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The Tree of Trust:

Trust between Managers and Employee Representatives in Organizational Social Dialogue

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Doctoral thesis offered to obtain the degree of Doctor of Human Resources Psychology by the University of Seville and University of Valencia, and the degree of Doctor of Psychology by KU Leuven

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Summary

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The central topic of this thesis is trust in organizations. In organizational and industrial relations, one of the main aspects that leads to cooperation and that also derives from cooperation, is trust. For that reason, trust has been studied extensively in the organizational context. Surprisingly little attention has been given to trust, it's antecedents and its consequences in the relation between employee representatives (ERs) and management. Thus, the focus of this thesis is on trust and trustworthiness in the context of industrial relations, especially at organizational level. The research objectives of this dissertation are the following: a) to gain an overview of the literature on trust between these parties at organizational level; b) to gain an understanding of the perception of employers of the attitudes and behaviors of employee representatives, as well as their relationship with them; c) to explore the relation between several antecedents and consequences of trust; and d) To investigate the relation between investment by management in ERs and trust.

These four objectives are addressed in four studies forming the core of the present PhD. We start with an introductory chapter, motivating the scientific and societal relevance of this dissertation, and we conclude with a general discussion. Chapter two contains the outcomes of a systematic literature review. Chapter three presents a first empirical study among 614 HR managers from 11 European countries, exploring the experiences and expectations of employers about the attitudes and competences of employee representatives, as well as the challenges for social partners and differences within Europe in terms of social dialogue. Chapter four presents another empirical article with the data the previous study. It examines the relations between trustworthiness, trust and influence of ERs from the perspective of European management. Chapter five, which uses quantitative data from 719 ERs in Spain, investigates the perceptions of ERs on the investment of companies in their role and how that affects constituency trust and ERs forcing conflict behavior. Finally, the general discussion presents an overview of the findings, the strengths and weaknesses of the dissertation, as well as theoretical and practical implications.

Resumen

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El tema central de esta tesis es la confianza dentro de las organizaciones. En relaciones organizacionales e industriales, uno de los aspectos principales que llevan a la cooperación y que derivan de ella es la confianza. Por esta razón, la confianza ha sido extensamente estudiada en el contexto organizacional. Sorprendentemente, se le ha dedicado poca atención a la confianza, a sus antecedentes y a sus consecuentes en la relación entre representantes de los trabajadores y directivos. Por ello, el enfoque de esta tesis es en la confianza y la confiabilidad en el contexto de las relaciones industriales. Los objetivos de investigación de esta tesis son los siguientes: a) obtener una visión general de la literatura sobre confianza entre estas partes a nivel organizacional; b) comprender la percepción de los empleadores de las actitudes y comportamientos de los representantes de los trabajadores, así como de su relación con ellos; c) explorar la relación entre varios antecedentes y consecuentes de la confianza; y d) investigar la relación entre la inversión en los representantes de los trabajadores por parte de los directivos y la confianza. Estas cuatro preguntas se contestan en los cuatro estudios que forman el núcleo de la presente tesis. Comenzamos con un capítulo introductorio, motivando la relevancia científica y social de esta tesis, y concluimos con una discusión general. El capítulo dos contiene los resultados de una revisión sistemática de la literatura. El capítulo tres presenta el primer estudio empírico entre 614 directivos de recursos humanos de once países europeos, explorando las experiencias y expectativas de los empleadores en relación a las actitudes y competencias de los representantes de los trabajadores, así como los desafíos para los interlocutores sociales y las diferencias en Europa en términos de diálogo social. El capítulo cuatro examina las relaciones entre confiabilidad, confianza e influencia de los representantes de los trabajadores desde la perspectiva de los empleadores, usando los datos del estudio anterior. El capítulo cinco, que usa los datos cuantitativos de 719 representantes de los trabajadores en España, investiga las percepciones de los representantes de los trabajadores sobre la inversión de las compañías en su rol, y cómo esto afecta a la confianza de los grupos constitutivos y el comportamiento de los representantes de los trabajadores en los conflictos. Finalmente, la discusión presenta una visión general de los resultados, las fortalezas y debilidades de la tesis, además de las implicaciones teóricas y prácticas.

Samenvatting

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Het centrale onderwerp van deze thesis is vertrouwen binnen organisaties. Vertrouwen is een van de meest belangrijke aspecten in de relatie tussen sociale partners om te komen tot een productieve samenwerking. Om die reden is vertrouwen veel bestudeerd in de context van organisaties, echter verrassend weinig onderzoek is gedaan naar antecedenten en consequenties van vertrouwen in de relatie tussen management en werknemersvertegenwoordigers (verder hier WVs). Om hier meer inzicht in te krijgen, is de focus van dit proefschrift vertrouwen en vertrouwenswaardigheid tussen sociale partners op organisatieniveau. De vier doelstellingen van dit doctoraat zijn: a) een actueel overzicht te krijgen van empirisch onderzoek over vertrouwen tussen sociale partners op organisatieniveau; b) te onderzoeken wat de percepties van werkgevers zijn ten aanzien van de attitudes en gedragingen van WVs en hun onderlinge relatie; c) na te gaan wat de relaties zijn tussen vertrouwen en mogelijke antecedenten en gevolgen van vertrouwen in deze context; en d) te toetsen wat de relatie is tussen investeringen door management in de relatie met WVs, en het vertrouwen en conflictgedrag van WVs.

Deze vier doelstellingen zijn gerealiseerd middels vier studies, die de kern vormen van dit doctoraat. We starten met een algemeen inleidend hoofdstuk, waar we de wetenschappelijke en maatschappelijke relevantie van dit proefschrift aangeven. Hoofdstuk twee omvat de opzet en uitkomsten van een systematische review van de relevante, empirische, literatuur. In hoofdstuk drie presenteren we een eerste empirische studie onder 614 HR managers uit 11 Europese landen. We verkennen de ervaringen met en verwachtingen van werkgevers ten aanzien van de attitudes en competenties van WVs. Ook gaan we na welke uitdagingen werkgevers zien wat betreft de sociale dialoog op organisatieniveau. Hoofdstuk vier is gebaseerd op dezelfde studie. De relatie is nagegaan tussen vertrouwenswaardigheid, vertrouwen en invloed van WVs, vanuit het perspectief van management. Hoofdstuk vijf presenteert een studie onder 719 WVs uit Spanje, waarbij het verband is nagegaan tussen investering door de organisatie in de WVs, vertrouwen van de werknemers in management en het conflictgedrag van WVs. Ons laatste hoofdstuk bevat een algemene discussie met theoretische en praktische implicaties.

Chapter 1. General introduction

General introduction

1. 1. Trust between employee representatives and management in organizational social dialogue

Organizations are complex environments. Difficult decisions have to be constantly made, decisions which could potentially affect many different organizational levels. Furthermore, it is often complicated to make the interests of the different parties compatible. Therefore, collaboration, information sharing and joint decision-making is a key aspect of successful organizations. However, this important aspect is often overlooked and frequently we see how unilateral decisions are being informed to the other party, typically too late in the process.

What prevents this collaboration between parties? Specifically, what factors determine the amount of information sharing and cooperation between managers and employee representatives inside organizations? This dissertation seeks to find answers to these questions.

In any type of relationship, one of the main aspects that leads to cooperation and that also derives from cooperation is trust (Deutsch, 2006; Elgoibar, Munduate & Euwema, 2016; Kim et al., 2010). Inside organizations this is no different, as trust becomes more relevant when the stakes are high and the decisions are complex. In relation to this, the trustworthiness of the parties is a fundamental antecedent for trust, as well as for other factors such as influence (Fulmer & Gelfand, 2012). Thus, the focus of this thesis is on trust and trustworthiness in the context of industrial relations.

Employee representation is a significant feature of industrial relations systems in the majority of EU member states (Hayter, 2015; Visser, 2010). Employee representatives (from now on, ERs) typically are employees within the company who have a (part-time or full-time) role as representative. They represent their co-workers in different types of organizational conflicts and decision-making processes with the management, playing a critical role in shaping this relationship (Bacon & Blyton, 1999; Stuart & Lucio, 2002). Their ability to find out and negotiate new organizational arrangements is fundamental for supporting current organizational changes (Rocha, 2010). Generally, ERs exercise rather little influence at the board (Carley, 2010). Therefore, there's great room for improvement in the influence levels as far as organizational social dialogue is concerned.

Worldwide, and also within the European Union, there is a strong debate on the conditions for creative social dialogue in organizations. Employers and employees are essentially and

positively dependent on each other. Their dialogue is both key and necessary and should be constructive to reach quality agreements. However, labor relations among employers, trade unions, and employees are rapidly changing, also in Europe (Guest, 2017; Hyman, 2015). And with a shift from national and sectorial to more organizational negotiations, social dialogue in organizations becomes more and more important. At this level, organizational conflicts in which representatives of the employees play a central role are evident. For example, with issues of downsizing and restructuring, violations of employee rights, or development of inclusive HR policies. The role of the ERs is the figure that we explore in this dissertation. We do so, taking both perspectives into account. That is, the ERs as well as the HR/management, being their counterpart at the table. One of the major issues under debate is the influence of ERs within the organizational decision-making. A key factor impacting this process is trust. Trust from managers on them, trust from their constituencies and their trust in the management. This will be the main focus of this work. By working together and sharing information, managers and ERs can build together a more productive and committed workforce as well as a feeling of "being in the same boat" (Euwema et al., 2015). For this information sharing, two concepts come into play: the willingness of the trustor to be vulnerable to the actions of the other party, and the trustworthiness of the trustee. The first of these concepts, as explained by Mayer, Davis and Schoorman (1995), can be regarded as the concept of trust. Though many different definitions of trust can be found in the literature, the framework of Mayer and colleagues seems to be the most appropriate as it separates trust from its antecedents and outcomes (Mayer & Davis, 1999). The outcomes include cooperation, sharing sensitive information, and voluntarily allowing the trustee control over issues that are important to the trustor.

The second of these concepts refers to the perceptions of trustworthiness that a trustor has of a trustee –attributes or characteristics of a trustee that inspire trust-, ergo the antecedents of trust. A trustor will be willing to be vulnerable to another party based both on the trustor's propensity to trust other people on general, and on the trustor's perception that the particular trustee is trustworthy. Mayer and colleagues (1995) posit that trustworthiness is comprised of three factors: ability, benevolence, and integrity. Ability reflects concepts such as competence, skills, efficiency, and dedication. Benevolence reflects the sense that a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive. Integrity is defined as the trustor's perception that the trustee adheres to a set of principles that the trustor finds acceptable.

Since both managers and ERs hold important information about the company and its employees, we believe that it's crucial to understand the underlying mechanisms that lead to a trusting relationship between both parties, as well as the outcomes of such a relationship.

Despite trust being seen as one of the most influencing variables in employment relations (Elgoibar, Euwema & Munduate, 2016), there has been little research to analyze it in this context. Some studies have dealt with trust as a dependent variable in social dialogue. For example, Laplante and Harrison (2008) examined how trust between managers and union representatives is built, and Guest, Brown, Peccei and Huxley (2008) examined the relationship between partnership practices and labor-management trust. The ability to develop trust has become a critical competence in employment relations (Lewicki, McAllister & Bies, 1998). The trusting qualities of the relations between ERs and management are critical for successful social dialogue (Elgoibar, Munduate, Medina & Euwema, 2012). Similarly, Dirks and Ferrin (2001) noted that many of the actions observed in organizations are ambiguous to some degree, meaning that perceived trustworthiness can shape interpretations. These interpretations are strongly rooted in the role expectations from management towards ERs as well as the own role perceptions by ERs. This leads us to the questions which guide this thesis, described in the following section.

1. 2. Innovation, scientific objectives and research questions of the project

The main purpose of this thesis is to analyze the relationship between ERs and management in the framework of the European industrial relation systems, with a focus on perceptions of trust and trustworthiness. A first innovative element of our study is the in-depth examination of trust in this particular context, from the main actors in organizational decision processes.

The main scientific objectives of this thesis are:

1. To know the management perspective on the role of ERs to improve social dialogue in organizational settings
2. To describe the relationship of trust between ERs and management in different European countries.
3. To analyze the antecedents lead to this level of trust
4. To explore the consequences of trust and trustworthiness at the organizational level of industrial relations.

5. To better understand the relationship between trustworthiness and trust in the industrial relations context.

The research questions of this dissertation are the following:

a) What is the state of the art of trust and trustworthiness in the context of industrial relations?

b) At a descriptive level, what are the experiences and expectations of managers about the attitudes and competences of employee representatives? What are the challenges for social partners and differences within Europe in terms of social dialogue?

c) How do managers perceive ERs in terms of trustworthiness? How do they perceive their relationship in terms of mutual trust? How do these perceptions affect ERs' influence on organizational decision-making, for both traditional and for innovative issues?

d) How do ERs perceive the investment of organizations in their role? How is related to their forcing conflict behavior with management? Further, what role does the trust in management of the rest of the employee force affect this relation?

These questions are scientifically innovative due to:

1. The consideration of the perspectives of the two primary parties, management and ERs
2. The analysis of the relationship between ERs and management in different industrial relation contexts and cultures
3. The focus on trust and trustworthiness in this context of industrial relations

1. 3. Overview of the main variables

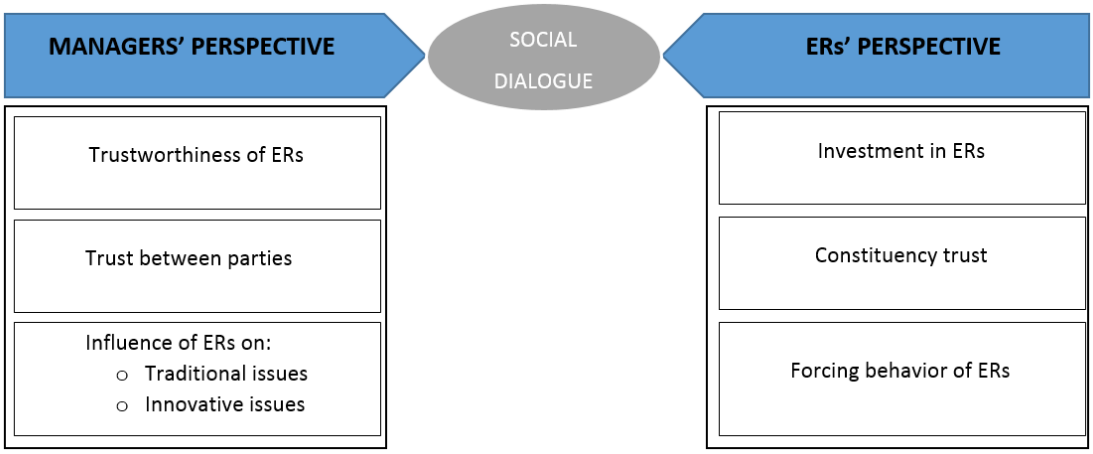

Figure 1.1. Main variables of the thesis.

Figure 1.1 presents the main variables of this dissertation. For the analysis of the management's perspective, these variables are based on the New European Industrial Relations (NEIRE) model (Euwema, Munduate, Elgoibar, García & Pender, 2015). The perspective of ERs is also an extension of that model. Starting at the outcomes, we focus on two variables: the influence of ERs on traditional and innovative organizational issues (from the perspective of management), and on the forcing conflict behavior of ERs (from the perspective of ERs). We furthermore focus on four variables which partly determine these outcomes: a) from the management's perspective we analyze the trustworthiness of ERs and the trust between parties, b) from the ERs' perspective we analyze investment in the role of ERs and the trust of their constituency in management. By including two sides of analysis (management and ERs) and, though in a more peripheral manner, ERs' constituencies, we are aiming for a comprehensive model which can shed light on how industrial relations work at company level, focusing on the importance of trust and trustworthiness. We discuss shortly the key variables and relations presented.

1. 3. 1. Social Dialogue

One of the core values cherished by the European Union is the belief in social dialogue as the dominant feature of collective industrial relations (Turnbull, 2010). This is defined as 'all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy' (International Labor Organization, ILO, 2005). The main goal of social dialogue is to promote consensus and democratic involvement among the main stakeholders, contributing to a more social and fair world of work.

