ULTIMATE MARKS POLICY – PAPER 02

Operational Trust in Public Institutions

Decision Confidence, Escalation Dependency, and Governance Load in High-Accountability Systems

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Framework: Load-Bearing Leadership™

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Abstract

This policy paper examines Operational Trust as a structural condition within public institutions, governance systems, and high-accountability organisations. The paper applies the Load-Bearing Leadership™ framework to systems where responsibility, scrutiny, public expectation, and governance complexity are increasing faster than decision confidence can be distributed.

Operational Trust refers to the confidence that individuals, teams, and leadership systems can carry responsibility, exercise judgement, and make decisions without requiring continual reassurance, intervention, approval, or escalation. When Operational Trust is strong, responsibility can remain closer to the point of action while accountability is maintained. When Operational Trust is weak, decisions escalate, authority becomes conditional, governance load concentrates, and organisational movement becomes increasingly reliant on senior approval pathways.

Four case examples - Robodebt, ANU Renew ANU, major public IT projects, and the UK Post Office Horizon scandal - illustrate how decision confidence, truth flow, authority alignment, and institutional trust can become strained in high-accountability environments.

The paper argues that public institutions do not only slow down because of bureaucracy. They slow down when accountability expands faster than Operational Trust. It proposes policy interventions designed to improve decision confidence, reduce escalation dependency, and strengthen governance resilience.

Executive Summary

Across modern public institutions, accountability is increasing. Government agencies, universities, regulators, infrastructure systems, and publicly visible organisations are expected to deliver outcomes while navigating scrutiny, audit, compliance, stakeholder pressure, media visibility, workforce pressure, and reputational risk.

In response, many systems add more review, more approval, more assurance, more reporting, more documentation, and more escalation. Some of this is necessary. Public institutions should be accountable. High-consequence decisions should be tested. Governance should protect the public interest.

The problem begins when governance replaces judgement rather than supporting it. At that point the system may appear more controlled, but movement becomes slower. Decisions rise upward. Middle leaders become cautious. Senior leaders absorb more uncertainty. Committees become clearing houses for discomfort. Public-sector transformation begins to drag.

This policy paper argues that this pattern is often a problem of Operational Trust. Authority may exist on paper, but it is not exercised confidently in practice. Accountability may be assigned, but people seek reassurance before carrying it. Responsibility may be formally distributed, but confidence returns to senior leaders, committees, ministers, boards, regulators, or central approval pathways.

The Load-Bearing Leadership™ framework provides a structural lens for understanding this pattern. Leadership systems remain stable when responsibility, authority, identity pressure, and structural support remain aligned. When responsibility expands faster than authority, support, and trust, leadership load begins to concentrate.

The central argument is simple: public institutions do not only slow down because of bureaucracy. They slow down when accountability expands faster than Operational Trust.

The aim is not to reduce accountability. The aim is to build systems capable of carrying accountability without pushing every difficult decision upward.

Audience

This paper is intended for policymakers, regulators, governance bodies, boards, public-sector executives, university leaders, infrastructure leaders, risk and assurance leaders, and organisational decision-makers responsible for designing and overseeing complex institutional systems.

The analysis focuses on structural leadership conditions rather than individual leadership performance.

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1. The Policy Problem

Modern public institutions carry more responsibility than many leadership systems were originally designed to support. Government agencies administer programs affecting millions of citizens. Universities carry responsibility for education, research, workforce confidence, public legitimacy, and long-term civic standing. Infrastructure organisations support essential services that communities expect to remain reliable. Regulators are expected to protect public interest while responding to complex and changing environments.

At the same time, public tolerance for visible failure has reduced. Mistakes can become public quickly. Local issues can escalate into national concern. Operational failures can become political issues. Policy problems can become media events. Governance gaps can become reputational crises.

As consequences increase, systems naturally seek more control. Approval pathways expand. Review processes become more formal. Risk appetite narrows. Decision rights become more cautious. Operational judgement becomes subject to more layers of endorsement.

These responses are often understandable. No responsible leader wants weak governance. No public institution wants careless decisions. No board wants unmanaged risk. But a deeper problem can form when the system begins teaching people that escalation is safer than ownership.

When this occurs, leadership load begins to concentrate inside senior roles, governance pathways, committees, and approval structures not designed to carry every difficult judgement. The resulting failure may appear bureaucratic, operational, or cultural. Its origin is often structural.

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2. The Load-Bearing Leadership™ Framework

Load-Bearing Leadership™ proposes that leadership stability is fundamentally a structural property of systems, rather than solely the capability of individual leaders.

Four forces determine whether leadership systems remain stable.

