### TRUST, EMPLOYER EXPOSURE AND THE EMPLOYMENT RELATION

#### **Trust and the Employment Relation**

'Social exchange' wrote Peter Blau in a section on 'Unspecified Obligations and Trust' in his Exchange and Power in Social Life, 'differs in important ways from strictly economic exchange. The basic and most crucial distinction is that social exchange entails *unspecified* obligations. The prototype of an economic transaction rests on a formal contract that stipulates the exact quantities to be exchanged' (1964, p.93 emphasis in original). Immediately, however, Blau found it necessary to add a footnote to the effect that this was 'not completely correct' because in an employment contract the precise services the employee will be obligated to perform are not specified in detail in advance. This notion that what the employee sells cannot be specified exactly in advance is central to the Marxist conception that what the employee sells is labour power (potential); and the indeterminacy inherent in the employment contract has been long recognised by students of work and organisation, for example on the psychological wing by Simon (1946) and on the sociological one by Baldamus (1961) and with specific reference to the role of trust and discretion by Fox (1985). In fact, Fox's earlier work (Fox 1974), which advances the view that trust lays at the heart of cooperative industrial relations behaviour, informs much contemporary thinking more generally.

The indeterminacy about what the employee will deliver has been a central problem for all management systems. Even FW Taylor, who devoted himself

to seeking to establish the most exacting control over the worker, claimed that a 'complete change in the mental attitude of the working men', and indeed managers, was a constituent part of scientific management and a precondition to the full release of productive potential (Taylor, 1915, p.140). The underlying idea is a familiar one – that it is important to get everyone 'on side'. Trust is seen as a precondition for this. Today it is commonplace to read statements such that: 'It is becoming increasingly accepted that trust in the workplace is an important factor which potentially leads to enhanced organisational performance and can be a source of competitive advantage in the long run' (Lamsa and Pucetaite, 2006, p.130) or, as the authors of an introduction to some collected papers on trust put it, there is 'some consensus in the literature that trusting relationships are important and useful for a range of organisational activities, such as teamwork, leadership and human resource management'; and further 'it appears that some level of workplace trust is vital for effective leadership and human resource management' (Zeffane and Connell, 2003, p.3). In yet another account we are told that 'management can ill afford to ignore the influence of trust on employees' attitudes and their subsequent contributions to the organisation, including their job performance, citizenship behaviours and intention to remain' (Kiffin-Petersen and Cordery, 2003, p.97). Similarly, work on so-called highperformance work systems posits that trust plays an intermediate role in transforming the practices associated with such systems into 'worker outcomes' (Applebaum et al., 2000, p.167, Figure 9-1).

As this would suggest, trust has come to play a prominent role in the academic literature on Human Resource Management (HRM). As a recent article notes (Dietz and Den Hartog, 2006, p.557), the subject has featured in several collections of papers - Gambetta (1998), Kramer and Tyler (1996), Lane and Bachman (1998), Nooteboom and Six (2003) (also Kramer and Cook, 2004 and more recently yet another collection has appeared, Kramer ed., 2006). Several management journals have produced dedicated issues, including *Academy of Management Review*, *Organisation Studies*, *Organisation Science*, *International Journal of Human Resource Management* and *Personnel Review*.

In this literature a great deal of attention has been paid to how 'trust' may be best defined. Whereas interpretations differ certain elements recur. For example in introducing a special issue collection of papers from several disciplines, Rousseau et al. (1998, p.394) point out that 'confident expectations and a willingness to be vulnerable are critical components of all definitions reflected in the articles' and that the most frequently cited definition is 'willingness to be vulnerable', a view derived from Mayer et al. (1995). The same point is made in a later review conducted by Zeffane and Connell (2003, p.4). Similarly, a broad ranging review of the trust literature by Korczynski (2000: 2) defines trust 'as the confidence that the other party to an exchange will not exploit one's vulnerabilities'. Other reviews of the literature find the same thing: 'an extensive consideration of the trust literature does seem to indicate a coherent theme. When the terms "trust" and "distrust" have been evoked in the social sciences, they almost always have been associated with

the idea of actor vulnerability' (Bigley and Pearce, 1998, p.4). A further aspect of trust, cited by Blundson and Reed (2003, p.12), following Whitener et al. (1998), concerns an expectation of benevolence and elsewhere Whitener refers to 'optimistic expectations' (1997, p.391). Similarly, another recent paper refers to a 'belief that the other party will act benevolently' (Lamsa and Pucetaite, 2006, p.130). This aspect is picked up by Forth et al in their account of the WERS 2004 measures of trust (which we will come to shortly). Forth and his colleagues refer quite explicitly to 'questions asked of employees in order to gauge the extent of their subjective belief in the benevolent intentions of their managers' (2006, p.76).

Much of the literature on trust is concerned with pointing to conclusions for improved organisational performance or with exploring the effects on trust of various HRM practices or with relating one subjective assessment, trust, to others, for example fairness or commitment. A largely separate literature in economics which considers tenure effects tends to focus on issues such as wage determination, skill utilisation and problems of enforcing contracts (see for example Akerlof 1982; Lazear 2000; Malcomson 1998; Parsons 1986). By contrast, what interests us is the sociological aspect of the willingness or otherwise of employees to regard their managers as benevolent.