Even if social dialogue is considered as a prerequisite for a fair and competitive social market economy (Thyssen, 2016) we see that the model is facing unprecedented challenges (Barnard, 2014). The main concerns are given by a decentralization of the collective system (Marginson, 2015), the individualization of employment relations (Baccaro & Howell, 2011; Edwards, 2009), and the decline of TU density (Curtarelli et al., 2014). These factors are also framed by Marginson and Sisson (2004) as the Americanization of industrial relations. A last challenge

we include here refers to the contextual differences between the countries sharing the same system (Koukiadaki et al., 2016).

1. 3. 2. Trustworthiness of ERs

The most cited theoretical framework on trustworthiness was developed by Mayer, Davis and Schoorman (1995). These authors state that perceived trustworthiness has three dimensions: ability, benevolence and integrity, which are all three significantly related to trust (Mayer & Davis, 1999). This suggests a fundamental aspect of an interpersonal relationship (Levin et al., 2006), in which the trustee has a specific attachment to the trustor (Mayer & Davis, 1999).

ERs' trustworthiness by managers to perform their role is relevant to promote their participation, particularly for innovative issues at the negotiation table, and this trustworthiness is most likely strongly determined by perceived abilities or competences, benevolence and integrity of ERs.

1. 3. 3. Trust between parties

Trust is seen as one of the most influencing variables in employment relations (Ferrin et al, 2007; Hempel, 2009; Walton, Cutcher-Gershenfeld & McKersie, 1994; Dirks & Ferrin, 2001; Fulmer & Gelfand, 2012; Guest, 2004). Some studies have dealt with trust as a dependent variable in the realm of employment relations. For example, Laplante and Harrison (2008) examined how trust between managers and union representatives is built, and Guest, Brown, Peccei and Huxley (2008) examined the relationship between partnership practices and labor-management trust. The ability to develop trust has become a critical competence in employment relations (Lewicki, McAllister & Bies, 1998; Elgoibar et al., 2016).

Through trust, parties can be confident to be open with each other, because they know that the information they've shared, will not be used against them (Zaheer & Zaheer, 2006). In that, the strategy of constructive controversy indicates the advantages of open-minded discussions, listening carefully to each-others opinions and trying to understand the view of the other party (Tjosvold, Wong & Chen, 2014). Moreover, trust is a feature that induces members to rely on the commitments of each other (Gibson & Birkinshaw, 2004). The trusting and collaborative relations between ERs and management are also critical to improve performance outcomes in

organizations (Rubistein & Mccarthy, 2016). Practitioners conclude that trust should be addressed explicitly while using interventions to prevent (escalations of) conflicts and search for constructive agreements (Nauta, Van de Ven & Strating, 2016). Therefore, the level and quality of trust in relations between parties – ERs, management, co-workers and trade unions – are acute for effective collaboration.

1. 3. 4. Influence of ERs

ERs serve as a bridge between managers and their co-workers, representing a key element of social dialogue. However, they have been losing influence in the recent years and this is even more obvious in certain countries (Koukiadaki et al., 2016; Molina & Miguelez, 2013).

French and Raven (1959) defined influence as a force one person exerts on someone else to induce a change in behaviors, attitudes, and values. In the context of social dialogue, the influence of ERs is understood as their force to change management behaviors, attitudes and values on different issues on the decision-making process. How much do ERs actually participate in the decision-making in European organizations? They can participate on a large variety of issues. Some of these are obligatory, and defined by law, and therefore can be seen as traditional issues, such as working conditions, working hours, and wages (Guest, 2016), as well as the organization of jobs (Van der Brempt, 2014). Other issues have developed more recently and are therefore referred to as innovative issues, such as work–life balance, equality, green issues, and corporate social responsibility (Cutcher-Gershenfeld & Kochan, 2004). These often are less evident to discuss, and putting these on the agenda might depend more on the relationship between management and ERs (Garcia et al., 2017a). Gaining influence is closely related to the labor legislation in each country. However, at the organizational level the motivation and competencies of the ERs and the attitudes of the employers play a main role in determining ERs' power and influence in decision-making (Euwema & Elgoibar, 2012).

1. 3. 5. Investment in ERs

A good framework to understanding the core social processes involved in the relationship between employers and employees is the Social Exchange Theory (SET), as first outlined by Blau (1964) and widely applied to current employment relations (see Guest 2004, 2016; Munduate, Euwema & Elgoibar, 2016). A central theme in this theory is that employees and

employers may develop exchanges for social or economic reasons. Traditionally, exchange is perceived in terms of economic value. Economic outcomes address financial needs, are typically contractual and tend to be tangible such as wages or working conditions. However, exchanges can stand for something beyond plain material needs (e.g. organizational investment in your career), address parties' social needs, and esteem and tend to be symbolic, such as justice, dignity or feeling of recognition. Underlying the social exchange relationship between ERs and management is the norm of reciprocity (Guest, 2004; Cropanzano & Mitchell, 2005; Molm et al., 2007). Investment is important in creating a felt obligation to return a received benefit (Shore, Coyle-Shapiro, Chen, & Tetrick, 2009). When employees perceive that the organization is investing in the social exchange aspects of the relationship, they will feel an obligation to return this investment (Song et al., 2009; Molm et al., 2007; Cropanzano & Mitchell, 2005). Therefore and according to Blau (1964), social exchanges entail unspecified obligations so that when one partner does another party a favor, there is an expectation of some return.

1. 3. 6. Constituency trust

ERs are acting as agents for their co-workers in organizational conflicts and negotiate on behalf of them (Medina, Povedano, Martinez, & Munduate, 2009). Research shows that trust perceptions play a crucial mediating role in the development of cooperation between parties (Ferrin et al. 2008). Especially in the case of ERs, acting as an agent of the employees, ERs perceptions of employees trust in management are therefore crucial. Further, Elgoibar (2013) states that the level of employees' trust in management is negatively related to the ERs' forcing behavior. Due to the importance of ERs perceptions of employees trust in management, this paper will focus on constituency trust.

1. 3. 7. Forcing behavior of ERs

Conflict behavior can be defined as "an individual's reaction to the perceptions that one's own and other party's current aspirations cannot be achieved simultaneously" (Deutsch, 1973). A popular and widely validated classification of conflict behavior is based on the Dual Concern Theory (Blake & Mouton, 1964). This theory assumes that an individual's preferred conflict behavior is based on two underlying dimensions, concern for others and concern for oneself.

Five possible conflict behaviors can be differentiated as a result of the combination of those two dimensions: avoiding, accommodating, forcing, compromising, and problem solving (De Dreu, et al., 2001).

In this dissertation, we focus on forcing behavior as a key component of conflict behavior due to its relevance in today's organizational climate. A widely used definition of forcing is given by De Dreu et al. (2001) who define forcing as a high concern for oneself and a low for others, focusing on imposing one's will on others. Also, according to De Dreu and Beersma (2005) self-concern and other-concern derive from both the person, the relation with the other, and the situation at hand. Important to note is that forcing is characterized as being very prone to escalation (Van de Vliert, Nauta, Giebels, & Jansen, 1999). Also, forcing in particular, is likely to have negative outcomes for the relationship with the other party, opposite to substantive issues were its effect will be mediocre or even zero (Euwema et al., 2003).

1. 4. Design and methodology

This dissertation uses the data of two large European studies to explore the antecedents and outcomes of trust in the context of organizational social dialogue.

The study from the ERs' perspective was conducted between 2010 and 2012 and included the data from 8 EU member states (Belgium, Denmark, Estonia, Germany, the Netherlands, Portugal, Spain and the United Kingdom), though for testing the hypotheses from study 3, only the data from Spain was considered. Its main focus was to explore how to empower ERs. ERs were asked by the research team and/or by trade unions to fill in an online questionnaire in the following website: http://dialogueatworkeu.nowonline.nl during 2009-2010. Quantitative data was gathered from 719 ERs in Spain of which 503 were males and 216 were females. The questionnaire used for this evaluation was developed in close collaboration with the main Spanish trade unions (Unión General de Trabajadores, UGT and Comisiones Obreras, CCOO). Several measures were used for this study. Investment in ERs was assessed with a four item scale adapted from the role conflict scale of Rizzo, House and Lirtzman (1970). Constituency trust was assessed with a five item scale adapted from the Organizational Trust Inventory (Nyhan & Marlowe, 1997). In the case of forcing behavior by ERs, a sub-scale of the Dutch test of conflict handling (DUTCH) (Van de Vliert, 1997).

The data from HR managers was collected between 2012 and 2014. Study 1 and study 2 on this dissertation are based on this data. Human Resources managers were asked to fill in an online questionnaire in the following website: http://www.dialogueatwork.eu/. In total, data from 614 questionnaires in 11 European countries: Belgium, Denmark, Estonia, France, Germany, Italy, the Netherlands, Poland, Portugal, Spain, and the United Kingdom. In all countries, HR directors and managers, from different sectors and sizes, were invited to participate using different networks in each participating country. We contacted employer associations and sent individual invitations to participate in the survey via their personal emails in most cases. We focused on HR directors and HR managers as they deal most frequently with ERs in most organizations and are engaged in most negotiations. The survey and instructions were translated into 10 languages (Danish, Dutch, English, Estonian, French, German, Italian, Polish, Portuguese and Spanish). For Belgium, both Dutch and French surveys were made available.

In addition to measuring our key variables, information on participants (age, gender, role, education, years actively in contact with ERs), and organizations (number of employees, economic conditions) was gathered. The variables were measured using different scales. For trustworthiness, we used the items based on the trustworthiness scale developed by Mayer and Davis (1999). Trust was assessed with a 3 item scale adapted from the Organizational Trust Inventory (Hyes, 2010). To measure the influence of ERs we developed a scale which asked the participants to indicate their degree of influence over eight items, covering decision-making in their organization. This resulted in a reliable scale (Munduate et al. 2016).

Using the data from both these studies, we will get the perspectives on organizational social dialogue from both sides of the table, employers and ERs.

1. 5. Structure of the thesis

In this chapter we have first explained the importance of trust and trustworthiness for organizational relationships, as well as the role of ERs in the current European context. Secondly, we explained in what ways this research is innovative, pointing out that we explore both sides of the management-ERs relationship and we study trust and trustworthiness and a relatively unexplored context, among other issues. We continue by identifying the scientific objectives as well as the research questions of this dissertation.

After explaining the relevance and theoretical backgrounds of our studies, we finish this chapter by presenting the design and methods that were carried out in order to find answers to the research questions. This dissertation is composed of a theoretical review of trust in industrial relations, followed by three empirical studies with which we gain some insight of the views of both management and ERs on their roles and relationship. With the composition of the following studies, we expect to reach a greater understanding at both theoretical and practical level of the relationship between employers and employee representatives, with a focus on trust and trustworthiness.

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Chapter 2. State of the art: Trust and conflict management in organizational industrial relations [1] [2]

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State of the art: Trust and conflict management in organizational industrial relations

The aim of this chapter is to explore the role of trust and conflict management in Industrial Relations (IR) within organizations. First, we offer a short review of trust and conflict management from different theoretical perspectives. Secondly, this chapter offers an overview of key empirical studies on trust and conflict management in the specific context of industrial relations. We summarize findings relevant for the different partners and set an agenda for future research.

2. 1. Introduction: trust and conflict management

The autumn of 2014 was dramatic for Air France-KLM; one of Europe's largest airlines, was the protagonist of the longest airlines' strike since 1998.

After the announcement from Air France-KLM of their intention to cut out 800 positions and carry on other supplementary savings in order to better resist the wild competition from the Golf's low cost companies, the Air France pilots reacted going on a strike which lasted two weeks. This resulted in an estimated loss of over €500 million, which together with the already poor financial results that book year, was enough to wipe more than a fifth off its estimated full-year core profit (Mediapart, 2014).

Trust from co-workers in the company's management politics was already very weak, and this last announcement resulted in further uncertainty and destruction of an already damaged relation between management of Air France and their employees. The conflict management of the French pilots was said to be competitive, aiming to win on the expense of the company; however, despite continued deadlock with managers over the development of the firm's low-cost operations, pilots suspended the strike when the final decision was not taken.

A break down on trust, at all levels, resulted from these negotiations which ended up with unfulfilled expectations over the table of Air France. Also, tensions between different groups of employees (pilots, crew and ground staff), and between Air France and KLM increased. This case shows the strong interconnection between competitive conflict management (in the form of forceful reorganizations, strikes, and power play between the parties) in a context with

already original low levels of trust, and the resulting further break downs of an already stressed social climate.

Could these industrial relations have been more constructive? We believe indeed, this was possible. Let's go back a few years, and across the channel, to the UK, for a second case[3].

Employment relations at 'PCT' -a primary care NHS trust in the UK- were anything but friendly. Conflicts of interest were dealt within an adversarial and confrontational manner. As one union representative put it: "It was 'them and us', batter the barricades the old fashioned way. If there was a problem just hit it head on". Union-management relations were characterized by mistrust and suspicion and, in consequence, issues were directly dealt with through formal channels. Furthermore, when these formal grievance and disciplinary hearings took place, they were conducted in an adversarial manner.

This was the scenario before Saundry and colleagues in 2008 implemented training in mediation for both HR managers and union representatives. The focus of this training was on shifting attitudes, bringing issues out, and encouraging an open and informal dialogue. A union representative explained that this acknowledged the fact that they do have issues and promoted trust development between both parties. The development of trusting relationships between the HR professionals and trade union representatives involved in the mediation scheme shaped attitudes to conflict and fostered a much clearer focus on resolution as opposed to confrontation. This attitude also passed on to other employees, as they observed and learnt from behaviors of key actors, who represented them and who they trusted. Even union recruitment saw a positive impact due probably to an improvement of the image of unions, now seen as collaborative and effective.

The case study at PCT is an example of how investing in constructive attitudes in order to foster high-trust relations and particularly to encourage a more co-operative approach to conflicts pays off in many ways, such as an improvement in the company's ability to resolve disputes or higher and better union recruitment.

The limited availability of resources for organizations (Carley & Marginson, 2010) together with tendencies towards deregulation, more flexible labor arrangements and individualized contracts (so called ideals), has placed labor negotiations more at the organizational level,

[3] Example based on the case study by Saundry, McArdle & Thomas (2013).

certainly in Europe (Glassner, Keune & Marginson, 2011). More conflictive issues are now at the table of works councils and other bodies of employee representation, such as health and safety committees. The attitudes and abilities of both parties when managing conflicts, combined with the conflict strategies they implement, will determine in practice the quality of the agreements they will reach and therefore the improvements for both workers and organizations (Elgoibar, 2013; European Commission, 2012; Visser, 2010).

That being the case, a review on what has been researched on trust and conflict behaviors by the different parties at the table, is essential to understand the decision-making processes that will lead to labor agreements in the short future. We start with defining the key concepts, and present the limited research afterwards.

2. 2. Defining trust: the long-term perspective

Industrial relations traditionally have developed on a basis of fundamental conflict and adversarial relationships between parties. The history of industrial relations is full of the struggle for workers' rights, and during the industrial revolution, relations were typically not based on trust (Van der Brempt, 2014). Also today, we see in many societies and organizations opposition against unionization of employees, and even hostile relations between unions and organizations. Furthermore, the challenges of the current global market create a hostile environment in which distrust is as likely to be created as trust (Lewicki, McAllister & Bies, 1998; Lewicki, Elgoibar & Euwema). Trust within industrial relations, trust between employers and employees, therefore is not evident. However, at the same time, employers trust employees to work in their organizations, and vice versa. Many companies recognize the vital importance of good relations, and the investment in developing such relations (Euwema et al., 2015). On the other hand, unions emphasize the need of cooperation and trusting relations with employers (Munduate et al., 2012). There evidently is also a base for trust between these social partners, and for organizations to exist, cooperation is essential.

Some definitions of trust emphasize expectations, predictability, and confidence in others' behavior (Dasgupta, 1988; McAllister, 1995; Sitkin & Roth, 1993). Yet other definitions emphasize that trust involves expectations of other's benevolent motives in situations that involve a conflict between self and collective interests (Holmes & Rempel, 1989; Mayer, Davis, & Schoorman, 1995; Rousseau, Sitkin, Burt & Camerer 1998). A generally accepted

meaning of trust is the inclusion of vulnerability that involves acting in anticipation of positive behaviors of the other party in the future. In this sense trust is commonly defined as a belief (or expectation) about others' benevolent motives during a social interaction (Boon & Holmes, 1991; Holmes & Rempel, 1989; Hosmer, 1995; Rempel, Holmes & Zanna, 1985; Rousseau et al., 1998).

