true EUROPE

Trust in Relations between
Unions and Employers in Europe

Deliverable 2.1
(Proj. 101126483)

Preliminary conceptual and contextual report

Bengt Larsson, Margaret Heffernan & Aurora Trif

April 2024

Funded by
the European Union

1 Introduction

Trust has been established as a central element of societal well-being. In comparative studies, high levels of generalised trust between individuals correlate with well-functioning democratic institutions, population health, and economic and social equality (e.g. Charron and Rothstein 2018). Trust has beneficial effects on the functioning, efficiency and performance of different institutions and organisations, and positively affects organisational performance and economic growth (Algan and Cahuc 2010; 2013; Beugelsdijk et al. 2004; Dincer and Uslaner 2010; Fukuyama 1995; Knack and Keefer 1997; Lane and Bachmann 1998; La Porta et al. 1998; Zak and Knack 2001).

Trust is also said to be central to the functioning of local-level employment relations within firms – between managers, employee representatives, and employees – as well as impacting the functioning of sectoral and national-level industrial relations between employer organisations and trade unions (e.g. Brandl 2020; Fox 1974; Korsgaard et al. 2010). In both research and European Commission statements, it is taken for granted that effective and sustainable social dialogue, negotiation, and cooperation between social partners at European, national, and local levels must build and maintain trustful relations. Social dialogue is said to be performed through 'trust-building, information sharing, discussion, consultation, negotiation and joint actions' (European Commission 2010: 5).

It seems obvious that the forms and levels of trust between national and sectoral social partners, as well as between employers, employee representatives, and employees at firm level, vary between countries with different industrial relations systems (cf. Baccaro and Howell 2017; Bohle and Greskovits 2012; Crouch 1993; Elgoibar et al. 2011; 2016; Eurofound 2018a; Furåker and Larsson 2020; Hyman 2001). There is, however, a lack of systematic comparative empirical research on the determinants, functions, and effects of trust in employment relations and industrial relations in Europe. This is an important, if rather overlooked, aspect of both local employment relations and national and sectoral industrial relations. It is, for instance, uncertain whether trust creates virtuous circles that reinforce formalised consultation, social dialogue, and negotiations between employer and employee representatives (cf. Charron and Rothstein 2018), or if, instead, trust may be a functional equivalent to such formalised interaction, and thereby produce strong effects from weak organisational settings (cf. Brandl 2021a; Kahancová 2010; Martišková et al. 2021). There are relatively few studies explicitly focusing on trust between employer and worker representatives at the local level. Even fewer studies focus on trust between the social partners at sectoral and national levels – especially studies taking a comparative approach.

1.1 Objectives and approach of the TRUE EUROPE project

The EU-funded project *Trust in Relations between Unions and Employers in Europe* (TRUE EUROPE) focuses on the importance of trust in national and sectoral industrial relations in addition to the interactions between local employee and employer representatives – with a comparative approach. The overall objective is to identify and connect the determinants of

trust with the functioning and outcomes of trust in local and sectoral employment relations. Specifically, we aim to explore, understand, and explain the bases, forms, and effects of trust by studying local and sectoral employment relations and their embeddedness in formalised structures of sectoral and national industrial relations.

As it is not possible to study, within a single project, all possible relations in which trust may exist and be beneficial to national industrial relations systems within the EU, this study primarily focuses on the levels and relations indicated by the black and grey arrows in Figure 1: a) local level relations between employer and employee representatives; b) sectoral level relations between employer organisations (EO) and trade unions (TU); and c) the relations between these two levels. As indicated by the grey arrow in Figure 1 d) relations between cross-sectoral national-level employer organisations and trade unions, may be included – particularly for countries in which sectoral-level social dialogue is weak or absent.

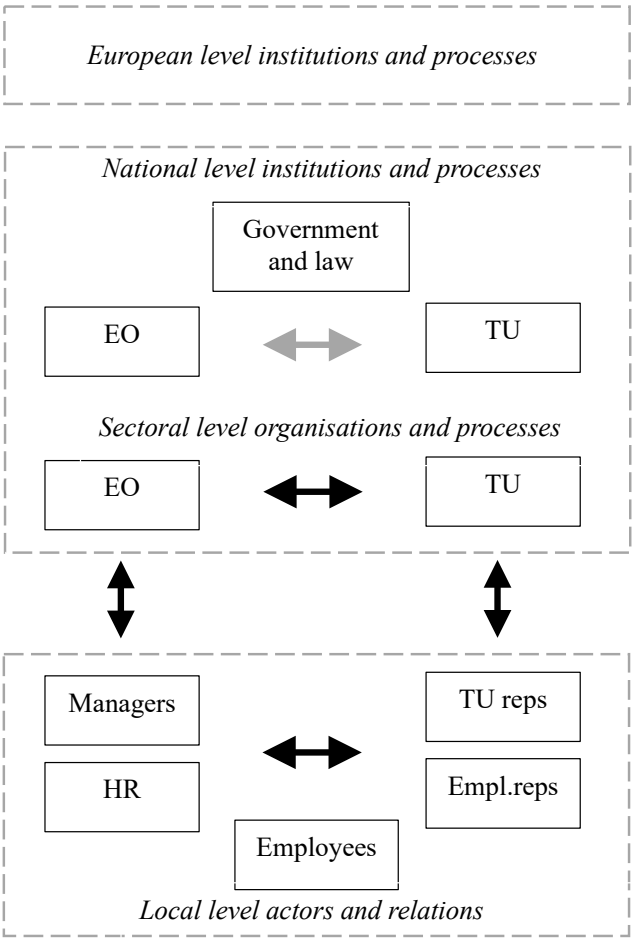


Figure 1. The interrelation between key actors and levels

The empirical studies in the project include qualitative analyses of social partner trust across three sectors (Banking and finance, Metal, and Transport). The studies focus on seven EU Member States and one Candidate Country: Austria (AT), Czechia (CZ), Ireland (IE), Lithuania (LT), Slovakia (SK), Sweden (SE), Romania (RO), and the Republic of Serbia (RS). In doing so, we seek to utilise variation in industrial relations contexts for comparative analyses. In addition, quantitative analyses exploring mutual social partner trust will expand on the qualitative studies. This data will come from the European Company Survey (ECS) which covers all EU countries and sectors.

The project focuses on regular collective bargaining but also a number of selected important areas in which social partner trust may be built and maintained at both sectoral and local levels. These are: a) digitalization and new technologies concerning distance work and robotisation; b) skills and training; and c) occupational health and safety.

By performing cross-European comparative analyses, the project aims to expand current knowledge on industrial relations practices, experiences, and functioning at different levels, as well as on the existence of, the potential to develop, and the obstacles to trustful cooperation in countries with various industrial relations systems. By focusing on trust concerning the three themes of digitalisation, skills and training, and occupational health and safety, the project also aligns with contemporary work challenges such as digitalisation, skills shortages, and health and safety, which often go beyond regular collective bargaining. Finally, through the communication, engagement, and knowledge dissemination that will be performed in the project, we aim to promote greater awareness of effective and trustful industrial relations practices and bring together key actors from academia, social partners, and policymakers, to exchange information and experiences that may contribute to the development and reinforcement of well-functioning industrial relations in Europe.

1.2 Purpose and outline of the report

The purpose of this preliminary conceptual and contextual report is to establish a framework and understanding of the theoretical and contextual underpinnings of the project – both the qualitative country case studies and the quantitative cross-country analyses. The report is structured as follows: We begin with a definition of trust and identify types of trust and key antecedents. Next, we examine previous research that specifically focuses on trust within employment relations and industrial relations. Finally, we discuss the main variations in and typologies of national industrial relations systems in Europe, while also considering some sectoral variations. With this approach, we aim to establish a conceptual and contextual framework that enables contextually sensitive national and comparative analyses of different aspects, antecedents, and effects of trust within local and sectoral industrial relations.

2 Trust – a conceptual discussion

Trust plays a pivotal role in the development and maintenance of effective working relationships (Dirks and de Jong 2022). Within employment relations and industrial relations, the issue of trust (and distrust) between employers/management and unions/workers is particularly complex, as it rests on a myriad of contradictory features (Mather 2011). The main feature is that it has a contractual basis (an economic exchange of work for wages) but is premised on unequal bargaining power in the labour market and within local workplaces (e.g. Fox 1974). Other contributing features include the structurally required long-term relationship between the parties, the multi-issue nature of negotiations (e.g. collective bargaining and grievance management), the dual role of the actors (e.g. members of their group and also agents), the differing value systems of the parties, the different expectations of fairness, and the diversity regarding the negotiating competencies of the industrial relations actors – not to mention public interests, media exposure, involvement of multiple and often competing labour unions, and conflicts of interest between employees in the organisation, and sectorial or national agreements (Lewicki et al. 2016: 93).

Osgood (1959) observed that trust is essential to cooperation, but that trust can be difficult to establish once a cycle of suspicion, competition, and retaliation has been initiated. Therefore, it is important to explore key antecedents of trust within employment relations with a particular focus on exploring how trust forms and on what trust is based. We will explore a number of these issues, but first establish a general definition of trust.

2.1 Conceptualising trust

Although trust has been defined in various ways, researchers generally agree that two essential elements of trust are: (1) positive expectations about trustworthiness and (2) willingness to accept vulnerability (Rousseau et al. 1998). These two aspects are reflected in various trust definitions. A seminal paper by Mayer et al. (1995: 712) defined trust as 'the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party'. To this, we may add Robinsons (1996: 576) definition of trust as 'One's expectations, assumptions, or beliefs about the likelihood that another's future actions will be beneficial, favorable, or at least not detrimental to one's interests.'

A critical point in trust literature is thus the distinction between *trust* itself (the psychological state of the trustor) *trust propensity* (a dispositional willingness to rely on others) of the trustor, and the *trustworthiness* (the ability, benevolence and integrity) of a trustee (Colquitt et al. 2007). The latter two concepts are said to be important antecedents to trust. The following three characteristics are of particular importance for establishing trustworthiness: (Mayer et al. 1995).

- *Ability* refers to the domain-specific characteristics of the trustee, which captures the knowledge and skills needed to do a specific job, along with the interpersonal skills and general wisdom needed to succeed in an organisation.
- *Benevolence* is the extent to which a trustee is perceived to want to do good to the trustor in their relationship aside from an ego-centric profit motive (cf. Colquitt et al. 2011).
- *Integrity* is the extent to which a trustee is perceived to adhere to a set of acceptable principles or norms (cf. Dirks and Ferrins 2002).

Forms and bases of (inter)personal trust

Trust is multidimensional in nature. Different forms of trust exist together with different bases and types, and these make a difference on its effects (Legood et al. 2023). Before discussing these in detail we must acknowledge that there are disciplinary differences in how trust is approached, suggesting 'that inherent conflicts and divergent assumptions are at work' (Rousseau et al. 1998: 393). Economists tend to view trust as either calculative or institutional, and trust is approached as a solution to the problem of risk between actors, enabling cooperation through reducing transaction costs (Tyler 2003). Psychologists frequently frame their assessments of trust in terms of attributes of trustors and trustees, whilst sociologists often find trust in socially embedded properties of personal relationships or social institutions (Granovetter 1985; Zucker 1986).