Sometimes the sociologically interesting idea is advanced that trust has declined over time. One such example is the argument that the neo-liberal business and management practices of the past two decades have caused a deterioration in workplace trust (Rogers, 1995, p.15). The view has also been advanced that organisational trust may decline if employees eventually come

to perceive breaches of their psychological contract (Robinson, 1996; Robinson and Rousseau, 1994), although it is a moot point whether such changes are also linked to generational shifts in worker attitudes. A MORI survey carried out for the Adam Smith Institute in 1998 of the so-called 'Millennial Generation' (those now aged in their twenties) suggested younger workers might be more individualistic than their predecessors and more sceptical towards authority figures such as company managers (Pirie and Worcester, 1998, p.14). However, as Haynes et al conclude after looking at the literature on intergenerational change in worker attitudes, much of the writing on intergenerational differences tends to rely on anecdotal evidence (2005, p.96), and there is a lack of any systematic evidence with specific reference to trust in managers, much of the research on this being based on either limited case studies or cross sectional survey evidence. Since this paper draws on cross sectional data we, too, lack an adequate foundation to determine whether there are differences between generations. By contrast, we will provide some evidence on different levels of trust amongst men, women, ethic minorities and trade unionists. We will also provide further information on some of the matters examined by Blunsdon and Reed (2003) who used data from the 1995 Australian Workplace Industrial Relations Survey to investigate associations between trust and such variables as industrial sector, age and size of establishment. However, our particular objective is to shed light on the question of how employees' trust in their managers may be affected by their exposure to them – above all, about whether those with the longest service are more trusting.

In short, we want to investigate a question that is largely by-passed in the literature which dominates this field. What are the effects on trust of employee exposure to managers? Is there is any evidence that the duration of exposure has a positive or negative effect on employee trust?. Are employees more or less inclined to accept that managers will act benevolently if they have longer periods of service? If employees with longer periods of service are more likely to accept that managers will act benevolently, this suggests a moral gain on the part of management; if they are less inclined to do so, it suggests a moral loss on their part – a failure in the battle for hearts and minds that runs counter to the ideas that underlie much 'soft' management theory.

### **Trust and Employer Exposure**

Social scientific research into work and employment relations is often explicitly and sometimes implicitly informed by a managerial problematic. A seldom remarked example of this is the considerable and long established literature on labour turnover. This goes back at least three quarters of a century in both the US and the UK and was boosted in the latter case by the Industrial Fatigue Research Board researches into munitions at around the time of the First World War (the early literature is reviewed by Broughton et al., 1921, p.10). Much more recently there has been debate on the extent and implications of changes in job tenure for workers and the question of whether a 'job for life' has ceased to exist (Burgess and Rees, 1994, Gregg and Wadsworth, 2002), but much of the research in this area has been conducted with an eye to problems of recruitment and retention, which are generally

considered a problem for management. And clearly, even to the extent that an institutional or organisational perspective extends the study of (voluntary) turnover to include accession or entry (Morrell et al., 2001, p.220) and not only the traditional 'cessation of membership' (Mobley, 1982, p.10) the problem remains defined in terms of the beginning and the end of the employee's exposure to an employer. It does not speak to the effects of such exposure itself.

As far as we can establish, there is hardly any literature at all on the consequences, for employees, of how their temporal exposure to employers (more precisely in the case we will investigate, managers) affects their trust in them. Half a century ago Rice et al (1950) studied two companies in an early attempt to break from the then 'current approaches' to labour turnover which 'tended to restrict investigation to concern with the rate at which employees leave a company' (1950: 349). They concluded that there were three periods through which any group of entrants to a company must pass: induction crisis, when a certain number of 'casualties' (marked by high turnover) result from interaction with the company; differential transit, when those who survived learn the ways of the company and discover how far they have any place in it; and settled connection, when those who survived the first two periods take on the character of quasi-permanent employees (1950: 358-9). But the positing of such rather abstract sociological processes fails to establish upon what basis the period of settled connection is actually settled. It cannot simply be assumed that it is a function of trust. Whereas Blackburn and Mann (1979) examined a number of possible relations between length of service and

worker orientations they too failed to examine the relation to trust. Much more recently, Guest et al 2008 have examined some of the possible determinants of trust using WERS 2004, but without considering length of service.

A paper by Kiffin-Petersen and Cordery (2003, p.107) which uses length of service as a control variable in a study of trust amongst circa 200 employees in an Australian water utility, does remark: 'Also of note is the significant negative relationship between organisational tenure and trust in management'. But this is no more than an aside in a relatively small scale study that was conducted in just one company. Moreover, the often unspoken but long lasting assumption that has informed a whole number of varieties of 'soft' management theory (Human Relations, neo-Human Relations and versions of Human Resource Management) has been that increased exposure to managers would have the opposite effect – namely that other things being equal, relationships of longer duration would give employees and managers a better chance to know each other, to develop better communication and so on. Other literature also suggests that trust builds over time (Harrison McKnight et al., 2006 citing Blau, 1964, Rempel et al., 1985 and Zand, 1972). In the case of the employment relation, our own inclination is not to follow the assumption that greater experience brought about by longer service makes for greater trust by employees in managers. Rather, we think it quite possible that the opposite may apply – trust being undermined by a greater experience of how managers actually behave by virtue of the fact that the interests they serve are not reducible to those of their employees.

Such a view does not require a long step from Marxist or conflict theory approaches to industrial relations. Which view is supported by the evidence?

