1. Introduction

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It has been claimed that trust has a number of significant benefits for organizations and their employees. Studies indicate both direct and indirect benefits, such as improved performance, enhanced pro-social behaviours, reduced costs (see Searle et al., 2011a for review). A direct relationship has been identified between trust and organizational effectiveness, efficiency and performance (Whitney, 1994; Kramer and Tyler, 1996; Davis and Landa, 1999; Mayer and Davis, 1999; Dirks and Ferrin, 2002). Trust has been found to improve organizational performance indirectly by fostering desirable work-related behaviours and creating a more conducive climate for cooperative organizational performance (Zand, 1972; Konovsky and Pugh, 1994; Kramer, 1999). In addition, trust has been linked to enhanced knowledge sharing and innovation, discretionary behaviours, higher motivation and positive attitudes (Searle et al., 2011a). Studies demonstrate that employees with high trust in their organizations put greater effort into their roles and work more cooperatively with others (Podsakoff et al., 1990; Konovsky and Pugh, 1994; Pillai et al., 1999). In contrast, those who do not trust their organizations work less effectively (Dirks and Ferrin, 2001), engage in counterproductive behaviours (Bies and Tripp, 1996), or leave (Robinson, 1996). Thus trust has been connected to positive human behaviours in the workplace that support the achievement of the organization’s goals. This clearly resonates with the central premise of human resource management (HRM), with its emphasis on the facilitation of behaviours which, from the organization’s perspective, are positive and desirable and that result in levels of employee commitment and performance that support the achievement of the corporate objectives. Torrington et al. (2005: 14) explicitly make this link when they observe that employees who do not trust their employer are instrumental in their orientation and ‘will make inefficient the work of any HRM function’. Discussions of ‘high performance’ HRM implicitly and explicitly include trust as a factor, and Blunsdon and Reed (2003) demonstrated that trust levels are determined not only by individuals’ experiences and dispositions but also by features of the workplace itself and that interventions by management make a difference.
Unsurprisingly then, trust is a topic that has long been of interest to scholars in organizational behaviour and HRM. However, while there is a significant volume of work that explores trust in organizational settings, there has been limited detailed examination of the relationship between trust and the elements of HRM and its importance; how trust affects and is affected by HRM strategies and processes (for example, Mayer and Davis, 1999) and the resultant impact in organizations.

In this book we have drawn together chapters which we believe contribute to our understanding of this relationship. We have invited a variety of scholars to reflect on the relationship between trust and HRM as they have explored it in the context of their research. Within the chapters the relationship is considered from two distinct perspectives: the way in which a particular aspect of HRM practice does, or might, influence trust in the organization, and alternatively how trust might influence the choices and the effectiveness of HRM practices. (The nature of these relationships is summarized later in this chapter, and of course elaborated in further detail in the subsequent chapters.)

Our starting point here is to indicate the importance of HRM as a context for studying trust in organizations. We begin by introducing what we conceptualize as a cycle of HRM. This provides the organizational structure for the book. We then raise a number of what we feel are important issues for readers to consider. We highlight the importance not just of policy area choice and its precise content, but also how the ways in which such policies are enacted can promote or reduce levels of trust within the employing organization. We then discuss how the HRM function itself may influence organizational trust, before considering factors in the external context which may also have an effect including: globalization and the resultant constraint of choice, the wider media coverage of trust and previous experiences which may sensitize the employee to the salience of trust within an employment context. Finally, we provide a brief overview of each of the chapters identifying the main themes, but also reflecting the way that they approach the relationship between trust and HRM.

THE IMPORTANCE OF THE HRM CONTEXT

Extant research and theory demonstrates how trust can facilitate effective and efficient outcomes across a range of individual, group and organizational metrics. HRM is about structuring the interaction of human beings within an organizational context in order to maximize performance. It is unsurprising then that HRM policies and practices are claimed to be among the most influential areas for trust development (Robinson and
Rousseau, 1994) and the perceived fairness with which these policies are enacted is central to employees’ perceptions of organizational trustworthiness (for example, Mayer and Davis, 1999; Searle et al., 2011b).

