

Discussion paper: Government and social partner cooperation in VET: From dialogue to partnership. ETF Workshop recommendations from the perspectives of governance and trust.

In this brief discussion paper, we will focus on the results of the European Training Foundation (ETF) workshop on government and social partner cooperation in Vocational Education and Training (VET), which took place in Turin on 21-21 June. Our paper will consider the ETF workshop recommendations from the perspective of two particular frameworks:

- VET social partnership from a governance perspective
- VET social partnership from a trust perspective

First, we provide a brief conceptual outline of a framework for governance, and discuss the recommendations with respect to this perspective. Second, we present a conceptual framework of interorganisational trust, and consider the recommendations from this perspective.

The workshop conclusions are summarised in table 1.

Table 1: recommendations for government and social partner cooperation in VET: From dialogue to partnership: workshop output

Umbrella recommendations	<ol style="list-style-type: none"> 1. Make sure that VET becomes a topic in Social Dialogue – tripartite and bipartite-, within an LLL perspective 2. All possible social partners' roles in all stages of VET policy cycle (formulation, implementation, monitoring and evaluation) should be considered
Recommendations regarding social partners in VET Policy formulation	<ol style="list-style-type: none"> 3. Define interest in VET, with prioritisation based on resources, context and other conditions 4. Modalities, common conditions and objectives for social dialogue and social partnership in VET are negotiated among all parties 5. Regulate role & functions of sector (skills) committee, resource them properly, involve them in more areas apart from defining standards 6. A culture of lifelong learning and social dialogue are mutually reinforcing
Recommendations regarding social partners in VET policy implementation:	<ol style="list-style-type: none"> 7. Build on sectorial approaches to mainstream social partnerships into VET policy implementation, considering country specificities and taking into account relevance of the territorial dimension 8. Trust building is a two-way process, good multilevel governance supports trust through transparency (including transparent processes and procedures) and accountability. 9. Define and use a common language, understanding, and methods when it comes to skills development (e.g. skills needs identification, definition of occupational profiles, qualification standards) 10. Credible partnership is based on collaborative advantage and existing resources, with a formulated vision and strategy based on the agreed needs. 11. Functioning dialogue is a two-way process. Acquire capacities and develop intelligence and skills to function in VET social dialogue and partnership 12. Develop strategies and define milestones and a timetable to develop and implement the strategies.
Recommendations regarding social partners in VET policy M&E:	<ol style="list-style-type: none"> 13. Systemic involvement of social partners in monitoring and evaluation through a clear regulatory framework and partnership-based structures 14. Expanded expertise of all partners to create, mediate and use data and information 15. Shared vision on the expected impact of policies and embedded monitoring and evaluation mechanisms in policy setting 16. Joint monitoring, progress measurement and effectiveness assessment (government, social partners, research.)

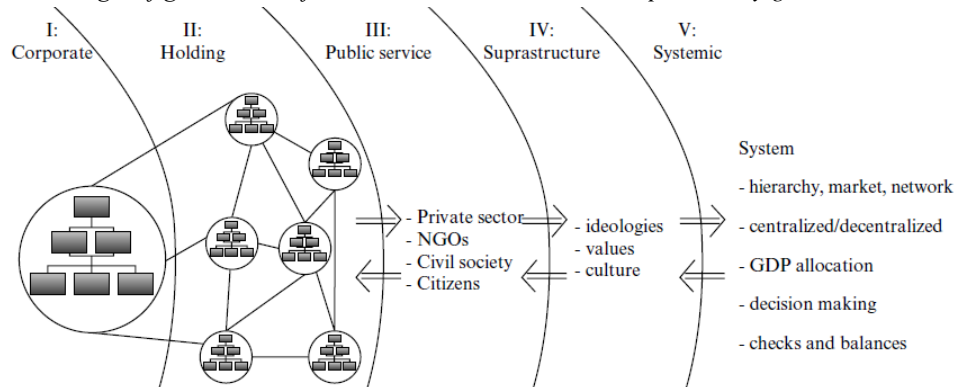
1. Introduction to a governance perspective

Public 'governance' is considered increasingly crucial due to societal challenges which necessitate more efficient allocation of (shrinking) resources, especially in the context of crises, increasing collaboration between various stakeholders in all phases of the policy cycle, and increasing shifts of activities within the public sphere and between public, private and not-for profit spheres. In this context, stakeholders such as the social partners take up roles and responsibilities which were traditionally within the exclusive scope of governments.