Responsibility refers to the real-world consequences a leadership system must carry. In public institutions, this includes service delivery, legal compliance, citizen outcomes, public safety, workforce wellbeing, operational continuity, and institutional trust.

Authority refers to the ability to make decisions and take action in response to those responsibilities. Authority includes delegations, governance rights, operational discretion, policy interpretation, resource control, regulatory power, and decision-making permission.

Identity Pressure arises from the need for institutions and leaders to maintain trust, legitimacy, credibility, public confidence, and perceived control. Public institutions carry high identity pressure because their work is visible and their failures can affect citizens, communities, and national confidence.

Structural Support refers to the systems that allow responsibility to be carried. This includes governance frameworks, workforce capacity, role clarity, escalation pathways, information flow, technology, risk systems, policy settings, operational processes, and leadership routines.

When these forces remain aligned, leadership load can distribute across the system and stability is maintained. When misalignment emerges, leadership load begins to concentrate within particular roles, institutions, committees, or approval pathways. Over time this concentration produces decision drag, escalation dependency, governance load, and institutional strain.

Figure 1

The relationship between accountability, Operational Trust, and governance load can be visualised through the model below.

Figure 1 - Operational Trust and Governance Load in High-Accountability Systems

[Accountability Expansion]

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[Decision Uncertainty]

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[Escalation Dependency]

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[Governance Load Concentration]

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[Leadership Load Concentration]

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[Institutional Drag and Reduced Resilience]

The model illustrates how accountability expansion can create institutional drag when Operational Trust does not expand at the same rate. When responsibility, authority, identity pressure, and structural support remain aligned, accountability can be carried across the system. When Operational Trust weakens, responsibility moves upward, governance load concentrates, and leadership load accumulates within senior decision points.

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3. Early Warning Signals of Operational Trust Strain

Before major governance strain becomes visible, several warning signals often appear.

Decision Delay occurs when decisions require increasing amounts of review, reassurance, interpretation, or escalation before work can move.

Escalation Dependency occurs when uncertainty repeatedly moves upward because responsibility does not feel safe remaining at the assigned level.

Governance Load Concentration occurs when more institutional judgement depends on senior roles, boards, committees, executives, regulators, or central approval pathways.

Truth Flow Distortion occurs when operational reality moves more slowly than public reassurance, formal reporting, or institutional messaging.

Middle Leadership Caution occurs when capable leaders hold formal authority but hesitate to exercise it because accountability feels heavier than permission.

These signals frequently appear before public failure, reputational damage, stalled transformation, or visible institutional breakdown. They matter because they show where responsibility is no longer distributing cleanly through the system.

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4. Case Examples of Operational Trust Strain

The following case examples illustrate how Operational Trust strain appears across different institutional contexts. These examples were selected because they represent public administration, university governance, major public projects, and a global institutional technology failure.

They are not included to assign blame or conduct detailed inquiries into each event. They are included because they show a recurring structural pattern: high-accountability systems become vulnerable when responsibility, authority, support, truth flow, and Operational Trust fall out of alignment.

Examining these examples through the Load-Bearing Leadership™ framework reveals patterns that can be missed when events are analysed only through operational, legal, technological, or individual leadership lenses.

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5. Robodebt: Automation, Authority, and Institutional Trust

The Robodebt scheme remains one of Australia's clearest examples of public administration failure. It involved automated welfare debt processes that caused significant harm and were later examined by a Royal Commission. The Australian Public Service Commissioner subsequently described the scheme as a failure of government in both policy design and implementation.

Robodebt is often discussed through legality, automation, ministerial accountability, administrative failure, and public harm. Those issues matter. They should not be softened. But the scheme also reveals a deeper structural problem.

The system appeared to place confidence in a process that could not safely carry the responsibility assigned to it.

From an Operational Trust perspective, the issue was not simply that trust was absent. It was that confidence sat in the wrong place. Confidence became attached to an administrative process, while the lived consequences, operational warnings, legal concerns, and human impacts did not appear to shift responsibility quickly enough through the system.

Public institutions increasingly rely on automation, data, digital workflows, and centralised administrative systems. These tools can improve consistency and scale, but they do not remove responsibility. They can only carry responsibility safely when the surrounding system can test legality, hear operational truth, recognise harm, and correct course.

Operational Trust is not trust in a system because the system exists. It is confidence that the system can safely carry responsibility. Robodebt shows what can happen when that confidence is misplaced.

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6. ANU Renew ANU: Institutional Change Under Identity Pressure

The governance and reputational pressure surrounding the Australian National University and the Renew ANU program provides a current institutional example. Public reporting has described significant reputational damage connected to governance failures, leadership turnover, and controversy surrounding the university's cost-cutting program.