Figure 2 shows five forms of trust identified by Dietz and Den Hartog (2006), indicating different degrees of trust on a continuum ranging from distrust to complete trust. The vertical dotted line represents the threshold which occurs when the suspicions that justify reinforcement from sanctions recede and are replaced by a 'positive expectation' based on predictability and expected benevolent treatment (Dietz 2002). On the left side of the threshold, actors may coordinate actions through deterrence and or a calculus-based low degree of trust. On the right side 'real trust' exists.

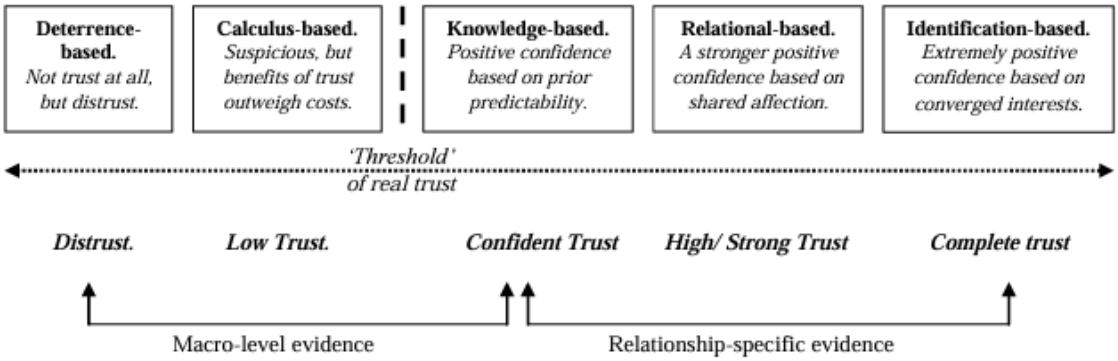


Figure 2. The five degrees of trust on a continuum (Source: Dietz and Den Hartog 2006)

Various conceptualisations of trust exist, each based on diverse bases and indicating var.ous degrees of trust. Even though there is no perfect alignment between these various conceptual schemes, Table 1 below highlights approximate similarities in conceptual distinctions between some key authors. We will now discuss these concepts to unpack some of the complexity in Figure 2, while also indicating their relevance and applicability to the fields of employment relations and industrial relations.

Table 1. Different forms of trust

Degrees of trust	McAllister (1992)	Shapiro et al (1992)	Lewicki & Bunker (1996)	Rousseau et al. (1998)	Dietz & Den Hartog (2006)
High ↕ *Low*	Affective-based trust	Identification-based trust	Identification-based trust	Relational trust	Identification-based trust
					Relational-based trust
	Cognitive-based trust	Knowledge-based trust	Knowledge-based trust	Institution-based trust	Knowledge-based trust
			Calculus-based trust	Calculus-based trust	Calculus-based trust
		Deterrence-based trust	Deterrence-based trust		Deterrence-based trust

Starting with the two-factor model in McAllister (1995), we find an exploration of the differences between cognitive and affective trust. Cognitive-based trust refers to the available knowledge about the trustee's competence, reliability, and dependability. According to this approach people choose whom they will trust, in which respects, and under which circumstances, based on what they consider as being evidence of trustworthiness (cf. Lewis and Weigert 1985). Affective-based trust in contrast is based on emotional investments, genuine care, and concern for the welfare of partners, and the belief that these sentiments are reciprocated. Although there is evidence supporting this two-factor model, research also indicates that cognitive-based trust precedes affective-based trust (McAllister1995).

Shapiro et al. (1992) introduce more complexity by distinguishing three forms of trust: identification-based, knowledge-based, and deterrence-based trust – thereby indicating that even deterrence-based contexts may shape trust. This model has been the basis for further elaborations: Lewicki and Bunker (1996) add the concept of calculus-based trust in their model, and Rousseau et al. (1998) reconceptualises some of the aspects of affective and identification-based trust into relational trust, and use the concept of institution-based trust, which to some extent overlaps with the concept of knowledge-based trust. Let us discuss some of these concepts in more detail:

Deterrence-based trust is seen as the lowest form of trust (or has also been conceptualised distrust). It is a weak form of trust based on consistency of behaviour because of the risk of negative consequences. Such trust adds a utilitarian underpinning to one's expectations based on the consideration that others will refrain from untrustworthy behaviours to the

extent that it is too costly. This is rather close to the sociological discussion on impersonal and system trust built on an 'institutionalisation of distrust' through formal organisation, legal regulation, and control and sanction (Braithwaite 1998; Shapiro 1987). In industrial relations and employment relations, this may be illustrated by employers and unions refraining from taking illegal action or keeping up legal requirements on working conditions, because of the alternative costs of not doing so.

Calculus-based trust is a weak form of trust based on a rational economic exchange and interaction and thus is similar to deterrence-based trust in its instrumental focus (Lewicki and Bunker 1995; 1996). However, it is not grounded only in fear of punishment but in the rewards from interaction, so short-term gains from dishonesty or untrustworthy acts are balanced against the long-term gains of interaction (Lewicki and Stevenson 1997). Mather (2011) argues that unequal bargaining power in the employment relationship may nurture calculus-based trust, while Euwema et al. (2015) state that calculus-based trust increases when management perceives that unions and worker representatives are capable and knowledgeable, have the support of their members, and may thus contribute to (constructive) decisions. From the union side, calculus-based trust in management will depend on the extent to which they believe management will do the best for the whole organisation, take the interests of the workers into account, and share relevant information with them.

Knowledge-based trust is stronger than the previous two forms of trust and relies on knowledge developed over time, rather than deterrence or exchange. It is a function of the parties having a history of interaction where communication and courtship are key (Shapiro et al. 1992). Regular communication puts a party in constant contact with the other, exchanging information about wants, preferences, and approaches to problems. Such trust, based on the experience of the outcome of previous interaction and exchange is also discussed in terms of 'process trust' (Zucker 1986), which centres around the predictability of interaction and outcome (Shapiro et al. 1992), and expectations that the other party will behave cooperatively (Deutsch 1958). In employment relations and industrial relations settings, the formal organisation of structures and recurrent processes for consultation, dialogue, and negotiation play a central part in building and maintaining knowledge-based trust.

Relational trust also builds upon the repeated interactions between trustor and trustee that may move the actors from calculative to knowledge-based trust. However, relational trust entails not only predictability of the interaction, or beliefs in the positive intentions of the trustee, but also the absence of negative intentions, giving rise to the condition of high trust/low distrust (Lewicki et al. 1998). It is thus similar to what McAllister calls affect-based trust and is discussed as 'an emotional response based on interpersonal attachment and identification' (Rousseau et al. 1998: 399).

Identification-based trust is thought to be the strongest form of trust. It consists of both cognitive and affective forms of trust, founded in identification and self-definitional processes such as a sense of shared values, desires, and understanding. It exists because the parties involved can effectively understand and appreciate one another's wants. It is seen as a deep and personal kind of trust that may maintain relationships even during periods of conflict and negativity (Lewicki 2006). Thus, when high-trusting parties engage in conflict, they tend to see

the best in their partner's motives because they make different attributions about the conflict compared to parties in low-trust relationships. Given the underlying divergence or conflict of interests in the exchange relation between employers or managers and employees or their representatives, such trust may primarily be expected to emerge between actors on each side: i.e. between employers and their association and between employees and their representatives and organisation. Strong forms of such trust are related to the concept of solidarity. However, there may be some weak instances of such identification-based trust that might appear between the social partners, e.g. when they connect through their joint national or sectoral identification in situations of interaction with social partners from other sectors or countries (cf. Larsson 2020, Larsson et al. 2021).

Institution-based trust as impersonal trust

Institution-based trust (as set out in Table 1) differs from other forms of trust in that it is based on trust in formal institutions rather than on interpersonal relationships or shared identities. It aligns with impersonal trust; overlapping with similar concepts such as institutional trust and system trust (Pixley 1996; Shapiro 1987). It does not primarily refer to expectations on other persons, but rather to expectations that the formal or informal rules and norms, contracts and agreements, and roles, which coordinate actors' behaviour more generally – i.e. the social institutions and organisations – will safeguard interaction from unpredictable outcomes. As such, it may be seen as connected to and underlying all other forms of trust, serving as broad support mechanisms.

Institution-based trust exists when actors base their expectations regarding the behaviour of others on the strength and quality of the institutional system in which they operate, where these institutions can generalise trust among citizens (cf. Rothstein and Stolle 2001). This provides 'implied normative meaning' to the institutions that allow people to trust (or not to trust) others who are involved in the same institutions even though they may not know each other. Institutional trust can often be the mechanism that helps people to engage in the relationships in the first place (Rus and Iglič 2005). Institutional constraints and incentives are reassuring, and enabling of trust, and the literature has tended to endorse the view that trust and control thereby are functional complements (Costa and Bijlsma-Frankema 2007).

Within the concept of institutional-based trust, institutions play a key role as facilitators of trust by being seen as 'functionally equivalent to a personal third-party guarantor' (Bachmann and Zaheer 2008). Institutional structures that can reduce the risk of misplaced trust may include, for example, legal regulations, professional codes of conduct that are or are not legally binding, corporate reputation, standards of employment contracts, and other formal and informal norms of behaviour. Even if institutions are said not to be sufficient on their own for trust to develop (Dietz 2011), they can influence trust processes in a number of ways (Bachmann and Inkpen 2011). First, institutions can often lend meaning to the circumstances in which actors are embedded before a relationship has even begun. Second, institutions can influence the patterns of how trustors and trustees interact, and third, a trustor may have trust in the institutional arrangements themselves.

However, Bachmann (2011) argues that much of existing 'micro-level' research on trust is too narrow in its view of how institutions may impact on trust; viewing it as a mere external factor to facilitate interaction-based (inter)personal trust. Institutions play a more pivotal role in trust formation. When institutional trust exists, both parties refer to institutional safeguards in their decisions and actions and can thus develop trust without having any prior personal experience in dealing with one another (Spicer and Okhmatovskiy 2015). Institutional trust is thus conceptualized differently from more micro-level trust concepts, as institutions are also seen as the objects of trust. From this perspective, institutions are examined as direct targets of individual evaluation and assessment rather than as mediating structures that produce trust between unfamiliar actors. Institution-based trust can be then defined as 'a form of individual or collective action that is constitutively embedded in the institutional environment in which a relationship is placed, building on favourable assumptions about the trustee's future behaviour vis-à-vis such conditions' (Bachmann 2011: 284).

Kroeger (2011) highlights the complexity of exploring trust at multiple levels by acknowledging that organisations as entities may play a significant role in trust-building, but that it is still individual actors who engage in trust-building activities (Gulati and Sytch, 2008; Six and Sorge 2006). Thus, it is important to understand what are the mechanisms and processes that link and mediate between trust on the (inter)personal and the (inter)organisational and/or institutional levels. Lewicki and Bunkers (1995, 1995) emphasise that trust can be both an antecedent of productive dynamics in relationship development (when the parties trust each other, cooperation and information sharing are increased) and a consequence of relationship development (when the parties cooperate and share information, trust is increased).

