

Chapter 13

Trust Deficit in Public Sector: Causes, Consequences, and Strategies to Mitigate

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ABSTRACT

Deficit trust is considered a cause for further deterioration of the public sector delivery systems. It has raised concerns in the modern political scenario. The author identifies the sources for creation of deficit trust in public sectors across the world. Considering that individual trust perceptions are susceptible to fluctuation, the author argues that there is a possibility to shift distrust to trust. Thereby, relying on the best practices and data from Edelman Trust Barometers and World Bank, this chapter addresses the trust deficit concerns. Some countries have maintained trust requirements, but others are struggling to mitigate. Mentioning the best practices of established, credible, and sound mechanisms to improve the trust relationships, the author highlights the modern intervention techniques used by various organisations to instil the public trust. Throughout this chapter, the author suggests how public trust can be transformed into customer retention initiatives and thereby public sectors can regain their market position.

INTRODUCTION

In this chapter, the author examined the theoretical base on the nature and significance of the organisational trust model. This chapter attempts to explore the possibilities to identify the reasons for creation of deficit trust in public sectors across the world. By specifically mentioning the best practices of established, credible and sound mechanisms to improve the trust relationships, it is intended to highlight the modern intervention techniques used by various organisations to

instil the public trust and attainment of customer retention. As the term ‘trust’ may be contested, therefore, it is referred as to ‘trust enhancing approaches’ as a strategic tool, for the better public sector’s performance outcomes. Trust can be described as an enriching relationship based on business or individual, personal or professional (Lorenz, 1988; Lewicki & Bunker 1996; Mayer *et al.*, 1995; Gilson, 2003). Can, for example, the stated concepts of trust and deficit trust improve the functioning of public sector or an outcome?

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Over the past two decades, trust continued as a subject of study of sociologists (Coleman, 1990), economists (Fukuyama, 1995) and organizational scientists (Gambetta, 1988; Kramer & Taylor, 1996). A few questions may arise and they could be (1) What constitutes trust among various stakeholders in the Public sector and government? (2) Whether the public sector organisations adopts mechanisms to build trust linkages and how this trust strategy can be formulated? (3) Are there any environmental factors (internal and external) or contingencies for generating a need for public sector institutions to adopt trust building measures? (4) Is it possible to isolate and figure out the various models of trust building processes by reputed organisations? Most importantly (5) for public sector and their stakeholders, who are looking ways to gain a comparable and competitive advantage, the impact of these trust related interventions, will it matter at all?

This chapter also examines the possible options of implementing various counter-strategies to deficit trust and measure the gap and existing deviations in the existing process in various public sectors across the world. The author then considered some common initiatives associated with trust, including international and comparative trust interventions. In the current chapter, a number of question, of which some are quite inherent and essential to the understanding of how trust works, and how public sectors have evolved mechanisms to satisfy the demands of their customers. The author also has addressed through various examples as to how large public sector corporates have decided to impact the public trust and regain their market position. There is a common thread i.e. the theme of 'trust creation' and which runs in the chapter, much of the interventions are quite fundamental to plug out the deficit trust and constraints therein, that further the cause of reputation building and maintaining a balanced approach among various stakeholders.

Trust remained under-theorized, under-researched and, therefore, poorly understood 'phenomenon' (Child, 2001) and the casualty was organizational trust which remained unaddressed (McEvily et al., 2003). On the other hand, distrust is the confident expectation that another individual's motives, intentions, and behaviours are sinister and harmful to one's own interests. In interdependent relationships, this often entails a sense of fear and anticipation of discomfort or danger. On account of raising distrust levels it naturally initiates the Government and the agencies to take such measures to vulnerabilities, in an attempt to protect customers' interests. Accordingly, presence of distrust among others is likely to induce an unfair competitiveness which encourage and aggravate disputes.

The concept of trust is essential for any interpersonal (Frederique, & Sorge, 2008), interactive and interdependent relationships to exist in any organisation. Building trust is often seen as a proactive measure to nurture commitment, involvement and gain organisational citizenship behaviour (Wicks, Berman. & Jones, 1999). Researchers argue that the constant engagement of the internal and external stakeholders in trust based relationship (Julia, 2006), leads to two situations, namely (1) professional trust and (2) personal trust. The issue of concern for research is why there is growing deficit trust in public sector. Many researchers have concentrated their works on building trust and nurturing trust among leaders and followers (Galford & Drapeau, 2003). But there is scanty literature in the areas of deficit trust. In this backdrop, it is true that the public sectors which are primary governed by the principles of social welfare, utilitarian, justice, service without capitalistic approach but they are predominantly governed by deficit budgets. Public sectors may be projected as poor performers, ironically, the leaders and employees of public sector may be growing richer. With the growing concerns on

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