In order to discuss the social partnership in VET from a governance perspective, we first need to establish a consistent and coherent 'logic of public governance'. We will define governance as 'the

business of governing society in broad or narrow sense'. Bouckaert (2015) considers a coherent 'logic of public governance' to span five 'dimensions'. His core idea is that the governance of a certain policy, such as government and social partner cooperation in VET, must be enshrined and anchored in all five dimensions of the logic of governance if it aims to be effective, sustainable and resilient. Thus, policy initiatives that target a single dimension in this logic of governance, should be supported by complementary initiatives in the underlying and the encompassing governance dimensions.

Figure 1: A 'logic of governance' framework with distinct but complimentary governance dimensions



> 1.1. Corporate governance

Corporate governance is the first and most narrow focus of governance, and deals with the management of individual organisations. The core question for corporate governance is "how to organise individual organisations for effective social partnerships"? It is, in the words of Perry and Kraemer (1983: x) "a merger of the normative orientation of traditional public administration and the instrumental orientation of general management". The question here is to what extent, or under what conditions, principles and practices of corporate management can be / should be / are applied in the individual stakeholder organisations, and the extent to which these conditions contribute to a solid management system. Governance in this dimension includes many technical management systems such as:

- Elements of financial management (budgeting, accounting, audit and internal control) and transparency of organisational activity
- Elements of organisational personnel management such as the use of function descriptions, performance pay, organisational leadership
- The application of organisational quality management such as CAF, MAF, EFQM, ISO.

Solid corporate governance is a necessary condition for good governance of government and social partner cooperation in VET, but it is not sufficient in and of itself. Public governance spans wider than just the management of a set of disconnected single organisations. It also includes governing a connected family of organisations with a shared objective.

> 1.2. Holding governance

Holding governance expands the span beyond the single organisation, and refers to managing a range of organisations that belong together and need consolidated governance. Such 'holding governance is required on the side of government, the side of employer organisations (employer platforms, sectors), and the side of employee organisations (labour unions). The core question for holding governance is "how to organise clusters of organisations for effective social partnerships"? Metcalfe and Richards (1987: 73-75) have argued that "public management is concerned with the effective functioning of whole systems of organisations . . . What distinguishes public management is the explicit acknowledgement of the responsibility for dealing with structural problems at the level of the system as a whole". This requires considering public sector organisations, employer organisations and employee organisations from the point of view of their uniqueness on the one hand, and in terms of their togetherness on the other hand. Crucial questions for governance in this dimension relate to

responsibility/accountability for the performance of the system of organisations. The performance of the system depends on the performance of individual organisations, but perhaps even more, it depends on the coordination of these organisations. In governance partnership and cooperation in VET, it certainly also involves the capacity of employer and employee organisations to make credible commitments on behalf of constituent organisations they represent. Typical governance in this dimension focuses on coordination, and may include:

- Structures, organisations and instruments coordinating the ‘holding’ (for instance, Center of Government organisations as coordinators of the government organisations, trade unions as coordinators of employee organisations, employer umbrella organisations as coordinators of employer organisations.)
- ‘Representativeness’ of coordinating organisations, including their ability to make ‘credible commitments’ on behalf of organisations in the holding
- Leadership of the ‘holding’ organisations
- Cultural aspects of cohesion in the holding organisations (for instance, the presence of a collective culture between organisations in the holding, identification with the common rather than the individual interest, inter-organisational trust between organisations in the holding).
- Structures of accountability on the level of the holding.