In industrial relations research, it seems obvious that national industrial relations institutions matter for the shaping and maintenance of trust between employer and employee representatives at local, sectoral and national levels; and that trust and even the institutions themselves are developed over time through interactions between the actors involved: employers, employees and their representatives, and the state (cf. Bohle and Greskovits 2012; Crouch 1993; Fox 1974; Hyman 2001). This issue will be explored in more detail in chapter 3 examining the national and sectoral contexts. Given the focus of the project, trust support mechanisms in the institutional environment are of course important to explore. Jones (1999) divides the institutional environment into five distinct parts: Sociocultural, national, industry, firm and intra-firm, and individual. The first three parts are particularly important. National, formal, institutions include both governmental and quasi-governmental institutions that establish the regulatory regime in which firms operate. Sociocultural norms are tacit 'rules' of a society, which include both what actions are deemed morally correct (normative) and how actions and symbols are interpreted (cognitive). Industry norms are related to behaviours sanctioned within what institutional theorists call an 'organizational field' (Hoffman 1995). That is, industry norms influence managerial decision-making by defining behaviour that is accepted and encouraged within a particular industry (Wicks and Berman, 2004).

Antecedents of trust

Much of the research exploring the antecedents of trust has focused on individual and (inter)relational trust between employees and managers – details of which we will come back to in the next chapter. Here, we will just present a theoretical overview of such antecedents. Building upon our earlier discussion of antecedents related to trustworthiness—i.e. a trustee's ability, benevolence, and integrity (Mayer et al., 1995)—we can now introduce a more complex picture of the trust-building process and its various antecedents. This includes factors related to the individual, the nature of the relationship, situational influences, and domain-specific concerns. Figure 3 sets out the key influences that shape how the essential trust dynamic is played out, as well as virtuous circles made possible through feedback loops.

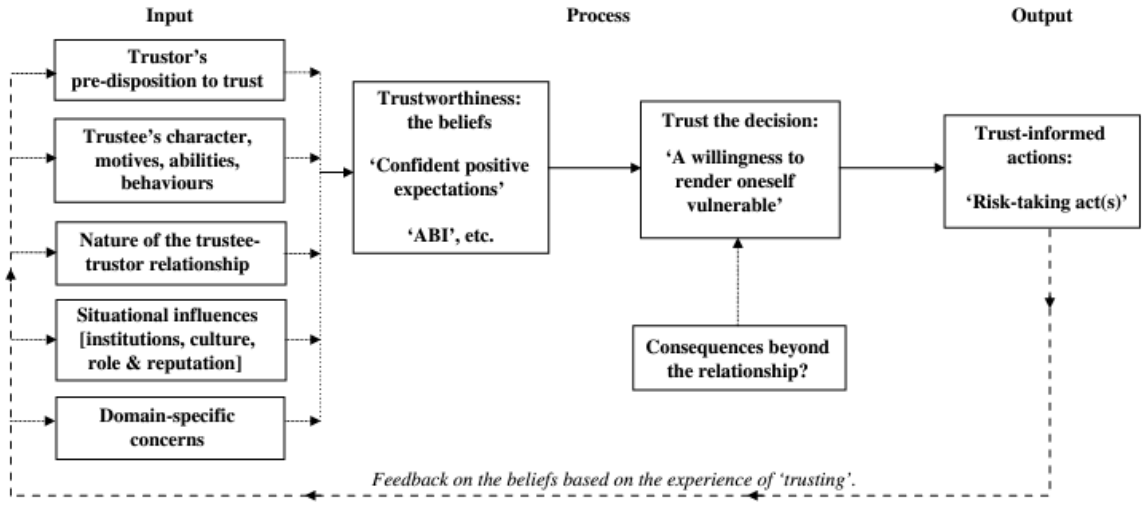


Figure 3. Antecedents of trust and the trust process (Dietz 2011)

Dirks and de Jong (2022) and Fulmer and Gelfand (2012) both provide overviews setting out meta-analytic evidence regarding relationships between trust and antecedents which cover the following headings, and which relate to a number of the above-discussed forms of trust:

- Trustor characteristics and behaviours (e.g. propensity to trust)
- Trustee characteristics and behaviours (e.g. ability, integrity, and benevolence; justice, fairness, and ethical conduct; leadership styles, participative and consulting decision making).
- Dyad factors/shared characteristics (e.g. length of relationship, expected future relationship, joint dependence)
- Communication processes (e.g. communication medium, sensemaking, Information sharing, communication of trustworthiness)
- Network and structural characteristics (e.g. types of ties, binding contracts)
- Organisational characteristics (e.g. cooperative versus competitive organisational context, organisational change, fair, transparent policies)
- External contexts (e.g. laws and regulations, national political systems, competitors)

2.2 Culture, power and combinations of trust and distrust

As indicated above, elements of national-societal culture are likely to influence the trust-related attitudes beliefs of behaviours. They are also likely to influence the systems and structures in the society that in turn affect the trust in individuals, organisations or institutions (Fulmer et al. 2024). Saunders et al. (2010) explored the idea that culture can shape the sources, content and outcomes of trust. They cite Ferrin and Gillespie's (2010) review of 56 studies which uncovered variance and similarities between different national contexts on how trust is viewed and enacted. There is variance in parties' preparedness to trust in the first place (i.e. pre-dispositions) from the World Values Survey at national level (Warren 1999), and socioeconomic conditions shape trust levels. They draw on Chao and Moon's (2005) metaphor of the 'cultural mosaic' to argue that sectoral, professional and organisational cultures also provoke variance in trust's fundamental dynamics (Dietz 2011).

However, power is also an important aspect of trust, as it inherently involves dependence and vulnerability. Little research has examined how power differences affect trust dynamics, though Fox (1974) frame of reference (unitarist, pluralist, radical) for exploring power imbalance in employment relations is one example of research that integrates power in understanding trust. In addition, Schoorman et al. (2007) suggest that in contexts where there is a hierarchical power difference, high-power individuals afford more risk and are thus more likely to trust than low-power individuals. Drawing on the work of Giddens and others, Korczynski (2000) combines actor-related, institutionally related, and power-related aspects to explore critical factors likely to underlie high-trust and low-trust economies (see Table 2).

Table 2. Factors associated with levels of trust in economic activity (Korczynski 2000: 16).

Table II. Key factors associated with levels of trust in economic activity

Dimension	*Low-trust economy*	*High-trust economy*
Agents' motivation	Economic, opportunistic	Economic, social and ethical
Agents' time horizon	Short	Long
Agents' level of rational calculativeness	Narrowly rational	Trust even where there is no objective basis for expectation
Key property of the market	Creates power imbalance; threatens agents' economic existence	Provides information to allow knowledge of trusting behaviour
Relative power of agents	Skewed	Similar
Status of enforcing agency	Illegitimate, inefficient	Legitimate, efficient
Role of reputation	Reputation does not function	Reputation functions
Status and role of collective institutions	Weak status, narrow role	Strong status, wide role
Likelihood of repeat exchange with same agent	Low	High

Power is also important in understanding trust violation and repair. Trust violation has been defined as acts on behalf of the trusted party that violate the trustor's expectations (Chen et al, 2011). Trust repair refers to the process through which trust is restored or rebuilt following a trust violation. Small (2002) has shown that misuse of power erodes trust within organisations. Researchers have recognised that trust can be violated in many different ways, and the nature of the violation has important implications for how trust can be repaired (van der Werff et al. 2023). Trust violations can differ based on the type of trustworthiness that is being violated; the nature of the relationship; violation severity, frequency, and timing.

Short-term strategies for trust repair include verbal statements (e.g. apologies and compensation). Longer-term strategies for trust repair have received much less attention. These include: (a) structural arrangements that bound, control, and monitor future interaction; (b) reframing the events such that the perception of the event, or the emotional response and its consequences, is minimised; (c) helping the victim engage in forgiveness; and (d) the role of silence in addressing the violation.

Combinations of trust and distrust – unilateral and mutual

Lewicki and Bunkers (1995) propose that trust is multifaceted and may change in its essential facets as it increases or decreases over time. They also discuss how trust and distrust can exist in various combinations. Trust and positive expectations of the other party, and distrust and negative expectations from the other party, are fundamentally different from each other. Moreover, they categorise two types of distrust: 'calculus-based distrust' and 'identification-based distrust' (see Table 3). This trust/distrust dichotomy may be a useful model to explore relationships between social partners. As an illustration of how that might be the case in employment relations and industrial relations, Lewicki and Wiethoff (2000) discuss situations where management and worker representatives may trust each other completely when it comes to agreements on workplace safety, while at the same time, high distrust may exist with regard to willingness to cooperate on a planned reorganisation.

Table 3. Combinations of trust and distrust (Source: Lewicki et al. 2016: 98)

	Calculus based trust	*Identification based trust*
Calculus based distrust	"They will deliver on issue A, however unlikely on issue B"	'They are good people, however they don't understand why we need to change"
Identification based distrust	"I believe they will deliver as agreed, although I don't trust their intentions at all"	"I trust our CEO really on his intention to seek a solution, however I don't trust at all his willingness to confront the shareholders"

The ideal relationship between social partners would of course be high trust/low distrust. However other variations exist and can impact on trust (see Lewicki et al. 2016). These are presented in Table 4: High trust/low distrust is characterised by perceptions that both parties trust each other and work closely together. High trust/high distrust occurs when management and worker representatives are closely monitoring each other, and trust is high in some aspects but distrust is present in others. Low trust/low distrust suggests remote relationships – something Lewicki et al. (2016) suggest is unlikely in work settings. Finally, low trust/high distrust centres on opposition which in industrial relations is often evident. However, it can also have downsides when attempting to develop dialogue in opening discussions. Distrustful assumptions about the other party's interests and values may be so strong that parties are unable to reconcile these assumptions and take the initial steps toward building trust and cooperation.

Table 4. Integrating trust and distrust (Source: Lewicki et al. 1998)

Trust/Distrust	**Low distrust** is characterized by no fear, absence of skepticism, absence of cynicism, low monitoring and low vigilance	**High distrust** is characterized by fear, skepticism, cynicism, watchfulness and vigilance
High trust is characterized by hope, faith, confidence, assurance and initiative	**High trust–Low distrust**: High value congruence Interdependence promoted Opportunities pursued New initiatives	**High trust–High distrust**: Trust but verify Relationship highly segmented and bounded Opportunities pursued and down-side risks protected Vulnerabilities continually monitored
Low trust is characterized by no hope, no faith, no confidence, no assurance and no initiative	**Low trust-Low distrust**: Casual acquaintances Limited interdependence Bounded, arm-length transactions Professional courtesy	**Low trust-High distrust**: Undesirable eventualities expected and feared Harmful motives assumed Interdepended managed Preemption: best offense is a good defense Paranoia

While trust may have a positive influence on employment relations, mutual trust and its sibling 'partnership', is often thought of as the ideal situation. Research also indicates that it is mutual trust, and not unilateral trust (i.e. if one side trusts the other side but not vice versa) that fosters positive outcomes. These include constructive communication flows that enable joint decisions, agreements and deals (Brandl 2020). Only mutual trust constitutes a true basis for a mutual partnership (Guest and Peccei 2001) that enables both sides to take risks to strike deals that might potentially involve short-term losses for one party, but which can lead to long-term mutually beneficial outcomes. Mutual dependence and vulnerability are important to mutual trust as in employment relations there is a potential for conflict.

