

Employment Relations Comment

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Placing Trust in Employee Engagement

This month sees the launch of the new report from the Employee Engagement Taskforce. Acas has a long standing commitment to making engagement a reality inside the workplace. The following article reviews the evidence and considers the role of trust in creating an engaged workforce.

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While trust in public institutions including the press, banks and politicians has taken a battering in the last few years, there is mounting evidence to suggest that trust in organisations and leaders is at an all time low (Searle, Hope-Hailey and Dietz, 2012, CIPD, 2012b). Bankruptcies and scandals have hit some household names and an organisation's reputation is quickly dissected on social networking sites and blogs. The widening gap between the wealthiest and the poorest is set in the context of remuneration packages for senior leaders widely regarded as excessive in times of economic instability. The perception is that senior leaders have become more remote from their employees and customers. This loss of trust is a serious issue for organisations.

In this climate of low trust, organisations continue to try to develop an engaged workforce. We ask what role trust plays in employee engagement.

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Why is trust important to organisations?

There are many well documented economic benefits of developing trust within organisations. Employees who trust the organisations they work in tend to demonstrate behaviours such as sharing information and working well in teams. These employees also have higher levels of job satisfaction, are more likely to recommend their employer to others and are less likely to leave the organisation (CIPD 2012a). Employees are also less likely to resist change if they trust their employer (Dix and Oxenbridge 2003).

From this evidence it seems clear that an organisation built on trust is better placed to engage its people and in turn, to adapt, grow and prosper.

Trust is at the heart of good employee relations and engagement

Trust resides within relationships and it comes from seeing and experiencing behaviours which enable us to trust the other party. In organisations, these relationships are often complex. For example, evidence shows that a relationship built on trust between the line manager and an employee is crucial to positive employee engagement. But what about trust between middle and senior managers, and between the line and HR? In workplaces with employee or union representatives, trust is imperative between representatives, HR and the management team if you wish to have a constructive relationship which supports the business. As an employee, you also need to feel trusted by your manager and your colleagues.

Trust needs to be nurtured, developed and embedded within all of these relationships. Lynda Gratton describes

trust as "one of the most precious commodities a community or an organisation can have". She goes on to say "it lubricates relationships and the exchange of knowledge and is crucial to cooperation. Trust... brings us together and helps us work together" (2011). Trust is both a by-product and a necessary pre-requisite for engagement.

MacLeod and Clarke (2009) identified four key drivers of engagement. We look at the role of trust in each of these drivers and ask if employers want to increase trust in their organisation, where should they start?

What does the evidence say about trust and engagement?

Leadership

Leaders are seen as "synonymous with the organisation itself" (CIPD 2012a) and yet trust in organisational leaders is in decline. Leaders create the climate by their own actions and behaviours, and how they are perceived has a significant impact on trust in the organisation as a whole.

What is it going to take to rebuild trust in leaders? Some commentators have gone as far as suggesting that leaders need to "truly relinquish command and control styles of leadership in favour of a relationship based on mutuality" (ACCOR Services report quoted in MacLeod and Clarke, 2009).

Others point to the need to develop a different style of leadership which is based on humility, personal integrity and humanity (CIPD 2012a). In this recent research there are examples of private and public sector organisations – Sunderland City Council and Day Lewis Pharmacy Group, for example – that faced challenging times and still managed to enhance trust as their leaders were

honest, used open communication and involved staff in implementing change.

Line managers

There is widespread agreement that the key relationship that affects trust throughout the organisation is the one between the line manager and the employee. This is developed by a manager demonstrating consistent day to day behaviours – used when giving feedback, setting goals and demonstrating concern for employee wellbeing – and by also showing they trust their employees.

Line managers have been in the spotlight in recent years as their role in managing the employment relationship has grown. Concern has arisen over both the competence and confidence of managers to undertake this role. But to do this role well managers also need to trust their senior managers. The attitude of middle managers, influenced heavily by their view of leaders, can damage trust throughout the whole organisation. This is especially important if front line employees interact directly with customers. In these cases, “the more crucial it was that the link between senior managers, line managers and employees was not broken” (CIPD 2012a).

Organisations that have tried to address this issue of leadership capability such as the Mace Group, Standard Chartered and Network Rail (MacLeod and Clarke 2009) have invested in core leadership and management skills such as giving praise and recognition, enabling and supporting employees to do their job, developing and evaluating individuals, often with a focus on coaching as a key management competency.

Employee voice

Trust is vital for genuine employee voice. Without trust it is difficult to imagine why

employees or their representatives would be open and honest about their views. In a culture of distrust it is highly unlikely that managers will share information to enable employees to fully understand the organisation and its challenges.