> *Trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another" (Rousseau et al., 1998, p. 395).*

Lewicki and colleagues (1998) point out that trust should be differentiated from distrust (Lewicki, Elgoibar & Euwema, chapter 7 in this volume). Trust concerning positive expectations of the other party and distrust concerning negative expectations from the other party.

Social Exchange Theory (SET) serves as a framework for exploring this relationship to understand how trust, loyalty and mutual commitment are evolved over time (Cropanzano & Mitchell, 2005). The SET framework is primarily concerned with the factors that mediate the formation, maintenance, and breakdown of exchange relationships and the dynamics within them. Trust plays an important role in this framework. Both Blau (1964)[4] and Holmes (1981) identified trust as a key outcome of favorable social exchanges. When relationships conform to the norms of reciprocity and when the pattern of exchange is perceived as being fair, parties are more likely to believe that they will not be exploited (Blau, 1964). Trust is proposed to be important in relationship development because it allows parties to be less calculative and to see longer-term outcomes (Scanzoni, 1979). Put another way, through trust a party is able to expect fairness and justice in the long-term and therefore does not have to demand it immediately.

2. 3. Defining conflict and conflict management

Conflict is a component of interpersonal interactions, neither inevitable nor innately bad, however commonplace (Deutsch & Coleman, 2006; Schellenberg, 1996). Conflict in the context of industrial relations is often approached as an intergroup conflict: capital versus labor,

[4] "The establishment of exchange relations involves making investments that constitute commitment to the other party. Since social exchange requires trusting others to reciprocate, the initial problem is to prove oneself trustworthy." (Blau, 1964, p. 98)

employers versus employees. Also at the organizational level, 'management' versus 'workers' has been a classic distinction. However, managers nowadays usually also are employees of the company. And management and employees together might line up against 'capital', for example in cases of multinational companies intending to close local branches. So, more blurred lines occur. Works councils are in many countries composed of both, employer and employee representatives (from now on referred to as "ERs"), which defines the classic labor-management conflicts now as a special form of intragroup or intra-organizational conflict, instead of inter-group conflict (Van den Brempt, 2014). In organizations, management and ERs meet in different bodies. Here, the factional group paradigm might be helpful. Factional groups are defined by Li and Hambrick (2005, p. 794) as: "groups in which members are representatives, or delegates, from a small number of (often just two) social entities and are aware of, and find salience in, their delegate status". The intergroup conflicts in the organization are thus represented at an intragroup level, in bodies such as the works council.

Social conflict has been defined in many ways. In this chapter we use the definition by Van de Vliert, Euwema and Huismans (1995) who consider a conflict between two or more parties, when at least one of these parties is frustrated or annoyed by the other party. Conflict management is the response to this experience, according to the same authors. Comparably, conflict behavior is often defined as one parties' reaction to the perception that one's own and the other party's current aspiration cannot be achieved simultaneously (Deutsch, 1973; Pruitt, 1981; Rubin, Pruitt, & Kim, 1994). It is both what people experiencing conflict intend to do, as well as what they actually do (De Dreu, Evers, Beersma, Kluwer, & Nauta, 2001; Van de Vliert, 1997). Conflict management encompasses the cognitive, emotional and behavioral responses in conflict situations. In the context of industrial relations at organizational level, parties typically meet to negotiate. However, this can include all kinds of different responses, varying from highly competitive, to highly cooperative. In the next paragraph we elaborate three theories on conflict management, before exploring the specific studies from our literature review in the context of industrial relations.

2. 4. Conflict management theories

Several theories have addressed conflict management and conflict behavior. We discuss here shortly three of the most relevant theories, which are: the theory of cooperation–competition

(Deutsch, 1973), the Dual-Concern model (Blake & Mouton, 1964), and the Conglomerate Conflict Behavior theory (Van de Vliert, Euwema, & Huismans, 1995).

Theory of Cooperation and Competition

Deutsch' classic theory of competition and cooperation proved useful analyzing conflict in many contexts, including management and employees, and identifying constructive ways to managing it (Deutsch, 2002; Elgoibar, 2013; Tjosvold & Chia, 1989). This well verified theory of the antecedents and consequences of cooperation and competition hardly had been used to study industrial relations in organizations, however allows insights into what can gives rise to constructive or destructive conflict processes, also in employment relations (Elgoibar, 2013; Munduate, Euwema & Elgoibar, 2012). The core of the theory is based on the perceived interdependence of parties. Positive interdependence promotes openness, cooperative relations, and integrative problem solving. Perceived negative interdependence on the other hand, induces more distance, less openness, and promotes competitive behavior, resulting in distributive bargaining (Tjosvold, Wong & Feng Chen, 2014).

Dual-Concern Model

Among the most popular and broadly validated classifications of conflict behaviors is the dual-concern model (Blake & Mouton, 1964; Pruitt & Rubin, 1986; Rahim, 1983; Thomas, 1992; Van de Vliert, 1999). The model implies that the way in which parties handle conflicts can de described, and is determined by two concerns: concern for self (own interests) and concern for others (relational interests). These two concerns define usually five different conflict management strategies: forcing, avoiding, accommodating, compromising and problem solving (De Dreu et al., 2001).

This model is used both as a contingency model: describing under what condition what conflict management strategy is used best (Van de Vliert et al., 1995); however also as a normative model: promoting the idea that "integrating or problem solving " is the most effective strategy to manage conflicts , particularly for joined outcomes and long term relations (see more in Tjosvold, Tang and Wan, chapter 4 in this volume; De Dreu et al. , 2001; Tjosvold & Chia, 1989; Tjosvold, Morishima & Belsheim, 1999; Tjosvold & Morishima, 1999; Tjosvold, Wong & Feng Chen, 2014) .

2. 5. Conglomerate conflict behavior theory

In industrial relations and in negotiations more generally, integrative solutions not necessarily imply also a strong impact on the decision-making by both parties. Particularly when it comes to negotiations and decision-making on conflictive issues between management and employees, competitive actions sometimes are needed to achieve a power balance. This was already recognized by Walton and McKersie (1994) and developed in the theory of Conglomerate Conflict Behavior (CCB) (Ven de Vliert, Euwema and Huisman, 1995)

Tjosvold, Morishima, and Belsheim (1999), define forcing and problem solving strategies as opposed. Other authors (Thompson & Nadler, 2000) argue that parties in a conflict, in order to achieve their own outcomes and reach mutual agreements at the same time, try to combine both types of conflict behaviors (cooperative and competitive) (Elgoibar, 2013). This is the basic assumption of the Conglomerate Conflict Behavior Theory (Van de Vliert, Euwema, & Huismans, 1995; Munduate, Ganaza, Peiró & Euwema, 1999). This theory states that most conflicts and negotiation situations are complex and mixed motive. Therefore, the combination of different conflict management strategies is most common, and can be beneficial. Strategies, being either cooperation and competition, or forcing, avoiding and problem solving, are combined sequentially or simultaneously, or both. Several studies have demonstrated that competing behaviors (such as forcing), and cooperative behaviors (such as problem solving) do not necessarily exclude one another, however the combination of strategies contributes to effective outcomes (Euwema, Van de Vliert & Bakker, 2003; Euwema & Van Emmerik, 2007; Komorita & Parks, 1995; Munduate et al., 1999; Sheldon & Fishbach, 2011). Most of these studies were conducted in organizational conflicts, however not related to industrial relations, including worker representatives and management.

2. 6. Trust and conflict management in the context of industrial relations: a review

Trust and conflict management have received a lot of attention in the academic literature during the past 20 years, particularly in the field of organizational behavior. Surprisingly however, the organizational behavior studies focus on direct relations within organizations, while industrial relations typically focusses more on trust and conflict between employers and unions. In this search we focus on the organizational level, and see what empirical studies have been

conducted on trust and conflict management between employer/management on one side, and worker representatives on the other. We conducted a systematic literature review[5].

We reviewed the literature of the past 20 years. The criteria for inclusion of papers were published in peer reviewed journals and papers referring to the organizational level. We included in our search both qualitative and quantitative studies. We found in total 11 papers addressing trust, 5 papers addressing conflict management, and 14papers addressing both topics simultaneously. The studies using quantitative data are summarized in the table. The studies analyzing qualitative data are summarized directly in the text.

[5] We searched Psychinfo, Business Source Premium and Web of Science. We searched for papers reporting studies that clearly aimed to investigate the different roles of trust between partners in industrial relations (e.g. managers, union representatives, employee representatives, union negotiators…)conflict management, conflict behaviors and grievance resolution. We used the following search terms for the systematic review: industrial relations, organizational level / organizations, trust. conflict management, bargaining, indirect participation, employee representative, union representative, shop steward and works councils. In addition we used a snowballing method to find relevant publications, and included academic publications in books, and dissertations.

Author and year of publication	Topic	Sample	Findings
Trust in Industrial Relations			
Bartram, Stanton, & Elovaris (2008)	Trust as a motive for becoming a representative.	Members of the Australian Nursing Federation (n=1020)	-Union commitment and low trust in the employer were positively associated with becoming a representative.
Guest, Brown, Peccei & Huxley (2008)	Does partnership at work increase trust?	Union representatives (n=656) and non-union representatives (n=238) in Great Britain	-There is no association between representative participation and trust. -Lower employee trust in management where there is representative participation. -Direct participation is associated with higher trust.
Holland, Cooper, Pyman & Teicher (2012)	Relationship between employee voice arrangements and employees' trust in Management.	Australian employees (n=1,022)	-Employee trust in employers increased with a more direct voice. -Where employees perceived that management attitudes were opposed to unions, trust in management was likely to be lower. -Union voice was associated with lower trust in management.
Kerkhof, Winder & Klandermans (2003)	Instrumental and relational determinants of trust in management among members of works councils.	108 works councils in The Netherlands	-Works council members who think that the council is influential or effective, and those who think that decision-making procedures are fair and that they are respected, report more trust in management. -Over time, the only predictor of trust in management is procedural justice.

Nichols, Danford & Tasiran (2009)	The relation between tenure and employee trust in management.	3,037 British employees	-Association between unions in workplaces and low trust in management.
Nienhueser & Hossfeld (2011)	The effects of trust on the preferences for decentralized bargaining.	Personnel managers (n= 1,000) and works councilors (n= 1,000) in Germany	-Mutual trust doesn't affect the managers' preference for decentralized bargaining. -Mutual trust is positive related to the preference for decentralized bargaining and for bargaining at the plant level for the WCs.
Yoon-Ho, Dong-One & Ali (2015)	Effects of trustworthiness on the adoption of high performance work systems.	1,353 ERs and managers in Korea	-Mutual ability, benevolence and integrity had a positive relationship with the adoption of high performance work systems.
Conflict Management in Industrial Relations			
Bacon & Blyton (1999)	Implications of co-operation and conflict for employees and trade unions.	ERs in the UK	-The study didn't find evidence of any association revealed between cooperation and a greater role for trade unions. -Workplace co-operation (in the steel industry) remains part of a traditional gainsharing package and an 'alliance of insiders' than an HRM partnership or union incorporation. -The study's results suggest questioning the ability of cooperation to deliver important aspects of organizational competitive advantage.
Bacon & Blyton (2007)	Conflict for mutual gains? Negotiation patterns of union negotiators.	21 departments across two integrated steelworks	-Managers secured lower manning and increased productivity in negotiations both in departments characterized by cooperation and by conflict. -Mutual gains were secured only where union negotiators pursued conflict tactics during bargaining.

			-When union negotiators adopted more conflictual bargaining tactics, more employees reported pay increases and greater satisfaction with team working agreements 'Mixed' bargaining approaches in other departments were less successful.
Elgoibar (2013)	Conflict behavior of ERs' in Europe	2,304 European ERs	-ERs use conflict patterns rather than single behaviors. -Spanish ERs use mostly competitive patterns while Belgium, Denmark, Germany and the Netherlands use mostly cooperative patterns. -ERs' commitment to the company and to the union affects perceptions of cooperative management differently in Spain than in Germany. -Perceived social support is negatively related to accommodating behavior for female ERs in Spain but not in The Netherlands.
Tjosvold, Morishima & Belsheim (1999)	Complaint handling on the shop floor: cooperative relationships and open-minded strategies.	Supervisors and union employees-in British Columbia.	-Cooperative goals, compared to competitive and independent, promote open-minded discussions of complaints that result in efficient resolutions benefiting both parties.
Tjosvold & Morishima (1999)	Grievance resolution: perceived goal interdependence and interaction patterns.	Management & union representatives	-Cooperative goals promote the direct, open-minded consideration of opposing views which leads to quality solutions efficiently developed -Need to structure cooperative interdependence and guide skill training in grievance handling.
Trust & Conflict Management in Industrial Relations			
Elgoibar, Munduate, Medina, &	Trust in management, union support and conflict behavior in ERs in Spain.	719 Spanish representatives	-Representatives use mostly a competitive conflict pattern in Spain combined with cooperative behavior-Trust is negatively related to competitive conflict management. -Union support is positively related to competitive behavior by ERs.

Euwema (2013)			
Euwema, Munduate, Elgoibar, García & Pender (2015).	Managers' perceptions of conflict management and trustworthiness of ERs, and trust between both.	614 European managers	-Cross-cultural differences among European ERs trustworthiness, conflict management and trust perceived by the management. -Competitive conflict management by ERs is related to more influence on decision-making of traditional issues; while cooperative conflict management is related to more influence on innovative issues. -Trust between ERs and management, and ERs' cooperative conflict management are related to more satisfactory agreements - ERs' abilities perceived by the management are positively related to their influence on decision-making, however nor integrity neither benevolence. -Industrial relations climate of trust is strongly related to cooperative conflict management style, however not related to competitive conflict management by ERs.
Van der Brempt (2014)	Opening the black box of works council effectiveness: the role of group composition, trust and perceived influence.	Management and ERs in a works council setting in Belgium.	-Cooperation between social partners is promoted if there is less difference in ideological characteristics. - Procedural justice and perceived organizational support may positively affect trust within works councils. - As the distance in ideology increases, ERs' trust in management and group effectiveness decreases. - Distance in education does not have a negative impact on trust in management or works council effectiveness.

2. 7. Trust in the context of industrial relations

The empirical literature on trust in the context of industrial relations is surprisingly thin and are mostly case studies. We describe shortly the papers presented in Table1. Bartram, Stanton and Elovaris (2008) used a sample of Australian nurses to study how trust in management and union commitment affected the likelihood of becoming an ER, amongst other relationships. They found that low trust in the employers' good will made it more likely for employees to become representatives. Union commitment was also found to be positively related to the likelihood of becoming an ER.

Guest, Brown, Peccei and Huxley (2008) explored in the UK if partnership at work led to increased trust at different levels of the organization. The results indicated that representative participation was not associated to any of the measures of trust. Employees reported lower trust when these types of representation were present compared to the organizations in which they were absent. Direct participation however did relate positively to higher levels of trust.

Holland, Cooper, Pyman and Teicher (2012) used Social Exchange Theory to examine the relationship between direct and union voice arrangements, perceived managerial opposition to unions and employees' trust in management. Using cross-sectional data from a sample of Australian employees. They found a positive relationship between direct voice and employees' trust in management. They also found that union voice and perceived managerial opposition to unions were negatively related to employees' trust in management.

Kerkhof, Winder, and Klandermans' longitudinal study (2003) explored the antecedents of trust in management among works council members in The Netherlands. ERs were more likely to trust managers who provided them with fair treatment, whereas providing them with influence in the decision-making processes was deemed less important.

Nichols, Danford and Tasiran (2009) analyzed the data from the British 2004 Workplace Employment Relations Survey to see what factors affected trust in management. Following their expectations, they found that employee trust in management deteriorates with greater length of service (that is, years of workplace exposure).

Trust was seen as an antecedent of preference for decentralized bargaining in a study by Nienhueser and Hossfeld (2011) among 1000 personnel managers and work councilors in Germany. They found no effect of trust from the management's perspective. However, for

works council members mutual trust had positive effects on the preference for decentralized bargaining and for bargaining at the plant level.