Fox (1974) sketches a pattern of high trust and low trust and the means of moving from low trust to high trust situations. He suggests that the circumstances underlying low versus high trust represent distinct configurations of beliefs, interaction processes, and causal dynamics. Fox saw trust as an institutional arrangement reflecting the use of contracts, sanctions, and legalistic procedures as formal substitutes for interpersonal trust. This suggests that when the interpersonal roots of trust are no longer available, trust will take the form of institutional arrangements. This approach focuses on the use of formal (often legalistic) mechanisms that serve as administrative or symbolic substitutes for trust that can enhance the legitimacy of an otherwise suspect arrangement (Sithkin and Roth 1993). He also explores distrust and describes examples of an escalating cycle of distrust, leading to reciprocal distrust, initiated when 'subordinates ... try to limit the discretion of their superiors.... thereby strengthening a management belief in a divergence of goals which disposes it to manifest counter expressions of distrust toward subordinates' (Fox 1974: 104-105). Fox's key contribution to trust thus lies in showing how intraorganisational trust is embedded in institutional systems and how internal and external trust dynamics are interdependent and shape each other. Siebert et al. (2015: 1052) draw on this and argue that an analysis of organisational trust, therefore, should begin 'outside of the factory gates', shifting emphasis from the focus on organisational trust to a broader focus on trust in institutions and social structures.

3 Trust in employment relations – previous research

The conceptual discussion in the previous chapter indicated that trust may be conceived as having various forms and bases, and that there are issues related to cultural context and power that impact on its development. In this chapter, we now turn to the empirical evidence exploring the bases and effects of trust in employment relations.

In the area of industrial relations, many studies mention or implicitly address the issue of trust without making it the main topic – e.g. it is indicated through concepts such as 'co-operation' and 'social partnership' discussed above (cf. Bray et al. 2020; Hyman 2001). However, we discuss studies *explicitly* analysing the antecedents and effects of trust in this review. Many organisational trust studies seem to be focusing on trust between employees and management, rather than on trust between employer and worker representatives at local, sectoral, and national levels explicitly. Therefore, we have chosen to also include such studies in this review. Even though the relationship between employees and management is not the focus of this project (see Figure 1), we believe that the effects and antecedents in this micro-organisational level trust research are valid in informing and 'sensitizing' for the analysis of the relation between representatives, at both local and higher levels. We will start by discussing research on the effects of trust, before moving on to discuss research on the antecedents of trust. The chapter ends with a summary of some main conclusions, as well as a short discussion of the knowledge gaps that the TRUE EUROPE project aims to address.

3.1 The effects of trust in employment relations

According to an overview of research on **employee trust in management**, one of the main consequences of such trust is that it improves the performance of individuals, groups, and units. Partly, this is because it increases risk-taking choices such as information sharing and delegation, and partly it is because trust increases organisational commitment and the willingness to go beyond the contractual tasks, thereby improving the effectiveness of the organisation. In addition, employee trust in management is related to job satisfaction and acceptance of management decisions, and thereby trust is said to decrease intentions to leave and non-cooperative behaviour among employees (Korsgaard et al. 2010; cf. Yunus and Mostafa 2022).

Taking a closer look, we will first discuss some studies indicating the effects of employee trust in management on employee performance: Mayer and Gavins (2005) survey-based study in a non-union US Manufacturing company showed that trust in management increased the employees' focus on value-producing tasks, which improved performances. Renzl's (2006) interview study at two companies in the knowledge industry in Austria, indicated that both trust in management and general interpersonal trust increased knowledge sharing, by reducing employees' fear of losing unique value and by improving the willingness to document knowledge. In addition, a 2-year longitudinal study in UK by Kougiannou et al. (2015), showed that employee trust in management also had positive effects on the employees' satisfaction with the performance and outcomes of their local works council, thereby indicating that trust

seems to increase the cooperation between the management and local workers representation.

Other studies have demonstrated that firms where employees trust management tend to experience increased profitability. Davis et al.'s (2000) survey-based study of the US restaurant industry found that employee trust in management was related to the performance of the company (i.e. profits, sales, and turnover), thus concluding that employee trust may give a competitive advantage for firms. A survey-based study of employee workplace level trust on performance in the UK, also showed a positive relation between average employee trust — operationalised as managers being seen to keep their promises, being honest and fair, and trying to understand the employees' views — and the financial performance, labour productivity, and quality of service production of the firm (Brown et al. 2015).

Managers' trust in employees has also been shown to have beneficial effects. A quantitative study of managers' trust in their employees in Israeli public and private organisations by Tzafrir (2005) showed that such trust had effects on both how the HRM system was shaped, and on the perceived market performance of the company. The results indicated that the HR departments were more likely to offer employee training and internal promotion systems in companies in which the management had high trust in their employees. This implies that trust is a two-way street between management and employees – a fact that is also highlighted by studies of mutual trust.

Mutual trust between managers and employees and/or employee representatives has been found to have effects both on the forms and outcomes of bargaining, as well as on organisational performance. Friedman's (1993) longitudinal survey-based study of both employer and labour negotiators in the US, emphasised that mutual trust was important for the development of interest-based (rather than positions based) mutual gains bargaining. In particular, for negotiators on the employee side, trust was important to enter into constructive bargaining in which the respective parties' concerns were not treated as closed positions. In a study based on surveys of HR managers in a number of European countries, Elgoibar et al. (2021) found the effects of trust on employee representatives' influence in bargaining. The perceived trustworthiness of employee representatives (in terms of their abilities, benevolence and integrity) positively affected both how much trust the management had in them, and the degree of influence they had in bargaining. These effects were stronger on integrative bargaining topics in which there were possible win-win situations, as compared to zero-sum distributive bargaining situations. A qualitative study of information and consultation bodies in non-union firms in the U.K., by Kougianniou et al. (2021), showed that trust-building is part of the process of forming constructive information and consultation processes. Whereas the initial judgements regarding the trustworthiness of the counterpart were rather insecure, the employee representatives' trust in management increased with their willingness to share information and control, whereas the manager's trust increased with the employee representatives' ability to act competently, and if the consultation process seemed to be adding business value. However, the results also indicated that such trust in non-union employee representatives was rather fragile.

A German survey on the effects of trust on the preference for decentralized bargaining among managers and works council members in Germany, by Nienhueser and Hossfeld (2011), indicated that the existence of **mutual trust between managers and works councillors** increased the preference for local-level bargaining among the councillors, but not among managers. This should be understood against the background that the managers generally favoured decentralised bargaining, whereas the works councillors were generally averse to local-level bargaining. The results thus indicated that trust was more important for the weaker party (i.e., the works councils), who otherwise were sceptical of the possibility that local level bargaining would result in constructive compromise and integrative bargaining. Regarding the outcomes of bargaining, a survey-study by Guest and Pecci (2001) on partnership between management in the UK confirmed that 'high trust partnerships at work' between managers and employee/employee representatives in firms who were members of the Involvement and Participation Organisation, were associated with positive outcomes for both parties: for employers in terms of employee contributions, employment relations outcomes. and performance; for employees and their representatives in better opportunities to contribute to and influence decision making. However, trust was still rather low between management and employees, and employee representation in decision making had little effect on employee attitudes, and even a negative effect on sales. The interpretation of this was that representative participation on its own will fail to overcome low levels of trust.

Finally, there are studies indicating an effect on the profitability of the firms from **mutual trust between employers and employee representatives** at local level. Brandl (2020; 2021a; 2021b) has showed in studies, using the European company survey, that such effects are shaped by the existence of mutual trust between employers and employee representatives rather than on unilateral trust from either side. In addition, the levels of trust need to be relatively high to have such effects, and this was rather rare. This research thereby indicated the contextual effects of industrial relations systems, which is missing in many firm-level studies completed in singular countries. Not only are the industrial relations institutions which involve organised interactions between employers and employee representatives in trade unions, works councils and other dialogue forums strong in Europe as compared to other contexts, but Brandl (2020) also shows strong variations in trust levels in Europe, relating to industrial relations traditions and regimes (e.g. Visser 2009; cf. Eurofound 2018a; Furåker and Larsson 2020; Hyman 2001). There were particularly high levels of trust in Scandinavian countries, which have long traditions of strong and relatively constructive industrial relations. The trust levels were relatively low in Mediterranean countries, which have a tradition of more conflictual industrial relations. For Central and Eastern European countries, the results showed relatively high levels of mutual trust at firm levels – but only when organised social partners and dialogue existed at that level. As is already established, these countries have relatively fragmented industrial relations institutions, with low levels of local level bargaining and representation in many countries. Finally, Brandl's research indicates that mangers' trust in employee representatives generally is higher than the employee representatives' trust in the management – a fact that surely reflects the power relations between the parties (Brandl 2020; 2021a; 2021b).

3.2 The determinants of trust in employment relations

In an overview of the antecedents of **employee trust in management**, four factors are discussed as established by previous research (Korsgaard et al. 2010). First, employee trust may be based on the perceived levels of management ability, benevolence, integrity (and fairness) in the management's behaviour, and direct interaction with employees. A second, and related antecedent is the employees' experience regarding the quality of the exchange relationship between management and employees, that is whether employee support is given, and the 'psychological contract' upheld. In some instances, also the length of the relationship may have a positive effect on trust. Third, some contextual factors are mentioned as antecedents of employee trust: mainly local contextual factors such as consistently used and fair HR policies and processes, local training and development opportunities, and shared group member identity and/or values between employees and supervisors/management. Macro contextual factors, such as industrial relations institutions and traditions are, however, not mentioned in this rather HRM-focused overview. Finally, the effects of individual propensity to trust are highlighted. For our approach, such individual trait-based antecedents are less relevant, unless they are seen as related to broader contextually varying cultures of trust and thus may be used as control variables in the quantitative studies (cf. Fukuyama 1995; Sztompka 1999)

Looking closer at some of the results from previous research on antecedents of employee trust in management, a survey-based study in Australia, by Morgan and Zeffane (2003), showed that organisational change of a technological, structural, or work-role related-kind, negatively affected employee trust in management. While structural reorganisation was particularly corrosive to trust, employee consultation was shown to reduce such negative effects. In line with this, a survey-based study of the effects of the changing working conditions following the Covid crisis in Norway, by Drange et al. (2023), indicated that even though change decreased trust in management, these negative effects were reduced if the employer adhered to collective agreements and employee influence. To this, we might also add survey research in the UK by Yunus and Mostafa (2022) showing that not only employee consultation but also flexible working practices and job autonomy for employees strengthens trust in management.

In addition to such effects on trust from organisational change and employee consultation, some studies indicate that perceptions of management fairness affect employee levels of trust. An EU quantitative study by Searle et al. (2011) showed that both procedural justice and HR practices had effects on employees' trust levels, and an interview-based study among employees in a UK public sector organisation, by Saunders and Thornhill (2003), confirmed that employee justice perceptions could mitigate losses of trust in organisational change processes. Employees who felt that the outcomes of change were fair for both the organisation and for themselves, were trusting, whereas those focusing only on fairness from their personal point of view felt more distrustful. Consequently, a conclusion was that commitment to and identification with the organisation were factors that increase trust in management during processes of change.