Research and experience has demonstrated that union and employer relationships suffer when there is a lack of trust. According to a CIPD report in 2011, a lack of trust on both sides was the second biggest obstacle to effective partnership working between managers and union representatives. In high trust relationships, union representatives are involved in the early stages of decision making. Both parties see an opportunity to solve a problem rather than blame the other for the problem or seek to push the problem through a formal and often protracted structure or policy. Sharing information and engaging in open and honest dialogue are the types of behaviours that can lead to a culture of mutual trust in union and management relationships (Saundry, McArdle and Thomas, 2011). Purcell and Hall go as far as saying that “a culture of mutual cooperation and trust” is one of the six necessary requirements for constructive consultation (Purcell and Hall 2012).

Further research claims that trust is high where employees are encouraged to make improvements to how their job is done (CIPD 2012a). This appears to be endorsed by organisational case studies in the MacLeod report. Those organisations that trust their employees to help develop and implement solutions – such as first direct and the London Ambulance Service – report improvements in a number of areas such as customer service scores and engagement indicators.

Interestingly, there is evidence to suggest that trust is lower when organisations try to elicit employee voice by methods

such as surveys, formal engagement policies and any form of representative participation (Guest et al quoted in CIPD 2012a). However, there is a dilemma here which needs further exploration. Do these practices reduce trust or are they more likely to be used in workplaces with low trust as a starting point?

Integrity

Finally, integrity is the fourth factor essential to building an engaged workforce. For MacLeod and Clarke there is a clear link between the behaviour of leaders and the stated values of the organisation. A gap between these two suggests the values are hollow and this leads to a reduction in trust. Integrity is also one of the four dimensions of trustworthiness (the others are ability, benevolence and predictability) which help us to decide whether we trust leaders, managers or organisations, according to Searle et al (2012).

It is so easy for organisations to articulate the “right” values in terms of equality, diversity, bullying or engagement, for example. The harder part is ensuring that leaders throughout the organisation embody these values in their day to day behaviours and deal with those who ignore or flout the espoused values. The Eden project is an interesting example of an organisation that has successfully embodied its values into the day to day working lives of its employees (MacLeod and Clarke, 2009).

What do high trust workplaces look like?

By reviewing a number of good practice organisational case studies, we can pull out the types of activities and behaviours which lead to cultures based on trust.

These include:

- Leaders who keep employees informed of strategic business decisions, share business information regularly and who honestly say when times are tough.
- Leaders who enable employees to contribute to organisational strategy and influence decisions before they are made.
- Leaders and managers who consciously develop a supportive work climate, admit mistakes and show how they will be doing things differently in future.
- Leaders who trust their teams to develop and implement solutions such as how they manage their time at work and how products or services can be improved.
- Developing leadership and management skills so that key behaviours which build trust are reinforced and embedded throughout the organisation.
- Using a variety of methods – direct and indirect – for capturing employee voice and then listening and acting upon the ideas of employees.

Creating high trust workplaces

There are some practical steps that organisations can undertake to build and rebuild trust. These are:

- Be honest and ask yourself whether your organisational values and leadership style are truly aligned. Evaluate your leadership skills and ensure leaders are visible and genuinely listen to and act upon employee views.

- Train managers to lead based on trust not micro-management or enforcement. Ask yourselves what traits and behaviours will develop a culture of trust and agree how you can develop these in your managers.
- Consider different and appropriate ways of enabling employees to regularly express their views – this may be through a formal structure or it may be more ad hoc through working groups, project teams or team meetings. Ensure the line manager is at the heart of this approach.
- Trust your employees to contribute ideas, be innovative and to solve problems.
- If you have a consultative forum, train your managers and representatives. Managers need to share information, some of which is sensitive and they need to trust reps to keep it confidential. Managers need to listen to representatives' views and explain their decisions.
- Use joint problem solving groups of union representatives and managers to resolve ongoing or pressing issues which will increase cooperation and trust.
- Review your employee forums regularly to ensure they are achieving their objectives, address the right issues and that they are a trusted mechanism for employee voice.

What does the future hold for trust and engagement?

The debate around how best to engage employees is not new but is still puzzling employers today as much as it was fifty years ago. As trust in organisations falls, employers have serious work to do if they wish to engage today's employees and those of the future. For many workers – whatever their age or background – hierarchies, command and control cultures and getting on by playing organisational games are off putting and do not lead to trust or engagement.

The annual "trust barometer" produced by Edelman (trust.edelman.com) suggests that the factors that will shape future trust levels are changing. The factors will be less about consistent financial returns and highly regarded senior leadership. They will be more about putting customers ahead of profits and listening to customer feedback. The 2012 report says "the path forward requires more of a focus on societal and employee facing issues". It increasingly seems that tinkering at the edges is not going to rebuild trust and that something more radical is required.

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