

RESEARCH INSIGHTS



Are public sector performance constraints mitigated by workplace trust?



Self-collected data on public sector employees from eighteen Latin American countries reveal that employees' trust in each other affects individual constraints, organizational constraints, and mission motivation.



High-trust employees are i) more willing to collaborate and share information and are more supportive of innovation; ii) are less concerned with low staff quality or lack of discretion to innovate, and more concerned with staff shortages; and iii) have stronger mission motivation.



A survey experiment on social distancing policies suggests that trust enhances mission motivation: employee preferences align better with the implied government policy when their trust in the public sector is higher.

CONTEXT

The performance of public sector agencies depends on employees' collective efforts toward accomplishing a common mission. Work relationships, however, cannot be fully governed by contractual guidelines, and sustaining productive behaviors depends on trust among coworkers. For instance, high-trust employees should be more likely to exert unobservable effort and identify with the mission of their organization. This issue deserves particular attention in developing countries, which generally exhibit low levels of both interpersonal trust and state capacity. While there is a strong theoretical case that employee trust alleviates performance constraints, the evidence for developing countries is limited due to lack of data.

PROJECT

We collected individual-level measures of employee trust and assessments of performance constraints, using an original survey disseminated through an online professional network. The final sample of about 2,500 public sector employees from eighteen Latin American countries covers all levels of government, positions ranging from executive to administrative staff, and different types of agencies. We exploit the Covid-19 pandemic as a common policy challenge across countries to understand whether trust affects public employees' policy preferences. We randomized exposure of respondents to different data-based scenarios of social distancing in their countries to examine how trust relates to mission motivation under policy uncertainty.

Key Concept



MISSION MOTIVATION

The extent to which an employee cares about the mission of their organization.

RESULTS

The data show robust relationships between employee trust and individual constraints. High-trust public employees are more willing to cooperate with coworkers. They have a more positive view of collaboration on shared tasks and are more likely to rely on information obtained from coworkers. They are also more supportive of innovation, in the form of online delivery of public services.

When we examine organizational constraints, we find that they are generally alleviated by trust in coworkers. High-trust respondents are less concerned with low professional quality of staff or lack of cooperation among staff, and more concerned with staff shortages. They are also less concerned about employee lack of discretion to innovate. A survey experiment shows that the relationship between trust and perceived organizational constraints does not change for the group assigned to the pandemic framing, supporting the generalizability of these results to non-crisis contexts.

Regarding mission motivation, we present two types of results showing a link with employee trust. First, we find that high-trust public employees are more likely to report that their agency was effective in accomplishing its mission pre-pandemic. Second, we analyze how trust relates to public employee support for the government's early response to the pandemic. A randomly assigned low social distancing framing suggested that the country is lagging other affected countries, implying that enforcement was weak; the comparison group received a high social distancing framing, implying strict enforcement. In line with mission-matching arguments, respondents with high trust in the public sector were more likely to align their policy preferences with the implied government policy: to prefer weak enforcement when assigned to the low framing, but strict enforcement when assigned to the high framing ([see Figure 1](#)).

POLICY IMPLICATIONS

Our findings suggest that trust among public employees is an important limiting factor on the optimal size of the state. A trust deficit within the public sector may reduce the ability of societies to rely on government to solve large and complex problems, such as those associated with climate change or inequality, that could require larger public sector workforces and significant collaboration across employees and agencies.

The analysis has implications for the organization of public sector agencies. On the one hand, public agencies plagued by mistrust confront limits on their ability to implement public policies that improve citizen welfare. They should therefore confine their mission to those tasks and services that demand less delegation and cooperation. On the other hand, public organizations can take steps to increase trust. Prior research has emphasized the important role of selection in raising intrinsic motivation among organization members, and organizations can select for trustworthiness. In addition, they can reinforce a culture of trust by controlling free riding and ensuring the consistency and predictability of employee evaluations.

Better management, including more meritocratic selection of employees, is another possible answer. Recent research has found an important role for management practices in raising the productivity of public employees and a relationship between management decisions and employee trust. Some features of our survey data are consistent with these arguments. For instance, respondents' trust in other public employees is significantly lower in subnational governments, which are generally regarded as less well-managed and as having more clientelistic personnel policies. Also, average trust in coworkers and other public employees is significantly lower among respondents from countries with less meritocratic hiring practices.