However, while solid holding governance is necessary, it is not yet sufficient for effective governance of partnership and cooperation in VET. There is a need for quality interaction between the public sector and the social partners in order to design and deliver public services and policies, which also involves non-profit organisations, organised civil society, and (unorganized) private citizens. This is also true for VET.

> 1.3. **Public service governance**

Public service governance therefore expands the span of governance further to include collaboration with the social partners, civil society and unorganised citizens in all phases of the policy cycle. The core question for public service governance is “how to organise the interface between public actors, social partners, and civil society for effective social partnerships”? Pierre (1995: ix) has argued that “*the interface between public administration and civil society is a two-way street, including public policy implementation as well as policy demands from private actors towards policy-makers*”. Public service governance means that this two-way traffic of ideas, this interaction and involvement, are well-organized. This involves managing the tripartite interface between government, employer organisations and employee organisations in a transparent, legal and functional way throughout all phases of the policy cycle. It also involves making sure that sufficient capacity and critical mass regarding VET are created and supported within the social partners and relevant civil society organisations in order to empower their effective engagement. The prerequisite is thus that the governments invest in solid governance models for interaction with the social partners, but also for interaction with civil society organisations and with citizens, for instance through citizen consultations and citizen initiatives (Pierre and Peeters, 2000; Bovaird and Löffler, 2009). Weak public service governance and a lack of attention for the interface between government and civil society results in high risk of corruption, in moral hazards where the public sector carries the risks but not the benefits, in disproportionate influences of certain groups on political decision-making, in a growing democratic deficit and in a disconnect between government and the society it seeks to govern. Typical governance of these interactions may include:

- Passive and active openness/transparency in all phases of the policy cycle
- Methods and extent of stakeholder engagement in the policy cycle
- Development of institutional frameworks, mechanisms and rules for interaction and engagement.
- Use of e-government to manage bidirectional interactions between government and society.
- Inter-organisational trust between interacting stakeholders, i.c. government, employee and employer organisations and civil society organisations.

It is evident that attention for solid public service governance is central for the governance of government and social partner cooperation in VET. However, good governance of government and

social partner cooperation in VET also requires attention for and recognition of societal cultures, values and ideas, especially if the ambition is to avoid the pitfalls of one-size-fits-all models for VET governance. In other words, attention for suprastructure governance is also essential.

> 1.4. **Suprastructure governance**

Suprastructure governance refers to that which goes beyond institutional infrastructure governance. Ideas, ideologies, values and culture must be equally part of a sustainable governance agenda. This implies a two-way interaction between the ‘hardware’ of organisations and institutions and their ‘software’ in terms of ideas, values and cultures. This perspective implies the need to consider a ‘logic of appropriateness’ which focuses on what kind of governance is appropriate given certain cultural values and expectations, in addition to the ‘logic of consequences’ which focuses on what kind of governance is (cost)effective regarding intended outcomes. Both logics are essential elements for the legitimacy of governance. In other words, suprastructure governance adds the question ‘what kind of social partnership is appropriate in a context’ in addition to the question ‘what kind of social partnership is effective across contexts’. Social partnership practices can be empowered if elites think that they are not only necessary, but also desirable and feasible. Cultural compatibility is thus a prerequisite of governance on the one hand, but governance may also be a driver of cultural change: culture shapes government by delineating what is appropriate, but governance also shapes culture by targeting institutions and infrastructure. The suprastructure dimension of governance emphasises that the cultural capacity for change and reform cannot be ignored, may affect the time required to implement change, and affects the potential success of governance reform implementation. Typical governance in this dimension may include:

- Compatibility between public values and stakeholder values, for instance: changing culture by being a frontrunner regarding wage equality, equal employment opportunities for disadvantaged groups,
- Cultural aspects such as openness and transparency, acceptability of corruption and bribery, existence of ‘social partnership culture’, interpersonal trust in society, general cultural configurations and differences such as power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity, long-/short-term orientation (Hofstede, Hofstede and Minkov, 2010).
- Values empowered in selection and training of leaders ‘in stakeholder organisations

Attention for suprastructure governance is necessary for good governance, but it is not sufficient. Ultimately, the major societal mechanisms come together at the level of the state and its institutional characteristics. Thus, there is also a need for systemic governance.

