ESF Exploratory Workshop on

Trust and the Human Resource Management (HRM) cycle

Woburn Abbey (UK), 23 - 26th November 2009

Convened by:

Dr Ros Searle®, Professor Deanne Den Hartog ©
and Professor Denise Skinner®

SCIENTIFIC REPORT
1. Executive summary

_Organisation of the workshop_

The exploratory workshop on *Trust and Human Resources Management (HRM) cycle* was held from 23 to 26 November 2009 at Woburn, near Milton Keynes, UK. It was convened by Dr. Rosalind Searle, Faculty of Social Science, the Open University (UK), Prof. Deanne Den Hartog, University of Amsterdam Business School, (the Netherlands) and Prof. Denise Skinner, Faculty of Business, Environment and Society, Coventry University (UK). Fifteen experts from seven different countries actively participated in the workshop, including three self funding doctoral student observers.

The workshop brought together scholars from different perspectives and disciplines, including psychological, sociological, management, organizational behaviour and labour relations. The presentations included both conceptual and empirical work and the findings from empirical studies in public, private and third sector contexts in different countries were presented and discussed and compared. A highly interactive format was used. The final presentations and discussions were organised in seven themed sessions (see programme). These were aligned to distinct human resources processes, including pre-entry, performance management, progression and development, careers, employee relations and exit, (see figure 1).

Figure 1: HR life cycle

In addition to these distinct areas there were some overarching issues, such as the role of person-environment fit, which crossed many of these stages within the HR cycle. This more overarching topic was presented following the introduction in order to recognise its potentially ongoing impact throughout the HRM cycle. After this more general topic, each presentation highlighted a different important element of the cycle. Each presentation slot allowed time for discussing the specifics of the presented work. Also, immediately following each presentation cluster focusing around a stage of the HR cycle, there was additional dedicated discussion time which allowed opportunity to look at linkages and issues particular to that cluster and also to note connections with other clusters contained within the schedule.

At the close of each day together we had an additional discussion devoted to first identifying and then refining a research agenda which emerged from that day’s inputs. This enabled us to collect questions, topics and issues that participants felt need to be addressed in future work in this area. The final session of the workshop...
focused on refining this emergent list further, identifying different themes and issues that were of interest, discerning potential new collaborative partnerships and divisions of responsibility that had the potential to advance a number of workable research topics within this field. Next, sub-groups were identified to take several themes further forward.

At the end of the second day we also spent some time reviewing the potential application of a web-based networking and informational resource as we felt such tools may facilitate collaboration in the future. In the final session we asked sub-groups to consider and capture web-based resource requirements that would facilitate the operationalisation of each workable research agenda item. Thus we were able to recognise and identify ways of working that would facilitate the ongoing collaboration of our workshop attendees.

2. Scientific Content

Relevance of the topic

Recently people’s trust in organizations has been shaken considerably. The current crisis in the financial industry, accounting frauds such as the Enron scandal, and employer trust breaches such as the spying scandal of the large German retailer Lidl, have all created questions about organizational trustworthiness. The current crisis in the global financial sector has focused attention squarely on trust at the organizational level and increased calls for control and regulation on salaries and other bonus some individuals receive. These problems are threatening the long term survival of many organisations as they so strongly rely on their stakeholders’ trust and their sustainability has been damaged by questions relating to issues of trust, and perhaps more importantly distrust. Thus, there is a need for many organizations to rebuild trust across a range of key stakeholder groups, such as investors, employees, customers, suppliers and business partners.

Despite widespread recognition that trust operates at multiple levels (see Rousseau, Sitkin, Burt and Camerer 1998) and that an organization’s reputation for trustworthiness is a key “source of competitive advantage” (Barney and Hansen 1994: 174), research has been slow to systematically and conceptually unpack the notion of organization-level trust (OT) as distinct from interpersonal trust, and to consider how organization policies and procedures and their enactment impacts and influences trust in the employer. This workshop aimed to help advance this debate.