HRM has been cited as a key agent in building and maintaining trust (Whitener, 2001). It permeates an organization and shapes employment relationships, yet it has been underutilized as a medium for the exploration and examination of trust within those organizations. It offers a unique perspective from which to examine and identify significant interactions between the organization’s process systems and what Blunsdon and Reed (2003) refer to as the ‘social system of work’; the more relational aspects in which the expectations and vulnerabilities of employees, line managers, trade unions and HRM professionals become salient, exposing their interdependencies, vulnerabilities and the inherent risks in these relationships. All of these combine to position trust as an underlying concern. It is our belief that these settings offer an important crucible in which the issue of trust can become germane and crystallized.

Within each organization the choices of strategies and policies offer statements of intent, and the nature of their implementation and delivery provides tangible evidence of the extent to which managements’ intentions are genuine and can be trusted (Skinner et al., 2004). Similarly Whitener (2001: 530) argued: ‘employees interpret human resource practices and the trustworthiness of management as indicative of the personified organization’s commitment to them’. Perceptions of an organization’s fairness and trustworthiness held not only by current employees, but also by those outside the firm such as potential new recruits, can therefore be shaped by and through HRM policies and their impact on the individuals involved.

While the policies and practices of HRM do vary across different organizations, those areas which are grouped under the banner of HRM are common to most people’s experience of employment, even if sometimes it is as a consequence of their omission. For the organization, what we have termed ‘the HRM cycle’ (see Figure 1.1) reflects the key areas of ongoing activity through which it seeks to maintain an efficient and effective workforce; recruitment and selection (generally refers to recruitment into the organization but it can also be selection of existing staff into a new role within the same organization), training and development, performance appraisal and reward. Periodically, other aspects commonly grouped under HRM will also be relevant and will affect part or all of the workforce; activities such as induction, employee relations, change management, and ultimately processes connected with leaving the organization. All of these activities will directly affect certain individuals within the organization but will also have consequences for the collective which is the organization.
Individually and collectively the enactment of HRM policies can affect employees’ perceptions of their individual fit within the organization and the extent to which they believe that their explicit and implicit contract with the organization is being adhered to. The combination of policies together with the design and content of each separate practice provide insights into the central facets of the trustworthiness, predictability, competence, benevolence and integrity of the organization (Mayer et al., 1995; Ross and LaCroix, 1996; Dietz and Den Hartog, 2006). ‘Predictability’ enhances trustworthiness by reducing uncertainty (Lewis and Weigert, 1985); ‘competence’ focuses on the abilities and characteristics that enable an individual or an organization to function effectively in order to achieve goals and meet responsibilities. In contrast, ‘benevolence’ involves a genuine care and concern for the well-being of others, while ‘integrity’ revolves around the consistent adherence to a set of commonly shared and accepted moral principles and codes of conduct. For example, an organization’s offer of flexible working practices, such as family-friendly working or carers’ leave, might be interpreted as demonstrating benevolence through the respect being shown for the employee as a holistic person, who has roles and responsibilities that extend beyond the workplace.

It is not only the content of the policies that is important but also the extent to which they are consistently and effectively implemented. This provides employees with tangible evidence of the competence and fairness of the organization (Searle et al., 2011b) and the level of respect afforded
to individuals by the organization (Six et al., 2010). The way in which the organization adheres to its own policies and deals with those who deviate from the required behavioural norms and standards also provides important signals (Weibel et al., 2009). Taken together the HRM policies and their enactment express the organization’s competence, integrity, concern, care and respect for their employees and their interests; consequently we would expect them to impact significantly on the development and maintenance of organizational trust.