#### **Data on Trust and Employer Exposure**

The recent comprehensive survey of employment relations in Britain, WERS 2004, provides a unique source through which to examine the question that interests us. Designed to provide a nationally representative account of the state of employment relations and working life inside British workplaces, WERS 2004 consists of several *linked* data sets, two of which are relevant here: one is based on a survey of managers in 2,295 workplaces employing five or more people, and the other is based on responses from over 22,000 employees in those workplaces. The first data set provides extensive information on structure and process at organisational and workplace level for establishments other than those in agriculture, fishing and mining, the second provides extensive information on employee attitudes and characteristics, including length of service. Moreover, for the first time, the employee survey data set includes items designed to measure employee trust in managers<sup>1</sup>.

WERS 2004 contained three items on trust, to which respondents were introduced by having first been asked to think 'about managers at this workplace'. The items were:

'Managers here can be relied upon to keep their promises'.

'Managers here are sincere in attempting to understand employee's views'.

'Managers here deal with employees honestly'.

The literature on trust makes clear the importance of establishing the referent - trust in whom? (Dietz and Hartog, 2006; Whitener et al., 1998). There is no doubt that in the case of the data collected in WERS 2004 that these refer to trust in managers. For the purpose of this paper we have summed these three WERS measures into a single scale then scaled this back into five categories<sup>2</sup>. For information on employee length of service we have drawn on a question in the employee questionnaire that asked 'How many years have you been working at this workplace?'. The responses to this question were pre-coded into the categories - less than 1 year (accounting for 15.8 per cent of unweighted cases), 1 year to less than 2 years (12.8 per cent), 2 years to less than 5 years (26.8 per cent), 5 years to less than 10 years (18.6 per cent) and 10 years and over (26.0 per cent). This pre-coding prevents the separate examination of very long periods of service but these are in fact quite rare (national labour force data indicates only about ten per cent of the population has worked for the same employer for twenty years or longer, LFS 2005) and the WERS data are sufficient to examine the broad question that interests us: does the greater exposure to managers that is marked by the passage of time encourage a more benevolent view of them?

There is of course another aspect to this relationship, the exposure to managers that does not take the form of years spent working in the same workplace, but of the number of hours worked. Hours of work as an indicator of exposure may cross-cut length of service. For example, it is possible to think of cases where people work very few hours per week but for a

considerable period of years; and there are cases where, at the extreme, people work long hours but for only a single day. Our expectation is that exposure measured in years is more likely to affect trust than hours usually worked per week<sup>3</sup> because of the greater time for reflection that it makes possible but in examining the WERS data set we include the hours measure of exposure in a spirit of enquiry none the less.

Preliminary examination of the unweighted data indicates that trust, as defined in terms of the highest of our five categories of trust, falls with length of service. Amongst those with less than one year of service 20.9 per cent are in this high trust category. This declines to 11.0 per cent for those with ten years service or more (Table 1).

#### [TABLE 1 ABOUT HERE]

Of course a problem with our main measure of exposure, length of service, is that it is likely to be a function of age: those with longer service are likely to be older. However, whereas the percentage of high trust employees is relatively high among employees aged 16 to 21 it falls to a low point among those aged 30-39 and then starts to recover, reaching a high among those aged 65 or over (Table 2). In this respect the relation between age and trust is similar to the one that was found for weekly hours and also to the U curve between age and job satisfaction found by Clark et al 1996.

### [TABLE 2 ABOUT HERE]

Some further encouragement for the view that the negative relation between length of service and trust is not a function of age differences is that a similar negative relation applies within older age groups. Of those aged 50 and older, 18.1 per cent of those with less than I years service are in our high trust category, of those with 1 to less than 2 years service 18.5 per cent, of those with 2 to less than 5 years service 17.1 per cent, of those with 5 to less than 10 years service 14.3 per cent, of those with 10 or more years service 12.6 per cent.

It remains possible that the negative association between length of service and trust is a function of other influences that we have failed to consider. A multivariate analysis is therefore in order. In what follows we introduce three sets of controls in an attempt to minimise estimation bias arising from omitted variables. The first of these consists of ownership, industry and workplace level characteristics; the second consists of individual employee and job characteristics; the third of a range of management practices.

#### **Control Variables**

Ownership, industry and workplace level characteristics. In addition to a variable for whether the workplace is part of the private sector or not, we include here dummies for different industrial sectors; for the nature of the largest non management occupational group in the workplace (whether the largest such group consists of professionals or skilled workers for example); and for three aspects of workplace employee composition (the percentage of male employees, ethnic minority employees and of those aged 50 and over).

A further measure is included for union recognition<sup>4</sup> and we also include log variables for two other basic features of the workplace, its age in years and its size as measured by number of employees.

Individual employee and job characteristics. Given our interest in employee exposure to employers, as indicated by length of service, it is particularly important to control for age and this is done by including the WERS 2004 (pre-coded) age categories. In addition two further measures of gender are included here: one for whether the employee is male or female; another for whether the job that an employee performs is done only or mainly by men or only or mainly by women or equally by men and women. A number of dummies are used to indicate the individual employee's ethnicity and also for the individual's level of academic qualification.

A number of occupational variables are included to indicate the sort of work that individual employees perform (as opposed to a measure of the importance of given occupational categories to the balance of the workforce which is treated as a property of the workplace above). Also included is a dummy for whether the individual performs supervisory duties. This was used because there are not only considerable numbers of non-managerial employees who perform supervisory work but this is increasingly the case with longer years of service. Amongst employees with less than one year's service only 21 per cent perform such duties, this increasing to 28 per cent for those with 1 to less than 2 year's service, to 34 per cent for those with 2 to

less than 5 years service, to 39 per cent for those with 5 to 10 years service to 44 per cent for those with 10 years service or more.