Within an organisation, strategies and policies are statements of intent with the nature of their implementation and delivery as both expression and measure of the extent to which managements’ intentions are genuine and can be trusted (Skinner, Saunders and Duckett 2004). Organizational strategies and policies which relate to HRM are claimed to be amongst the most influential for trust development (Robinson and Rousseau 1994). Also the perceived fairness of HRM practices is important in employees’ perceptions of organisational trustworthiness (e.g. Mayer and Davis 1999a). This however, may also spill over into interactions with other stakeholder groups, including customers and would-be recruits. In this context, human resource management (HRM) is essentially about how firms manage the employment relationship. HRM strategies and policies tend to focus on how to select, develop and manage employees within an organizational context in order to maximise their
performance. However, in both theoretical and empirical terms limited attention has been given to trust in the context of HRM, despite the fact that how organizations manage the employment relationship is likely to be a vital dimension in the development of employees’ trust.

The dearth of research looking at trust and HRM is surprising given the significant changes which have occurred within the work setting in many countries over the last few years. Many of these changes have altered work relationships and patterns that could accord trust greater significance. These changes include: the growth of shareholder value metrics, continual experiences of change, ongoing restructuring and/or downsizing, outsourcing of labour. As a consequence, the burden of risk is transferred increasingly to employees, who are exhorted to take responsibility for skill and career development, to work harder and invest more of themselves in the company while at the same time losing the assurance of stable, long-term employment and adequate pension provision. Coupled with this, the boundary between government and organization is shifting, particularly when an organisation fails. Therefore managing these risks and maintaining positive relations are contemporary organisational imperatives in which trust, which has been defined as “confidence in the face of risk”, comes to the fore. These issues are particularly relevant in Europe, with European organisations increasingly exploring how to deal effectively with the need to remain competitive whilst taking into account EU policies encouraging growth of trade and labour mobility. The resultant diverse workforce offers further challenges for the development and maintenance of trust, from cultural, structural, economic, or even linguistic difference. The current crisis has increased the calls for more control and regulation of distinct HR processes, such as bonuses, which reflect wider issues of trust and risk between governments and their tax payers and organizations.

Scientific impact
The aim of this workshop was to gather researchers interested both in trust and HRM from variety of backgrounds, in order to develop new understandings and identify empirical and conceptual synergies which would enable us to start answering important (and related) questions including:

• What is the role and influence of HRM on trust in different contexts?
• Can we arrange employment practices in such a way that trust is fostered? And, subsequently:
• How (and when) does trust impact on organisational performance and outcomes such as employee well-being?

Extant research and theory highlight how trust can facilitate effective and efficient outcomes across a range of individual, group and organizational metrics. The suggestion in much of this work is that trust in the organization fosters desirable work-related attitudes and behaviours (e.g. open information sharing, mutual influence and acceptance, problem solving, commitment and job satisfaction), which enhance and enable cooperation among disparate parties in pursuit of mutual gain. Empirically, studies have identified employee trust to be a critical variable affecting the effectiveness, efficiency and performance of organizations (Whitney 1994, Kramer and Tyler 1996, Mayer and Davis 1999b, 2002). Trust has also been identified as significant in reducing intention to leave (Albrecht and Travaglione 2003), organisational citizenship (Konovsky and Pugh 1994), organisational
commitment (Cook and Wall 1980), problem solving (Zand 1972), and satisfaction (Gould-Williams 2003). However, the strongest effect of trust appears to be as a moderator rather than a direct influence on organizations (see Dirks and Ferrin 2001). So, while theoretically “trust-based business costs less” (Fukuyama 1995: 27) this claim remains to be decisively proven in empirical studies.