Yoon-Ho, Dong-One and Ali (2015) collected surveys from 1.353 Korean labor representatives and managers to examine weather mutual trustworthiness - ability, integrity, and benevolence- between employee representatives and management is an important antecedent for the adoption of high performance work systems (HPWS). The results indicated that all three components of mutual trustworthiness had a positive relationship with the adoption of HPWS.

In addition, Timming carried out two qualitative studies in this topic. In the first one (Timming, 2006) he addressed trust in a European work councils and found that trust relations were characteristically sub-optimal both between worker and employers' representatives and also among the workers themselves. The second case study explores the dynamics of cross-national trust relations between workers' representatives, finding a low level of trust between the two delegations of workers –one in the UK and one in The Netherlands- of the case (Timming, 2009).

2. 8. Conflict management in the context of industrial relations

Conflict in the context of industrial relations in organizations can be related to a variety of issues. As we observe in the studies found, these issues include: reaching agreements, the compliance to agreements, negotiating working hours or policies on inclusion. Handling complaints that the agreements on working hours are not respected by management, or grievances about injustice in the workplace, are however also classic conflictive issues related to formal industrial relations in the organization (Gordon & Miller, 1984; Euwema et al., 2015).

Bacon and Blyton (1999) surveyed British union representatives in order to explore the different outcomes resulting from cooperative vs. competitive industrial relations. They found that cooperative relations were related to some positive outcomes for employees, such as better conditions and involvement. However, they didn’t find a link with other HRM aspects nor with a greater role of trade unions.

Bacon and Blyton (2007) studied among twenty-one departments (across two integrated steelworks) conflict for mutual gains and negotiation patterns of union negotiators. They concluded that when union negotiators adopted more conflictual bargaining tactics, more

employees reported pay increases and greater satisfaction with team working agreements. 'Mixed' bargaining approaches used in other departments resulted to be less successful. Another key finding was that managers secured lower staffing and increased productivity in negotiations both in departments characterized by cooperation and by conflict. Mutual gains were secured only where union negotiators pursued conflict tactics during bargaining.

A recent study (Elgoibar, 2013) among 2,304 European ERs explored the antecedents and conflict behaviors of European ERs. ERs use conflict patterns rather than single behaviors, supporting the CCB theory (Van de Vliert et al, 1995). More specifically, in Spain ERs use mostly competitive patterns while Belgium, Denmark, Germany and the Netherlands's ERs use more cooperative patterns. ERs' commitment to the company and to the union showed to affect cooperative conflict management differently depending on the industrial relations system, this was showed in a comparison between Spain and Germany.

Based on the theory of cooperation and competition, Tjosvold Morishima and Belsheim (1999) explored whether cooperative goals promote open-minded negotiations between employees and supervisors, which in turn lead to better resolutions for both parties. To do so they carried out interviews with supervisors and union employees in British Columbia. The hypotheses were supported and the authors concluded that cooperation and open-minded negotiation skills can facilitate integrative solutions to workplace conflicts. The study by Tjosvold and Morishima (1999) on grievance's resolution between management and union representatives concluded, that cooperative goals promote direct, open-minded consideration of opposing views which leads to quality solutions. Cooperative goals also induced an open-minded discussion of diverse views resulting in high-quality and integrative solutions. When management and ERs perceive competitive goals, this leads to close-minded interactions, defaulting efficient agreements. This study signaled the need to structure cooperative interdependence and guide skill training in grievance handling.

Regarding qualitative studies, Cutcher-Gershenfeld (2011) studied escalated collective labor conflicts, through a case study method where more than 300 negotiators were involved in negotiations on how to bargain, and first reach agreement on this in order to overcome intractable conflicts. This study focused on the importance of being able to differentiate between intractable and manageable conflicts.

Kochan and Keefe (2012) also carried out a qualitative study, in this case to focus on what makes dispute resolution procedures work. Based on process and outcome assessments, they

argue that public sector labor and management best use mutual gains negotiations. Dennison, Drummond, and Hobgood (1997) studied collaborative bargaining in two public universities through the follow up of the development of interest-based bargaining. Process and outcomes were assessed. In doing so they adopted a process which enabled them jointly to: identify the issues, analyze the interests underlying those issues, develop options reflecting those interests, evolve the means of assessing the options, and finally articulate outcomes deemed efficient, legitimate, mutually acceptable, supportive of collaboration, and worthy of joint commitment.

2. 9. Studies addressing both conflict management and trust

The number of quantitative studies addressing the relationships between different levels of trust and conflict management in the context of industrial dialogue appear to be scarce. Elgoibar, Munduate, Medina, and Euwema (2013) used the Spanish industrial relations context for exploring the conflict pattern from worker representatives and the relation to trust in management and union support. Surveys among 719 representatives showed that Spanish representatives use mostly a competitive conflict pattern combined with a cooperative behavior, and that the low level of trust in management is related to a greater use of the competitive behavior. Additionally, the high level of union support in Spain seems to stimulate competitive conflict behavior. Focusing this time on the perceptions of employers, Euwema, Munduate, Elgoibar, García and Pender (2015) surveyed more than 600 European managers and interviewed 110 managers from 11 EC member states on their perceptions of the role, attitudes and competencies of ERs. They found that trust between managers and ERs is strongly related to a cooperative conflict management style by ERS, however not related with competitive conflict management. Additionally, the results showed that high level of trust between ERs and management together with ERs' cooperative conflict management were two factors related to the achievement of better agreements. Furthermore, competitive conflict management by ERs was related to more influence on decision-making of traditional collective bargaining issues, while cooperative conflict management was related to more influence on decisions regarding innovative issues.

Van der Brempt (2014) used both qualitative and quantitative data with the aim of shedding light on the demographic and contextual antecedents of works council effectiveness at the team-level. A multiple case study of six Belgian works councils led to the development of a comprehensive framework of cooperation between management and ERs in a works council

setting. Consequently, this framework was tested through two empirical studies using a dataset of 640 Belgian works councils. The results showed that procedural justice and perceived organizational support may positively affect trust within works councils and in doing so, it reduces the negative impact of factional distance in ideology on trust and cooperation. Additionally, it was found that as the distance in ideology between managers and employees in WCs increases, ERs' trust in management decreases, and so does group effectiveness. This negative relationship is moderated by the organizational and industrial context of the works council.

Several authors used case studies to understand the role of trust and conflict management in labor relations. Butler, Glover, and Tregaskis (2011) explored the resilience of partnerships in companies which were downsizing. Trust moderates the relation between influence of trade unions, competitive strategies and the stability of the partnership. Trust was high at local level, however it was the limited trust at national level that hindered negotiations. Multilevel trust therefore is important to achieve a constructive negotiation climate.

Caverley, Cunningham and Mitchell (2006) analyzed how the degree of trust affects an integrative collective bargaining process in two Canadian public sector cases. They conclude that the level of trust was based on previous negotiations and the expertise and negotiation style of the negotiators.

Danford and colleagues (2014) assessed the efficacy of partnership in the context of 'expert labor' sectors through three case studies analyzing the cooperative relationship between union representatives and management, the influence of unions in these settings, and the attitudes of coworkers towards these cooperative attitudes. The study finds that in all three cases the union is seen by its members as a weak, insubordinate entity in terms of collective influence over management policy. In the two organizations characterized by high-trust and cooperation, they saw partnership to be more effective for individual member representation than for collective influence.

Ericsson, Augustinsson and Pettersson (2014) interviewed 78 Swedish managers and blue- and white-collar workers to find out how they managed the financial crisis. One of the conclusions from this study was that trust between employer and employee was an important ingredient in creating the conditions for loyalty and for reaching integrative agreements.

The labor-management partnership cases of Borg Warner and British Airways were reviewed by Evans, Harvey and Turnbull (2012) in order to examine whether cooperation, mutual trust

and mutual gains can be achieved in partnership contexts in the UK. The authors analyzed why neither of the cases resulted in mutual gains. They stated that the lack of manager support of union membership in both cases led to low trust of employees in management, which made satisfaction with the outcomes almost impossible.

Garaudel, Florent and Schmidt (2008) explored two French restructuring cases using Walton and McKersie's theoretical framework and providing evidence of the potential of integrative bargaining in restructuring. They argue that any restructuring situation, even in an unfavorable context displays an integrative potential, in that employers' and employees' risks are closely interrelated and these risks can be successfully addressed in a cooperative way.

In line with this, Miller, Farmer, Miller, and Peters (2010) show the benefits of interest based bargaining in a US case. This study showed the success of the 2000 interest-based contract negotiation at Kaiser Permanente, however not free of future challenges to this approach to negotiation. Among the key factors enhancing this achievement were an effective coordination in a complex environment, deadline pressure, good management of internal negotiations, investment in training, effective leadership accompanied by facilitation, as well as creative brainstorming and a solid establishment of ground rules, and the role of interest-based processes in an organization's daily routine.

Korshak (1995) studied how to create labor-management cultural change during labor negotiations for twelve different companies which were heavily unionized and had a history of confrontational labor relations. Among the key learnings was that a shared vision of labor relations makes it easier to accomplish the common goal of creating a better relationship with the workers and unions. Moreover, it became key to avoid creating a bureaucracy that would turn that movement for cultural change into an entity seeking only to perpetuate itself and the status quo. Trusting and empowering the principal players over agents, helped to establish a constructive conflict culture.

McKersie, Eaton and Kochan (2004) examined a case of an agreement based on interest-based negotiations (IBN) in the company Kaiser Permanente. In their first case study, they analyzed what enabled effectiveness of a complex labor-management negotiation. McKersie and colleagues (2008) also carried out a case study regarding IBN based on the 2005 national contract negotiations between Kaiser Permanente and the Coalition of Kaiser Permanente Unions. They found that IBN techniques were used more and were effective when the parties shared interests, however when they were in greater conflict they would tend to use more traditional positional bargaining. High levels of trust facilitated using IBN, but tensions

between the parties first had to be released before any type of tactic, IBN or traditional, could be effective.

2. 10. Conclusions and future research

Summarizing our literature search, we come to eight conclusions.

1. There is a lack of empirical, and particularly quantitative studies relating trust and conflict management between management and ERs in organizations. Also, the complexities in this context, such as typically multiparty, multi issue, representative negotiations, are rarely addressed in these studies.

2. Looking at the outcome of the studies on trust, we can conclude that trust has deserved more attention, than distrust. All studies underscore the relevance of trust to develop constructive relations, also in the context of industrial relations in the organization. Less is clear what types of trust and what interventions contribute to the development of trust. Rebuilding trust after industrial relations conflicts has received very little attention so far. Several studies emphasize to focus on trust as a multilevel issue, particularly in large companies.

3. The conglomerate conflict behavior model offers a good perspective to analyze conflict behavior in industrial relations agents, as this model emphasizes the combination of different conflict management strategies in complex conflict situations.

4. There is a lack of descriptive studies at the level of trust and conflict management strategies by ERs in Europe, as well as worldwide. It is important to assess these levels, as both parties at the table tend to use stereotypes of the trust, trustworthiness and conflict behaviors. These stereotypes usually are negative, and reinforce competitive patterns, depending on the context.

5. Future studies should integrate trust and conflict management by both sides at the table in sound empirical studies to gain a better understanding of the conflict dynamics, and related outcomes, both in the short and long terms.

6. The proposition based on our review is that organizations investing in a trusting relation with ERs, empowering these representatives in decision-making, and introducing models of

constructive controversy, will have more constructive conflict management, reach more integrative and innovative agreements, which results in long term effectiveness of the organization.

7. Investing in a culture of constructive controversy for industrial relations gives a foundation to manage crisis, and search for integrative potential even in threatening conditions. This requires the empowerment and inclusion of principal parties, in addition to agents (representatives).

8. Trust and constructive conflict management go hand in hand. Accepting the dual realities of trust and distrust, cooperation and competition offers the best base to develop long term constructive relations in organizations.

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Chapter 3. Improving social dialogue: what employers expect from employee representatives[1]

[1] Pender, E., Elgoibar, P., García, A., Munduate, L., & Euwema, M., (2017). Improving Social Dialogue. What Employers Expect from Employee Representatives. *The Economic and Labour Relations Review* (in press).

Improving social dialogue: what employers expect from employee representatives

Abstract

The social dialogue model in organizations between management and employees is facing unprecedented challenges, and changes rapidly. In this new context of labor relations, experiences and expectations of each other are key drivers for the primary parties within this social dialogue. There is lack of systematic research investigating the conditions for a constructive social dialogue, particularly when it comes to 'soft factors', such as perceived competences, trust, influence and conflict behaviors. In this paper we address these issues based on theories on conflict, trust and influence. This article investigates the experiences and expectations of employee representatives by HR managers; their counterpart in social dialogue. These issues were studied through surveys in 11 European countries. Results show that overall employers find a model of structured dialogue with elected employee representatives useful. Furthermore, competences of ERs, cooperative conflict behaviors, informal relations and trust promote influence of ERs on organizational decision-making and quality of these decisions. We discuss implications for different systems of industrial relations.

Keywords: Social dialogue, management, employee representatives, collective conflict

"When it comes to social dialogue, I see it as much more than just a part of my portfolio. Indeed, I consider it a prerequisite for a competitive and fair social market economy".

(Marianne Thyssen, European Commissioner for Employment, Social Affairs, Skills and Labor Mobility, 2016)

Worldwide, and also within the European Union, there is a strong debate on the conditions for creative social dialogue in organizations. Employers and employees are essentially and positively dependent on each other. Their dialogue is both key and necessary and should be constructive to reach quality agreements. However, labor relations among employers, trade

unions (TU) and employees are rapidly changing, also in Europe (Guest, 2016; Hyman, 2015). And with a shift from national and sectorial to more organizational negotiations, social dialogue in organizations becomes more and more important. At this level, organizational conflicts in which representatives of the employees play a central role are evident. For example, with issues of downsizing and restructuring, violations of employee rights, or development of inclusive HR policies.

The role of the employee representative (from now on ER) is the figure that we explore in this study. We do so from the perspective of their counterpart in social dialogue. This typically is the HR director or HR manager, acting as representative of the employer. Our research questions are: What are the experiences and expectations of HR managers about the attitudes and competences of ERs? What are their proposals to cope with the challenges social dialogue is facing? To answer these research questions we explore how different variables impact the process, such as ERs' competences and conflict behaviors, as perceived by managers. These variables are at the core of the process of social dialogue, however they have been understudied (Euwema et al, 2015). So, the aim of this paper is to provide insight into actual experiences and expectations from HR-managers with regards to ERs. This should contribute to theory and research into labor relations at organizational level. Furthermore, the paper shows relations between these core processes and the societal context of social dialogue, as we explore differences between 11 European Union member states, who all operate under a common (legal) framework of the EU. The outcomes offer insights for improving social dialogue at organizational level. Before addressing the research questions we summarize the key challenges for social partners and differences within Europe in terms of social dialogue

3. 1. Social dialogue in Europe: changing dynamics.

One of the core values cherished by the European Union is the belief in social dialogue as the dominant feature of collective industrial relations (Turnbull, 2010). This is defined as 'all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy' (International Labor Organization, ILO, 2005). Social dialogue is proposed as one of the best alternatives to overcome conflicts of interest between social partners. Conflicts of interest refer to conflicts concerning the establishment of terms and conditions of employment, and an example of social dialogue might be the negotiation of a

collective agreement, in which employers and employees attempt to establish the conditions in which they will work (Martinez-Pecino et al., 2008). The main goal of social dialogue is to promote consensus and democratic involvement among the main stakeholders, contributing to a more social and fair world of work. Previous research concludes that countries with strong social dialogue tended to be fairer during the crisis in terms of cooperation between the state, employers, and their employees (Curtarelli et al., 2014; Welz et al., 2014).

Even if social dialogue is considered as a prerequisite for a fair and competitive social market economy (Thyssen, 2016) we see that the model is facing unprecedented challenges (Barnard, 2014). The main concerns are given by a decentralization of the collective system (Marginson, 2015), the individualization of employment relations (Baccaro and Howell, 2011; Edwards, 2009), and the decline of TU density (Curtarelli et al., 2014). These factors are also framed by Marginson and Sisson (2004) as the Americanization of industrial relations. A last challenge we include here refers to the contextual differences between the countries sharing the same system (Koukiadaki et al., 2016). These challenges and their influence on social dialogue are introduced next.