This example matters because universities carry more than budgets. They carry institutional identity, academic confidence, staff trust, student confidence, public legitimacy, donor relationships, research reputation, and long-term civic standing.

From a Load-Bearing Leadership™ perspective, transformation creates leadership load because it increases responsibility, uncertainty, and identity pressure at the same time. The stronger the institutional identity, the heavier the leadership load becomes when trust begins to fracture.

The issue is not whether universities or public institutions should change. They must. Financial pressure, workforce pressure, regulatory pressure, and strategic pressure are real. The issue is whether the system has enough Operational Trust for people to believe that decisions are being made with clarity, proportionality, competence, and responsibility.

When that trust is weak, change does not only meet resistance. It creates institutional drag. Staff confidence reduces. Governance confidence weakens. Decision-making becomes more contested. Reputational pressure increases. Leaders are forced to carry not only the transformation, but the trust deficit surrounding the transformation.

Operational Trust does not remove disagreement. It does not mean everyone will support a difficult decision. But it does affect whether people believe the institution understands the responsibility it is carrying.

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7. Major Public IT Projects: Decision Drag Before Failure

Not every Operational Trust problem becomes a scandal. In many public systems, the pattern appears through project delay, cost movement, unclear ownership, approval congestion, repeated review, and slow decision-making.

Public audit reporting on major IT projects provides a useful example because it shows governance pressure without needing to treat every project as a failure. Major public IT projects often involve multiple agencies, vendors, approval points, risk controls,

assurance functions, budget constraints, technical complexity, and public-service expectations. These conditions naturally increase leadership load.

The Operational Trust issue is not that governance exists. It should exist. Public money, public data, public services, and public confidence require serious oversight. The question is whether governance enables the right decisions to occur at the right level, or whether responsibility gradually moves into central review because distributed judgement no longer feels safe enough.

When decision confidence is low, governance load increases. More matters move upward. More decisions wait for endorsement. More assurance is requested. More leaders become involved. More time is spent preparing decisions for approval rather than resolving the work itself.

The project may continue, but movement becomes more expensive. This is decision drag. It is one of the early signs that responsibility is not distributing cleanly through the system.

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8. UK Post Office Horizon: When the Institution Trusts the System More Than the Signals

The UK Post Office Horizon scandal provides a global example of what can happen when institutional confidence remains attached to a system despite repeated signs that something is wrong. Faulty accounting software contributed to wrongful accusations and prosecutions of post office operators. Years later, redress processes have also been criticised for delay and structural weakness.

The relevance to Operational Trust is direct. When an institution trusts its own system more than the signals coming from the people affected by that system, truth flow becomes distorted. The organisation may continue defending the process while responsibility, harm, and accountability are being displaced onto individuals with less power.

This is not simply a technology problem. It is a trust-location problem. Where did confidence sit? Where did doubt go? Who was believed? Who had authority to challenge the system? What happened when operational reality contradicted the institutional position?

These are Operational Trust questions. They matter because public institutions are increasingly reliant on technology, data, automation, digital platforms, centralised processes, and complex administrative systems. The more complex those systems

become, the more important it is that truth can move against the direction of institutional confidence.

If the system cannot hear what it needs to hear, governance becomes performative. There may still be policies, committees, reporting, assurance, and formal accountability. But if the institution cannot recognise when confidence has attached to the wrong thing, responsibility will not move properly.

Operational Trust requires truth flow. It requires enough humility in the system for frontline signals, human consequences, operational warnings, and dissenting evidence to be taken seriously before failure becomes undeniable.

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9. Cross-Case Structural Pattern

Despite operating in different sectors, these cases reveal a consistent structural pattern.

Responsibility expanded faster than Operational Trust.

Authority existed, but confidence did not always remain where authority had been assigned.

Operational truth did not always move quickly enough through the system.

Governance mechanisms became more important, but not always more effective at supporting distributed judgement.

Individuals, frontline teams, affected communities, or senior decision points absorbed the consequences of structural misalignment.

The common pattern is not the specific failure. The common pattern is the movement of responsibility. In each case, the important policy question is not only what decision was made. It is how the system carried uncertainty before the consequences became visible.

This is the value of a Load-Bearing Leadership™ lens. It asks where responsibility is actually being carried before the system is forced to prove whether it can carry it.

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10. Policy Implications

Operational Trust strain often reflects structural conditions rather than isolated leadership weakness.

Several implications emerge for governance systems.

