

Trust in joint consultative committees

Graham Dietz, of Durham Business School, examines the role of trust in making consultation effective and sustainable.

There are few things more important than trust when it comes to good employment relations. In virtually every relationship scenario, working on the basis of trust is greatly preferred. It feels good to truly trust someone; it is reassuring and efficient (no need to check up on the other all the time), and it nurtures effective collaboration. It also feels good to be trusted – it reflects well on us, boosts our self-esteem, and encourages us to justify that trust with our performance. There are plenty of demonstrable positive effects that trust has on performance, too (see ‘Why trust?’ below). Conversely, in any relationship, a lack of trust makes working together frustrating and divisive.

Trust plays a vital role in joint consultative committees, employee forums and works councils. We believe that trust can help to explain why employee forums succeed or break down. So, by understanding exactly what trust is, managers and employees can better understand how they can work together.

Durham Business School is working with the IPA on research into the impact of trust on the effectiveness of joint consultative committees. Our basic hypothesis is that higher levels of trust among participants make joint consultative committees more effective for the organisation and its

employees. The opposite should also be true: joint consultative committees characterised by mistrust won’t work for either party, and won’t last.

This is a short introduction to ‘trust’: what it is, how to build trust, and how trust helps to sustain joint consultation. We hope that its insights will help you and your organisation to make the most of your own consultation processes.

Why trust?

When people are asked to account for a relationship in their lives that is enjoyable and thriving, we often say that one major reason is we can trust the other party. We have confidence in the other’s intentions, and their abilities. We can predict what they’re thinking, and how they will behave. Perhaps above all, trust means that we are not expecting to be let down, or betrayed.

But when relationships break down, or never get off the ground in the first place, more often than not trust again is invoked. An incident has damaged the other party’s reputation, and the negative expectations it has generated are hindering future collaboration. Having little confidence in another party with whom you have to work is a debilitating experience (more time and effort is needed to manage the relationship; the seeming

pointlessness of the effort is draining), and people can quickly find themselves in a vicious spiral of misunderstanding, antagonism and misery when trust is not present.

Some of the demonstrable benefits of trust found in research include:

- Superior information-sharing (more expansive, more candid)
- Better problem-solving (with few worries about the other’s motives and abilities, discussions are more productive and mutually beneficial)
- More enjoyable relationships (trust is associated with higher satisfaction, and less stress).
- Clear impacts on the bottom line: numerous studies have found that trust in leaders improves team performance, while being trusted by your boss translates into better customer service – both, in turn, boost sales and profits.
- Finally, trust is a unique and valuable resource in that the more we trust, the more trust is generated; it is not depleted by use. (But it can be destroyed by a single violation of trust.)

Francis Fukuyama put it succinctly, “trust-based business costs less” – assuming, of course, that the trust is well placed.

So what is trust?

The answer is depicted in the sequence above (Figure 1):

Taking the sequence from the second box from the left, when we decide whether we can trust another party, we first weigh them up. We form judgements, based on different sources of evidence, about three things:

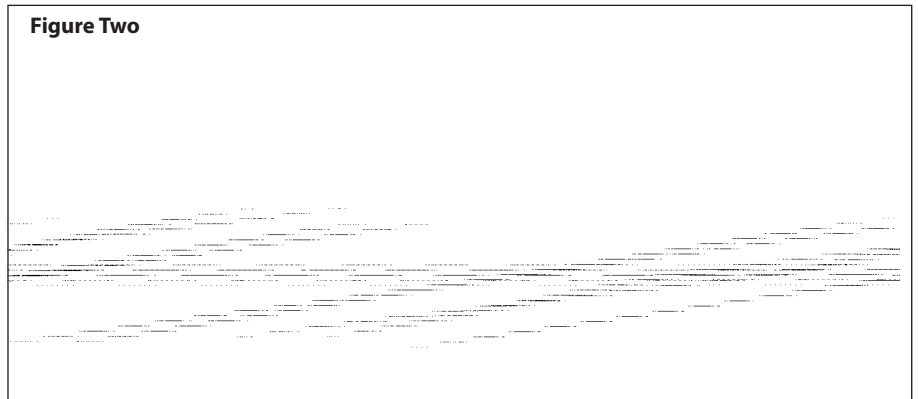
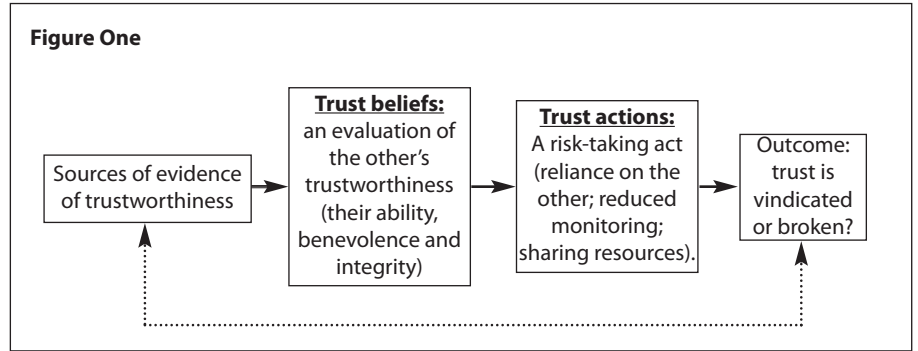
- 1 Their competence (ability),
- 2 Their motives (benevolence), and
- 3 Their honesty and fairness (integrity).