3.1.1 Decentralization of the collective system

Decentralization in collective agreements from national and sectoral to organizational level has been taken place worldwide. The decrease in collective bargaining coverage is also a reality in many European countries (Glassner et al., 2011; Marginson, 2015). Macron, elected in 2017 as president of France, made this a key point in his reform of industrial relations. This is seen as a measure to better align wages with productivity at local and firm level, which makes room for more negotiation and decision-making at company levels (European Commission, 2015; Gold et al., 2010; Marginson, 2015; Visser, 2010).

This flexibility in agreements clearly challenges social dialogue in organizations. Where 20 years ago agreements were negotiated between employers and unions at national or sectoral level, today, negotiations on working conditions, health and safety, working hours and pay become issues at the table at organizational level (Carley and Marginson, 2010; Molina and Miguelez, 2013). In addition, the stricter regulations and the changing practices make it increasingly difficult to extend collective agreements to a wider share of employees (Bosch, 2015; European Commission, 2015).

3.1.2 Individualization of employment relations

Previous literature (Lipsky et al., 2015) highlights the transition from a more collective system –with its roots embedded in the beginnings of the industrial era of the 20th century- towards an individualized model of labor relations, more in line with the knowledge era and the competitive context of the 21st century. New relationship forms between employees and employers are present, in which a decline in the collective orientation, alternative forms of employee's representation, and promotion of individualized employment relations or i-deals (Gillilan et al., 2014; Guest, 2016).

As stated by Guest (2016, 2017), traditional systems of industrial relations have been broken, more notably in countries such as the US and the UK where there has been only a weak legal framework to support them, but also, to varying degrees, in European countries where there has been stronger institutional support. This breakdown is reflected most noticeably in the decline of TU membership and in some of the collective values associated with it (Hyman, 2015; Sen and Lee, 2015). More and more, labor contracts are negotiated individually. This is due to the "desire and ability of employees to manage their career individually, and the skepticism concerning the relevance of collective labor relations" (Keune, 2015, p. 48), challenging the role of industrial relations actors at organizational level (Fells and Prowse, 2016; Keune, 2015).

3.1.3Decline of TU density

Universally, TUs membership is in decline (Hyman, 2015; Sen and Lee, 2015), and the social and economic changes described above reduce the scope of TU influence (Koukiadaki et al., 2016; Martínez-Lucio, 2016). This makes workers search for new forms of employee representation parallel to the unionized system (Hayter, 2015). This is a challenge for TUs as well as for management. Both parties share the need to attract competent and motivated employees to negotiate efficiently (Euwema et al., 2015; Visser, 2010).

The decline in traditional industrial relations institutions urges the renewal of TUs (Martínez-Lucio, 2016; Sen and Lee, 2015). In that, even with the decline of membership, recent literature firmly suggest that this is the moment where union 'revitalization' becomes an important part

of the labor and employment relations agenda (Frege and Kelly, 2004; Martínez-Lucio, 2016; Simms, 2012).

3.1.4. Differences across countries

Social dialogue is institutionalized in all EC member states, however the persistence of national variations impacts the way in which industrial relations are driven in each context (Marginson, 2015; Turnbull, 2010; Vos, 2006). The differences are related to national legislations, historical developments, and societal cultures of industrial relations (Hyman, 2015). The position and functioning of social dialogue in organizations is closely related to the broader context of industrial relations at national level. Thus, the role played by the system and the actors differs largely between countries (Koukiadaki et al., 2016; Pulignano et al., 2012). Therefore, we shortly explain the main structural differences between European countries.

First, TUs engage in a variety of ways with legislations. For example, within most Nordic countries, TUs and the state are closely related through national systems of representation. In Spain and Portugal, there are sector level agreements and there is a dialogue with the state, although this dialogue is not continuous. In Eastern Europe, TUs and the state are weakly related. In the UK, the state-labor relation is not institutionalized (Pulignano et al., 2012).

Secondly, relations between TUs and employers vary across Europe. In Germany and Denmark strong relations exist between leading corporations and TUs. This is partly due to the legislation; however it is also due to an awareness of shared interests, such as a strong and competitive economy. Such relationships are absent in the United Kingdom. In most Southern European countries (such as Spain and Portugal), there is generally low trust between TUs and employers (Elgoibar, Euwema and Munduate 2016). Eastern European markets have other priorities than social dialogue, which hinders the development of high-trust industrial relations in Eastern European countries (Teichmann and Lohmus, 2014).

Thirdly, employee representation varies across Europe. The existence of workplace employee representation structures is a distinctive feature of industrial relations in Europe. Works Councils (WCs) are permanent elected bodies of workforce representatives, set up on the basis of law or collective agreements, with the task of promoting cooperation within the enterprise for the benefit of the enterprise itself and employees, by creating and maintaining good and stable employment conditions, increasing welfare and security of employees and an

understanding of enterprise operations, finance and competitiveness (Martínez-Lucio and Weston, 2007). In the 27 EU states plus Norway, there are four states (Austria, Germany, Luxembourg and the Netherlands) where the main representation is through WCs with no statutory provision for unions at the workplace. In eight countries (Cyprus, Denmark, Finland, Italy, Lithuania, Malta, Romania and Sweden), representation is essentially through the unions. In another eleven countries (Belgium, the Czech Republic, France, Greece, Hungary, Norway, Poland, Portugal, Slovakia, Slovenia and Spain), it is a mixture of both, although sometimes TUs dominate. In a further five countries (Bulgaria, Estonia, Ireland, Latvia and the United Kingdom), TUs are the sole channel, although legislation now offers additional options (Pulignano et al., 2012). Thus, a heterogeneous scenario across Europe persists. Therefore, we should take into account the cross-cultural approach when explaining the European context of social dialogue.

3.1.5. The role of the social partners: employee representatives and management

ERs are employees within the company who have a (part- or full-time) role as representative (Watson, 1988). They represent their coworkers in the decision-making processes with management. Within the European framework, their main representation tasks take place: a) on disciplinary and grievance matters; b) in WCs or other consultative bodies; c) in collective bargaining of terms and conditions; and d) for making workforce agreements (Conchon, 2011). In the current context, ERs' ability to negotiate new organizational arrangements is fundamental for supporting employees' interests (Rocha, 2010). And this is what we explore in this study from the perspective of their counterpart, HR managers.

ERs act in representation of their co-workers (Gold et al., 2010) and their role is important for the communication between their constituency and management (Stuart and Lucio, 2002). ERs act not on their individual interests, but as agents for others (Medina et al., 2009). Agency theory (Eisenhardt, 1989) underlies the actions of ERs, whereby ERs have a principal-agent relationship with their co-workers. At the same time, HR managers in the framework of social dialogue act as agents of the management side.

3. 2. Relevant factors in studying the experience and expectations of employers on ERs

The overall aim of the study is to improve the quality of social dialogue as a tool for social innovation, by exploring European managers' experiences and expectations on structures, roles, attitudes and competencies of ERs. To do so, we start describing the outcome of this process which is the quality of the agreement, and how ERs influence decisions taken by management. We then continue by explaining the amount of conflict and the trustworthiness as variables impacting the outcomes. Finally, the perceived behavior in conflict and the competences are analyzed as variables that are personal qualities of the ERs, given when the process starts. All these variables are at the heart of any dialogue between employers and ERs. We then analyze managers' perspectives of these variables in Europe and their proposals for improvement.

3.2.1. Quality of agreements.

Decision-making processes in organizations have been broadly studied, including the trend of exploring the quality of the agreements themselves and their antecedents (Amason, 1996). However, we don't find this array of studies in the specific context of decision-making made between management and ERs. Thus, in this study we are interested in decision-making processes in social dialogue in organizations, in topics such as arrangements for health and safety, restructuring and other strategic issues (Garcia et al., 2017). Here, solutions surely must meet the interests of the different stakeholders, which typically require innovative and tailor-made solutions.

Quality of agreements is defined in terms of reaching optimal solutions, where all parties maximize their outcome, and realize a mutual satisfactory result, to which both parties are committed (Lax and Sebenius, 1992; Pruitt and Carnevale, 1993; Sebenius, 2015). In this study, a perceptual measure of relative quality of agreement is used, because an objective measure of the quality of a single agreement is difficult to isolate. Following Amason's proposal (1996) on decision-making quality measure, we asked those who have observed its effect and who understand its context to judge, retrospectively how the agreement turned out. This way HR managers described the overall quality of previous agreements as result of social dialogue.

Characteristics and quality of collective agreements in organizations depend on the way management and ERs solve conflictive issues (Amason, 1996). Collective agreements in organizations have high quality when both parties' needs are optimally met, and all parties at

the negotiation table commit to its accomplishment. In that sense, conflict management and ERs' competences have been seen as important factors for HR managers to achieve the desired quality (Garcia et al., 2017).

3.2.2. Influence on the decision-making process.

ERs serve as a bridge between managers and their co-workers, representing a key element of social dialogue. However, they have been losing influence in the recent years and this is even more obvious in certain countries (Koukiadaki et al., 2016; Molina and Miguelez, 2013).

French and Raven (1959) defined influence as a force one person exerts on someone else to induce a change in behaviors, attitudes, and values. In the context of social dialogue, the influence of ERs is understood as their force to change management behaviors, attitudes and values on different issues on the decision-making process. How much do ERs actually participate in the decision-making in European organizations? They can participate on a large variety of issues. Some of these are obligatory, and defined by law, and therefore can be seen as traditional issues, such as working conditions, working hours, and wages (Guest, 2016), as well as the organization of jobs (Van der Brempt, 2014). Other issues have developed more recently and are therefore referred to as innovative issues, such as work–life balance, equality, green issues, and corporate social responsibility (Cutcher-Gershenfeld & Kochan, 2004). These often are less evident to discuss, and putting these on the agenda might depend more on the relationship between management and ERs (Garcia et al., 2017a). Gaining influence is closely related to the labor legislation in each country. However, at the organizational level the motivation and competencies of the ERs and the attitudes of the employers play a main role in determining ERs' power and influence in decision-making (Euwema and Elgoibar, 2012).

3.2.3. Trustworthiness.

The most cited theoretical framework on trustworthiness was developed by Mayer, Davis and Schoorman (1995). These authors state that perceived trustworthiness has three dimensions: ability, benevolence and integrity, which are all three significantly related to trust (Mayer and Davis, 1999). This suggests a fundamental aspect of an interpersonal relationship (Levin et al., 2006), in which the trustee has a specific attachment to the trustor (Mayer and Davis, 1999).

ERs' trustworthiness by managers to perform their role is relevant to promote their participation, particularly for innovative issues at the negotiation table, and this trustworthiness is most likely strongly determined by perceived abilities or competences, benevolence and integrity of ERs.

3.2.4. Frequency and type of conflict.

Conflict appears to be important for high-quality decisions but conflict also seems an obstacle to consensus (Amason, 1996). Therefore, conflict has been defined as multidimensional so that one dimension of conflict can enhance decision quality while another dimension can attenuate consensus and agreement (Amason, 1996; Jehn, 1995). When conflict appears to be functional is generally task oriented while relationship oriented conflict has the opposite effect. Task conflict refers to judgmental differences about how best to achieve common objectives and it contributes to decision quality because the synthesis that emerges from the confrontation of different perspectives is generally superior to the isolated perspectives themselves (Amason, 1996; De Dreu & Weingart, 2003). Traditionally, research has concluded that relationship conflict can damage the organizational climate and the performance of individuals, teams and organizations (Janssen et al., 1999). However, it has been shown that task conflict can be productive, enhancing the quality and acceptance of negotiated outcomes (Olson et al., 2007), but only under specific conditions and in a cooperative context (Medina et al., 2008).

3.2.5. Competences.

Agents such as ERs have to balance between various interests: those of their constituencies (not necessarily sharing all the same interests), the organization (in their role as being employees), other ERs, and their own self-interest as agents and employees (Garcia et al., 2017). Being a competent ER, therefore, can be quite challenging and stressful (Elgoibar et al., 2014). The notion of competence is defined as the capacity to adequately perform a task, duty or role in the context of a professional work setting. Thus, a competence is understood to integrate knowledge, skills, personal values and attitudes, and to be acquired through work experience and learning by doing (Bartram & Roe, 2008). Managers perceive ERs as competent, to the extent that they are knowledgeable, have the appropriate skills, and adequate

attitudes to perform their role. They count on ER's knowledge in human resources management or labor law, and social or negotiation skills, for example (Soares & Passos, 2012).

3.2.6. Conflict management.

This study rely on Deutsch's theory of cooperation and competition (Deutsch, 1973) to analyze how ERs manage conflict is related with decision-making and quality of agreements. Conflict management is defined as an individual's reaction to the perceptions that one's own and the other party's current aspiration cannot be achieved simultaneously (Deutsch, 1973; Pruitt, 2013). It is what people who experience conflict intend to do as well as what they actually do (De Dreu et al., 2001; Van de Vliert et al., 1997). Parties' belief about the way their goals are related strongly affects their interaction and outcomes as they deal with conflict (Deutsch, 1973). Cooperative behaviors are those in which a party believe their goals are positively linked and therefore that party takes into account the interests of the other party in relation to the conflict issues. In contrast, competitive behavior can be found when parties move towards their own goals and interests, and don't perceive a common goal (Carnevale & Pruitt, 1992). Previous research on ERs' conflict management shows that ERs tend to combine cooperative and competitive behaviors (Euwema et al, 2015) This combination can include a more cooperative or competitive approach and is known as Conglomerate Conflict Behavior (Van de Vliert et al., 1995). It has been shown that combining conflict behavior drives towards effectiveness (Munduate et al., 1999). The main explanation for this conglomerate pattern of conflict behavior is given by the perception that conflicts are often mixed-motive situations (Euwema and Van Emmerik, 2007).

3. 3. Participants and procedure

To address the research questions we focused on HR directors and managers in organizations. This role represents the employer in negotiations with unions and ERs, such as WCs, and it is in charge of negotiating all labor related issues. This is typically a responsibility of the HR Director, who in larger organizations might have a team of specialists working on specific issues (pay, additional benefits, learning and development, health & safety, etc.). In some organizations this role can also be supported by a specialist who is dedicated to work with the

unions and ERs (known as the 'social relations' director). In most organizations the HR manager is also responsible for contracting all staff, development of HR policies, and the correct implementation and execution of all HR policies, as well as the assessment of the effectiveness of measures (including surveys among employees, etc.). In all these matters, HR represents the organization, in relation to the employees.

The study includes quantitative data from 614 HR directors and HR managers and qualitative data from 110 interviews with these persons. Quantitative data were collected through an online survey in 11 European countries: Belgium, Denmark, Estonia, France, Germany, Italy, the Netherlands, Poland, Portugal, Spain, and the United Kingdom. In all countries, HR directors and managers from different sectors and sizes were invited to participate using different networks. A random sampling procedure was followed in each country, distributing the surveys among networks, without preselection. The average age of the participants was 43.5 years, with 50% male and 47% female respondents (3% unanswered). The survey and instructions were translated into 10 languages (Danish, Dutch, English, Estonian, French, German, Italian, Polish, Portuguese, and Spanish). For Belgium, both Dutch and French surveys were made available. In addition to measuring the key variables described in the previous section, information on participants (age, gender, role, education, years actively in contact with ERs), and organizations (number of employees, economic conditions) was gathered. Qualitative data were collected with semi-structured interviews with HR directors and managers in the same participant countries. Results of the interviews will be mentioned to contextualize the quantitative data and illustrate the situation of social dialogue in each of the participant countries.

3. 4. Results and Discussion

Despite the fact that we appreciate differences within the employment relations structures between countries, quite clear commonalities also appear when we listen to employers in Europe. We summarize employers' experiences and expectations to improve social dialogue.

The main descriptive results from the surveys are presented in Figure 3.1, and have been published by Euwema et al (2015). We elaborate on the following key factors from the model: influence on decision-making, perceived competences, type and frequency of conflict (relationship and task conflict), conflict management, trustworthiness and informal relations, and quality of the agreements, and we address the diversity encountered between countries.

As we can observe in figure 3.1, European managers perceive the influence ERs have on decision-making is moderately low. They also consider that ERs are underqualified for performing their role. In contrast, they generally have a more positive perception of ERs' benevolence and integrity. Commitment to the organization by ERs is also generally perceived as high and managers indicate a willingness to empower the role of ERs. Finally, managers perceive high differences between the ERs in their organization; therefore, we should be cautious when generalizing the results.