Trust within an organizational context can also be affected both directly and indirectly by the HRM function itself. In larger organizations the development and management of HRM policies and processes typically resides with the HRM department. This function is tasked with maximizing the performance of human capital within an organization, which is achieved through the design of policies and practices to foster desirable work-related attitudes and behaviours, such as open information sharing, mutual influence and acceptance, problem solving, commitment and job satisfaction. The design of these policies and practices is intended to enhance and enable cooperation among a range of distinct parties in pursuit of mutual gain. As a professional group within an organization, the HRM function is often tasked with finding satisfactory solutions to meet the demands and needs of both the organizations and their employees. However, as a result of these delicate balances of interests the HRM function can sit uneasily between managers and employees (Caldwell, 2003; Thompson, 2003). They are frequently the main liaison between the organization’s management and the employees’ representatives, such as trade unions. As a result, though normatively committed to trust-building models of employment relations, HRM professionals may often find themselves tasked with the design and implementation of trust-reducing practices. For example, the growing emphasis on shareholder value metrics, perpetual restructuring, downsizing, externalization of labour and the growth of outsourcing (Thompson, 2003). As a result, the burden of risk is increasingly being transferred to employees, who are exhorted to take over responsibility for skill and career development, work harder and invest more of themselves in the company while losing the provision of stable, long-term employment and adequate pension provision. Managing these risks and the maintenance of positive relations are contemporary organizational imperatives in which trust, which has been defined as ‘confidence in the face of risk’ (Lewis and Weigert, 1985; Lewicki and Bunker, 1996), emerges as a particularly relevant issue. Many of the chapters in this book highlight this tension and illustrate how the impact of the HRM function may have a far-reaching effect across a broad range of distinct stakeholders in relation to the creation and development of trust.
EXTERNAL CONTEXTS

The globalization of wider organizational strategies can act to reduce the flexibility of those within the HRM function to develop bespoke policy and practice that mesh to meet the needs of their local context. Within many multinational contexts standardized policies, often US dominated, are devised and required to be applied on a global basis. This occurs often without insight or consideration for the relevance and suitability of such policies for particular contexts. Concurrent with these requirements, and particularly in this era of austerity, HRM functions have been tasked with reducing their own costs, which has resulted in the outsourcing of many previously central HRM tasks, such as payroll functions. Developments such as these provide an additional impetus to explore the impact of factors relating to the design and delivery of outsourced practices for employees’ trust. In addition, the limited research that exists has tended to implicitly focus on a Western view of trust, with a dearth of alternatives which examine how trust perceptions might transfer to or differ in other cultural contexts (see, for exceptions, Ferrin and Gillespie, 2009). In such contexts might breaches and violations of trust be almost inevitable? In this book we begin to look at this question.

In addition to the employing organization, the external context can also influence whether employees are sensitized to concerns about trust. These emerge from two distinct domains. First, within the broader context, trust has become a topic which is often referred to within the media. For example, research suggests that trust in organizations and governments has been declining for a number of years (Bruhn, 2002; Edelman, 2009) and the recent MP expenses scandal and coverage of executive bonuses in the UK have heightened sensitivity to its violation. Stories of trust violations can have a bearing on employees’ perceptions of their own, more local, context, making them consider how their organization fares in relative terms. Second, there is the role of previous experience and exposure. Many modern experiences of work are shaped by a sequence of jobs, in which the employee may, either through his/her own volition or forced redundancy, have a series of different employers. Research has identified how adverse experiences, such as downsizing, can reduce trust not only for those who leave but also among those retained within the organization (Brockner et al., 1987; Brockner, 1988; Brockner et al., 1990; Mishra and Spreitzer, 1998; Spreitzer and Mishra, 2002). In relation to organizational trust, few have considered the impact on trust of repeated redundancies for the employee or those close to them. Limited consideration has been given to the potential for ‘spillover’ from different employment contexts in which trust in the new employing organization may be adversely affected.
by earlier and/or multiple redundancies. Evidence indicates that there is a carryover effect which has an impact on trust (Pugh et al., 2003) where previous exposure to HRM practices has had an adverse influence on employees’ expectations of their current employer. More attention needs to be paid by researchers and practitioners to this carryover effect.

SUMMARY OF THE BOOK’S CHAPTERS

This book gathers together conceptual and empirical studies which focus on trust and HRM within an organizational context. The book is divided into seven parts. Each chapter offers future research agendas to develop core ideas, but also highlights pertinent issues for practitioners to consider. Following this introductory chapter, we begin with two scene-setting chapters. In Chapter 2, Les Worrall, Cary Cooper and Margaret Lindorff examine employees’ perceptions of trust in different levels of management through a recent quality of working life survey conducted among employees in both the UK and Australia. They outline the markedly lower levels of managerial trust within a UK context and identify the prevalence of different facets of leadership in the UK context compared to those found in Australia. They suggest an important role for organizational climate and management in the formation and development of employees’ trust and distrust perceptions. They also highlight how HRM impacts on trust, particularly emphasizing the role of justice perceptions. The challenge for the UK context is how to build trust through HRM. In addition, this chapter implicitly suggests that trust might influence HRM, and raises interesting research questions about the effect of trust on HRM policies and processes.