Key Concept



ORGANIZATIONAL CONSTRAINTS

Factors common to all employees of a given organization that constrain their ability to carry out their work responsibilities.

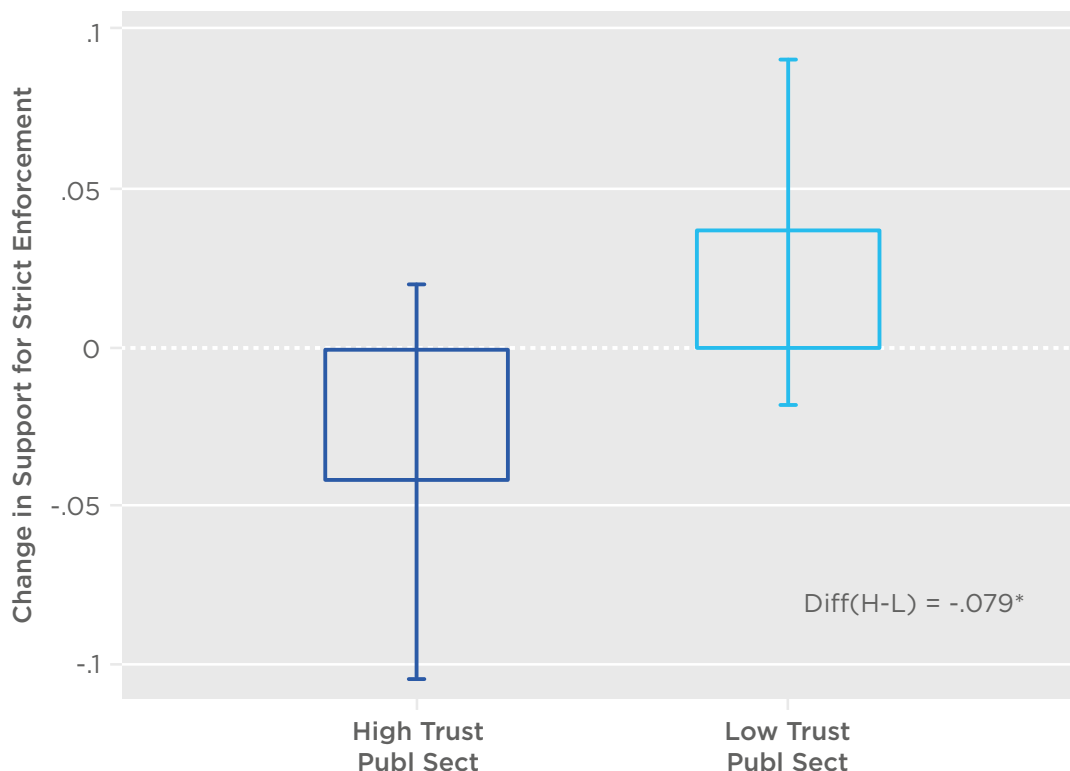
Key Concept



FRAMING EFFECT

A change in an individual's preferences or opinions on a policy issue caused by the way in which the issue is presented.

Figure 1. Average Framing Effects, by Trust



Notes: The figure plots the treatment effect, as the difference in support for strict enforcement between the group assigned to low framing and the group assigned to high framing, separately for the subsamples of high trust and low trust in the public sector. Ranges at the top of the bars are 95 percent confidence intervals. The symbol * indicates statistical significance at the 10 percent level. Data are from the survey conducted by the authors. The sample consists of 2,449 individuals from eighteen countries.

IDB RESEARCH ON TRUST

This project was carried out at the IDB Research Department based on original survey data collected through the Latin America and the Caribbean Community of Practice on Managing for Development Results (CoPLAC-MfDR) network.



FULL STUDY

[Keefer, P. and R. Vlaicu \(2022\) "Employee Trust and Performance Constraints in Public Sector Organizations." Working Paper IDB-WP-1376.](#)

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