Studies that introduce employee representatives into the mix, give a more complex picture of employee trust in management. A survey-based study of employee trust in management from Australia indicated that 'direct voice' (i.e. two-way communication channels between managers and staff in meetings or workgroups) was positively related to trust, whereas 'indirect voice' (i.e. through union representation) was negatively related to trust – more so if management was negative towards union presence. A conclusion regarding the Australian context was thus that direct employee-management cooperation was important for the shaping of employee trust (Holland et al. 2012). However, a UK survey-based study by Bryson (2001), indicated that employee trust in management increased if management supported union membership, and if there was a perceived balance of power locally between management and unions. In addition, employee perceptions of union effectiveness were correlated with high trust in management. The general implication was, that managers may affect their employees' trust by supporting unionisation and by ensuring that unions have the 'right amount' of power to make a positive contribution to the workplace.

Turning to **employee representatives' trust in management**, a survey-based (longitudinal) study of works council (WC) members in the Netherlands found both 'instrumental antecedents' (i.e., the amount of actual WC influence on management decisions in the organisation) and 'relational antecedents' (i.e., management's intentions and the existence of procedural justice) for the councillors' trust in management. These two types of antecedents were correlated, but the relational ones were most important for works councillors' trust. A key conclusion was that 'although favourable outcomes often go hand in hand with respectful treatment and fair procedures, it is the latter that causes trust' (Kerkhof et al. 2003: 634). These results are to a high degree supported by the previously mentioned study by Kougiannou et al. (2021), indicating that non-union employee representatives' trust in management increased with management's willingness to share information and control.

There are also studies discussing antecedents of **mutual trust between employee representatives and managers** both in unionised and non-unionised workplaces concerning the introduction of 'partnership at work' in the UK. A qualitative study of three case companies, by Dietz (2004), showed an improvement in trust after the establishment of partnership forums in previously conflict-ridden relationships. These results were said to show that a 'mutual gains' approach, based on information sharing and joint participation in decision making, increases trust – if mainly between the 'key players' and less among the employees at large. In conclusion, the study claims that attitudes and behaviours of key players, and good processes, matter more than institutions. A quantitative study from the UK, by Guest et al. (2008) contradicted these results, however, stating that there was no general support that partnership practices lead to higher mutual trust between management and employee representatives. In addition, whereas mutual trust only existed in around a third of the cases involving union representatives, it existed in two-thirds of the cases involving non-union representatives, indicating that trust was higher in direct rather than in representative partnership participation. Moreover, mutual trust between management and trade union representatives was stronger when management had a positive overall view of trade union membership and unions.

3.3 Summary of previous research

Overall, the above studies show benevolent effects of trust between management, employees, and employee representatives, and imply a variety of determinants of such trust:

- *First*, employee trust in management tends to increase performance, and employee satisfaction with both the management/organisations and their local worker representatives.
- *Second*, management trust in employees and employee representatives – in particular, if there is mutual trust between them – tends to also improve employee access to training and shape constructive and influential (mutual gains-) bargaining.
- *Third*, some of the main antecedents of both employees' and employee representatives' trust are their experiences of: a) management behaviour (i.e., ability, integrity, benevolence, and fairness), b) management interactional attitudes (e.g. being supportive towards unions and workers' representation), c) existence of formal organisational processes for such interaction and, d) employee identification with or commitment to the organisation. An antecedent that tends to impact employee trust negatively is organisational change, but this effect may be mitigated if employees or employee representatives have influence, or if flexible working practices and job autonomy is offered.
- *Fourth,* the presence of local employee representatives has been shown to impact trust in local management both positively and negatively, depending on whether this affects the possibility for employees to express direct voice to the management, and whether management supports and offers employee representatives influence. As the studies demonstrating somewhat contradictory effects originate from different countries, this may also indicate that national and sectoral industrial relations traditions also influence the impact of the presence of local employee representatives on employee trust in management.
- *Fifth*, some single country studies indicate that attitudes, behaviour, and local processes are stronger antecedents for mutual trust between managers and employee representative, than formal institutions are. However, comparative studies show national contextual effects from industrial relations traditions and institutions on the levels of mutual trust between employer and employee representatives.

With the exception of Brandl's (2020a; 2021a; 2021b) research showing that mutual trust between managers and employee representatives varies between countries and industrial relations regimes in Europe, most studies are based on research in one country, and thus seem to underplay contextual factors relating to the industrial relations systems. In addition, most previous research does not connect the determinants of trust with the outcomes of trust, and there is usually a focus only on local-level employment relations, while their institutional embeddedness in sectoral or national industrial relations systems is somewhat underdeveloped – not least because of the lack of comparative approaches.

Concerning the effects on employment relations, there is no certain evidence on whether trust creates virtuous circles reinforcing formalised interactions between employers and employee representatives, or whether trust can serve as a functional equivalent producing strong effects within weak organised structures. There is a lack of contextually oriented studies on trust between employers and trade unions and worker representatives making it difficult to gain a clear understanding of the issue. In short, there is still a need for more contextually sensitive and comparative studies on trust between employer and employee representatives across countries and sectors.

4 National and sectoral industrial relations contexts

Given that the previous sections underscore the importance of cultural norms and institutions for developing and maintaining trust, this section focuses on the industrial relations (IR) norms and institutional contexts affecting trust between employers and employee representatives. In a narrow sense, IR refers 'interactions between workers and their representatives (e.g. trade unions, works' councils, workers' director, etc.), on the one hand, and employers and their representatives (e.g. employers' associations or managers) on the other hand' (Trif and Paolucci 2019:16). In a broader sense, it also includes the relations of social partners with government and specialised state agencies 'through which such interactions are mediated' (Brown et al. 2018). The interactions between social partners are stabilised over time through 'institutional arrangements shaped by legislative frameworks, historical traditions, accumulated vested interests and learned patterns of behaviour' (Hyman 1994: 1).

In addition to the legal framework, the features of IR often used to compare developments across countries and sectors include (a) trade union and employers' association density, (b) collective bargaining coverage and style (e.g. integrative or distributive), (c) the role and influence of direct forms of employee representation at company level and the role of social partners at the national level, and (d) the role of the state (Bechter et al. 2012, Visser 2009). The combination of these IR features in a country (or sector) constitutes an IR regime. Countries with similar IR regimes can be grouped into IR clusters (Visser 2009).

This section starts with an overview of the main IR clusters in Europe, drawing primarily on Visser's (2009) regime typology, which roughly corresponds to the geographical regions of Europe. Next, we discuss the key features of the IR regimes across the eight selected countries participating in the TRUE EUROPE project along with an analysis of the three selected sectors in each country.

4.1 Industrial relations (IR) regimes in Europe

There are five IR clusters identified in Europe (Bechter et al. 2012, Visser 2009). The first is the **North** cluster (i.e. Denmark, Finland, Norway, and Sweden) (see Table 5). This is characterised by organised corporatism including strong social partners involved in public policies and (cross)sectoral bargaining seeking to achieve long-term benefits for all parties involved (Visser 2009). Accordingly, social partners in this cluster primarily use integrative bargaining characterised by relatively high (mutual) trust and long-term mutual gains (Brandl 2021b).

The second cluster is the **Centre-west** (i.e. Austria, Belgium, Germany, Netherlands and Slovenia). This shares several features with the North cluster, including a focus on social partnership and integrative bargaining, while trade unions are generally weaker and more likely to focus on protecting workers with high(er) power resources (e.g. on standard contracts and highly skilled) leading to a dualized employment regime (i.e. a gap between working conditions for workers on standard and non-standard contracts) (Visser 2009). Accordingly, the trust between social partners is expected to be contingent on the sectoral context in this

cluster, varying from relatively high in sectors with strong social partners and a tradition of sectoral bargaining (e.g. metal) to low in sectors where workers (and unions) have weak capacity to disrupt production (e.g. retail).

Table 5. Industrial relations regimes in Europe (adapted from Visser 2009)

	North	**Centre-west**	**South**	**West**	**Centre-East**
IR regime	Organised corporatism	Social partnership	Polarised/ state centred	Liberal pluralist	Fragmented/ State-centred
Employment regime	Inclusive	Dualistic		Liberal	Liberal
Power balance	Labour oriented	Balanced	Alternating	Employer oriented	
Principal level of bargaining	Sector		Variable/ unstable	Company	
Bargaining style	Integrating /high (mutual) trust*		Conflict oriented /low trust*		Acquiescent/ Low trust*
Role of SP in public policy	Institutionalized		Irregular/ politicized	Rare/event driven	Irregular/ politicised
Role of State in IR	Limited/ mediator	'Shadow of hierarchy'	Frequent intervention	Non-intervention	Frequent intervention
Employee representation	Union-based/high coverage	Dual system/high coverage	Variable	Union-based/ small coverage	
Countries (selected in bold)	Denmark Finland Norway **Sweden**	**Austria** Belgium Germany Netherlands Slovenia	France Greece Italy Portugal Spain	Cyprus **Ireland** Malta UK	Bulgaria **Czechia** Estonia Hungary Latvia **Lithuania** Poland **Romania** **Serbia** **Slovakia**

The third cluster is the **South** (i.e. France, Greece, Italy, Portugal and Spain), where the IR regime is polarised, and bargaining is conflictual and relies on statutory provisions. While in the first two clusters, there is a degree of coordination of working conditions via sectoral bargaining, the state ensures a degree of coordination in the South concerning both procedural aspects (e.g. via extension mechanisms for collective bargaining) and substantive aspects, such as minimum wages (Visser 2009).

The fourth cluster is the **West** (i.e. Cyprus, Ireland, Malta and the UK) associated with the voluntarist Anglo-Saxon regime. This is characterised by limited state intervention and distributive bargaining generally at the company level (Visser 2009). Although social partners rely primarily on their internal power resources in the West and on external (statutory rights)

resources in the South, both clusters are associated with distributive bargaining style and relatively low trust relations between the social partners (Brandl 2021b).

Finally, the **Centre-East** cluster comprises all Central and Eastern European (CEE) countries except Slovenia (Visser 2009). It is characterised by strong state intervention and fragmented and decentralised bargaining (Czarzasty, 2024). However, the original classification of all Central Eastern countries as belonging to one regime has been nuanced in later research. Apart from a coordinated market economy in Slovenia, Bohle and Greskovits (2012) identify two capitalist types within the region, associated with different IR features. The first is the *embedded liberal capitalism* type, found in Czechia, Hungary, Poland, and Slovakia. Although their IR systems are dominated by the state and marked by a legalistic approach to labour market regulation, these countries have some sectoral collective bargaining and stronger unions than countries in the *neo-liberal* type, which is the second type of capitalism. This latter type comprises two streams, namely the radical neo-liberal in the Baltic countries featuring very weak unions and limited bargaining (Estonia, Latvia and Lithuania) and the special neo-liberal (e.g. in Bulgaria, Croatia and Romania and Serbia). Similar to the embedded liberal group, the special neo-liberal subtype is associated with strong state intervention de jure, while being rather liberal de facto often due to difficulties in implementing the labour regulations (Trif et al. 2016). However, there are stronger unions and higher bargaining coverage compared to the radical neo-liberal variant. Overall, there is an expectation of low trust relations between the social partners in Centre-East (except Slovenia), similar to South and West clusters, despite lower conflict orientation in CEE (Brandl 2021b).