> 1.5. **Systemic governance**

Systemic governance refers to the system design at the state level. This type of macro-governance is often enshrined in constitutional documents and includes such systemic features as major checks and balances between the branches of power in societies, key allocation mechanisms, the relative productivity of the private, public and third sectors in a country, the organisation of decision-making and participation, the distribution of power between central and de-central decision-makers, the nature of relations between political, administrative, economic and societal (cultural, religious) elites, and the distribution of wealth and welfare in society. All these elements can be considered to be manifestations of the tendency of any system of government to move to a single center of ultimate authority on the one hand, or the equilibrating tendencies of opposite and rival interests where power is used to check power on the other hand (Ostrom, 2014). The core question for systemic governance is thus “how to organise systemic characteristics for effective social partnerships”? Typical governance in this dimension may include:

- Whole-of-government (WG) indicators and approaches
- Evolution of centralisation, decentralisation and privatisation in a country
- Evolution in the proportion of GDP produced by sectors within the public, private and civil society sphere
- Nature of relations between elites in society (e.g. interaction between business world, political elites, administrative elites, systemic financing of political system by private sector,...)

- Stability of institutions, rule of law and democracy

This systemic governance is certainly necessary in order to understand and assess good governance.

> 1.6. **ETF recommendations from a governance perspective**

Table 2 summarises the extent to which the various recommendations of the ETF workshop correspond with the dimensions in this perspective on governance. Bold text in this table indicates the core focus of the specific recommendations. Text in italics identifies areas in which recommendations could be developed further in support of the central recommendations.

The table shows that on the whole, the 16 ETF workshop recommendations cover most areas of the logic of governance. The one exception is the ‘corporate level of governance, which is not addressed directly by any of the 16 recommendations (no bold text). This means that from a governance perspective, specific attention may be given to recommendations towards individual employers and enterprise-level employee organisations in support of VET policy and social partnership in all phases of the VET policy cycle (*italics text*). Building capacity to produce reliable information about VET policy implementation on the level of individual employers, and increasing the transparency of these organisations, is crucial to strengthen the status of representative employer and employee ‘holding organisations’ as social partners, and is an essential condition for the social partners’ capacity to monitor and evaluate the implementation of VET policy.

Regarding holding governance, the ETF recommendations focus primarily on identifying the needs of the social partner organisations, and on acquiring the skills, competences and capacity to be effective actors in the social partnership (**bold text**). From a logic of governance perspective, we would suggest that more can be done on the level of the holding organisations to ensure sustainable and effective social partnership (*italics text*). Specifically, we emphasise that the representative mandate of the holding organisation is crucial to enable effective social dialogue, that clear and transparent procedures must be developed on the level of the social partners, and that the social partner organisations must not only be able to negotiate effectively with other partners, but must be able to influence their own constituent organisations as well, and make credible commitments on their behalf.

Most ETF workshop recommendations focus on ‘service delivery’ governance, the level on interaction between the stakeholders takes place. The ETF recommendations include identifying common interests and win-wins between partners, building structural frameworks for negotiations, involving sector committees, building trust between social partners, specifying a common language, developing common strategic approaches and involving social partners in monitoring and evaluation (**bold text**). In addition, we suggest that the creation of partnership-based structures for open and critical feedback about successes and failures in VET policy may support the recommendation to encapsulate social partner’s involvement in M&E on the systemic level (*italics text*). We provide a more elaborate discussion about the development of trust in the second part of this discussion paper.