Also included in this set of variables are measures for level of pay (pre-coded in the WERS questionnaire), information on whether the individual employee has a permanent contract or not, whether he or she is a trade union member and whether they believe that the management is in favour of trade union membership, not in favour or neutral. A further measure is used to indicate the degree of discretion that individuals report in their jobs. This is a summative scale derived from employee answers to four questions about how much influence they had over what tasks they did in their job, the pace at which they worked, how they did their work and the order in which they carried out tasks.

Management practices. The purpose of this paper is not to assess whether any particular management practices have positive or negative outcomes for employee trust. However, we have introduced a number of variables in order to control for any possible such effects. Some of these are of a 'softer' nature – dummies are included for whether directors meet with employees, whether there is team briefing, joint consultation, job rotation, joint decision making in teams or quality circles. In addition, we have tried to capture the effects of management's propensity to make available to the employee various flexible working time arrangements, distinctions being made between whether they offer none, one or two or three or more of the following – flexi time, job sharing, the chance to reduce working hours, the chance to increase them,

working at home, changing work patterns including shifts and working the same number of hours per week across fewer days. 'Harder' management practices are measured by a dummy for whether there were any redundancies in the workplace in the previous 12 months and whether there was any use of merit pay or payment by results<sup>5</sup>.

#### **Model Methods**

Because it is sometimes argued that it is invalid to treat ordinal data such as our measure of trust as if it were cardinal we have not used mean values in the above Tables but the proportion of high scorers – the percentage of employees in the highest of our five scaled back trust categories. For the same reason, when conducting our multivariate regression analysis we make use of an ordered probit model for the analysis of our dependent variable rather than the more familiar techniques that apply to dependent variables that are continuous. The appropriate weights have been applied to take account of the complex sample design in WERS 2004<sup>6</sup>.

#### Parameter Estimates.

In using ordered probability models to examine the determinants of trust in management we have divided explanatory factors into four different groups: a basic "Exposure" model of seniority and working hours; a further model that includes ownership, industry and workplace related variables; in addition to this a further set of variables to capture individual employee and job characteristics; and then a final set of variables which relate to a range of management practices. After running the first, basic exposure model we add

the second group of variables in order to obtain Model 2; then add the third group of variables to obtain Model 3; and then add the last group of variables to obtain Model 4.

Since the trust outcomes are categorical; very low trust, low trust, no low or no high trust, high trust, and very high trust, an ordered probability model (here a probit type) can be estimated for these outcomes. Response categories are ordered but they do not form an interval scale. We coded responses 0, 1, 2, 3, and 4. There is a clear ranking among the categories, but the differences among adjacent categories cannot be treated as the same.

The model is a natural extension of the binary outcome model, built around a latent regression in the same manner as the binary probit model. For example, trust can be analysed using an ordered probit model in which an underlying response variable  $Y_{ij}^*$  (for the trust categories for each individual i) and for each alternative j) can be defined for a (1xk) vector of observable explanatory variables  $\mathbf{x}_{ij}$  by the statistical model

$$y_{ij}^* = \iota_{ij} \mathbf{\beta} - i$$

As with the binary outcome model,  $y_{ij}^*$  is unobserved and thus can be thought of as the underlying tendency of observed trust and  $e_{ij}$  follows as the normal distribution with zero mean and variance 1.

$$y_{ij} = if \quad y_{ij}^* \le \mu$$

$$y_{ij} = if \quad \mu_{\perp} < v_{ij}^* \le \mu_{\perp}$$

$$\vdots$$

$$y_{ij} = if \quad \mu_{\perp} < v_{ij}^*$$

where  $y_{ij}$  is observed in J= number of observed categories, and the  $\mu$ s are unknown threshold parameters separating the adjacent categories to be estimated with  $\beta$ s.

$$\frac{p_{ij} = P(y_{ij} = 1) = P(y_{ij}^* \le \mu_1) = P(e_{ij} \le \mu_1 = \frac{1}{ij} \beta}{p_{ij} = P(y_{ij} = 1) = P(\mu_1 < y_{ij}^* \le \mu_2) = P(\mu_2 < y_{ij}^* \le \mu_3) = P(\mu_1 < y_{ij}^* \beta < y_{ij} \le \mu_3 < y_{ij} \beta}$$

$$\vdots$$

$$\frac{p_{ij} = P(y_{ij} = 1) = P(\mu_1 < y_{ij}^*) = P(\mu_1 = x_{ij} \beta < y_{ij})}{p_{ij} = P(\mu_1 = x_{ij} \beta < y_{ij})}$$

If we assume the normal distribution for the Cumulative distribution function  $\Phi$   $_{\it i}$  $\beta$  - then

$$p_{ij} = P(y_{ij} = 1) = \int_{-\infty}^{\mu_1 - x_i \beta} \phi(u) du$$

And a similar manner the probabilities can be expressed. The likelihoodfunction for which can be expressed as

$$\ln[L(\boldsymbol{\beta} \ \mathbf{y})] = \sum_{i=1}^{\infty} \ln p_{ij}$$

The maximum likelihood estimates of parameters can be obtained by maximizing the likelihood using an iterative procedure.

### **Marginal Effects**

It is important here to determine the marginal effect of change in a regressor on the conditional probability that y = i. In the probit model the change in the

† th regressor, assumed to be continuous, is

$$\frac{\partial}{\partial j} \Pr[y_i = i | \mathbf{x}_{ij}] = \phi' \mu_{j-} - \mathbf{x}_{ij} \beta - \beta' \mu_{j$$

The marginal effects can be positive or negative because of the term in the brace and  $\beta$  value.