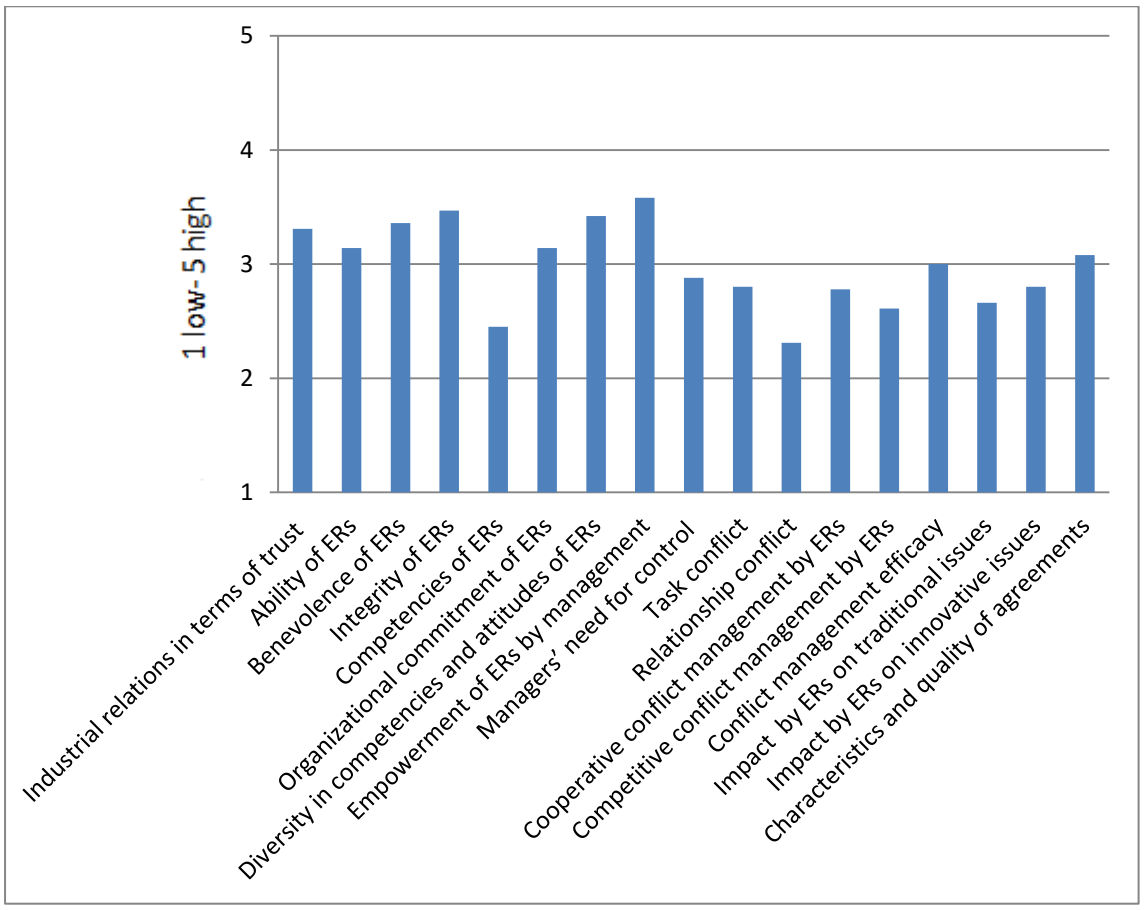

Figure 3.1. European means of the variables included in the study. Source: Euwema et al., 2015, p. 13.

In the following section, we comment the results for each variable and the countries which present significant differences in these variables with regard to the European mean.

3. 4. 1. Quality of agreements.

The quality of the agreements perceived by managers (Figure 3.2) doesn't show large differences between countries and most countries score around 3. Evidently with this level of quality, there's room for improvement in all Europe.

Despite the general homogeneity among countries, the United Kingdom and Germany are significantly higher in quality of agreements. In contrast, Poland and Portugal show lower results than the European mean.

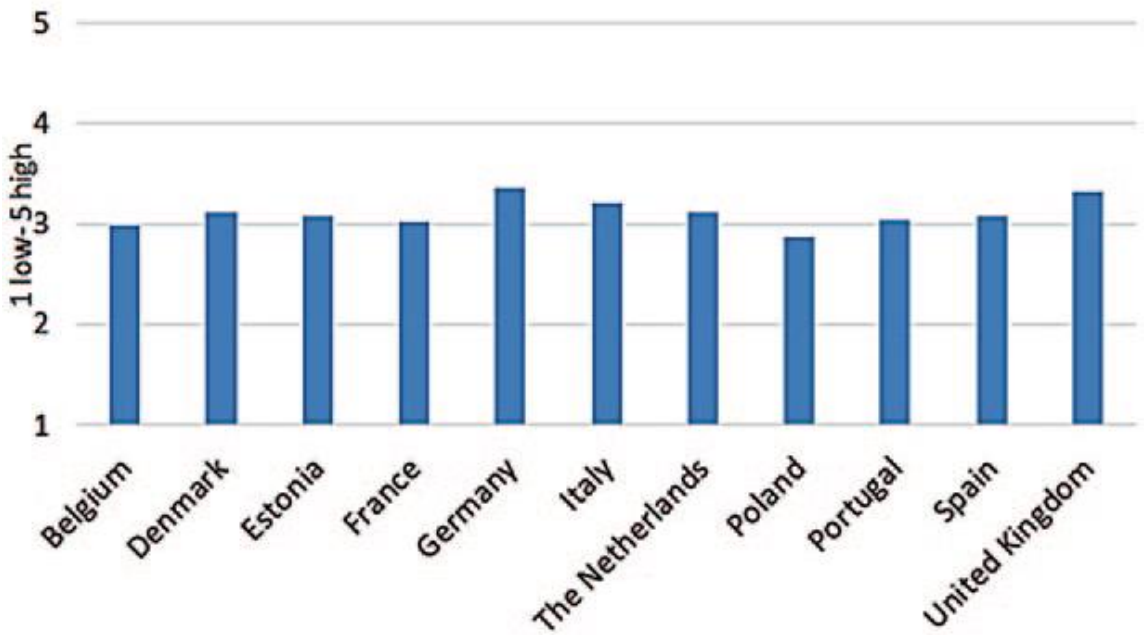

Figure 3.2. Perceived quality of agreements in 11 countries. Source: Garcia et al., 2015, p. 184

3. 4. 2. Influence on the decision-making process

The results show a relatively low score (under 3) for both types of influence – traditional and innovative issues- overall in Europe. However, when examining the scores in each country we see quite significant differences (Figure 3.3).

Germany and Spain are significantly higher in terms of influence on decisions of traditional issues, and Poland and Portugal are lower. These differences also apply for innovative issues, with the addition that the Netherlands and Estonia are also significantly higher.

The first result that catches the eye is the position of Germany in the top right corner, indicating that German managers perceive ERs to have relatively strong influence on decisions of both types of issues. On the other hand, Portugal scores low in both, meaning ERs here are perceived to have little influence on the decision-making processes for traditional and innovative issues. Other countries such as The Netherlands and Denmark score considerably higher on innovative issues than on traditional issues. Previous research had shown that influence is positively related to the level of competences (Garcia et al., 2017; Gross et al., 2004).

"Social dialogue is very effective here. Our ERs are very competent, they have the appropriate education. This arguably facilitated dialogue" (HR manager, education sector, Belgium).

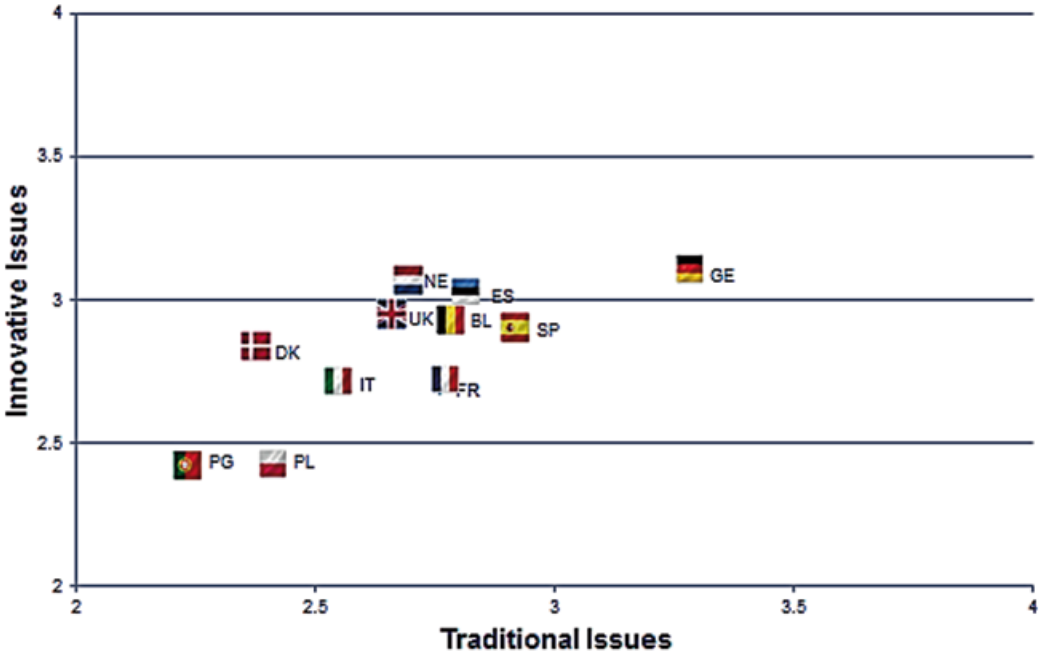

Figure 3.3. Influence of ERs on innovative and traditional issues in 11 countries. Source: Euwema et al., 2015, p. 185

3. 4. 3. Trustworthiness.

We observe that trustworthiness is a key factor for social dialogue, also in the perception of HR managers.

'We trust each other. It is the precondition of a close cooperation. I have 100 % trust in that they work well and are trustworthy, and that we can have talks off the record, where we think

out loud together (…) The main task is the same: We need to have a good, healthy, well-functioning workplace and we all work together so that our customers experience a good bank' (German HR director).

3. 4. 4. Frequency of conflicts between management and ERs.

Regarding the frequency of conflicts between management and ERs, there appears to be substantial differences in the perceived frequency of conflicts between management and ERs (Figure 3.4). All countries score below 3 in relationship conflict and so is the case for most countries when referring to task conflict. France accounts for more relationship conflicts of that the European average, the same goes for Poland and Belgium. Italy, Denmark and Estonia on the other hand present lower than average values. As for task conflicts, Denmark, Estonia and the Netherlands are significantly low, whereas managers in Portugal perceive more task conflicts than the European mean.

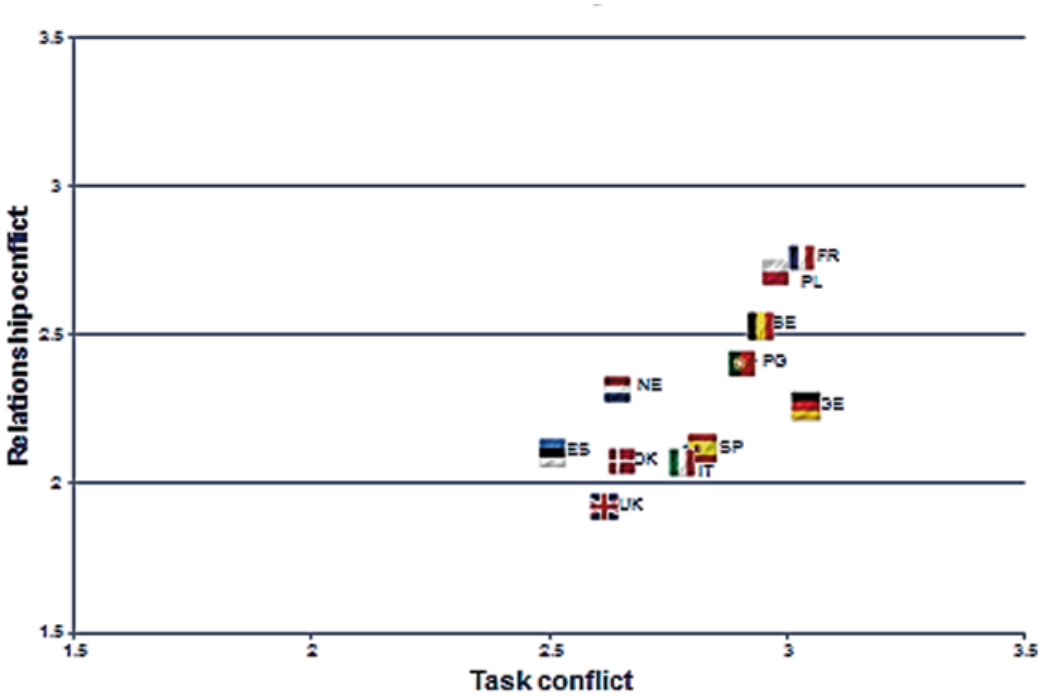

Figure 3.4. Frequency of task and relationship conflict in 11 countries. Source: Euwema et al., 2015, p. 186

3. 4. 5. Competences.

Managers who perceive ERs as competent consider ERs' influence to be higher in the decision-making process about traditional as well as innovative issues (Garcia et al., 2017). This result is in line with the theory of bases of power (French and Raven, 1959), underscoring that perceived competence can be seen as expert power (Munduate and Medina, 2017). If these competences are lacking in the eyes of HR managers, influence will be low. A quote of a Spanish manager illustrates this finding: *'The only good thing I can say about them [ERs] is that they are nice people' (Spanish HR director).*

HR managers in majority therefore are willing to invest in development of competences of ERs.

'In our company we invest in the training of our ERs, we believe that we achieve more innovative and higher quality agreements if we negotiate with competent ERs' (HR manager, Belgium).

There is a general opinion that ERs need to be competent, and that professionalizing this role can become as a win – win for both parties. This is even more so in Belgium and Spain, which show significantly lower values for ERs competences. Estonia, Germany and Poland on the other hand show higher values than the mean.

3. 4. 6. Conflict management.

Figure 3.5 presents the perceived cooperative and competitive conflict management by ERs. We appreciate differences in the perception of ERs' conflict management between the countries. For example, in Denmark, Germany, the Netherlands and Estonia, ERs show a more cooperative pattern in comparison to the European mean, whereas in Belgium, the UK and Spain, ERs tend to go towards a more competitive pattern, when comparing with the European trend.

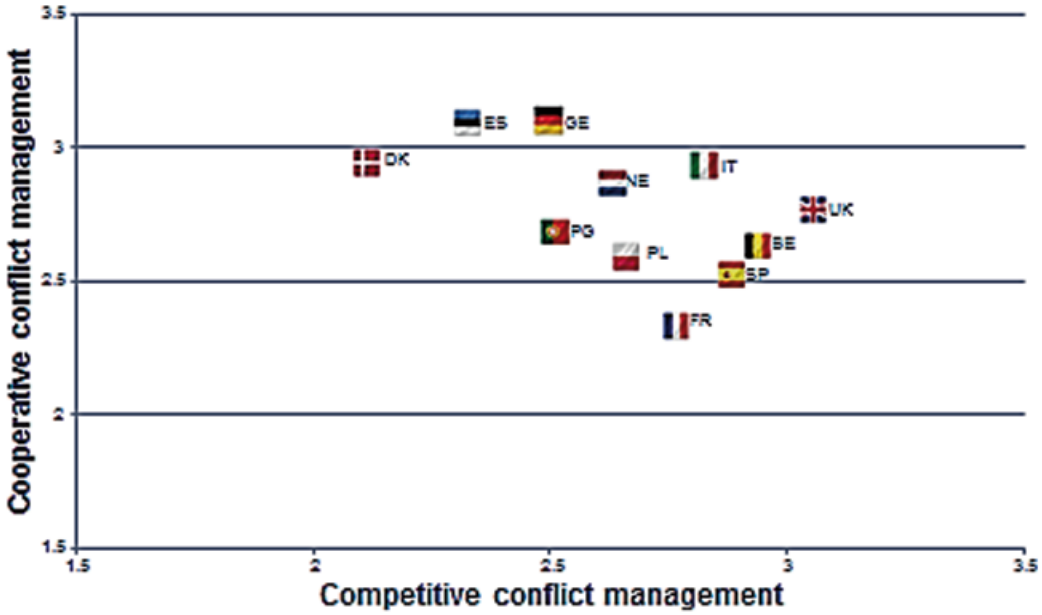

Figure 3.5. Cooperative and competitive conflict management by ERs in 11 countries. Source: Euwema et al., 2015, p. 187

"It is important to act in a way that the WC is able to save face. It is not about winning one battle but about a long term relationship" (HR manager, Germany)

"I can perfectly understand that our ERs have to make a stand sometimes, even call for action. As long as this is in a common understanding that we will work it out in the end, it's perfectly OK for me". (HR manager, The Netherlands)

3. 5. Conclusion

It has been the intention of the above analysis to map the factors that contribute to a constructive social dialogue in organizations. The results are based on the experiences and expectations of managers on ERs. As general conclusion, we have seen that employers, as one of the two primary parties involved in social dialogue are satisfied with the main outcomes provided by the system. They consider however, that there is place for improvement. We summarize here, the factors oriented to improvement as perceived by HR-managers when it comes to ERs.