Internal perceptions of organisational fairness and trustworthiness are shaped through different HRM policy areas that we collectively term the ‘HR cycle’ (see figure 1). These areas include: organisational entry processes such as selection and recruitment, through to performance management, including reward and recognition, training and development, discipline, and union-management relations, and then finally exit, for example through redundancy management. This cycle links into ‘high involvement’ HR practices (e.g. Batt 2002) which have been argued to be trust inducing HR practices. High involvement practices are designed to improve the communication flow, to foster empowerment and participation, and to encourage employees’ to invest both tangibly as well as emotionally in their employer (Ulrich 1998, Schuler and Jackson 2001). Such practices are argued to tap into the discretionary effort of workers by fostering psychological links between the organisation and the individual employees’ goals, thus shaping employees’ behaviour and attitudes (Arthur 1994).

These beneficial impacts are, however, far less likely to occur without sufficient levels of employee trust and therefore studying the role of trust in the effectiveness of high involvement work practices is important. Evidence also suggests that well-designed combinations or systems of HR practices have a far greater impact on performance than individual practices (Ichniowski, Shaw and Prennushi 1997). The assumption is that synergistic effects take place, resulting in maximal performance. These sets of practices are argued to affect employee commitment, motivation and performance. Until recently, however, only limited attention has been given to this potentially synergistic impact, and the likely crucial role of trust in this process (see Searle, et al. forthcoming).

In this workshop, we worked through distinct aspects of the HR cycle and identified number of elements involved in exploring the complex relationship between trust and HR. These included: the fairness of the content and design of each of these separate policies; the consistent and effective implementation of each of these in practice; plus the expression of care for employees and adaptation to employees’ interests of these practices. All of these appear to influence the development and maintenance of trust. In addition, the integration and interrelationships between these distinct policies and practices may work together and mutually reinforce trust in the organisation and its principle agents.

Discussions in the workshop suggested that the HRM function often sits uneasily between the demands of managers and employees (Caldwell 2003) and is thus charged with finding compromise solutions that meet the needs of both parties. Though normatively committed to trust-building models of employment relations, HRM professionals may often be tasked with designing and implementing trust-reducing practices. Through this workshop we explored and developed a greater understanding of how the application of the principles of trust development,
maintenance and repair could contribute toward managing these tensions and increase the efficacy of HRM strategies and practices.

Exploration of the issues relating to trust and HRM in the workshop revealed the need for consideration of these issues in a variety of settings (including countries and industries) and from a range of theoretical stances (for example, originating from economic, psychological, and sociological fields). The workshop showed how advancement in this area requires a forum to facilitate researchers from a variety of different disciplines and countries beginning to share ideas and develop collaborative activity based on their combined insights. The composition of this workshop identified those with expertise within their own field, plus the willingness to build and develop with others afresh examination of the role of trust and HRM. For example, the inclusion of industrial relations was designed to ensure that the neglected issue of power as a tool in imposing and maintaining, or damaging and destroying, trust was captured; recognition of the importance of the interests and views of otherwise marginalized constituencies (such as trade unions, and disadvantaged employees) in the context of trust relations. The inclusion of those from an HRM background was designed to provide insight into distinct aspects of HRM, distinguishing between separate aspects and gather perspectives on the collective impact of these policies on trust. Whilst those from a more psychological background enabled us to draw attention to factors relating to individual differences and the mediating and moderating influence of underlying social and cognitive factors at individual, group and organizational levels. Researchers with expertise in examining the impact of policy and practice assemblages were also included amongst the attendees. Together these different experts have reflected upon the essence of trust from their contrasting and complementary standpoints to reveal not just the potential importance of trust, but also to draw attention to the neglected ‘dark side’ of some policies or practices, to the impact of distrust and to the methodological issues which create challenges for the study of this complex area.

3. Outcome: assessment of the results, contribution to the future direction of the field,

Throughout the three day workshop many ideas were generated for future research which would address current gaps in knowledge. These were captured as a research agenda under three principle headings. Potential ways of ensuring ongoing debate and exchange of ideas both in person and through the web were also discussed.