If any of these are too low in our view, we tend not to trust; if they are sufficient, we are prepared to take a risk.

Going back a stage, the sources of evidence we draw upon to make this judgement can come from direct experience of the other person, and this is the ideal and strongest source of evidence (what we have seen of them, and how they conduct themselves and perform, directly). But our assessment of the other party can also be informed by their reputation (i.e. the advice and testimonies from third parties), or from institutions in place that are likely to make them behave in certain ways (i.e. rules, regulations, contracts).

The risk-taking act *must* happen, if trust is to be truly demonstrated. It can take the form of committing to a course of action that means we have to rely on them to deliver; sharing something that is of value to us (whether it be sensitive information or monies); not checking up on them as *much*; even letting them act on our behalf.

The feedback loop shows that we update our evidence base of the other party's trustworthiness on the basis of what happened when we trusted them: did they vindicate our trust, or did they break it?



It follows, therefore, that trust ebbs and flows; it is not a static state, it is dynamic. It depends on what has happened in the past (to borrow a football metaphor, "you're only as trustworthy as your last encounter"), and trust depends on what the issue is in the future. In other words, trust is constantly updated, for each interaction (Figure 2): was it broken, or vindicated? That information feeds data into the next decision. Keep the trust going, and the relationship thrives; break the bond of trust, and the relationship will struggle.

Final point on defining trust: the confidence we feel when we truly trust someone is stronger than hope and certainly stronger than blind faith, so it's not naive to trust. At the same time, trust does not give us guarantees; for trust to be meaningful there has to be the possibility that it will go wrong. So,

trust is a probability estimate, but a confident one, and that's what defines it. Trust sits between hope and certainty (Figure 3).

Building trust

It follows, therefore, that the crucial determinant to the process is the evidence base we amass about the other party's trustworthiness (is it robust, is it enduring?), and our interpretation of it (is it accurate, is it reasoned?)

In summary, to decide whether to trust someone, assess their ability, benevolence and integrity. To build trust, demonstrate to the other party the indicators of ability, benevolence and integrity that they are looking for (i.e. their criteria is what matters). So, a manager may look for understanding of the financials in employee representatives; employee representatives may look for genuine attention and concern for



employees' interests in commercial interests. Both are likely to look for honest information-sharing.

Demonstrating trustworthiness can be done yourself, directly, through your actions. But it can also be achieved through the imposition of procedures and protocols, and public commitments to behave in certain ways: you can trust another on the basis of these, as well, or instead. But be careful about how much control you impose, as it can indicate a lack of trust. This is a matter of degree.

“ To decide whether to trust someone, assess their ability, benevolence and integrity ”

and know that the forum can, and does, change things – then joint consultative committees are likely to thrive, addressing real workplace concerns effectively to the mutual benefit of both parties. But when the members of a forum are wary of each other, are suspicious of the data or opinions presented, and sceptical that the forum can deliver anything more tangible than ‘talk’, the forum is ultimately doomed.

The final point to consider is at which points trust matters in the life-cycle of the forum, from inception to its ultimate fate, as the final Figure shows. Understanding this can really help people in JCCs understand what trust challenges await them at each stage, and how to plan for them and give trust the best chance to build:

Trust and joint consultation

Trust is vital to joint consultative committees (JCCs). The following three trust elements help to make JCCs effective:

- All parties (management and employee reps) have confidence *in each other*, to be able to discuss issues effectively and come up with viable decisions;
- Everyone trusts that the *information* shared in the forum (management projections; reports of workers' concerns) is accurate and considered and, finally
- All parties believe in the effectiveness of the *consultative process* (the viability and fairness of the forum's rules and protocols; the responsiveness of the forum to its discussions; that something will happen as a result of those deliberations).