#### **Endogeneity and Interaction Effects**

We tested some of the variables probable endogeneity with trust. These variables were age, hours and service years. The test indicated endogeneity to trust, so we used instruments for these three variables in the models we estimated. The results obtained using observed and instrumented variables for these three effects did not change much. We concluded that the endogeneity did not matter since we had sufficiently large observations in our models and report only the model results with observed variables.

In order to conduct an endogeneity test, we transformed the categorical age variable into a continuous one. This was achieved by assuming that distribution into separate ages in each age cohort was proportional. Individuals were distributed from a certain age cohort into separate ages by drawing a random number with equal probabilities for particular ages in the age cohort.

To study the differences between direct and indirect effects, we looked at interaction effects for some variables. These were interactions of service and hours; service and age; hours and ages; and consultation and establishment size. The results had little import for the conclusions drawn from direct estimates and we do not therefore report interaction effect estimates here.

### Results

Exposure

The idea that employee trust in management deteriorates with greater temporal workplace exposure is supported by the results for length of service in Model 1. Compared to the reference group of 2-5 years' service, trust was lower among employees with 5-10 years and for those with 10 or more years service; and it was higher among those with less than 1 year or 1 to less than 2 years service. Indeed, trust relative to the reference group was highest among the group with less than 1 year's service and fell consistently to its lowest point amongst those with 10 or more years service. This relationship persists and is consistently significant for Model 2, which adds control variables for ownership, industry and workplace characteristics. It persists and is consistently significant in Model 3, which controls for a selection of individual employee and job characteristics; and it is still to be found in Model 4, which seeks to control for the effects of a number of management practices.

The same association is not found between hours of work and trust as it is for years of service. In Model 1 all the results are significant and they suggest a reversed J shaped association. But by the time we reach model 4 the only significant association to survive is the positive one for those working the lowest number of weekly hours (in other words those who are conventionally regarded in the UK as in part-time employment). In this respect, therefore, as with length of service, trust in management appears to be a function of limited exposure.

[REGRESSION MODELS HERE]

### The Impact of controls

Ownership, Industry and Workplace Characteristics

Considered across the full range of models, it can be seen that there is no significant relation between whether the workplace is privately owned and trust and that the only industrial sectors for which significant workplace level associations are found in all three models are for public administration (negative) and education (positive). Robust positive associations for trust are found for cases where the largest occupation group consists of professional workers. Robust negative associations are found in larger workplaces; where there are more male employees and where unions are recognised. Age of establishment has recently attracted some interest in the UK because it has been found to be associated with trade union presence, whereas age of employee has not (Machin, 2000) but we can find no significant relation between age of establishment and trust.

Individual Employee and Job Characteristics.

Of the employee characteristics that are introduced as controls in Model 3, it is particularly important to see that there is no robust pattern of significant associations between trust in managers and employee age. Also, whilst the results for those aged 65 or over are potentially interesting they represent less than 1 per cent of the total cases. We draw the conclusion that our results for length of service are not therefore confounded by age differences.

Taking all our indicators of gender suggests a far from simple picture. We have already seen that a higher percentage of males in a workplace is associated with lower trust. Models 3 and 4 suggest that trust is not associated with an individual's gender, but that it is lower if the particular job performed by an individual employee is only or mainly performed by either men or women.

With respect to academic qualification, the news for management would seem to be no better than it is for length of service (or indeed age, for there is no indication of a more trusting younger generation in the making). It would seem that the longer the time spent in a workplace, the lower the trust; and the better the academic qualifications of the employee, the lower the trust too.

Amongst the different occupational groups, low trust is a characteristic of those in skilled work. Managers, professionals and those who perform administrative and clerical work (and those on higher pay) are significantly more likely to have high trust. Blunsdon and Reed, who also found trust to be positive and significant for managers, suggested that this result was perhaps 'trivial' since it implied 'the higher the proportion of managers, the higher overall trust in managers' (2003, p.20). In fact, though, managers will often themselves be managed by higher level managers. As Bryson has argued they are therefore worth including in the analysis (2001, p.92). As noted earlier, we had also thought it prudent to include a variable for the performance of supervisory work but although this is significant and positive in Model 3 it lacks significance in Model 4.

Model 3 shows that compared to employees who are not members of a trade union, those in membership are less likely to trust management and this finding persists despite the addition of further variables in model 4 (some of which reflect best practice HRM). This finding about union members is consistent with the work of Bryson (2001, p.98, 102). So is the significant negative relation between trust and employees believing that management is anti-union, which also survives into Model 4. Bryson's analysis of British Social Attitudes Survey data found that whilst trust could be higher in certain contexts, for instance where unions are seen to represent employees more effectively (which we are unable to test), or where they are thought to be supported by management, a general association between union membership and low trust obtained. Possible contributory factors to this association put forward by Bryson included the work values of union members who may tend to be more critical of management per se and the politicisation of unionised workers resulting in their becoming more conscious of managerial shortcomings (2001, p.98; see also Bryson, 2004). As seen already, we also found robust association between unions being recognized in workplaces and low trust.

A final job characteristic introduced in Model 3 concerned the discretion that employees felt that they had in their job. It can be seen that there was a robust and positive relationship between this and trust.

Management Practices.