General questions
Discussions and presentations highlighted a number of fundamental assumptions that are being made in relation to trust and HRM and the resultant gaps in our knowledge. A number of general topics were identified that would deepen our understanding of trust not least the need for greater precision in the use of terms, the appropriateness of measures applied and an examination of a number of 'givens'. The relatively swift growth of work in this area and the multi-disciplinary nature of the interest in trust have resulted in assumptions about shared understandings and norms which may not have validity. There is a need to re-examine the underpinning of methods, scales and measures currently being used. It was also generally agreed that there is a need for more longitudinal work that explores trust in the context of dynamic relationships and dynamic processes.
Topics identified included:

- What are the critical conditions for trust to be an important predictor of outcomes?
- In depth exploration of what or whom is being trusted?
- How should/ can we measure trust?
- What is the role of trust in different contexts?
- How does technology impact on trust?
- Is trust a moderator?
- Inter dependent vs. dependent relationships - what is the effect on trust?
  - What roles do power and reciprocity play?
  - Should we have a measure of dependence and inter dependence in each context?
  - How should interdependencies be managed?
- What is the nature of trust in the SME context?

**Distrust**

The majority of the extant work focuses on trust and limited regard has been paid to distrust. Discussions suggested that trust and distrust dynamics and drivers may differ. On the basis of the presentations and discussions at the workshop the group felt that the importance of the topic of distrust had not been sufficiently recognised and that it is possible that in an organisational context the study of distrust may at times be of even more value than the study of trust. The key questions which emerged were:

- Is distrust different from trust?
- Is it more important to know how to address distrust rather than trust?

**Trust and organisations**

Much theoretical and empirical work has been undertaken, but many fundamental questions remain unanswered re trust and HRM. Core to many of the discussions and presentations were assumptions which delegates agreed had been made in the past, but which need to be challenged to move forward. These included:

- Clarity about the various levels in organisations and how those levels interact in the context of trust - possibly 360 degree view
  - Trust can mean different things to different groups and so can involve different levels of risk and different dependencies/ vulnerabilities
  - 'Big view' of trust versus that of the individual - what are the different ways that trust is perceived?
    - Individual factors - personality, career drivers, importance of honesty and fairness
    - Inter organisational - competition/cooperation/cooptation
    - HR architecture that extends to include external stakeholders
- Trust and the ability of line managers to implement HRM
- Is there such a thing as a trust culture?
- What do organisations do to promote trust?
- Is it enough for organisations to have an absence of distrust?
- Have things changed post recession?
• Can you trust an organisation that does not have a high trust culture?
• What are the key trust relationships in organisations?
  o How does HRM shape those relationships?
• Do employees trust the HR function and does it matter?

Additional outcomes of the workshop

• Short-term
  The first short-term outcome of this workshop is a joint book project, utilising a number of the presentations made at the workshop plus other invited contributions. Two of the three convenors of the workshop will act as co-editors of this edited volume (Searle and Skinner, forthcoming). The manuscript is expected to be submitted to the publisher by May 2010.

  A second outcome is agreed increased interaction of researchers interested in this area in future conferences, such as the EIASM 5th workshop on trust in Madrid 2010 and the formation of subsequent conference symposiums and track chairs. As the workshop membership focuses on a variety of approaches and methods, it has naturally identified a series of complements to advance work within particular areas for future conference platforms.

• Longer-term
  A first proposed longer-term outcome is the organisation of a further scientific meeting to follow up on the discussions of this workshop. In particular two topics have been identified as possible themes for a future meeting, probably to be held in 2011. This will enable themes pertaining to trust and HRM that have been developed within this workshop to be developed and considered in more detail between runnings of an existing bi-annual workshop.

  Key representatives from the workshop were identified to be involved with a European level submission1 for a Standing Working Group in Organizational Trust which will involve organising conference tracks over the next four years at the European Group of Organization Studies (EGOS). This will not only enable this topic to be further developed, but also expand the reach into more nations and the interdisciplinary nature of future study by including those from economic and law backgrounds.