Some ETF recommendations specifically acknowledge the role of ‘culture’ for VET policy. In particular, ETF recommendations emphasise the importance of ‘cultural mainstreaming’ of VET, as well as the inherent connection between VET and life long learning, both of which are regarded in many cultures as sub-par to formal higher education (**bold text**). From a logic of governance, we would add that it essential to mainstream the importance and potential of social dialogue in the policy cycle, to empower a culture of collaborative negotiation in all aspects of public life, and to have particular attention to strengthening civil society, especially in cultures without a long tradition of strong civil society organisations (*italics text*). It is clear that these cultural conditions are essential foundations for effective social partnership in VET policy.

Finally, the ETF recommendations show due attention for the systemic level of governance. The ETF recommendations suggest mainstreaming social partnership on the systemic level, building.

Table 2: ETF workshop recommendations (**bold**) and additional recommendations (*italics*) from a governance perspective

	Corporate	Holding	Service delivery	Supra-structure	Systemic
Make sure that VET becomes a topic in Social Dialogue – tripartite and bipartite-, within an LLL perspective				Cultural mainstreaming of the importance VET, e.g. by rallying societal leaders' support for VET policy	
All possible social partners' role in all stages of VET policy cycle (formulation, implementation, monitoring and evaluation) should be considered					Systemic mainstreaming of social partner involvement in policy cycle affects systemic power relationships
Define interest in VET, with prioritisation based on resources, context and other conditions		Identification of VET interests based on needs and resources in partner 'holdings'	Discussions to identify common interest in VET between partners		
Modalities, common conditions and objectives for social dialogue and social partnership in VET are negotiated among all parties		<i>Mandate & accountability of social partners to identify objectives in, and negotiate on behalf of member organisations</i>	Framework of negotiation among partners and partners' negotiation skills	<i>Empowering a culture of negotiation in public life .</i>	
Regulate role & functions of sector (skills) committee, resource them properly, involve them in more areas apart from defining standards		<i>Establish skills committees as 'holding' organisations for specific sector/clusters</i>	Involve sector committees as stakeholder in social partner dialogue		Develop legislation, regulation, control and institutions for functional sector committees
A culture of lifelong learning and social dialogue are mutually reinforcing				Changing how society and elites think about the value of LLL, of social dialogue, and of the role they play in reinforcing each other	
Build on sectorial approaches to mainstream social partnerships into VET policy implementation, considering country specificities and taking into account relevance of the territorial dimension				<i>Establish cultural conditions for social partner involvement in policy making, e.g. strengthening civil society</i>	Take systemic level into account while changing it by establishing sectoral practices as vanguard to mainstream social partner involvement
Trust building is a two-way process, good multilevel governance supports trust through transparency (including transparent processes and procedures) and accountability.	<i>Transparency on holding level requires effective monitoring and reporting on corporate level. E.g. employers must have transparent accounting in order to monitor VET subsidy use.</i>	<i>Processes & procedures of transparency and accountability must be developed in all stakeholder organisations</i>	Strategies directed at trust building between social partnership stakeholders, e.g. agreeing on clear roles and responsibilities (cf. part II of this report)	<i>Management and change of cultural predispositions to share information and take decisions in an open and transparent way</i>	<i>Transparency and accountability on every level of government may require systemic reform, new systems of accountability or new legislation</i>
Define and use a common language, understanding, and methods when it comes to skills development (e.g. skills needs identification, definition of occupational profiles, qualification standards)		<i>Holding organisations must work to specify and mainstream common language within their member organisations</i>	Specification of common language between the social partners and government		