By far most European employers prefer strong counterparts at the table who are competent, and show benevolence and integrity. They consider that a cooperative way of managing conflicts allows them to share more information and arrive at agreements of higher quality. And they want to make agreements that meet the changing developments in the workforce and economy. Employers value a formal structure for social dialogue to make such agreements, also within the organization.

3. 6. Implications for the improvement of social dialogue

3. 6. 1. Competences of ER: more innovative and less ideological TUs.

Employers in most countries express appreciation for ERs, however are concerned about their level of competences and their attitudes towards innovation and change. As in most countries, ERs are now closely related to unions, and are trained by unions, employers see that unions should be more adaptive to economic developments, also at organizational level. Employers consider that unions could improve their influence on decision-making in organizations, if they are less conservative and less ideological. In the view of managers, organizations continuously need to adapt to the external environment can hardly be aligned with a rigid attitude of ERs. Management can contribute to the willingness to change by involving ERs early in the process and sharing information. ERs are expected to fight for the interests of the employees; however this is not necessarily in conflict with the interests of the company.

3. 6. 2. Preventing relationship conflict: Investing in informal relations.

Within each country we see clear differences between organizations on this matter. A key factor mentioned by many HR managers is to develop good and task-focused informal relations. In Belgium, Germany, Denmark and the Netherlands, management widely uses informal communication prior to officially starting to negotiate in order to circumvent the 'heavy' structures and come up with possible solutions beforehand. A key element here is the development of good personal relations, so as to prevent relationship conflicts, when negotiation on task related conflicts.

3. 6. 3. Make the role of ERs attractive.

Many managers express concern about the recruitment of competent and motivated ERs. It is important to make the role attractive to competent people, including those who are young and

have a more flexible attitude. Employers are searching for ways to promote competent, young employees to engage as ERs. New practices are mentioned such as: a) Reward the role of ERs, as part of career management; b) Promote adequate remuneration, especially in large organizations; c) To not necessarily limit the wages at the level of entry, when ERs start; and d) Involve ERs for shorter periods or specific project assignments, instead of a long time commitment.

3. 6. 4. Constructive conflict management.

Promoting a constructive management of conflicts is seen as a need by many managers. Employers can contribute to that. For example, several of the investigated companies use working groups consisting of employers and ERs to overcome potential conflicts prior to negotiations. Members of the groups are selected based on expertise, which means that everyone on the table should have sound knowledge about the topic. This arguably facilitates discussions and leads to better outcomes. Results show that adding employees with expertise to workgroups is a good practice to achieve more constructive and innovative social dialogue.

3. 7. Limitations and future research

This study has some limitations we address here. First, we only present the perspective of employers: the HR managers. Therefore, we have to be careful when interpreting the data and certainly avoid any claims about what ERs actually do, or what their level of competences 'is'. However, this perception that HR managers have is essential, and drives their attitudes and behaviors, therefore adds to the literature. A second limitation is that the data collection is cross sectional, therefore no conclusions about causality can be drawn. Particularly to gain a deeper understanding of the dynamic interplay between trust, conflicts, influence and quality of decisions made, future research should best use a longitudinal, and multi-source design. Thirdly, our samples in each country are limited in size, and we could not control the response. We therefore face the risk that these samples are not representative. This is an artifact of our methods, however future studies could benefit from efforts to collect representative samples. Getting sufficient responses from this target group appears however challenging. In fact, it is easier to collect data on the side of ERs (Munduate et al, 2012). Finally, the current study was conducted in 11 European countries and results were rather consistent over these countries, although quite some differences exist. All these countries are EC-member states, and operate

under one EC legislative frame. Industrial relations are embedded in legal and cultural realities leading to different industrial relations in each country. Future studies should empirically investigate perceptions of management towards ERs, in whatever system or role they operate. This, we believe, is an important task for international, comparative research in the field of industrial relations.

3. 8. Conclusion

The main contribution of this article to the literature on industrial relations at organizational level, is the presentation of data on HR managers' perceptions and expectations of ERs, focusing on the processes central to social dialogue. Our study highlights it is important to differentiate between types of conflict (task and relationship), different bases of trustworthiness (competences, benevolence and integrity), as well as differentiation when investigating influence of ERs, the topics at stake. The new differentiation made here between traditional and innovative issues, clarifies that future research should aim at understanding on what issues ERs do have influence, and what factors contribute to that influence, as well as to the perceived quality of decision-making. Our study furthermore makes clear, that employers do appreciate a structured dialogue with ERs. Several conditions contribute to this appreciation. However, the trend towards individualized contracts as alternative to a structured dialogue, is not the case in most European organizations. What is essentially here, is to create a constructive dialogue at different levels in the organization, as is picture in the metaphor of the Tree of Trust (Lewicky et al., 2016), where different layers of dialogue, as branches of a tree, are connected to promote dialogue at all levels within the organization.

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Chapter 4. Trustworthiness and influence in organizational decision-making by employee representatives[2]

[2] A previous version of this study was presented at the EAWOP conference in Oslo (2015). Currently under review at the journal of *Applied Psychology. An International Review*.

Chapter 5. Investing in employee representatives pays off. The relation between investment in ERs, perceived constituency trust and forcing by employee representatives[3]

[3] Previous versions of this study were presented at the 11th ILERA European Congress, Milan (2016) and at the congress of the International Association of Conflict Management (IACM), Columbia University, New York (2016).

Chapter 6. General discussion

General discussion

Southern rail: 'Breakdown of trust' in dispute[4]

In April 2017, The British Southern rail found itself stuck in a year-long dispute with two of the main unions – RMT and Aslef – with no prospects of resolution. The row started with the Southern changing the roles of the drivers, adding the responsibility for operating the doors, and at the same time changing the role of guards to on board supervisors, which is a less safety-critical role. The deal negotiations had focused on keeping supervisors on board as second members of staff. After several attempts of reaching an agreement to satisfy all parties involved, Aslef's Simon Weller blamed the stagnation on an "utter lack of trust" between his union's members and Southern. Curiously, Aslef had previously accepted a deal with Southern, without consulting RMT, but was now backtracking as they felt there was no trust between their union and the company to carry out an agreement properly. At this point, employees were planning to strike for 24 hours during the Grand National weekend.

In labor relations and negotiations, we often find these situations of clashing interests. Several players are frequently in the game: employers, one or more unions, ERs and the employees that they represent, etc. Therefore, creating space for integrative solutions in these complex environments requires open communication and trustworthy parties, among other aspects. This dissertation explored the role of trust as a key aspect in these relations between two main actors of social dialogue: managers and ERs. It examined how trust can be an antecedent and an outcome of different processes between these two actors, from both perspectives. As in the Southern rail case, trust can be a determinant towards reaching a deal or breaking it, as it affects and is affected by many organizational variables.

In the following paragraphs, we first summarize the most important findings in relation to the research questions. We then address the possible strengths and weaknesses of the study. Next, we discuss the theoretical and practical implications of this dissertation. We finalize with the overall conclusion of the dissertation.

[4] http://www.bbc.com/news/uk-england-sussex-39489471

6. 1. Findings with respect to the formulated research questions

6.1.1. What is the state of the art of trust in the context of industrial relations?

Trust within industrial relations, trust between employers and employees, is not evident. At the same time, employers trust employees to work in their organizations, and vice versa. Many companies recognize the vital importance of good relations, and the investment in developing such relations (Euwema et al., 2015). Unions also emphasize the need of cooperation and trusting relations with employers (Munduate et al., 2012). However, despite the recognition of trust as a key aspect of these relations and trust having been widely studied in other organizational contexts, there is little literature on trust in the specific context of labor relations. That being the case, a review on what has been researched on trust and conflict behaviors by the different parties at the table, is essential to understand the decision-making processes that will lead to labor agreements in the near future. Therefore, we reviewed the current literature of trust and conflict management in industrial relations to date.

After analyzing the literature, we summarize the findings in five reflections. Firstly, there is a lack of empirical, and particularly quantitative, studies relating trust and conflict management between management and ERs in organizations. Also, the complexities in this context, such as typically multiparty, multi issue, representative negotiations, are rarely addressed in these studies. Secondly, looking at the outcomes of the studies on trust, we can conclude that trust has deserved more attention than distrust. Most authors implicitly seem to assume that lack of trust is turning into distrust. However, recent literature advocates trust and distrust should be seen as two related however different processes. According to Lewicki, Elgoibar, and Euwema (2016), this is particularly relevant for the field of industrial relations. All studies in our review underscore the relevance of trust to develop constructive relations, also in the context of industrial relations in the organization. Less is clear what types of trust and what interventions contribute to the development of trust. Rebuilding trust after industrial relations conflicts has received very little attention so far. Several studies emphasize to focus on trust as a multilevel issue, particularly in large companies. Thirdly, there is a lack of descriptive studies at the level of trust and conflict management strategies by ERs in Europe, as well as worldwide. It is important to assess these levels, as both parties at the table tend to rely on stereotypes about (dis)trust by the other party, their trustworthiness, and expected conflict behaviors by the other party. These stereotypes usually are negative, and reinforce competitive patterns, depending on

the context (Hyman, 1997). Fourthly, the literature points out that investing in a culture of constructive controversy for industrial relations gives a foundation to manage crisis, and search for integrative potential even in threatening conditions. This requires the empowerment and inclusion of principal parties, in addition to agents (representatives). Further, trust and constructive conflict management go hand in hand. Accepting the dual realities of trust and distrust, cooperation and competition offers the best base to develop long term constructive relations in organizations. Finally, we propose that future studies should integrate trust and conflict management by both sides at the table in sound empirical studies to gain a better understanding of the conflict and cooperation dynamics, and related outcomes, both in the short and long terms.

6.1.2. What are the experiences and expectations of managers about the attitudes and competences of employee representatives?

The social dialogue model in organizations between management and employees is facing unprecedented challenges, and changes rapidly. Social dialogue as an institutionalized form of representative negotiations at organizational level, is mainly present in Europe, and also under pressure (Euwema et al, 2015; Elgoibar et al, 2016). In this new context of labor relations, experiences and expectations of each other are key drivers for the primary parties within this social dialogue. There is lack of systematic research investigating the conditions for a constructive social dialogue, particularly when it comes to 'soft factors', such as perceived competences, trust, influence and conflict behaviors. To answer these research questions we explore how different variables impact the process, such as ERs' competences and conflict behaviors, as perceived by managers. These variables are at the core of the process of social dialogue, however they have been understudied (Euwema et al, 2015), with a few recent exceptions (Elgoibar, 2013; Garcia et al., 2017). Therefore, we aimed to improve the quality of social dialogue as a tool for social innovation, by exploring European managers' experiences and expectations on structures, roles, attitudes and competencies of ERs. To do so, we collected quantitative and qualitative data from directors and HR managers in 11 European countries.

As general conclusion, we have seen that employers, as one of the two primary parties involved in social dialogue are satisfied with the main outcomes provided by the system. By far most European employers prefer strong counterparts at the table who are competent, and show benevolence and integrity. They consider that a cooperative way of managing conflicts allows

them to share more information and arrive at agreements of higher quality. And they want to make agreements that meet the changing developments in the workforce and economy. Employers value a formal structure for social dialogue to make such agreements, also within the organization.

There is also clear room for improvement. The quality of the agreements perceived by managers is at a moderate level, all over Europe. And perceived influence of ERs, both on traditional and innovative issues, is relatively low overall in Europe. We observe that trustworthiness is a key factor for social dialogue, also in the perception of HR managers. Regarding the frequency of conflicts between management and ERs, there appears to be substantial differences in the perceived frequency of conflicts between management and ERs. There is a general opinion that ERs need to be competent, and that professionalizing this role can become as a win – win for both parties. We appreciate differences in the perception of ERs' conflict management between the countries.

6.1.3. How do managers perceive ERs in terms of trustworthiness? How do they perceive their relationship in terms of mutual trust? How do these perceptions affect ERs' influence on organizational decision-making, for both traditional and for innovative issues?

Following on of the most cited frameworks for trustworthiness and trust, developed by Mayer, Davis and Schoorman (1995), trustworthiness is an important antecedent of trust. These authors state that perceived trustworthiness has three components: ability, benevolence and integrity (Davis, Schoorman, Mayer, & Tan, 2000). One of the research questions of this thesis refers to whether these dynamics of trustworthiness as a predictor of trust can apply also in the context of industrial relations, specifically in the relations between ERs and managers.

To answer this question, we investigated the perceptions of HR directors in European organizations, who are the natural counterparts of ERs at the negotiation table. Data was collected through an online survey in 11 European countries: Belgium, Denmark, Estonia, France, Germany , Italy , the Netherlands, Poland, Portugal, Spain, and the United Kingdom. In all countries, HR directors and managers, from different sectors and sizes, were invited to participate using different networks in each participating country. Overall, 614 HR directors and HR managers completed the survey. The results obtained show that trustworthiness of ERs contributes to trust between both parties. This study augments upon previous research,

confirming that trustworthiness is an important antecedent of trust, showing that this is also the case for relationships between ERs and managers.

Trustworthiness was also predicted to be positively related to the influence of ERs on decision-making processes. In this sense, our results show that perceived trustworthiness of ERs is clearly related to their influence in organizations. This points to the importance of perceived trustworthiness in itself, without the need of trust, for ERs gaining influence inside organizations. It is not simply trust which matters, also the trustworthiness of ERs has a unique contribution.

In this thesis we also differentiate between two types of issues: a) traditional issues, which are more classic matters like working hours, pay, incentive systems and performance targets, b) and innovative issues, which refer to the new type of issues included in collective bargaining due to recent changes, such as work-life balance, equality, green issues and corporate social responsibility (Cutcher-Gershenfeld & Kochan, 2004). The content of the issues discussed might have an impact on influence in organizational decision-making (Cotton, Vollrath, Froggatt, Lengnick-Hall, & Jennings, 1988). The results of our study point to a higher influence of ERs on decisions relating to innovative topics than to traditional topics. These results are in line with the renewal of employee representation towards new sets of topics which are more socially sensitive (REF??).

Also related to the previous findings, when talking about traditional issues most European countries have an existing legislation which makes clear what the bargaining position of ERs and the works council is. In such cases, the situational demands are strong, leaving less room for more 'soft' factors, such as trust. Trust and trustworthiness were expected therefore to show a lower relation to influence in decision-making of traditional issues in comparison to innovative issues. The results of the study confirm this expectation, however the relation exists for decision-making in both types of issues. Thus, the trustworthiness of ERs and their trusting relations with management build on the amount of influence that they have at the negotiation table.

6.1.4. How do ERs perceive the investment of organizations in their role? How is related to their forcing conflict behavior with management? Further, what role does the trust in management of the rest of the employee force affect this relation?

