



Trust in managers

Management's actions and behaviours help to shape employee attitudes and provide a key foundation for degrees of trust. Within organisational settings, trust has been demonstrated to be an important predictor of outcomes such as cooperative behaviour, organisational citizenship behaviour, organisational commitment and employee loyalty. It has also been found to be positively related to employees' task performance.

Organisational factors such as structure, human resource policies and procedures and organisational culture affect employees' perceptions of trust. As trust in supervisors increases, employees' perceptions of the success, accuracy and fairness of the work system also increases.¹

In order to better understand factors that may influence perceptions about their managers, employees in the *Australia at Work* study² were asked to respond via a five point agree-disagree scale to the following statement:

'Managers at my workplace can be trusted to tell things the way they are'

In 2010, around two-thirds (68.0 per cent) of employees interviewed either strongly agreed or agreed with the above statement.³ However of particular concern, one-in-five (20.6 per cent) of employees do not trust their managers.

¹ Information in this factsheet is an extract from a research paper "Undercover Boss: What Australian employees think about their managers" by Sally Wright (forthcoming). The full paper is available from the author.

² The *Australia at Work* study is being conducted by the Workplace Research Centre at the University of Sydney Business School. The project is funded by the Australian Research Council's Linkage Grant scheme and the industry partner is Unions NSW. Further financial support is provided by CFMEU Energy & Mining Division, CFMEU ACT Branch, NSW Nurses' Association, the Police Federation of Australia, the SDA, the CEPU, the QLD Nurses Federation and the Nurses Federation (Victorian Branch). *The study* is a five-year longitudinal telephone survey of people who were aged 16 to 58 years and in the Australian labour force in March 2006 (i.e. prior to the implementation of the *Work Choices* legislation on 27 March 2006). New entrants and re-entrants to the labour force after March 2006 were not 'in-scope' for the study.

³ Care should be exercised when comparing or combining the data from this study with that from other sources, especially the Australian Bureau of Statistics. The differences primarily arise because the *Australia at Work* study has gone back to the same people each year whereas the ABS generally gets a new cross-sectional sample each time a survey is conducted. Further technical details as well as substantive findings arising from the *Australia at Work* study can be found at: <http://www.australiaatwork.org.au/index.php>

Attitudes vary among different groups of employees

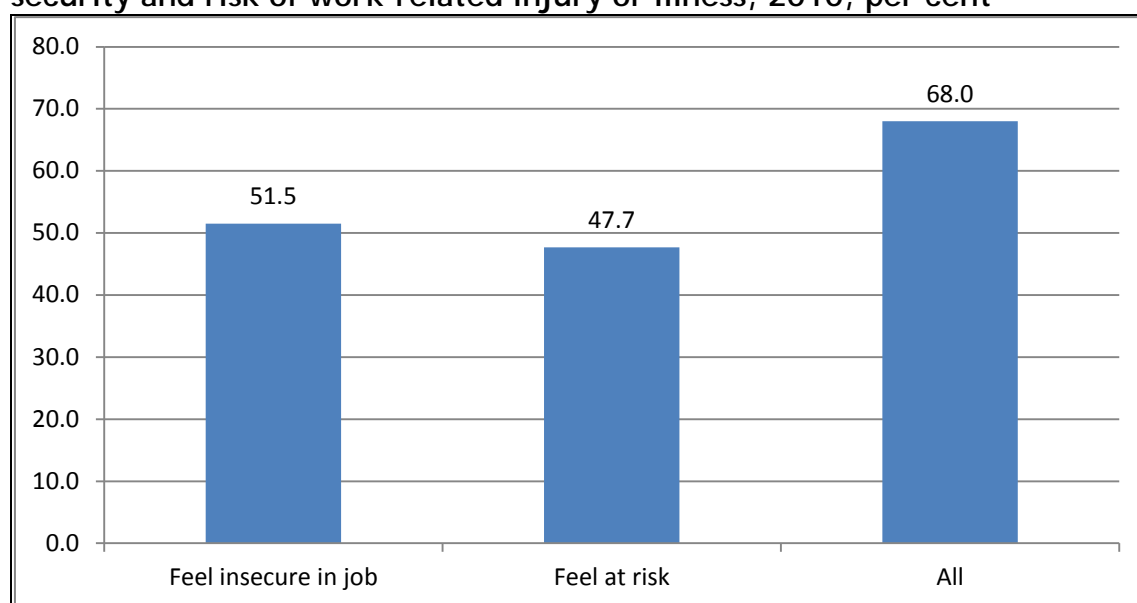
Employees occupying managerial roles generally hold more positive views around trust than non-managerial employees (67.2 per cent and 73.2 per cent respectively). Among employees in non-managerial roles:

- Females have a slightly higher level of trust than their male colleagues (at 68.5% and 65.7% respectively).
- Younger employees (i.e. under 25 years of age) are more trusting of managers than older employees (i.e. those 45 years and older). Related, those with shorter job tenure hold more positive views around trust than those who have been in their jobs for a longer time.
- Employees in the public sector (63.2%) hold less positive views on trust compared to those who work in the private and not for profit sectors (at 68.7% and 71.8% respectively).
- Those employed in large workplaces are less trusting of their managers than those in small and medium sized workplaces.
- Union members in non-managerial roles have a considerably lower level of trust in their managers than non-union members (55.7% and 72.0% respectively).

Job security, workplace safety and trust in managers

Both job security and workplace safety are two aspects of the work environment that impact on trust in management. Figure 1 charts the relationship between reported attitudes of non-managerial employees to trust depending on perception of job security and risk of work-related injury or illness. We can see that perceptions of job security materially affect attitudes to trust. The response level around trust is lower for employees who feel insecure in their jobs (51.5 per cent) and for those employees who feel at risk of suffering a work-related injury or illness (47.7 per cent) compared to the overall response level (68.0 per cent).

Figure 1, Non-managerial employees' attitudes to trust in managers by job security and risk of work-related injury or illness, 2010, per cent



Note: Responses of (dis)agreed and strongly (dis)agreed with the statements were combined.

Population: Non-managerial employees in Waves 1 to 4 inclusive only

Source: Australia at Work Wave 4

What do our findings suggest?

Our analysis finds that while about 7 in 10 workers trust their managers, trust falls away where workers feel at risk of injury or losing their job.

Relationships between workers and managers are critical in a range of issues related to performance. If trust is one component of that relationship, then there are clearly two directions managers can improve: Firstly, make workplaces safer and allow workers to participate in improving safety. Secondly, improve the job security of their employees.

For policy makers, a similar opportunity arises whereby if governments wish to facilitate frameworks for productive relations, improving employment security and workplace safety need to be part of the policy mix.

These findings pose a dual challenge for unions. On the one hand there are many people who do not trust managers or feel fairly treated. This is, potentially, a very fertile group to engage with - especially where they are non-members. On the other hand, unions must grapple with the fact many workers report trust in, and fair treatment by their, current manager. Mobilising and keeping these people in the union requires a vision greater than 'anger, hope and action'. It requires unions develop a practical vision of their broader role about securing and improving fairness at work - not just in the workplaces where workers are currently employed but in the future. What happens if the current manager leaves? What happens if and when the worker leaves the workplace? A sense of 'satisfaction' with current management may not provide an immediate 'necessity' to join a union.

It does not mean, however, that workers are not open to broader ideas about the relevance of unions in the longer term - beyond their immediate manager and, indeed, beyond the workplace at large.