First, accountability systems need Operational Trust to function well. Increasing accountability without increasing decision confidence can produce congestion. Institutions become more heavily monitored but less capable of action.

Second, escalation patterns should be treated as diagnostic signals. The critical question is not whether matters are escalated. Some matters should be. The better question is why escalation occurs.

Third, governance systems should monitor where responsibility repeatedly returns. Formal organisational charts rarely show the real movement of responsibility. Leaders need to examine where uncertainty goes, who becomes involved when consequences matter, and which pathways become overloaded.

Fourth, middle leadership confidence should be treated as a system indicator. If middle leaders continually seek approval, hesitate to act, or avoid decision-making, the response should not automatically be more training. It may require authority alignment, clearer escalation boundaries, better decision support, and more proportional accountability.

Fifth, public-sector transformation requires decision distribution. No transformation program can rely indefinitely on senior executive interpretation. Reform requires thousands of distributed decisions. If the system does not trust those decisions to occur, transformation slows.

Sixth, governance should enable responsibility to remain distributed. Good governance is not simply more control. Good governance creates enough clarity, authority, trust, support, and accountability for responsibility to be carried at the right level.

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11. Policy Interventions

The following policy interventions may help reduce escalation dependency and strengthen Operational Trust in high-accountability systems.

Operational Trust Reviews

Public institutions should periodically examine whether responsibility is remaining where authority has been assigned. This review should examine actual behaviour: which decisions repeatedly escalate, where formal authority exists but is rarely used, which committees are absorbing operational uncertainty, and which senior leaders are carrying excessive interpretive load.

Escalation Boundary Mapping

Governance systems should define clear escalation boundaries. People need to know which decisions belong at their level, which decisions require support, and which decisions require formal escalation. Clear boundaries reduce hesitation and protect senior leaders from becoming unnecessary bottlenecks.

Proportional Accountability Design

Accountability should be aligned with authority and circumstance. Public institutions should distinguish between negligence, poor judgement, system weakness, reasonable error, and decisions made in good faith under uncertainty. This distinction is essential for building decision confidence.

Decision Support Before Decision Review

Many governance systems are strong at reviewing decisions after they are made. Fewer are strong at supporting decisions before they are made. Operational Trust improves when people have access to clear guidance, timely advice, practical frameworks, peer support, and leadership coaching before decisions become escalated problems.

Middle Leadership Authority Audits

Middle leadership roles should be assessed for authority alignment. The audit should ask what outcomes middle leaders are expected to carry, what authority they actually have, where they need approval, where they feel exposed, and where escalation becomes the rational choice.

Governance Load Monitoring

Boards, executives, and governance bodies should monitor signs of governance load concentration such as repeated executive involvement in operational decisions, committee agendas crowded with matters that should sit elsewhere, slow approval cycles, decision backlogs, manager hesitation, and transformation initiatives stalling during implementation.

Operational Truth Flow Protection

High-accountability systems must protect the movement of operational truth. Governance bodies should create mechanisms that allow operational reality to move upward without distortion, blame, or excessive political filtering. Without truth flow, governance becomes performative. With truth flow, governance can respond before pressure becomes failure.

Conclusion

Public institutions require accountability. That is not in dispute.

The question is whether accountability systems are being designed in ways that strengthen responsibility or concentrate it.

When accountability expands without Operational Trust, decisions begin to move upward. Escalation increases. Middle leaders become cautious. Senior leaders absorb more uncertainty. Governance pathways become crowded. Transformation slows. The system becomes more controlled, but not necessarily more capable.

This is the hidden risk. A public institution may appear well governed while becoming increasingly dependent on central approval, senior interpretation, and a small number of trusted decision points.

From a Load-Bearing Leadership™ perspective, this is a structural warning signal. Responsibility is not disappearing. It is moving. Where responsibility repeatedly moves upward, leadership load follows.

The challenge for modern public institutions is not to choose between accountability and trust. They need both. Too little accountability creates risk. Too little Operational Trust creates dependency.

Sustainable governance requires the ability to hold responsibility in the right places. That means designing systems where authority is real, accountability is proportional, escalation is clear, middle leadership is supported, and operational truth can move without distortion.

High-accountability systems do not become resilient by pushing every difficult decision upward. They become resilient when responsibility can be carried safely, confidently, and appropriately across the system.

Author

Ric Marks is the creator of the Load-Bearing Leadership™ framework and founder of Ultimate Marks.

His work focuses on diagnosing structural leadership load within organisations, institutions, and governance systems.

Through Ultimate Marks, Ric publishes research and policy insights aimed at helping leaders and institutions design governance systems capable of carrying complex and high-consequence responsibilities.

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