Trust between management and employees can find balance based on reciprocity in the exchange between the two parties. If the reciprocity is weakened, the mutual trust will be challenged (Six, 2005). To better understand these processes, we apply the conceptual paradigm of social exchange theory (SET) (Blau, 1964). SET is based on the assumption that groups and individuals interchange social outcomes and, as opposed to economic exchange, on the trust that these given favors will be returned further on (Blau, 1964). These reciprocal exchanges are an important component of business relations (Molm, Schaefer, & Collett, 2009). Investment is important in creating a felt obligation to return a received benefit (Shore, Coyle-Shapiro, Chen, & Tetrick, 2009). When employees perceive that the organization is investing in the social exchange aspects of the relationship, they will feel an obligation to return this investment (Song et al., 2009; Molm et al., 2007; Cropanzano & Mitchell, 2005). We expected therefore that when ERs perceive that management is investing in their relationship, this will correlate with the development of perceptions of constituency trust in management. Since ERs are acting as agents for their co-workers, we assume that investment in ERs by the organization is perceived as an investment in the employees in general. Trusting relationships will thus be an outcome of favorable social exchange whereby the organization is investing in their relationship with ERs. This trust will ultimately lead to behavioral consequences that are favorable for organizational goals (Guest, 2004; Cropanzano et al., 2005).

In order to test the hypotheses, this time the perspective of ERs was taken into account, gathering quantitative data from ERs in Spain. 719 ERs in Spain answered the questionnaire, of which 503 were males and 216 were females. The average age was 45 years and the average educational level was technical degree. For the data collection, questionnaires were used.

The results of our study show that investment in ERs is related to higher perceived constituency trust, as perceived by ERs. Investment in ERs is part of the social exchange relationship between the organization and the ERs. An important characteristic of the reciprocal social exchange between those parties, is that it usually does not include explicit bargaining or binding agreements (Munduate et al., 2016). The nature of the return thus entails uncertainty and risk, because the other party might never reciprocate or might do so very minimally (Molm, et al., 2000). This risk and uncertainty ultimately leads to the development of trust because trusting behavior can only be observed in situations in which something is at stake, thus in a situation where both uncertainty and risk are involved (Heimer 2001; Cheshire, et al., 2010). Also, Munduate et al. (2012), and Euwema et al. (2015) show that investing in relationship building by employers as well as by ERs, starts a cycle of trust development, which often lasts and

grows over years. Trust building is typically a reciprocal process as well (Six, 2007) and reciprocal reactions from employees and management create downward spiraling trust dynamics which tend to be self-fueling and difficult to break.

Interestingly no direct relation is found between investment in ERs and forcing by ERs. The indirect link can be the result of the fact that social exchange requires trust. As mentioned in the definition of Blau (1964), social exchange requires trusting others to discharge their obligations because there is no way to assure an appropriate return for a favor. We can therefore assume that investment and trust are intertwined, both parties invest in the other party with some inherent risk that the investment will not be repaid, requiring trust (Blau, 1964; Shore et al., 2006; Shore et al., 2009). The indirect link can also be partially explained by the fact that trust is a crucial element in relationships (Lewicki, et al., 1998) and particularly in the relationship between management and ERs in negotiation (Ilsoe, 2010). Also many authors place trust at the heart of cooperative industrial relations behavior (Guest, et al., 2008; Ferrin et al. 2008; Kim, et al., 2010), whereby trust the initiation of mutual cooperative relationships encourages. Trust is thus in other words a requirement for both social exchange relationship and cooperative behaviors, explaining the chain reaction from investment in ERs to forcing by ERs through perceived constituency trust. Surprisingly the indirect relation between investment in ERs and forcing behavior by ERs through perceived constituency trust only represents a relatively small effect. This small effect can be caused by the existence of other factors influencing forcing behaviors by ERs. For example the cultural context (Alper, Tjosvold, & Law, 2000; Deutsch, 2006), the perceived union (Elgoibar et al., 2012) and social support (Elgoibar et al., 2014) and the involvement of ERs in the decision-making process (Gelfand & Brett, 2004) all contribute to the conflict style of ERs.

6. 2. Strengths and weaknesses

In this section we explore the strengths and weaknesses of the studies.

6.2.1. Strengths

This thesis presents important and innovative contributions for both theory and practice. A first original element of this dissertation is the work reviewing the literature of trust and conflict management in the field of industrial relations. By presenting and analyzing previous findings, we can recognize that more research has to be carried out exploring such important variables

for interdependent relationships such as trust and trustworthiness in works councils and industrial relations in general.

This leads us to another strong point of this dissertation: the examination of trust in this particular context, from the main actors in organizational decision processes. Though trust and trustworthiness have been recognized as essential elements for understanding successful collaborations in social dialogue, little has been explored in terms of research. The studies addressed in this thesis shed light over these issues and lay the path for future empirical work on these topics.

Furthermore, this analysis of trust in organizations has been explored from both sides of the negotiation table. Two of the studies in this thesis have taking into account the perspective of HR managers regarding their relations with ERs and their role, and one study has presented the views of ERs of their job, their expectations and their experiences inside European organizations. This is an innovative feature of this thesis, and it helps to provide a holistic view of social dialogue in Europe, with a focus on ERs and trusting relationships with management.

Hopefully, the work here presented will inspire further research on these relevant topics for work collaborations. Further, it encourages to examine where there's room for improvement at practice level, motivating social actors from both sides of the table to advance towards successful social dialogue.

Furthermore, the studies here presented have been shared as handbook chapters, journal articles, scientific conference presentations and applied conference presentations, reaching a wide audience, both in the fields of research and practice.

6.2.2. Weaknesses

The studies in this dissertation have some limitations we address here. First, we have to be careful when interpreting the data from the study of the perspective of management and certainly avoid any claims about what ERs actually do, or what their level of competences 'is', in relation to the results of chapter 3 and 4. However, this perception that HR managers have is essential, and drives their attitudes and behaviors, therefore adds to the literature. In any case, the study of the perspective of managers is complemented with the study of the ERs' perspective on many issues, preventing biased conclusions in this sense.

A second limitation is that the data collection is cross sectional, therefore no conclusions about causality can be drawn. Particularly to gain a deeper understanding of the dynamic interplay between trust, conflicts, influence and quality of decisions made, future research should best use a longitudinal, and multi-source design.

Thirdly, our samples in each country are limited in size, and we could not control the response. We therefore face the risk that these samples are not representative. This is an artifact of our methods, however future studies could benefit from efforts to collect representative samples. Getting sufficient responses from this target group appears however challenging. Finally, the studies were conducted in European countries and results were rather consistent over these countries, although quite some differences exist. All these countries are EC-member states, and operate under one EC legislative frame. Industrial relations are embedded in legal and cultural realities leading to different industrial relations in each country. Future studies should empirically investigate perceptions of management towards ERs, in whatever system or role they operate. This, we believe, is an important task for international, comparative research in the field of industrial relations.

6. 3. Theoretical and practical implications

6.3.1. Theoretical implications

Our studies make a number of contributions to the industrial relations literature and to applied psychology.

Trustworthiness as an important stand-alone construct

As mentioned before, there's extensive empirical research placing trustworthiness as an antecedent of trust, based on Mayer, Davis and Schoorman (1995) theoretical model. This study contributes by demonstrating the relevance of trustworthiness, without the need of trust as a mediator. This points to the importance of exploring this variable further and how it impacts other workplace outcomes. Trustworthiness presents itself as a self-sustaining antecedent to the influence of ERs in decision-making. This underscores the importance of differentiating between trust and trustworthiness. It is not simply trust which matters, also the trustworthiness of ERs has a unique contribution.

Traditional and innovative issues

This study differentiates between two different types of issues in which ERs can have influence in organizations: traditional and innovative issues. This differentiation has hardly been taking into account in previous studies, with few exceptions (García, Munduate, Elgoibar, Wendt & Euwema, 2017; Cutcher-Gershenfeld & Kochan, 2004). Influence in decision-making does differ depending on the issues at stake. In addition to this, we also see direct relations between trustworthiness and influence, both for traditional and innovative issues. We find different patterns of ERs' influence depending on the types of issues being negotiated, namely traditional and innovative issues. The higher influence of ERs' on innovative issues compared to traditional issues leads us to think that employee representation's revitalization may occur through this type of innovative dimensions (Martinez-Lucio, 2016).

Investing in ERs pays off

Another contribution of our studies, is the finding that investment in ERs leads to more perceived constituency trust. Investment in ERs is part of the social exchange relationship between the organization and the ERs. An important characteristic of the reciprocal social exchange between those parties, is that it usually does not include explicit bargaining or binding agreements (Munduate et al., 2016). The nature of the return thus entails uncertainty and risk, because the other party might never reciprocate or might do so very minimally (Molm, et al., 2000). This risk and uncertainty ultimately leads to the development of trust because trusting behavior can only be observed in situations in which something is at stake, thus in a situation where both uncertainty and risk are involved (Heimer 2001; Cheshire, et al., 2010). Also, Munduate et al. (2012), and Euwema et al. (2015) show that investing in relationship building by employers as well as by ERs, starts a cycle of trust development, which often lasts and grows over years. Furthermore ERs, according to the agency theory (Eisenhardt, 1989), act as agents for their co-workers. During negotiation with management, ERs represent the interests of their co-workers (Munduate et al., 2012). For this reason, investment in the agents of a group, namely ERs, can also be seen as an investment in this group and therefore investment in ERs leads to more employees trust in management.

Trust affects ERs' conflict management

Another contribution is the importance of trust in conflict management. This study confirmed the negative relationship between perceived constituency trust and forcing behavior by ERs. Many studies mentions that a low trust is associated with a competitive conflict behaviors (Dirks & Ferrin, 2001; Hempel et al., 2009; Elgoibar, 2013) and high trust is associated with

cooperative conflict behaviors. A mediation effect exists between investment in ERs and forcing by ERs through perceived constituency trust. Our results indicate that less investment in ERs will lead to lower levels of perceived constituency trust which in turn results in more forcing behavior by ERs. Consequently our model indicates as well that investment in ERs will lead to higher levels of perceived constituency trust which in turn results in less forcing behavior by ERs. What is important here is that no direct relation is found between investment in ERs and forcing by ERs meaning that investment in ERs only produce more constructive conflict behavior approach by ERs when they perceive that their perceptions of constituency trust in management. This indirect link support the social exchange framework predictions that they are based on trust. As mentioned in the definition of Blau (1964), social exchange requires trusting others to discharge their obligations because there is no way to assure an appropriate return for a favor. We can therefore assume that investment and trust are intertwined, both parties invest in the other party with some inherent risk that the investment will not be repaid, requiring trust (Blau, 1964; Shore et al., 2006; Shore et al., 2009).

The indirect link can also be partially explained by the fact that trust is a crucial element in relationships (Lewicki, et al., 1998) and particularly in the relationship between management and ERs in negotiation (Ilsoe, 2010). Also many authors place trust at the heart of cooperative industrial relations behavior (Guest, et al., 2008; Ferrin et al. 2008; Kim, et al., 2010), whereby trust the initiation of mutual cooperative relationships encourages. Beside, in relation to conflict behavior, several prominent theoretical perspectives on trust have forwarded the position of trust as a determinant of cooperation in situations that contain a conflict of interests (Holmes, 2004; Simpson, 2007; Yamagishi, 2011; Balliet, & Van Lange, 2013). Trust is thus in other words a requirement for both social exchange relationship and cooperative behaviors, explaining the chain reaction from investment in ERs to forcing by ERs through perceived constituency trust. The indirect relation between investment in ERs and forcing behavior by ERs through perceived constituency trust only represents a relatively small effect. This small effect can be caused by the existence of other factors influencing forcing behaviors by ERs. For example the cultural context (Alper, Tjosvold, & Law, 2000; Deutsch, 2006), the perceived union (Elgoibar, 2012) and social support (Elgoibar et al., 2014) and the involvement of ERs in the decision-making process (Gelfand & Brett, 2004) all contribute to the conflict style of ERs.

ERs as agents of employees

Finally our study confirmed the agent perspective of ERs. ERs are responsible for negotiating on behalf of their co-workers and are therefore a key partner in negotiations with management. This dissertation points to the importance of the perceptions that agents have of the attitudes and perspectives of their constituency. Specifically, this work confirmed the negative relationship between perceived constituency trust and forcing behavior by ERs. Thus, ERs shape their behavior based also on what they perceive from employees, as is natural for agents.

6.3.2. Practical implications

Following the results of these studies, we consider some practical implications.

Recruitment of 'trustworthy' ERs

Taking into account the relevance of being perceived as trustworthy, trade unions should consider the dimensions of ability, benevolence and integrity when attracting and recruiting new members for the role of ER. This way, it is more probable that ERs will have a saying on organizational decisions, especially in the case of innovative issues. In relation to this, trade unions could consider recruiting ERs based on topics and the type of issues they will negotiate. Specialization by topics becomes an important dimension in the recruiting process, considering that the influence differs depending on the type of issue at stake.

Training of ERs

In addition to selecting the right people for the role, training ERs in the dimensions of trustworthiness seems an effective way of gaining influence at the negotiation table. The importance of training specific abilities and competencies will come as no surprise for most. However, our study shows that also perceived benevolence and integrity play a key role in both trust and influence, and thus these dimensions should also be promoted through training by the different stakeholders of industrial relations. Seminars and courses about benevolence and especially about integrity are becoming more and more common for management at higher levels. This kind of activities could also be offered to ERs in order for them to gain influence inside organizations and to help construct relations of trust with management.

Educating management

As to avoid forms of pseudo influence, management should also be educated in the possibilities of a strong employee representation for more cooperative relations, thereby improving the quality of decision-making and implementation (Munduate & Medina, 2017).

The challenge – therefore – is to develop a broader vision of regulation and social rights, including social partner responsibilities. The need to support representation requires partnering or joint action with other bodies (the state and/or employer and/or civil society) in a deeper and more sustained manner based around an alternative democratic narrative of representation and diversity. In the end, the question of fairness and regulation and dignity needs voice and that in turn needs trade unions, and ERs.

Growing a Tree of Trust: Trust building between ERs, constituency and Management.

Based on social exchange theory, we believe that investing in time together, for education, role clarification on both sides, and demonstrating the value parties give to dialogue, will push a cycle of trust building. Also constituencies should best be integrated in this process, so as to prevent that the employees, as well as management, are not part of the 'tree of trust'. Throughout this thesis we have seen the interdependence and interrelation of the different social dialogue actors, as trusting relations and even the perceptions that one party has of these relations affect our behaviors and attitudes towards the other party or parties. The roots of collaboration and effective organizational functioning depend on trustworthiness and trust.

6. 4. Overall conclusion

Through these studies, trust and trustworthiness between managers and ERs in Europe have been explored. The theoretical framework of trust in industrial relation contexts is further developed and knowledge about the variables at the societal, organizational and individual level related to ERs' trustworthiness and trust has been built up. Overall, the results contribute theoretically to the industrial relations and organizational psychology fields. From a practical perspective, the studies contribute to a better understanding about the role of ERs and behavior by themselves, their trade unions, coworkers, management, and the policy makers at different

levels (i.e. European, national, and regional). We believe that the findings of the empirical studies contribute to promoting cooperative industrial relations in Europe.

6.5. Final remarks

This PhD has searched for answers to what role trust plays in the context of labor relations, specifically between ERs and management. However, trust is needed for all aspects of life, as even getting out of bed and starting a new day requires risks and uncertainty. We constantly assess whether our decisions are correct, and especially when sharing with others, we feel like we cannot afford to make mistakes. Nonetheless, we are better together, we achieve more when we share our responsibilities and when we share our achievements. When we learn how to trust others and how to be worthy of others' trust, we grow as individuals, but also as couples, groups and communities. Moreover, representing a group of people such as in the case of ERs, even perceptions of others' trust can shape our attitudes and behaviors.

We spend such a large part of our life at the workplace and yet we can still be fooled into thinking that the dynamics that rule our family or our personal relations cannot also rule work connections. Especially when thinking about work councils or collective negotiations, it is often forgotten that it is not only isolated professionals and legislations at play, but actual people. People with needs like fairness, recognition, communication and understanding.

I personally hope that this work helps to bring awareness about this and can serve as inspiration for focusing on people and their needs. Also, I hope that I can take what I have learnt in this time and put it into practice so I can help others, and myself, connect to each other and reach understanding.

I expect to continue learning about relationships, among individuals and among groups, so I can contribute to a better, more connected society.

Trust is the tool that makes our everyday living possible in such complex reality as our global and systemic society. - Padua, D. (2012).

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