In Chapter 3, Karen Mishra, Gavin Schwarz and Aneil Mishra consider the relationship between trust and control, highlighting the evolution of trust and control within a fast-growing organization’s HRM practices. Here we see more clearly the relationship between HRM policies and trust but also how trust levels influence the emphasis on HRM policy within an organization. They offer a review of extant literatures on the, at times, controversial relationship between trust and control. Through their longitudinal content analysis of the organization’s newsletters, they reveal how formal and informal control evolves. Linking to the preceding chapter they emphasize the impact of leadership succession and show how the distinct behaviour of each leader affected organizational practices. They show the evolution of trust into control, and both how trust was affected by HRM and how HRM was influenced by changing trust perceptions.
Part II, ‘Early entry’, begins our more specific focus on components of the HRM cycle, beginning with those found in the initial stages of the employee experience within the organization. In Chapter 4, Rosalind Searle and Jon Billsberry consider trust in the context of the recruitment and selection process. They identify the underdevelopment of a trust perspective within applicant attraction research and outline how risk and vulnerability position trust as a very salient concern for applicants. Their chapter identifies four key antecedents of trust in this context and suggests how trust might alter the way in which HRM practices are viewed. They also argue for a clear relationship between these early-stage HRM processes and the trust perceptions of both current, and future, employees. They develop this further by looking at distinct types of trust breaches to reveal significant differences between applicants and current employees. The notion of the psychological contract is important in both the trust and HRM literature, and in Chapter 5 David Guest and Michael Clinton outline the key role of the psychological contract in the relationship between trust and HRM. They review pertinent earlier literature on the psychological contract and present findings from a large-scale study that identified strong associations among HRM practices, psychological contracts and trust. As Searle and Billsberry do in Chapter 4, here Guest and Clinton identify the importance of both fairness and trust within psychological contracts. They extend the emphasis of the deleterious impact on trust of breaches in the psychological contract. Their main focus is on how HRM practices influence trust perceptions, which extend beyond this initial stage to the entire employment relationship. In Chapter 6, Corine Boon and Deanne Den Hartog consider the building and development of person–environment (PE) fit in organizations. They present a review of the limited research that has occurred between PE fit and trust, and note the prominence of positive correlations between the two. Following their useful positioning of the fit literature, they explore the distinct ways in which HRM practices affect fit, and highlight how the more comprehensive suite of dimensions such as those found in high-performance HRM practices, the better the fit. They lament the dearth of studies that look at how and when HRM practices trigger issues of fit. In addressing this shortfall, they provide insights from a qualitative study to reveal how HRM practices affect distinct types of fit. As with Guest and Clinton in Chapter 5, they emphasize an active and ongoing management of organizational fit throughout the employment cycle, but especially in training and development initiatives, performance management and change policies. Through their study they focus on how HRM practices influence trust by identifying the impact of fit on trust, in particular the importance of value congruence in employees’ trust in organizations. This is a theme which re-emerges in subsequent chapters.
Part III follows on directly from this to look at trust within training and development. In Chapter 7, Mel Ashleigh and Jane Prichard review the literature concerning the relationship between team training and trust development. They identify the value of planned development in a progression of trust, particularly for culturally diverse teams and those operating in a virtual context. They reflect the parallel fragmentation found in the organizational trust research (see Searle et al., 2011b), with that pertaining to training. This chapter differentiates between team- and task-based skills development, but shows the spillover from generic team skills training, to provide insights into team members’ task competency. They emphasize the importance of psychological safety within training, which is a theme further developed in the next chapter. The emphasis here is largely on how HRM training and development influences trust. In Chapter 8, Anthea Wilson and Volker Patent consider a specific form of training environment and a particular perspective within that environment. Their focus is the training of nurses, but from the mentors’ perspective. They explain how trust underpins the entire nursing profession, and show it as a critical dimension underlying the quality of the mentor’s relationships not only with students, but with colleagues, training providers and patients. In their study they identify the role of enhanced risk and vulnerability for mentors, with trust for the mentor extended beyond their direct control to encompass their student’s actions, leading mentors to feel increased vulnerability. There are tensions for mentors between creating a friendship, which might enhance students’ self-disclosure, and their formal role in the assessment with the potential of failing the student’s placement activity. In this way they are highlighting both how HRM practices influence trust, and also how trust makes mentoring more effective.

