



RESEARCH

AN EMPLOYEE PERSPECTIVE ON

ORGANISATIONAL TRUST DURING CHANGE

Executive Summary

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We develop people who develop organisations.

With 70 years' experience of leadership, organisational development, human resources and coaching, we provide executive education and research to many of the world's leading companies and organisations.

We offer tailored development programmes, qualifications accredited by the University of Sussex, management consultancy, coaching and training courses. Our research services provide a unique combination of research, consultancy and development expertise for organisations who are investigating ways of improving their effectiveness and intelligence.

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Roffey Park funds its own research programme with the aim of meeting one of its charitable objectives: namely to conduct and publish research in support of the health and welfare of people at work. Our research improves the world of work and organisational performance by sharing knowledge of good practice in people management, leadership and organisational development.

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Key insights

About trust and change

- Perceptions of organisational trustworthiness ebb and flow through processes of change.
- Constant flux and uncertainty can undermine employees' trust in their organisation's ability to meet its goals and responsibilities.
- Organisational trustworthiness is multi-levelled. Employees' perceptions may be influenced by their trust in key individuals, in their immediate business unit, in the wider organisation, the broader industry and the wider world. Change at any level may affect perceptions of an organisation's trustworthiness.

About change management

- Change-ability is an important aspect of organisational trustworthiness. Managing change well can help strengthen trust, and doing it badly can erode confidence in the organisation's ability to meet its goals and responsibilities.
- How communication is managed can build (or damage) trust. People expect 8 Cs for trustworthy communication in change: clarity, consistency, continuity, congruence, content, consultation, conversation and confidence in the source.

- If the attention given to changing culture and behaviours – including role modelling by managers - lags behind vision and structure change, trust may be damaged.

About line management

- Individual experiences of genuine care and support from managers (positive or negative) trump the organisational policies and practices.
- Yet a baseline of good management practice is vital. Inconsistent management, particularly in failing to manage poor performance or unacceptable behaviour, can also damage trust.
- Being visible is vital. People want to know you and to be clear what you stand for in a changing context. A lack of availability can damage trust, whatever the reasons for it. Organisational trustworthiness – what it is

Organisational trustworthiness

Trust is an important topic for organisations. It is often said to be hard won and easily lost. So trust is something that leaders, managers, HR and OD professionals would be well-advised to pay attention to – especially during times of change.

“Are organisations losing the trust of their workers?” (CIPD, 2013)

With a flood of reputational disasters hitting the headlines in recent times, we can probably all think of companies, institutions and whole industries that have lost the trust of key stakeholders. In some, trust is broken overnight and, in others, it is eroded over years.

However trust is damaged, it is the leaders and managers in those organisations who are left to pick up the pieces. Yet, while organisational downfalls often make the news, the painstaking work of rebuilding organisational trust typically goes unrecorded.

In this report, we explore perceptions of organisational trustworthiness from the perspective of employees. None of the organisations we worked with had been faced with catastrophic failures, yet each one had some way to go in rebuilding employee trust in the organisation.

“A trustworthy organisation is one that operates effectively, acts with due concern for the interests of its stakeholders and conducts itself with integrity”

It is not just those media-worthy reputational disasters that damage trust. Internally, organisational trustworthiness can be unintentionally damaged during the many interactions which take place in the normal course of organisational life. Dr Graham Dietz from Durham University explains that an organisation is seen as trustworthy by employees when it operates effectively, it shows care and kindness towards its employees, and it acts fairly.

Organisational trustworthiness is influenced by multiple sources of evidence and actors operating at multiple organisational levels.

Gillespie and Dietz, who have developed a framework for organisation-level trust repair, explain:

“Through the influence of the interconnected organisational components, certain interactions are facilitated and reinforced and, if repeated regularly over time, form institutionalized patterns of behaviour and thinking. These provide the cumulative evidence for employees to judge their employer’s trustworthiness. Thus, the organization does not display trustworthiness – its members do, through interaction and event cycles sanctioned by, and embedded in, the organization’s system components” (Gillespie and Dietz, 2009: 130).