Credible partnership is based on collaborative advantage and existing resources, with a formulated vision and strategy based on the agreed needs.		<i>Credibility implies social partners must have a mandate to make commitments on behalf of their membership, and are accountable for this</i>	Identification of win-wins and common vision and strategy based on common needs agreed between partners.		
Functioning dialogue is a two-way process. Acquire capacities and develop intelligence and skills to function in VET social dialogue and partnership		‘Holding’ organisations must build and acquire the identified skills (team work, communication, empathy, openness, ability to prioritise, interpersonal skills, negotiation skills.			
Develop strategies and define milestones and a timetable to develop and implement the strategies.	<i>Translation of ‘holding’ strategies into corporate strategies requires securing capacity on the level of individual organisations for effective implementation</i>	<i>Translation of ‘common’ strategies into holding strategies requires capacity on holding level for implementation and follow-up</i>	Social partners and government must develop strategies and timetables together		
Systemic involvement of social partners in monitoring and evaluation through a clear regulatory framework and partnership-based structures		<i>Holding organisations must build required analytical capacity to engage in M&E of VET policy</i>	<i>Creation of partnership-based structures for structural feedback and interaction about VET policy</i>	<i>Establish cultural conditions for social partner involvement in policy making, e.g. strengthening civil society</i>	Creation of institutions & regulation to mainstream social partner involvement in policy cycle affects systemic power relationships
Expanded expertise of all partners to create, mediate and use data and information	<i>Development of capacity in individual organisations to generate trustworthy data,, as well as transparent and trustworthy monitoring- and reporting tools on the level of individual organisations.</i>	Development of analytical capacity in the representative social partner organisations			
Shared vision on the expected impact of policies and embedded monitoring and evaluation mechanisms in policy setting		<i>Holding organisations must secure analytical capacity for M&E of VET policy, and secure mandate to represent their members’ vision and interest</i>	Discussions and exchanges aimed at developing shared vision on added value of VET between social partners		<i>Attributing responsibilities and accountability for VET performance to various stakeholders requires institutions and regulation which affects systemic power relationships.</i>
Joint monitoring, progress measurement and effectiveness assessment (government, social partners, research.)	<i>Development of capacity in individual organisations to create trustworthy data for the holding organisation to interpret, as well as transparent and trustworthy monitoring- and reporting tools on the corporate level.</i>	<i>Holding organisations must build required analytical capacity to engage in M&E of VET policy, and secure firm mandate to represent their members’ vision and interest</i>	Joint involvement of various stakeholders in M&E and measurement of progress. in support of the system.	<i>Establish cultural conditions for social partner involvement in policy making, e.g. strengthening civil society</i>	<i>Systemic mainstreaming of social partner involvement in policy cycle affects systemic power relationships</i>

necessary institutional arrangements and regulations, and using sectoral approaches as a vanguard to affect the systemic level (bold text). We add that mainstreaming social partnerships on the systemic level requires strengthening transparency, openness and accountability in all levels of government and civil society, and requires clear attribution of responsibilities between the public, private and third sector. We also note that mainstreaming social partnership on the systemic level may affect existing systemic power structures, and may thus evoke reactionary responses (italic text).

> 1.7. **Conclusions about ETF recommendations from a governance perspective**

We conclude that the ETF workshop has identified numerous challenges and opportunities in the field of government and social partner cooperation in VET. From a governance perspective, the recommendations cover a wide area of dimensions, but may be developed further to enhance a coherent, effective and sustainable governance strategy for partnership in VET, which requires that the implications of each recommendations are considered within each of the five dimensions of the logic of governance. Initiatives or reforms in any single dimension should be grounded by or encapsulated in underlying or encompassing dimensions of governance.

In the next section, we will go into further detail about one particular core challenge: the creation of trust between the stakeholders in social partnerships, including employer organisations, employee organisations, and government actors.