Furthermore, the weakening of IR institutions over the last three decades (Baccaro and Howell 2011, 2017) led to increased variation across (and within) sectors in most EU countries. Bechter et al.'s (2012) study of nine sectors across 27 EU member states indicates that only five countries, namely Finland, Denmark, and Sweden (North cluster), Austria (Centre- west) and France (South), have relatively homogeneous national IR systems. Accordingly, the IR aspects affecting trust are likely to be primarily contingent on key IR features in each sector rather than national institutions in 22 (out of 27) EU countries. Their study indicates that across countries, the steel industry was the most likely to have IR indicators associated with North and Centre-west clusters (and high trust levels), while the hairdressing industry was the most likely to have IR indicators associated with the Centre-east cluster (and low trust levels). Accordingly, the IR regimes (and the level of trust between social partners) can vary greatly across (and within) sectors in most countries contingent on the contextual factors at the level where the joint regulations occur.

At the bargaining unit level, there are three main IR contextual factors affecting trust between the social partners. First, the tradition and the current degree of cooperative or conflictual relations between social partners influence trust, as generally strikes and other forms of industrial action lead to distrust (Geary and Trif 2011). Second, the extent of fragmentation of each social partner involved in joint regulations influences trust, as it is more difficult to develop and maintain trust amongst several organisations with different interests. Finally, the extent of bargaining coverage influences trust, as it is more likely to develop strong mutual trust between social partners when all workers in the bargaining unit are covered by the

provisions of collective agreements either due to statutory or voluntary traditions (Brandl 2021b). These three aspects will be examined in the next section to identify the contextual IR features affecting trust in the three selected sectors.

4.2 IR features affecting trust in the selected countries and sectors

This project focuses on investigating IR and trust in banking and finance, metal, and transport sectors across eight countries with a wide range of IR national regimes (Table 6). First, the organised corporatism IR regime in **Sweden** (SE - North cluster) is characterised by high union density (65%) - the highest union density amongst the selected countries- and very high (88%) bargaining coverage as a result of sectoral bargaining with some adjustments at the company level. A degree of variation in bargaining coverage across sectors does exist, ranging from 65% in banking to 90% in the metal sector, and almost 100% in the public transport sector (the overall transport sector including also the private part has a coverage of 87%, Kjellberg 2023). In addition, the presence of two or more social partners in each sector could make it difficult to maintain trust during joint regulations, despite a tradition of organised corporatism.

Table 6. Key IR indicators across the selected countries and sectors (percentages)

	Cross-sectoral (%)*			**Sectoral CB coverage (%)**		
	TU density (UA-hist)	**EO density** (EA)	**CB coverage** (AdjCov_hist)	**Banking****	**Metal*****	**Public transport** *****
AT	26	100	98	Almost 100	100	100
CZ	11	56	35	49	9	80
IE	25	71	35	30-40	20	90
LT	10	33	27	14	NA	80
RO	21	60	15	2	50	80-90
RS	26	25	30	NA	NA	NA
SE	65	88	88	65	90	100
SK	11	50	24	Almost 90	13	82

Sources: * OECD/AIAS Database 2021; **Eurofound (2019); ***Eurofound (2018b); ****Eurofound (2017)

Second, the social partnership IR regime in **Austria** (AT) is part of the Centre-west cluster. Although union density is relatively low (26%), the compulsory membership to employers' associations and the statutory extension of collective agreements result in almost 100% bargaining coverage in each sector. Accordingly, the statutory regulations and the social partnership tradition facilitate the development of relatively high levels of (mutual) trust between social partners in Austria.

Third, the liberal pluralist IR regime in **Ireland** (IE) is part of the West cluster. Although union density is similar to Austria, the voluntarist tradition resulted in bargaining coverage of only 35%. Moreover, as collective bargaining takes place at the company level in the selected sectors, there is variation in bargaining coverage ranging from circa 20% in metal to 30-40% in banking and 90% in the public transport sector. Despite a voluntary social partnership between 1987 to 2008, the tradition of distributive bargaining associated with the 'them and us' attitude of the social partners combined with a lack of 'statutory beneficial constraints' to facilitate long-term cooperation makes it very difficult to develop mutual trust between social partners (Trif and Brady 2013).

Finally, the remaining five CEE countries have state-centred and fragmented IR regimes. Although only 11% of the labour force is unionised in both **Czechia** (CZ) and **Slovakia** (SK) and bargaining coverage is similar to other CEE countries (35% in Czechia and 24% in Slovakia), only in these two countries, which are part of the embedded liberal subcluster, some multi-employer bargaining still existed in the late 2010s (e.g. banking and transport in Czechia, and metal and transport in Slovakia). In addition, there is low(er) fragmentation of social partners in Czechia and Slovakia, which could make it easier to develop trust between these social partners than in the other CEE countries.

In the neo-liberal subcluster, the bargaining coverage varies from 30% in **Serbia** (RS) to 27% in **Lithuania** (LT) and 15% in **Romania** (RO). In Lithuania, there was a surge in bargaining coverage from 14% in 2019 as a result of negotiating new collective agreements in the public sector in 2021 (Blažiene 2023). In contrast, there was a steep decline during the 2010s in the two countries that had the highest bargaining coverage during the 2000s, namely Romania (from over 90%) and Slovakia (from over 50%) due to the undermining of the legal support for collective bargaining in the aftermath of the 2008 Great Recession (Trif et al. 2016). It would be interesting to find out whether these major changes in bargaining coverage influence trust between social partners. Overall, there is greater variation in bargaining coverage across the selected sectors in the CEE cluster and Ireland than in Austria and Sweden.

The banking and finance sector roughly employs around 10% of the labour force in most selected countries (Ireland has a higher share), and large variation exists in the bargaining coverage across countries (Eurofound 2019). First, in Austria, Slovakia, and Sweden, most employees were covered by either multi-employer and/or single-employer collective agreements before 2019 (table 6). Second, in Czechia and Ireland, between a third and a half of employees were covered mostly by single-employer agreements. Third, in Lithuania and Romania, a minority of employees (under 15%) were covered by collective (single employer) agreements. Nevertheless, in Romania, a multi-employer agreement regulating wage increases and remote work was concluded in 2022, which increased bargaining coverage (UNI Europa 2022). Overall, the level of fragmentation of social partners is relatively low in the banking sector, as one or two unions and employers' associations exist in most selected countries (except Ireland and Sweden) (Eurofound 2019). Finally, in terms of conflict, only Slovakia has experienced recent strikes in the banking sector (source: national project teams).

The metal sector roughly employs around 20-30% of the labour force in most of the selected countries (Ireland has a lower share), and there is a large variation in the collective bargaining

coverage across the selected countries (Eurofound 2018b). First, in Austria and Sweden, over 90% of employees were covered by multi-employer and/or single-employer agreements. Second, in Romania, half of employees were covered. Third, in Ireland, Slovakia and Czechia, only a minority of employees (20% or less) were covered by collective agreements. The fragmentation of trade unions in the metal sector is higher than in the banking sector in most countries, except in Lithuania and Slovakia (Eurofound 2018b). Finally, there have been recent strikes in Czechia, Slovakia, and Sweden in the metal sector (Source: national project teams).

The railway and urban public transport sector is employing less than 4% of the total labour force in each country, and there are more similarities than differences across the selected countries regarding the IR indicators that affect trust (Eurofound 2017). In the context of a high share of workers employed in large state-owned companies, bargaining coverage varied from 100% in Austria and Sweden to 80-90% in each of the other countries (Eurofound 2017). Moreover, there was a relatively high fragmentation of trade unions (three or more organisations) in each country (Eurofound 2017). Furthermore, there have been recent strikes in the transport sector in most selected countries, except Serbia (according to the national teams; in Sweden, there were sympathy actions to support metal workers).

Overall, in the context of the weakening of IR institutions over the last three decades in most countries (Waddington et al. 2023), it is not surprising that there is great variation across the selected sectors, except in Austria and to some extent Sweden. Given the IR sectoral features, one could expect that there would be more similarities across countries regarding trust between the social partners in the (public) transport sector compared to banking and finance, and metal, where there is greater variation across countries in the contextual aspects that affect trust. Nevertheless, there could be variation contingent on the sub-sector investigated in each country, particularly in the transport sector, as bargaining coverage is likely to be lower in the private (sub)sectors.

In summary, this chapter shows that there is still a degree of variation in IR features across the five clusters identified by Visser (2009), despite the weakening of IR institutions over the last few decades in most countries. Still, in contrast to the prediction that IR regimes in CEE will 'transition' towards those in Western Europe, two decades after the first eastwards enlargement in 2004, this cluster has retained its unique characteristics with strong state intervention and relatively weak social partners with a capacity of mobilisation (Czarzasty 2024). Furthermore, somewhat surprisingly, IR regimes in Western Europe clusters have become more similar to those in the Centre-East. The adoption of neo-liberal policies since the 1990s across Europe (Baccaro and Howell 2011) combined with increased government interventions to address external shocks, such as the 2008 financial crisis and the 2020 COVID-19 pandemic followed by the inflation crisis in 2021-2022, resulted in increased state intervention in IR. This has weakened joint regulations by social partners in many countries across all five clusters (Waddington et al. 2023). Although a degree of variation still exists, it is unclear to what extent the decline in union density and collective bargaining coverage in Europe has affected the trust between social partners. However, it would be expected to find the highest (mutual) trust between social partners in the countries belonging to the North cluster, followed by Centre-West and the lowest in the Centre-East cluster.

References

Algan Y. and Cahuc, P. (2010) Inherited Trust and Growth, *American Economic Review 100:5*, 2060–2092.

Algan Y. and Cahuc, P. (2013) Trust and Growth, *Annual Review of Economics* 5, 521-49.

Baccaro, L. and Howell, C. (2011) A common neoliberal trajectory: The transformation of industrial relations in advanced capitalism. *Politics & Society* 39:4, 521–563.

Baccaro, L. and Howell, C. (2017) *Trajectories of Neoliberal Transformation. European Industrial Relation Since the 1970s*. Cambridge: Cambridge University Press.

Bachmann, R. (2011). At the crossroads: Future directions in trust research, *Journal of Trust Research* 1:2, 203-213.

Bachmann, R. and Inkpen, A. C. (2011) Understanding institutional-based trust building processes in inter-organizational relationships, *Organization studies* 32:2, 281-301.

Bachmann, R. and Zaheer, A. (2008) Trust: A bigger picture, *Academy of Management Review* 33:1, 271-274.

Bechter, B., Brandl, B., and Meardi, G. (2012) Sectors or countries? Typologies and levels of analysis in comparative industrial relations, *European Journal of Industrial Relations* 18:3, 185-202.

Beugelsdijk, S., de Groot, H.F., and van Schaik, A.B.T.M. (2004) Trust and Economic Growth: A Robustness Analysis, *Oxford Economic Papers* 56:1, 118–134.

Blažienė, I. (2023) Lithuania: Trade unions still see light at the end of the tunnel. In J. Waddington, T. Müller and K. Vandaele (eds.) *Trade Unions in the European Union. Picking Up the Pieces of the Neoliberal Challenge*. Brussels: Peter Lang, 697-730.