Model 4 introduces various indicators of management practice. For the 'soft' HRM practices a mixed picture results. There are no significant results for

director meetings (c.f. the view that 'when employees experience involvement through direct contact with senior management, they are more likely to develop trust' (Morgan and Zeffane, 2003, p.71)). The same is true for team briefing and quality circles. There are positive associations with trust for team job rotation and joint team decision making. There is also a positive association between trust and flexibility, this particular form of flexibility referring not to the sort imposed on employees by the employer but to the extent to which employers permit employees to control their time at work (by opting for flexi-time, job sharing, changing the number of hours worked and so on). However, like Guest et al (2008: 145 Table 6) we find the relation between joint consultation and trust is negative. Blunsdon and Reed also found this and commented that the result was 'counter to both theory and commonsense' (2003, p.22-3). They speculated that perhaps it was recognition of low trust levels that led management to introduce mechanisms for consultation. There are a number of alternative possibilities. Joint consultation has historically been viewed as a weaker form of collective interaction compared to collective bargaining (Terry, 2003) and a means by which employers can undermine independent trade union activity (Kelly, 1996). From this union substitution perspective, low trust may well be a function of joint consultation rather than a cause. On the other hand, recent research suggests that joint consultation can be associated with higher union penetration at the workplace. This was the finding of Brewster et al.'s (2007) international survey of private and public sector establishments of size greater than 200 employees. If this is the case, the negative association between joint

consultation and trust may be partly a function of the negative association between union membership and trust.

Of the indicators of a harder form of management included in Model 4, there is no relation between individual payment systems and trust but, as might be expected, there was a negative association between redundancies having taken place in the workplace over the previous 12 months.

The main point that concerns us here, however, is that significant coefficients persist for the form of employer exposure represented by length of service despite the inclusion of around 80 control variables and the size of these coefficients is only marginally affected by the extra variables despite the fact that some of these are themselves significant.

#### **DISCUSSION**

If those with longer periods of service are less likely to trust managers, do they stay in the same workplace? One possibility is that they see no reason to place any more trust in managers at other workplaces. But this sort of reasoning implies that trust is at the centre of decisions made to stay or leave. In reality there are many other reasons for staying at a particular place of work – convenience in terms of travel to and from work, knowing the job, working conditions, availability of other work, relations with fellow workers, local living costs, children's education and so on. Edwards and Whitston, who enquired systematically into reasons workers gave for staying with an employer, found that 'good management' was hardly cited at all(1993: 249, Table 8.12).

Another possibility concerns differences in the propensity of individuals to trust others. Although we have used controls for age, sex and ethnicity, we have no information that would allow us to take direct account of the trustfulness of individuals. We cannot therefore definitely rule out that differences in the non-work based propensity of individuals to trust have contributed to our results. However, the idea would have a good deal more to recommend it if we had found that length of service was positively associated with trust. In that case, it would deserve consideration whether a 'trusting worker effect' operated (analogous to the 'healthy worker effect' in the sociology of health and epidemiology). It is difficult to make a plausible case the other way round – that trustful individuals are more likely to quit and that this explains the negative association we have found with length of service and trust.

Another possibility – that people may become progressively less trusting (about everything) as they age, so that trust in management is a function of this larger effect – runs into the difficulty that the relation between age and trust in management takes the form of a U curve; and that, in any case, our regressions control for age.

More promising is the idea (adapted here from Bryson, 2001, p.94 following Freeman and Medoff, 1984, p.141) that union members are less trusting of management, but less likely to quit unionised workplaces, thus adding to the stock of dissatisfied employees amongst those with longer periods of service.

There is some evidence that points in this direction. Amongst employees with less than one year's service 19.2 per cent (16.7 per cent weighted) are trade union members and the proportion rises to 56.4 per cent (weighted 50 per cent) of those with ten years or more service. However, our regression models included several variables to assess the effects of trade unionism and the negative association between length of service and trust survived these. It also survived the introduction of variables to check for the effects of age and much else besides. Moreover, our results for the negative association between length of service and trust persist when we split the sample into workplaces which do and do not recognise trade unions.

Some other attempts to invoke compositional effects to help explain the results are still less convincing. For example, the idea that since employees with longer service have had more chance to move into supervisory jobs, with greater closeness to management, this will contribute to an association between length of service and trust. This might explain a case in which length of service was positively associated with trust – but not, as in our case, a negative association.

As noted earlier, the cross-sectional nature of this investigation does not permit conclusions to be drawn about generational differences. Although, therefore, the negative association we have found between length of service and trust might be thought compatible with evidence that task discretion fell between 1992 and 2001 (Green, 2006) so that employees with longer service might have experienced a decline in discretion, this would not explain why

trust should be higher for those with less than one year's service. It also confronts the difficulty that the negative association between length of service and trust holds after job discretion has been controlled for.

How then does this negative association between length of service and trust come about? Until a better explanation is forthcoming we suggest that these results may simply be a reminder that the interests of managers and employees are not necessarily the same; and that whereas managers may well want employees to trust them in order to optimise their effort, managers also relate to their employees' labour power as a commodity. In such circumstances, whereas those new to the job (and seemingly those working very few hours) may lack information to reach a grounded judgement, greater exposure to managers in the same workplace may weaken the sort of beliefs under investigation here - that managers in that workplace can be relied upon to keep their promises; that they are sincere in attempting to understand employees' views; and that they deal with employees honestly.