2. Introduction to a trust perspective

Trust between the actors in the social dialogue was repeatedly argued to be crucial for effective VET social partnership during the ETF workshop. ETF director Madlen Serban argued that “*mutual trust between partners cannot be legislated for but must be earned. As social dialogue results conflict as well as consensus, parties must trust that all the partners involved are working to a common goal. Partnership and social dialogue does not work by law, if there is not trust*”. While we have briefly touched upon trust in our prior discussion of VET social partnership from a governance perspective, we will now place trust in the center of our analysis of the workshop recommendations. To do so, we must first briefly discuss what trust is and how trust can be managed between stakeholders in all stages of the VET policy cycle. This discussion is based on Ph.D. research by Oomsels (2016).

> 2.1. What is interorganisational trust?

First, what do we mean with trust between social partners? Many scholars now converge on the notion that trust is about ‘*intentional and behavioural willingness to suspend vulnerability on the basis of positive expectations about a counterpart under conditions of risk, dependency and uncertainty*’ (Oomsels and Bouckaert, 2014). In the trust literature, a consensus has grown that trust can be described as a ‘universal causal sequence’ (Dietz, 2011), which was coherently outlined in a model proposed by Mayer, Davis and Schoorman (1995). The argument is that trust works as follows. A trustor first assesses another party’s perceived trustworthiness, on the basis of their perceived ability, benevolence and integrity. If this assessment of perceived trustworthiness is positive, the ‘trustor’ will be more ‘willing to suspend vulnerability’ in an interaction with the counterpart. This means that the trustor is willing to assume that their irreducible social vulnerability and uncertainty will not be abused by the counterpart in the interaction, even though they cannot be 100% certain of this (Möllering, 2006). This ‘willingness to suspend vulnerability’ must then be followed by a behavioural manifestation of risk-taking in the interaction in order for trust to become a ‘social reality’ in the interaction (Lewis and Weigert, 1985). In other words, if the willingness to suspend vulnerability does not lead to more cooperative behaviour, trust fails to become ‘real’. Finally, the experience of engaging in cooperative risk-taking behaviour will update the trustors’ pre-existing perceptions of the counterpart’s trustworthiness, therefore making trust a self-reinforcing cyclical process (Mayer et al., 1995). Dietz (2011) has argued that this model of trust is universal, and can be applied to all imaginable trust problems. In this discussion paper, we will refer to this model as the ‘trust process’.

> 2.2. Managing interorganisational trust

Second, how can trust be managed? To answer this question, we need to understand how trust between social partners is expressed. During the ETF workshop, one participant noted that when we speak about trust, we can not only speak about organisations and institutions: we must speak about people. Interactions between government organisations, employer organisations and employee organisations are, after all, never ‘faceless’. They are actively handled by certain individuals who represent their organisations toward each other in the institutional arenas of VET social partnerships. These individuals are specified as ‘organisational boundary spanners’ in the interorganisational literature (Aldrich and Herker, 1977; Williams, 2002). In other words, these individuals effectively span the boundary between what is internal and what is external to their organisations, connecting their organisations to the ‘outside world’. Interorganisational trust can be considered as the ‘trust process’ that is experienced and expressed by these boundary spanning individuals (Beccerra and Gupta, 1999). Therefore, they are often considered as the unit of analysis for interorganisational trust research (see for instance Zaheer et al., 1998), and are of primary interest in any attempt to understand, build and manage trust in interorganisational interactions.

Despite the central role of individuals for interorganisational trust, institutions and organisations certainly matter as well. After all, boundary spanners are affected by institutional elements of the social partnership (macro), by specific arrangements and relations in the partnership (meso), and by their own personal characteristics (micro) (Oomsels, 2016). We will refer to these

macro, meso and micro-level aspects as the ‘reasons for trust’, which affect the ‘trust process’ described above.