Bohle, D. and Greskovits, B. (2012) *Capitalist Diversity on Europe's Periphery*. Ithaca, NY: Cornell University Press.

Braithwaite, J. (1998) Institutionalizing Distrust, Enculturating Trust, in Braithwaite, V. & Levi, M. (eds.) *Trust and Governance*, New York: Russell Sage Foundation.

Brandl, B. (2020) Variations and (a)symmetries in trust between employees and employers in Europe, *European Journal of Industrial Relations* 26:3, 313-329.

Brandl, B. (2021a) Trust as the cement in the employment relationship? *Journal of Organizational Effectiveness* 8:1, 80-96.

Brandl, B. (2021b) Trust Relationships in Employment Relationships, *International Journal of the Economics of Business* 28:1, 139-161.

Bray, M., Budd, J. W. and Macneil, J. (2020) The many meanings of co-operation in the employment relationship and their implications, *British Journal of Industrial Relations* 58:1 114-141.

Brown S., Gray, D., McHardy, J. and Taylor, K. (2015) Employee trust and workplace performance, *Journal of Economic Behavior and Organization* 116:1, 361-378.

Brown, G.W., McLean, I. and McMillan, A. (2018) Industrial Relations, In *A Concise Oxford Dictionary of Politics and International Relations*. Oxford: Oxford University Press.

Bryson A. (2001) The Foundation of 'Partnership'? Union Effects on Employee Trust in Management. *National Institute Economic Review* 176:1, 91–104.

Chao, G.T., and Moon, H. (2005) The cultural mosaic: A metatheory for understanding the complexity of culture, *Journal of Applied Psychology* 90:6, 1128-40.

Charron, N. and Rothstein, B. (2018) Regions of Trust and Distrust, in U. Bernitz, M. Mårtensson, L. Oxelheim and T. Persson (eds.) *Bridging the prosperity gap in the EU*. Edward Elgar.

Chen, C. C., Saparito, P. and Belkin, L. (2011) Responding to trust breaches: The domain specificity of trust and the role of affect, *Journal of Trust Research* 1:1, 85-106.

Colquitt J.A., Scott B.A., and LePine J.A. (2007) Trust, trustworthiness, and trust propensity: a meta-analytic test of their unique relationships with risk taking and job performance, *Journal of Applied Psychology* 92: 909–27.

Costa, A.C., and Bijlsma-Frankema, K. (2007) Trust and control inter-relations: New perspectives on the trust-control nexus: Towards integrated perspectives, *Group and Organization Management* 32:4, 392-406.

Crouch, C. (1993) *Industrial Relations and European State Tradition*. Clarendon

Czarzasty, J. (2024) 20 years after. Changing perspectives on industrial relations in Central and Eastern Europe two decades after EU enlargement: from transition to transformation, *Transfer: European Review of Labour and Research* 30:1, 15-31.

Davis, J.H., Schoorman, F.D., Mayer, R.C. and Tan, H.H. (2000) Trusted general manager and business unit performance: empirical evidence of a competitive advantage, *Strategic Management Journal* 21:5, 563-576.

Deutsch, M. (1958). Trust and suspicion, *Journal of conflict resolution*, 2:4, 265-279.

Dietz, G. (2002) The Development of Mutual Trust in British Workplaces through 'Partnership', *ERIM Report Series Research in Management*.

Dietz, G. (2004) Partnership and the development of trust in British workplaces, *Human Resource Management Journal* 14:1, 5-24.

Dietz, G. (2011) Going back to the source: Why do people trust each other? *Journal of Trust Research* 1:2, 215-222.

Dietz, G. and Den Hartog, D. N. (2006) Measuring trust inside organisations, *Personnel review*, 35:5, 557-588.

Dincer, O. and Uslaner, E. (2010) Trust and Growth, *Public Choice* 142:1-2, 59–67.

Dirks, K.T. and de Jong, B. (2022) Trust within the workplace: A review of two waves of research and a glimpse of the third *Annual Review of Organizational Psychology and Organizational Behavior* 9, 247-276.

Drange, I., Falkum, E. and Wathne, C.T. (2023) Covid, work reorganization and trust: the importance of employment relations, *Labour and Industry* online ahead of print: https://doi.org/10.1080/10301763.2023.2251220

Elgoibar, P., Euwema, M. C., Munduate, L. (eds.) (2016) *Building Trust and Constructive Conflict Management in Organizations.* Springer.

Elgoibar, P., Medina, F.J., Euwema, M.C. and Mundante, L. (2021) Increasing Integrative Negotiation in European Organizations Through Trustworthiness and Trust, *Frontiers in Psychology* 12: 655448.

Elgoibar, P., Munduate, L. Medina, F. J. and Euwema, M. C. (2011) Are employment relations in Europe based on trust?, *Psychologia* 55: 255-272.

Eurofound (2017) *Representativeness of the European social partner organisations: Railways and urban public transport*, Dublin: Eurofound.

Eurofound (2018a) *Mapping varieties of industrial relations*. Dublin: Eurofound

Eurofound (2018b) *Representativeness of the European social partner organisations: Metal sector*, Dublin: Eurofound.

Eurofound (2019) *Representativeness of the European social partner organisations: Banking sector*, Dublin: Eurofound.

European Commission (2010), *Commission Staff Working Document on the Functioning and Potential of European Sectoral Social Dialogue*, Brussels: European Commission.

Euwema, M., Munduate, L., Elgoibar, P., Garcia, A., and Pender, E. (2015) Promoting social dialogue in European organizations, *Human Resources management and constructive conflict behavior*. Dordrecht: Springer.

Ferrin, D.L. and Gillespie, N. (2010) Trust differences across national-societal cultures: Much to do, or much ado about nothing, *Organizational trust: A cultural perspective*, pp.42-86.

Fox, A. (1974) *Beyond Contract: Work, Power and Trust Relations*. London, Faber & Faber

Friedman, R. (1993) Bringing Mutual Gains Bargaining to Labor Negotiations: The Role of Trust, Understanding, and Control, *Human Resource Management* 32:4, 435–45.

Fukuyama, F. (1995) *Trust*. Hamish Hamilton.
Fulmer, C. A. and Gelfand, M. J. (2012) At what level (and in whom) we trust: Trust across multiple organizational levels, *Journal of management* 38:4, 1167-1230.
Fulmer, C.A., Gillespie, N., Ferrin, D.L. and Denison, E. (2024) Culture and Trust in Organizational Contexts. *The Oxford Handbook of Cross-Cultural Organizational Behavior*.
Furåker B. and Larsson, B. (2020) *Trade Union Cooperation in Europe. Patterns, Conditions, Issues.* Palgrave Macmillan
Geary, J. and Trif, A. (2011) Workplace partnership and the balance of advantage: a critical case analysis, *British Journal of Industrial Relations*, 49:1, 44-69
Granovetter, M. (1985) Economic action and social structure: The problem of embeddedness, *American Journal of Sociology* 91:3, 481–510.
Guest, D. and Peccei, R. (2001) Partnership at work: mutuality and the balance of advantage, *British Journal of Industrial Relations* 39:2, 207-236.
Guest, D., Brown, W., Peccei, R. and Huxley, K. (2008) Does partnership at work increase trust? An analysis based on the 2004 Workplace Employment Relations Survey, *Industrial Relations Journal* 39(2): 124-152.
Hoffman, A. J. (1995). *The environmental transformation of American industry: an institutional account of organizational evolution in the chemical and petroleum industries (1960-1993)* (Doctoral dissertation). Massachusetts Institute of Technology.
Holland, P., Cooper, B. K., Pyman, A. and Teicher, J. (2012) Trust in management: The role of employee voice arrangements and perceived managerial opposition to unions, *Human Resource Management Journal* 22:4, 377-391.
Hyman, R. (2001) *Understanding European Trade Unionism*. London: Sage.
Hyman, R. (1994) Industrial Relations in Western Europe: An Era of Ambiguity? *Industrial Relations* 33:1, 1–24.
Jones, M. (1999) The institutional determinants of social responsibility, *Journal of Business Ethics* 20, 163–179.
Kahancová, M. (2010) *One Company, Diverse Workplaces. The Social Construction of Employment Practices in Western and Eastern Europe*. Palgrave Macmillan.
Kerkhof, P., Annemieke, B., and Klandermans, B. (2003) Instrumental and relational determinants of trust in management among members of works councils, *Personnel Review* 32:5, 623-637.
Kjellberg, A. (2023) *The Nordic Model of Industrial Relations: Comparing Denmark, Finland, Norway and Sweden*. Lund: Lund University.
Knack, S. and Keefer, P. (1997) Does Social Capital Have an Economic Payoff? A Cross-Country Investigation, *The Quarterly Journal of Economics* 112:4, 1251–1288.
Korczynski, M. (2000) The political economy of trust, *Journal of Management Studies* 37:1, 1–23.
Korsgaard, M.A., Pitarui, A.H. and Jeong, S.S. (2010/2008) *The SAGE Handbook of Organizational Behavior*. online version updated 2010. London: Sage.
Kougiannou, K., Dundon, T. and Wilkinson, A. (2021) Forming Effective Employee Information and Consultation: A Five-Stage Trust and Justice Process, *British Journal of Management* 32: 200-218.
Kougiannou, K., Redman, T. and Dietz, G. (2015) The outcome of works councils: the role of trust, justice and industrial relations climate, *Human Resource Management Journal* 25:4, 458-477.
Kroeger, F. (2012. Trusting organizations: The institutionalization of trust in interorganizational relationships*, Organization* 19:6, 743-763.
La Porta, R., Lopez-de-Silanes, F., Schleifer, A., and Vishny, R.W. (1998) Trust in Large Organizations, *The American Economic Review* 87:2, 333-338.
Lane, C. (1998) Introduction: Theories and Issues in the Study of Trust, in Lane, C. and Bachmann, R. (eds) *Trust Within and Between Organizations*, Oxford: Oxford University Press.
Lane, C. and Bachmann, R. (1998) *Trust within and between Organizations*, Oxford University Press.

Larsson, B. (2020) Cultural Obstacles in Transnational Trade Union Cooperation in Europe, *Nordic Journal of Workning Life Studies* 10:1, 3-18.

Larsson, B., Galetto, M., Weber, S., Bechter, B., and Prosser, T. (2020) What's the point of European Sectoral Social Dialogue? Effectiveness and polycontexturality in the hospital and metal sectors, *Industrial relations journal* 51, 410-426.

Legood, A., van der Werff, L., Lee, A., den Hartog, D. and van Knippenberg, D. (2023) A critical review of the conceptualization, operationalization, and empirical literature on cognition-based and affect-based trust, *Journal of Management Studies* 60:2, 495-537.

Lewicki, R. & Bunker, B.B (1997) Developing and maintaining trust in work relationships, in Kramer, R.M. & Tyler, T.R. (eds.) *Trust in organisations: frontiers of theory and research*. Sage.

Lewicki, R. J. (2006) Trust and distrust. *The negotiator's fieldbook: The desk reference for the experienced negotiator*, pp.191-202.

Lewicki, R. J., McAllister, D. J. and Bies, R. J. (1998) Trust and distrust: New relationships and realities, *Academy of Management Review* 23:3, 438-458.