In Part IV, we explore aspects of HRM related to reward and performance management. In Chapter 9, Jonathan Crawshaw considers trust in the context of employment relationships from the perspective of an organization’s career management processes. He examines a distinct group of employees, those orientated towards their own career, who demonstrate the antithesis of trust-promoting behaviours. This chapter reveals that where these individuals perceive that there are limited opportunities to develop their own career, they are increasingly likely to adopt careerist behaviours, such as taking the credit from others’ initiatives which reduce the overall climate of employer trust. Crawshaw picks up the theme of employer identification, mentioned earlier by Searle and Billsberry (Chapter 4) and adds commitment to the employer as a key factor in ameliorating careerist-orientated behaviours. He argues that organizations must have effective career management policies and practices and career development interventions if employers are to create and develop
their trust in the employment relationship. HRM policies can therefore significantly influence employee trust and thus implicitly their behaviour. In Chapter 10, Denise Skinner and Rosalind Searle consider trust within the context of performance appraisal and the dual effects of interpersonal trust (trust in the appraiser) and systems trust (trust in the policies and procedures). They review pertinent literatures to create a set of propositions about the dynamic influences of each on employee behaviour and illustrate these propositions through quotes from a recent qualitative study. This chapter emphasizes the dual influences of HRM practices on trust, but also suggests how trust might impact on the effectiveness of such practices.

Part V contains two chapters focusing on different aspects of employee relations. In Chapter 11, Kim Mather identifies distinct stakeholders specifically addressing the topic of employee relations. She highlights the complexities of trust within this domain and notes the importance of not assuming that trust exists in a context; instead, distrust may be a more frequent response to the unequal power position of managers and employees found in the context of employee relations. She discusses the dialectic nature of management actions and the collective and individual responses of workers. She also questions whether traditional forms of HRM practice and their delivery can actually promote trust in the employer, due to their failure to develop and build collaborative relationships based on employee participation. In this way she argues for the reconfiguration of HRM interventions in order to foster organizational trust, but notes how mutual distrust is the more common starting point for many organizations. Developing this theme of stakeholders, in Chapter 12, Susan Harrington and Charlotte Rayner incorporate a novel perspective on trust in their examination of bullying and harassment policies. They consider the complex role of HRM professionals in implementing such policies during which professionals’ loyalties and power within the organization can be both affected and significantly reduced. As in the preceding chapter, Harrington and Rayner highlight how trust is both an input to, and an output from, these processes. They chart the transition of the HRM function into an alignment with management, which presents real challenges for practitioners in dealing effectively with workplace bullying. By identifying the multiple stakeholders HRM practitioners have to deal with, they outline the implications for interpersonal and organizational trust and reveal how failure to deal effectively with bullying at work can threaten an organization’s ongoing viability and sustainability.

Part VI considers organizational development and change through two distinct routes. In Chapter 13, Susan Brodt and Angela Dionisi explore organizational trust in the context of internal promotions and outline a
new agenda for both researchers and practitioners. The chapter highlights the effect within organizations of the elevation and career development of a previous team member to the role of team leader; an impact that is all too often ignored. They argue that such transitions can frequently lead to counterproductive behaviours of peers and thus result in a decline in organizational effectiveness, rather than the intended outcome of at least maintaining levels of success. Through a review of the literature they reveal the psychological challenges produced by the transitions following promotion for new leaders: ‘promotion advantage’ and ‘promotion penalty’. They demonstrate that trust has a pivotal role in smoothing this critical transition, and that where trust exists internal promotions are more likely to be beneficial. Thus trust is not only impacted on by the internal promotion but is also a necessary precursor if the promotion is to be successful. Next, in Chapter 14, Mark N.K. Saunders examines the process of incremental change management within a public sector organization, and highlights further the relationship between trust and justice. Utilizing a card sort technique as a means of considering institutional trust and more personal dimensions he reveals how, by including a justice perspective, a more complete understanding emerges of applicants’ reactions to change and the impact on trust levels within the organization. He distinguishes between three distinct impacts, and shows how issues of justice often underpin lower levels of trust. He reflects on how HRM development initiatives influence employees’ perceptions of organizational trust.