  A third longer-term outcome is the initiation of substantive research in distinct topic areas at both doctoral level and beyond by both individual experts and groupings of delegates. One exciting prospect is the emergence of a possible collaborative longitudinal project tracing individuals throughout their interactions with a variety of HRM processes from pre-entry through to exit. This would allow for a multi-foci study gathering dynamic level data. A steering group of members present at the workshop has been identified to further develop these initial ideas and work with interested researchers to take this proposal forward.

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1 Submitted Jan 2010
4. Final Programme

**Monday, 23rd November 2009**

**Afternoon**  
**18.30** Get-together, social event, informal (in reception and then on to a restaurant in the village)

**Tuesday, 24th November 2009**

09.00-09.20 Welcome by Convenors: Dr Ros Searle, Dept of Psychology, The Open University, UK

09.20 – 10.10 Presentation on the European Science Foundation (ESF) and “Setting the scene: Trust in the context of the HRM cycle.” **Co-Convenor: Professor Denise Skinner,** Associate Dean (Applied Research), Applied Research, Faculty of Business, Environment and Society, Coventry University.

10.10-10.50 Presentation 2 “Building and developing person-environment fit in organizations” Dr Corine Boon and Prof. Deanne Den Hartog (Amsterdam Business School, Amsterdam, Netherlands)

10.50 – 11.10 **Coffee / Tea Break**

11.10 –13.00 First Session: Pre and early entry – Dr. Deborah Rupp Chair

11.10-11.50 Presentation 3 “Pre-entry and trust” Dr Ros Searle (The Open University, Milton Keynes, UK)

11.50-12.30 Presentation 4 “Psychological contract and trust in the HRM cycle” Prof. David Guest (King College, London, UK)

12.30 - 13.00 Discussion

13.00 - 14.00 **Lunch**

14.00 - 15.30 **Afternoon Session: Performance management** – Prof. Deanne den Hartog chair

14.00- 14.40 Presentation 5 “Appraisal ”  
Prof. Denise Skinner & Dr. Rosalind Searle (Coventry University, Coventry, UK; Open University, Milton Keynes, UK)

14.40 – 15.20 Presentation 6 “Mentoring”  
Anthea Wilson and Volker Patent (Faculty of Health and Social Care & Faculty of Social Science, The Open University, Milton Keynes, UK). [Note non funded contribution]

15.20 – 15.30 **Coffee / tea break**

15.30 -16.00 Discussion

16.00 – 17.30 Taking the agenda forward - **Research development** - Prof. Denise Skinner Chair

Identification of research synergies and potential collaborations – spend time in small groups developing areas and questions that take these issues forward.

**Wednesday, 25th November 2009**

08.30 Shuttle buses to Woburn picture gallery

09.00-12.30 **Morning Session: Progression and development** - Prof. Deanne den Hartog Chair

09.00-09.40 Presentation 7 “The impact of transformation on intra-organisational trust - the contribution of HR in a post recession era?”  
Prof. Veronica Hope Hailey (City University, London, UK)

09.40-10.20 Presentation 8 “Trust and strategic change: an organizational justice perspective”  
Prof. Mark Saunders (University of Surrey, Guildford, UK)

10.20-11.00 Presentation 9 “Control and trust in the supervisor/trust in the organization”  
Prof. Antoinette Weibel (Hochschule, Liechtenstein, Liechtenstein)
11.00 - 11.30  Coffee / Tea Break
11.30 -12.15  Discussion
12.15 -1.45  Lunch and free time to look around the gallery
13.15 - 15.30  Afternoon Session: Careers Dr. Rosalind Searle Chair
13.45 -14.25  Presentation 10 “Career Development of Research Scientists: Issues, Challenges and Implications for Trust and HRM”
   Dr. Angelos Alexopoulos (DCU, Dublin, Ireland)
14.25 - 15.05  Presentation 11 “Career development and careerist orientation to work: it’s a question of trust, isn’t it?”
   Dr. Jonathan Crawshaw (Aston Business School, Birmingham, UK)
15.05 - 15.35  Discussion
15.35 - 15.50  Coffee / tea break
15.50 -16.50  Taking the agenda forward - Research development - Prof. Denise Skinner chair
   Identification of research synergies and potential collaborations – spend time in small groups developing areas and questions that take these issues forward.
   How can web-based resources assist us in our questions and research?