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## **TABLES**

Table 1. Very High Trust, by Service

	Very High Trust		
	(n)	(%)	
Service: < 1 yr	661	20.9	
Service: 1 to < 2 yrs	460	17.1	
Service 2 to < 5 yrs	807	14.1	
Service: 5 to < 10	485	12.2	
yrs			
Service: 10 + yrs	611	11.0	
All	3024	14.3	

Table 2. Very High Trust, by Age

	Very High Trust		
	(n)	(%)	
Age: 16-17 yrs	54	24.4	
Age: 18-19 yrs	102	22.3	
Age: 20-21 yrs	106	18.9	
Age: 22-29 yrs	490	15.0	
Age: 30-39 yrs	692	12.9	
Age 40-49 yrs	760	13.4	
Age: 50-59 yrs	650	14.0	
Age: 60-64 yrs	120	15.3	
Age: 65 + yrs	53	32.3	
All	3027	14.3	

# Regression Models

	Model 1	Model 2	Model 3	Model 4
Exposure	inodor i	IIIOGOI 2	model 6	MOUGH 4
Service: < 1 yr (ref. 2 to < 5 yrs)	0.318 (11.28)***	0.271 (8.87)***	0.328 (9.52)***	0.335 (9.02)***
Service: 1 to < 2 yrs	0.126 (4.11)***	0.111 (3.36)***	0.159 (4.49)***	0.148 (3.90)***
Service: 5 to < 10 yrs	-0.118 (-4.42)***	-0.074 (-2.62)***	-0.080 (-2.60)***	-0.082 (-2.50)**
Service: 10 + yrs	-0.192 (-7.61)***	-0.075 (-2.76)***	-0.111 (-3.50)***	-0.137 (-4.07)***
Hours: 1-17 (ref. 35-39)	0.371 (11.22)***	0.203 (5.54)***	0.267 (6.43)***	0.188 (4.22)***
Hours: 18-34	0.205 (7.61)***	0.059 (1.97)**	0.120 (3.60)***	0.047 (1.31)
Hours: 40-45	0.058 (2.47)**	0.024 (0.94)	-0.028 (-0.98)	-0.003 (-0.10)
Hours: 46 +	0.058 (2.00) **	0.018 (0.54)	-0.078 (-2.14)**	-0.058 (-1.47)
Ownership, Industry and Workpla		0.010 (0.01)	0.070 ( 2.11)	0.000 ( 1.11)
Private Sector (ref. Public Sect)		0.037 (1.18)	0.005 (0.15)	0.003 (0.10)
Manufacturing (ref. Health)		-0.281 (-5.31)***	-0.271 (-4.57)***	-0.049 (-0.77)
Utilities		-0.238 (-2.79)***	-0.211 (-2.28)**	-0.077 (-0.76)
Construction		0.027 (0.41)	-0.038 (-0.51)	0.148 (1.84)*
Wholesale/Retail		-0.106 (-1.96)**	-0.137 (-2.19)**	-0.083 (-1.21)
Hotels		-0.065 (-0.85)	-0.169 (-2.00)**	-0.059 (-0.68)
Transport & Communications		-0.164 (-2.79)***	-0.044 (-0.68)	0.018 (0.27)
Finance		-0.109 (-2.00)**	-0.107 (-1.72)*	-0.014 (-0.21)
Business Services		-0.085 (-1.83)*	-0.089 (-1.72)*	0.030 (0.53)
Public Administration		-0.155 (-3.05)***	-0.160 (-2.85)***	-0.113 (-1.84)*
Education		0.073 (1.81)*	0.112 (2.44)**	0.307 (5.97)***
Community Services		-0.023 (-0.44)	-0.042 (-0.73)	0.048 (0.78)
Professional (ref Assoc Prof)		0.086 (2.51)**	0.108 (2.79)***	0.083 (1.98)**
Admin & Sec		-0.071 (-2.07)**	-0.052 (-1.38)	-0.032 (-0.80)
Skilled Trades		-0.055 (-1.11)	0.096 (1.72)*	0.063 (1.04)
Sales & Service		0.061 (1.44)	0.070 (1.45)	0.084 (1.62)
Process Operators		0.036 (0.81)	0.160 (3.05)***	0.043 (0.76)
Elementary		-0.025 (-0.58)	0.048 (0.94)	0.047 (0.86)
% Male Workers		-0.001 (-2.65)***	-0.002 (-2.97)***	-0.001 (-2.67)***
% Ethnic Minority Workers		0.002 (1.97)**	0.001 (1.19)	0.001 (0.82)
% Aged > 50		-0.001 (-1.00)	-0.001 (-1.49)	-0.001 (-0.65)
Union Recog. (ref. No Recog)		-0.172 (-6.83)***	-0.083 (-2.62)***	-0.066 (-1.94)*
Size of establishment (Zallog)		-0.255 (-15.96)***	-0.245 (-14.05)**	-0.156 (-6.73)***
Age of establishment (Vintlog)		-0.004 (-0.19)	0.016 (0.71)	0.038 (1.61)
Individual Employee and Job Cha	racteristics			,
Age: 16-17 yrs (ref. 40-49 yrs)			0.088 (0.88)	0.166 (1.47)
Age: 18-19 yrs			0.140 (1.76)*	0.145 (1.65)*
Age: 20-21 yrs			0.140 (2.03)**	0.072 (0.95)
Age: 22-29 yrs			0.046 (1.28)	0.043 (1.12)
Age: 30-39 yrs			-0.036 (-1.22)	-0.034 (-1.13)
Age: 50-59 yrs			-0.001 (-0.03)	0.036 (1.09)
Age: 60-64 yrs			0.001 (0.00)	0.028 (0.43)
Age: 65 + yrs			0.459 (4.19)***	0.253 (2.15)**
Male (ref. Female)			0.038 (1.30)	0.043 (1.40)
Male Segment (ref. Neither)			-0.140 (-4.29)***	-0.127 (-3.59)***
Female Segment (ref. Neither)			-0.107 (-3.69)***	-0.089 (-2.92)***
GCSE (low) (ref.1 'A' Level)			-0.004 (-0.14)	0.006 (0.23)
GCSE (high)			-0.029 (-1.15)	-0.020 (-0.77)
2 + 'A' Levels			-0.009 (-0.31)	0.007 (0.25)
1 <sup>st</sup> Degree			-0.076 (-2.60)***	-0.086 (-2.76)***
PG Degree			-0.088 (-2.01)**	-0.110 (-2.30)**
Other qualification			-0.076 (-3.18)***	-0.044 (-1.76)*
No qualifications			0.047 (1.19)	0.092 (2.21)**
Other white (ref. British white)			-0.031 (-0.28)	-0.069 (-0.63)
Mixed race			-0.308 (-2.55)**	-0.224 (-1.68)*
Asian/Asian British			0.117 (1.62)	0.089 (1.18)
Black/Black British			0.042 (0.50)	0.016 (0.17)
Chinese/Other			0.208 (1.39)	0.236 (1.55)
Supervise others (ref. does not)			0.052 (2.03)**	0.040 (1.50)
Managers (ref. Assoc. prof.)			0.249 (5.77)***	0.198 (4.34)***