Ability: the organisation’s collective competencies and characteristics that enable it to function reliably and effectively to meet its goals and responsibilities

Benevolence: organisational action indicating genuine care and concern for the wellbeing of stakeholders

Integrity: organisational action that consistently adheres to moral principles and a code of conduct acceptable to employees, such as honesty and fairness.

(Gillespie and Dietz, 2009: 128).

Components of organisational trustworthiness

Leadership and management practice

By virtue of their authority and accountability, senior leaders' actions directly inform employees' impressions of the organisation's trustworthiness.

Culture and climate

Employees' perceptions of their organisation's trustworthiness can be derived from shared cultural beliefs; values and norms; forms of cultural control; and artifacts, such as work stories, legends, and value statements

Structure, policies and processes

Reporting lines, distribution of responsibility and authority, the rules, guidelines and procedures governing decision making, communication, employee conduct and human resource management - together, these set the parameters for acceptable behaviour and powerfully influence organisational trustworthiness.

External Governance

Expectations of what constitutes trustworthy behaviour are embedded with external governing structures and rules that constrain the organisation's conduct.

Strategy

The strategy sends signals to employees about expected behaviour and the organisation's real values and priorities, and also signals the organisation's intentions to act with integrity and benevolence towards stakeholders.

Public Reputation

Employees take pride in a stable external reputation for trustworthiness, whereas public dismay over poor services, quality of goods etc, will undermine employees' perceptions of their organisation's trustworthiness.

Where should you focus your attention and resources during change to maintain trust?

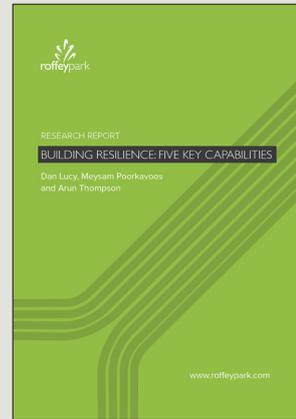


1. **Identify the lurking issues.** There is quite enough that can potentially derail change without tripping over issues that are already known, even if not by you. Getting people together to surface and explore lurking issues is an important step.
2. **Don't underestimate the value of genuine care and concern for people's wellbeing.** As a leader you may not be able to address everything, at every level, and all at once. But it is in your gift to show you care. You may not be able to give certainty, but you can listen and support people in dealing with their uncertainty during change. Organisations, and HR in particular, also need to enable managers to provide support, care and concern.
3. **Get out there.** Being visible is vital. Senior leaders' role modelling desired behaviours is crucial for building staff perceptions of organisational trustworthiness.
4. **Be consistent.** It is not enough to espouse desired behaviours. Inappropriate behaviour inconsistent with values must also be challenged and dealt with in a fair and consistent manner
5. **Remember the 8 c's.** People expect 8 C's for trustworthy communication in change: **C**larity, **C**onsistency, **C**ontinuity, **C**ongruence, **C**ontent, **C**onsultation, **C**onversation and **C**onfidence in the source. Communication must also flow up, down and across the organisation.

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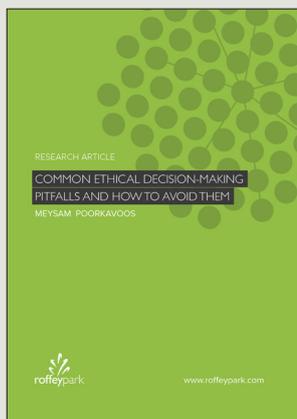
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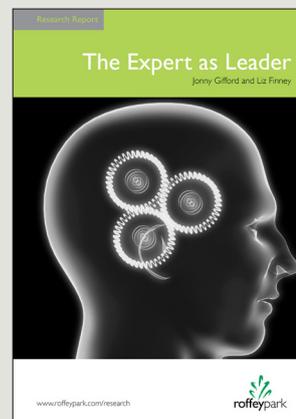
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