Thursday, 26th November 2009

09.00-12.30 Morning Session: Employee relations and exit - Prof. Mark Saunders Chair
09.00-09.40  Presentation 12 “HRM Strategies and Trust in a Recession Context: Downsizing survivor impact”
   Dr Finian Buckley (DCU, Dublin, Ireland)
09.40-10.20  Presentation 13 ”Exit and leaving”
   Dr. Shay Tzafiri (University of Haifa, Haifa, Israel)
10.20-10.30  Coffee / Tea Break
10.30-11.10  Presentation 14 “Trust and justice in joint consultation committees; The mediating role of multiple trust relationships on the impact of HRM on workplace performance.”
   Dr. Graham Dietz (Durham Business School, Durham, UK)
11.10-11.50  Presentation 15 “Trust in Unions”
   Dr. Lefteris Kretsos (Coventry University, Coventry, UK)
11.50-12.30  Discussion
12.30-13.15  Lunch
13.15 – 16.00 Afternoon Session: Taking the agenda forward
13.15 – 14.15  Crystallising our research agenda and projects – Prof. Denise Skinner chair
   Identification of research synergies and potential collaborations – spend time in small groups developing areas and questions that take this issue forward.
   Including attention on Web-based resource development - Dr. Rosalind Searle responsible
   Focusing on how to develop the web to create a community of practice within this field.
   Brainstorming, followed by working in small group to develop distinct parts of the web.
   Feedback in plenary the work of these group
14.15 -15.15  Plenary
5. Final List of Participants

Dr Ros Searle
Prof Deanne Den Hartog
Prof Denise Skinner
Dr Lefteris Kretsos*
Dr Finian Buckley
Dr Angelos Alexopolous*
Dr Shay Tzafrir
Prof Antoinette Weibel
Dr Corine Boon
Dr Jonathan Crawshaw
Dr Graham Dietz
Prof Veronica Hope-Hailey
Prof Mark Saunders
Prof David Guest
Dr Deborah Rupp

*Greek nationals working overseas

Self-funding observers (and presenters) – all PhD candidates
Volker Patent German national working in UK
Nasos Gouras Greek national working in Greece
Anthea Wilson

6. Information on Participants (invited) attended [including unfunded observers]

a. Age Bracket

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<tr>
<th></th>
<th>N</th>
<th>%</th>
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<tbody>
<tr>
<td>Junior experts</td>
<td>(9)</td>
<td>56%</td>
<td>9 [12]</td>
</tr>
<tr>
<td>Senior experts</td>
<td>(8)</td>
<td>44%</td>
<td>6</td>
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b. Countries of Origin (invited) attended with ESF funding, [] self funded

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<tbody>
<tr>
<td>Germany</td>
<td>(1 = 5.3%) 0</td>
</tr>
<tr>
<td>Greece</td>
<td>(2= 10.4%) 0 [1]</td>
</tr>
<tr>
<td>Ireland</td>
<td>(2= 10.5%) 2 =13.3</td>
</tr>
<tr>
<td>Israel</td>
<td>(1 = 5.3%) 1 =6.6</td>
</tr>
<tr>
<td>Netherlands</td>
<td>(2= 10.5%) 1 = 13.33</td>
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<tr>
<td>Norwegian</td>
<td>(1 = 5.3%) 0</td>
</tr>
<tr>
<td>Liechtenstein</td>
<td>(1= 5.3%) 1 = 6.6</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>(8 = 42%) 8 = 53.33 [10]</td>
</tr>
<tr>
<td>United States</td>
<td>(1= 5.3%) 1 =6.66</td>
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* It should be noted that much more nationalities were represented, as countries of origin refers to the Institution at which an expert is based.

c. Gender – actual attended Not including observers
Female 7 = 47%
Male 8 = 53%
References


January 2010