Trust, Employer Exposure and the Employment Relation

Professional occupations			0.097 (2.29)**	0.091 (2.05)**
Admin & secretarial			0.091 (2.56)***	0.079 (2.05)**
Skilled trades			-0.097 (-1.82)*	-0.161 (-2.88)***
Personal service			0.011 (0.23)	0.011 (0.21)
Sales & customer service			0.031 (0.57)	0.002 (0.04)
Process, plant, machine ops.			-0.028 (-0.53)	-0.088 (-1.50)
Elementary occupations			-0.036 (-0.76)	-0.029 (-0.58)
£4.50/hr (ref. £5.01-£14.99)			0.098 (1.61)*	0.06 (0.91)
£4.51-£5.00/hr			0.005 (0.12)	-0.012 (-0.27)
£15 + /hr			0.158 (4.44)***	0.128 (3.43)***
Permanent contract (ref. temp)			0.007 (0.17)	0.015 (0.36)
TU member (ref. non-member)			-0.142 (-5.40)***	-0.175 (-6.28)***
Mgmt pro-TU (ref. neutral)			-0.000 (-0.01)	-0.024 (-0.85)
Mgmt anti-TU (ref. Neutral)			-0.072 (-1.97)**	-0.090 (-2.30)**
Task Discretion			0.085 (21.91)***	0.081 (19.78)***
Management Practices				
Director meetings (ref. none)				-0.034 (-1.18)
Team briefings (ref. none)				-0.005 (-0.12)
Joint consultation (ref. none)				-0.071 (-2.65)***
Team job rotation (ref. none)				0.069 (2.92)***
Team joint decide (ref. none)				0.053 (2.24)**
Quality circles (ref. none)				0.032 (1.32)
Redundancies (ref. none)				-0.120 (-4.67)***
No flex. working pract. (ref. 1 or 2)				-0.152 (-5.59)***
3 + flex. working pract. (ref. 1 or 2)				0.276 (10.05)***
Merit pay (ref. none)				0.010 (0.31)
Pay by results (ref. none)				-0.020 (-0.74)
cut1:Constant	-0.787 (-34.07)***	-1.606 (-27.60)***	-0.567 (-5.52)***	-0.284 (-2.38)**
cut2:Constant	-0.206 (-9.16)***	-1.006 (-17.51)***	0.067 (0.65)	0.365 (3.07)***
cut3:Constant	0.329 (14.56)***	-0.447 (-7.81)***	0.659 (6.38)***	0.970 (8.11)***
cut4:Constant	1.099 (45.34)***	0.356 (6.19)***	1.510 (14.54)***	1.83 (15.24)***
F-statistic	(8,21010) =	(32,18447) =	(72,15439) =	(83,13085) =
	68.04	42.98	28.65	24.63
Observations	21,106	18,567	15,599	13,256

Notes: T-statistics are in parentheses. \* = significant at 90 per cent level. \*\* = significant at 95 per cent confidence level. \*\*\* = significant at 99 per cent confidence level or above.

#### **NOTES**

<sup>2</sup> Cronbach alpha = 0.917 unweighted. We have reversed the coding used in WERS so that strongly agree to strongly disagree now runs from high to low (not 1 to 5 as in the original). In the scaled back combined variable, very low trust accounts for 20.3 percent of cases, low trust for 19.7, intermediate 21.0, high 24.6 and very high trust 14.3.

<sup>&</sup>lt;sup>1</sup> The WERS surveys also contain a panel element. Ideally, this would provide a better base for considering changes in trust over time. However, the items on trust were not included in previous editions of these surveys.

NOTES

<sup>3</sup> Hours usually worked included overtime or extra hours and excluded meal breaks and time taken to travel to work.

- <sup>4</sup> There are several possible measures of union recognition. We have used XRECOG3 which relates to whether there are any trade unions recognised at a workplace whether or not there are any members present.
- <sup>5</sup> These last three measures are less well specified than we would want because the redundancy data do not refer to redundancy in the individuals own grade or even in the same part of the workplace (so that in a larger workplace there might be ignorance of it) and the latter two items cannot be taken to imply that the individual respondent is subject to such a pay scheme.
- <sup>6</sup> SAS was used for the ordered probit models with the WERS complex sample weights seqwtnr and wpstr.