Lewicki, R., Elgoibar, P. and Euwema, M. (2016) The tree of trust: Building and repairing trust in organizations, in *Building trust and constructive conflict management in organizations*, pp.93-117.

Lewicki, R.J. and Bunker, B.B. (1996) Developing and maintaining trust in work relationships, *Trust in organizations: Frontiers of theory and research* 114:139.

Lewicki, R.J. and Stevenson, M.A. (1997) Trust development in negotiation: Proposed actions and a research agenda, *Business & Professional Ethics Journal* 16:1/3, 99-132.

Lewis, J. D. and Weigert, A. (1985) Trust as a Social Reality, *Social Forces* 63:4, 967-985.

Martišková, M., Kahancová, M. and Kostolný, J. (2021) Negotiating wage (in)equality, *Transfer: European Review of Labour and Research* 27:1, 75-96.

Mather, K. (2011) Employee relations and the illusion of trust. *In Trust and Human Resource Management*. Edward Elgar Publishing.

Mayer, R.C., Davis, J.H. and Schoorman, F.D. (1995) An integrative model of organizational trust, *Academy of Management Review* 20, 709–34.

Mayer, R., and Gavin, M. (2005) Trust in Management and Performance: Who Minds the Shop while the Employees Watch the Boss? *Academy of Management Journal* 48:5, 874-888.

McAllister, D. (1995) Affect- and cognition-based trust as foundations for interpersonal cooperation in organizations, *Academy of Management Journal* 38: 24-59.

Morgan D. and Zeffane, R. (2003) Employee involvement, organizational change and trust in management, *The International Journal of Human Resource Management* 14:1, 55-75.

Nienhueser, W. and Hossfeld, H. (2011) *The Effects of Trust on the Preference for Decentralized Bargaining*, SAGE.

OECD and AIAS Database (2021), available here

Osgood, C. E. (1959) Suggestions for winning the real war with communism, *Journal of Conflict Resolution* 3, 295-325

Pixley, J. (1999) Impersonal Trust in Global Mediating Organizations, *Sociological Perspectives* 42:4), 647-671.

Renzl, B. (2006) Trust in management and knowledge sharing: The mediating effects of fear and knowledge documentation, *Omega: The International Journal of Management Science* 36, 206-220.

Robinson, S. L. (1996) Trust and breach of the psychological contract, *Administrative science quarterly* 41:4, 574-599.

Rothstein, B. and Stolle, D. (2001) Social Capital and Street Level Bureaucracy: An Institutional Theory of Generalised Trust, paper presented at the EURESCO Conference Social Capital: Interdisciplinary Perspectives, Exeter, UK, 15–20 September.

Rousseau, D.M., Sitkin, S.B., Burt, R.S. and Camerer, C. (1998) Not so different after all: A cross-discipline view of trust, *Academy of management review* 23:3, 393-404.

Rus, A. and Iglič, H. (2005) Trust, governance and performance: The role of institutional and interpersonal trust in SME development, *International sociology* 20:3, 371-391.

Saunders, M. and Thornhill, A. (2003) Organisational justice, trust and the management of change, *Personnel Review* 32:3, 360-375.

Saunders, M.N.K., Skinner, D., Dietz, G., Gillespie, N., and Lewicki, R.J. (2010) *Organizational trust: A cultural perspective*. Cambridge: Cambridge University Press.

Schoorman, F.D., Mayer, R.C. and Davis, J.H. (2007) An integrative model of organizational trust: Past, present, and future, *Academy of Management review* 32:2, 344-354.

Searle R., Den Hartog, D.N., Weibel, A., Gillespie, N., Six, F., Hatzakis, T. and Skinner, D. (2011) Trust in the employer: the role of high-involvement work practices and procedural justice in European organizations, *International Journal of Human Resource Management* 22:5, 1068-1091.

Shapiro, D.L., Sheppard, B.H. and Cheraskin, L. (1992) Business on a handshake, *Negotiations Journal* 8, 365.

Shapiro, S. P. (1987) The Social Control of Impersonal Trust, *American Journal of Sociology* 93 (3), 623-658.

Siebert, S., Martin, G., Bozic, B., and Docherty, I. (2015) Looking 'Beyond the Factory Gates': Towards more Pluralist and Radical Approaches to Intraorganizational Trust Research, *Organization Studies* 36:8), 1033-1062.

Sitkin, S.B. and Roth, N.L. (1993) Explaining the limited effectiveness of legalistic 'remedies' for trust/distrust, *Organization science* 4:3, 367-392.

Spicer, A. and Okhmatovskiy, I. (2015) Multiple paths to institutional-based trust production and repair: Lessons from the Russian bank deposit market, *Organization Studies* 36:9, 1143-1170.

Sztompka, P. (1999) *Trust. A Sociological Theory*. Cambridge: Cambridge University Press.

Trif, A. and Brady, M. (2013) Implications of Game Theory for Theoretical Underpinning of Cooperative Relations in Workplace Partnership, *Industrial Relations Journal* 44:3, 258-275.

Trif, A., and Paolucci, V. (2019) Employee relations in context: Globalization, uncertainties, and dynamics of change. In *International Comparative Employee Relations* (pp. 14–38). Edward Elgar.

Trif, A., Koukiadaki, A. and Kahancová, M. (2016) *Fighting precarious employment in the new member states through industrial relations: comparative report (Croatia, Czechia, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia)*, European Commission: Research project VS/2014/0534.

Tyler, T. R. (2003) Procedural justice, legitimacy, and the effective rule of law. In M. Tonry (Ed.), *Crime and justice: A review of research* 30, 431–505. Chicago: University of Chicago Press

Tzafrir, S. (2005) The relationship between trust, HRM practices and firm performance, *International Journal of Human Resource Management* 16:9, 1600-1622.

UNI Europa (2022) Sector agreements for bank workers in Romania show the way forward through collective bargaining available https://www.uni-europa.org/news/sector-agreements-for-bank-workers-in-romania-show-the-way-forward-through-collective-bargaining/

van der Werff, L., O'Shea, D., Healy, G., Buckley, F., Real, C., Keane, M. and Lynn, T. (2023) The neuroscience of trust violation: Differential activation of the default mode network in ability, benevolence and integrity breaches, *Applied Psychology*, 72:4, 1392-1408.

Visser, J. (2009) The quality of industrial relations and the Lisbon Strategy, in European Commission (ed.), *Industrial relations in Europe 2008*, Luxembourg: Publications Office of the European Union.

Waddington, J., Müller, T. and Vandaele K. (eds) (2023) *Trade Unions in the European Union. Picking Up the Pieces of the Neoliberal Challenge*. Brussels: Peter Lang.

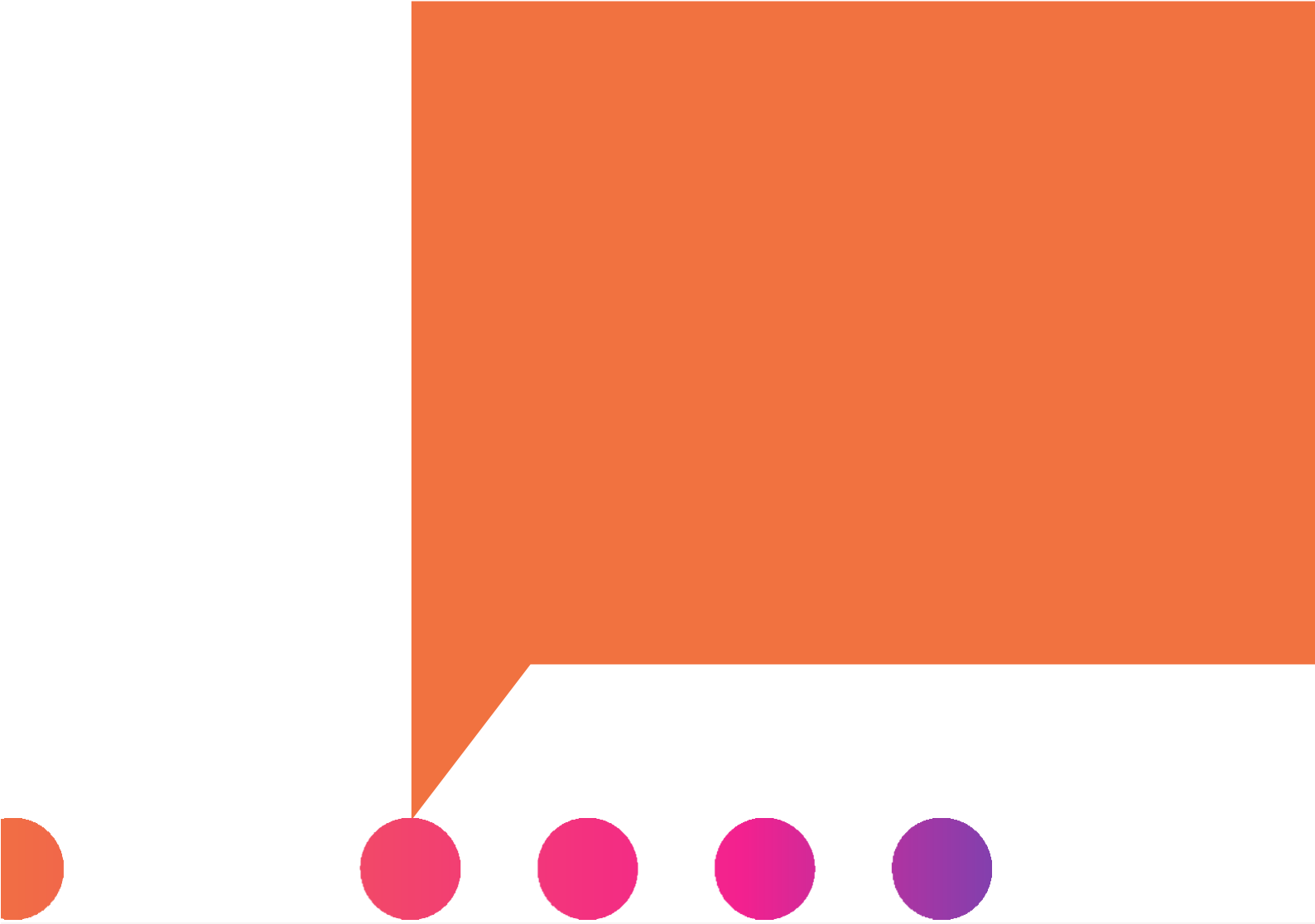
Warren, M.E. (Ed.) (1999) *Democracy and trust*. Cambridge: Cambridge University Press.

Wicks, A.C. and Berman, S.L. (2004) The effects of context on trust in firm-stakeholder relationships: the institutional environment, trust creation, and firm performance, *Business Ethics Quarterly* 14:1, 141-160.

Yunus, S. and Mostafa, A.M.S. (2022) Flexible working practices and job-related anxiety: Examining the roles of trust in management and job autonomy, *Economic and Industrial Democracy* 43:3, 1340-1368.

Zak, P. and Knack, S. (2001) Trust and Growth, *The Economic Journal* 111, 295–321.

Zucker, L.G. (1986) Production of Trust: Institutional Sources of Economic Structure, 1840-1920, *Research in Organizational Behavior* 8, 53-111.



Funded by
the European Union