Again, when trust is present – when the JCC delegates believe in each other, can accept the information received as genuine and complete,

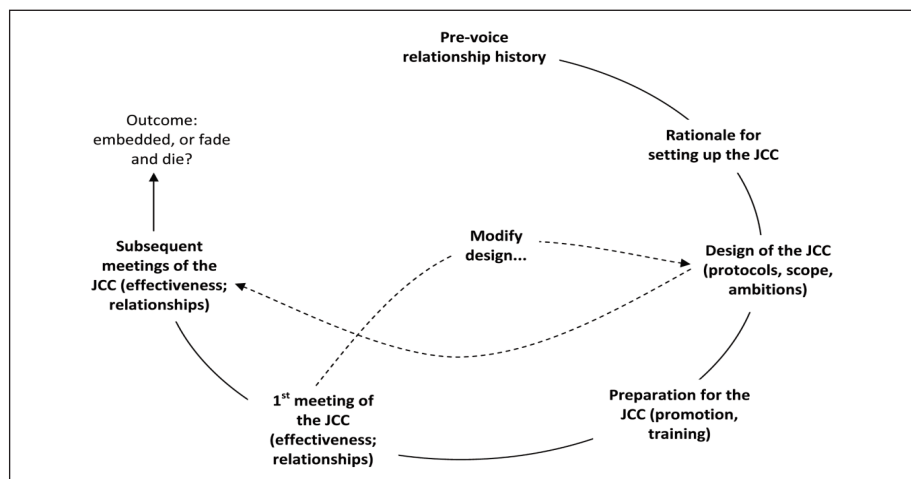
its protocols, and the resources committed to it, such as training for delegates, and how it is promoted internally);

- The first meeting sets the tone and standards of conduct, and crucially sets the delegates' expectations of each other, and of the consultative process.

The first meeting may be a disaster, in which case there is a loop back into revisions to the design.

- Subsequent meetings reinforce the tone and conduct and expectations developed in the first meeting, or modify these conditions. Thus, there is always scope to (re-) build trust.
- Ultimately, we believe that the fate of the JCC will be determined by the trust built up in the meetings. A successful JCC that is seen as worthwhile and effective will be characterised by high levels of delegate trust in each other and the process; low levels of trust will, ultimately, we believe, see the JCC wither and die.

The Durham/IPA research is ongoing, and detailed case studies will be available later this year. In the meantime, we hope that these insights will prove useful to you in your role on JCCs.





Public sector struggles in uncertain climate

Job satisfaction continues remain low, with job satisfaction in the public sector dipping below that in the private sector for the first time, according to the CIPD's Employee Outlook Survey. The recession and political uncertainty would seem to be affecting public sector employees' perceptions of job security, their leaders' abilities and trust within the organisation.

The survey for April showed that net job satisfaction in the public sector had dropped from +45 to +34. Across all sectors, young employees were particularly likely to express low levels of job satisfaction.

The perception of job security had also altered in the public sector over the last 13 months, with 18 per cent of employees saying they thought it was likely, or very likely, that they would lose their job, compared to 7 per cent a year ago.

Perhaps unsurprisingly given the political uncertainty, and the debate about the future of public services, public sector employees were not convinced that their leaders had a clear sense of where the organisation was

going, giving a net score of -8.

Worryingly, across all sectors employees expressed dissatisfaction with the extent to which they are consulted about changes that affect them. But those in the public sector are most dissatisfied, with the survey recording a net score of -45. Only half of all employees say that they feel fairly or fully informed about what is going on in their organisation.

You can read more findings from the CIPD Employee Outlook Survey by visiting www.cipd.co.uk

Equality bill gains royal assent

The equality bill gained royal assent in the final days before parliament was dissolved, formally becoming the Equality Act 2010. The main provisions of the Act will come into force in October 2010.

The Act brings together and simplifies existing equality law and introduces a new equality duty for public bodies.

The Act will strengthen equality law by:

- Using public procurement to improve equality;
- Banning age discrimination outside the workplace;
- Requiring gender pay and employment equality publishing;
- Extending the scope to use positive action;
- Strengthening the powers of employment tribunals;
- Protecting carers from discrimination;
- Strengthening protection from discrimination for disabled people; and

Protecting people from dual discrimination - direct discrimination because of a combination of two protected characteristics.

To find out what the Equality Act will mean for your organisation, visit the Government Equalities Office at www.equalities.gov.uk

Unemployment continues to rise in 2010

Despite a tentative return to growth, unemployment in the UK economy continues to rise according to this month's labour market statistics.

In the three months to February 2010, unemployment rose by 0.1 per cent to 8 per cent; the highest since 1996. The number of people in employment declined by 89,000 to 28.82 million, or 72.1 per cent of the working age population.

Between December and February there were 119,000 jobs lost from the economy. The distribution, hotels and restaurants sector was hit the hardest.

For more information on the labour market, visit www.statistics.gov.uk

Events

IPA AGM and Summer Reception

17th June, 5.45pm, Westminster venue

for more information contact Lorraine Modeste on Lorraine@ipa-involve.com