Finally in Part VII, we move to a consideration of the last stage of an employee’s experience of the HRM cycle within one organization, that of exit. Unusually none of the chapters in this part focus on those being made redundant; instead they adopt a different perspective from the employee-centric myopia which has tended to dominate this area and explore the impact on the HRM profession itself. In Chapter 15, Shay Tzafrir and Guy Enosh discuss whether trust can help predict those who will leave an organization. They focus on voluntary turnover and reveal how incongruity between the organization’s HRM values and an employee, in this case HRM managers, can act as a trigger to intention to leave. Echoing and developing themes from earlier within this book, including the psychological contract (Chapter 5), the idea of employee and organizational fit (Chapter 6), and commitment (Chapter 9), Tzafrir and Enosh identify distinct patterns of perception which precede a decision to leave. Using theories of exchange (Blau, 1964; Konovsky and Pugh, 1994) and reasoned action (Ajzen and Fishbein, 1973; Mellahi et al., 2010) they extend these approaches into this HRM field. Their study reveals how unmet expectations impact negatively on levels of trust in the organization and on commitment, thereby increasing the intention to leave. They show the positive
retention benefits of organizations which emphasize a culture based on HRM values, including increased levels of trust between employee and organization and higher commitment of employees, which lead to a reduction of those deciding to leave – a clear example of HRM practices promoting trust. In Chapter 16, Finian Buckley focuses on the HRM profession and its pivotal role within redundancy. Most existing research considers survivors among the general body of employees; as a contrast, this chapter examines the potential asymmetrical sensemaking of a senior group in the organizational hierarchy who are central to this HRM process but who are concurrently also downsizing survivors. Buckley reflects how the HRM profession plays a critical role within an organization in terms of the sense of justice relating to redundancy decisions for both those being retained and those who are asked to leave. He notes how a sense of fairness is essential for the ongoing commitment, trust and productivity for those employees who survive. Topically he reports findings from a recent series of workshops conducted in Ireland for HRM managers directly involved in downsizing. This links to Guest and Clinton (Chapter 5) on the psychological contract highlighting its importance for survivors’ trust. Buckley also shows how economic downturns often reduce the diversity of HRM practice within a firm and narrow their focus of activity. In terms of trust he notes that those HRM managers included in the development of the downsizing strategy were more likely to have their trust in top management enhanced – a consequence of their improved engagement with this key senior group. These managers reflected that trust and distrust were often experienced simultaneously, with participating HRM managers remaining engaged and productive in their work, but often reporting a trust deficit. This chapter reveals the concurrent contradictory feelings of this group during this process. Like Saunders (Chapter 14), he shows the emergence of a ‘differentiated trust’ for many of this group of survivors. Finally, in Chapter 17, Rosalind Searle and Denise Skinner draw together the key issues which have emerged from these chapters and highlight the new perspectives and insights into distinct aspects of the HRM cycle that have been provided. They underline the implications of trust and HRM for both practitioners and researchers and identify areas which need further research if we are to fully understand this relationship and its implications.

In this introduction we hope that we have sharpened your appetite for the forthcoming chapters which consider the relationship of trust and HRM within specific HRM domains. As a frame within which to reflect on these chapters we have highlighted some overarching issues which concern the function of HRM, the choices and content of policy, but also the importance of their implementation in fostering trust. We have reflected how external forces, such as globalization, the media and trust
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resulting from previous experience may sensitize and influence employees to make trust a more salient concern than internal HRM factors alone. The chapters that follow explore the dynamic relationship between trust and HRM and offer a range of insights that we believe are both interesting and thought provoking.

REFERENCES