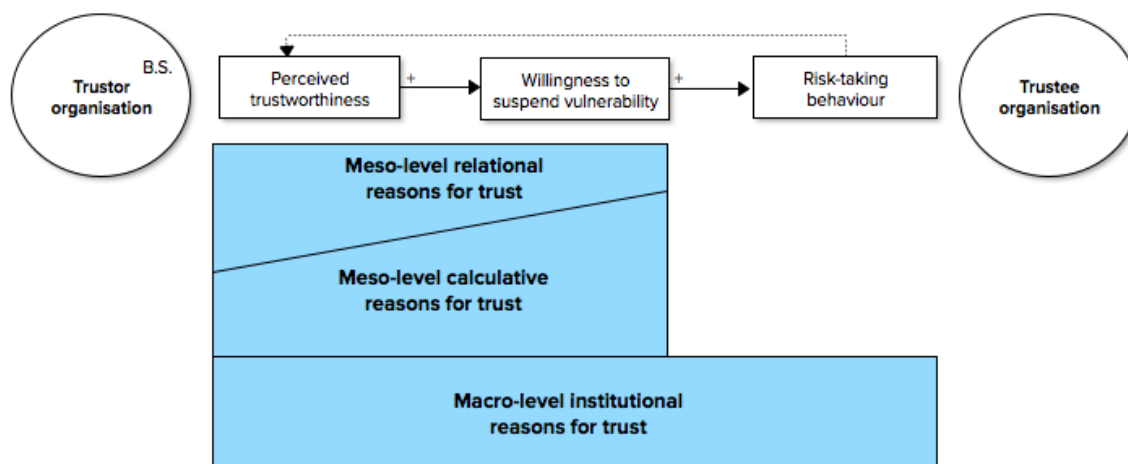
- **Macro:** institutional elements affecting boundary spanners’ trust include formal and informal institutions encapsulating the partnership.
 - o Formal institutions include the formal rules and the formal role distributions in the social partner dialogue. Such formal institutions support trust when they are clear, transparent, stable, enable accountability, enable enactment of rights and enforcement of duties in the interaction, and safeguard the autonomy of the actors. In addition, they need to be used ‘consistently but sparingly’, so that they “*remain in the shadows, as a distant protective framework for spontaneous trustful actions*” (Sztompka, 1998: 29).
 - o Informal institutions include the dominant routines and cultural patterns within the social partner organisations, and the extent to which the leadership of the social partner organisations promotes cooperative norms toward the boundary spanners in their organisation. Such informal institutions support trust when they create a ‘culture of trustfulness’ in the social partner organisations, which implies that trusting a counterpart organisation is seen as the ‘normal way of working’ in the organisation.

Research in the Flemish administration has shown that formal and informal institutions with these characteristics provide direct support to all three dimensions of the trust process (Oomsels, 2016) and should be considered as a solid foundation for any further (meso-level) efforts to build trust between partners.

- **Meso:** specific ‘calculative’ arrangements and ‘relational’ configurations in the social partnership also affect boundary spanners’ trust evaluations.
 - o Calculative aspects of the partnership involve the extent to which boundary spanners consider the costs (financial resources, time, energy, risks) and benefits to social partnerships. Calculative arrangements that establish and promote visible benefits to social partnerships over costs of social partnerships are argued to support trust. Research in the Flemish administration shows such calculative arrangements mainly provide direct support to actors’ ‘willingness to suspend vulnerability’ in their interactions with the counterpart (Oomsels, 2016), and support perceptions of counterpart trustworthiness, albeit to a lesser extent.
 - o Relational aspects of the partnership involve the extent to which boundary spanners have good interpersonal relations with their counterparts, the extent to which they feel appreciated and trusted by the counterpart boundary spanner, the extent to which they share values, feel that they are equal partners, and the extent to which they quite simply manage to ‘get along’ with their counterparts and enjoy the experience of working together in the social partnership. Research in the Flemish administration shows positive perceptions about these relational aspects mainly provide direct support to the perceived trustworthiness of the counterpart.
- **Micro:** finally, it is important to recognise that the extent to which boundary spanners will trust their counterparts also depends on the individual personality of the boundary spanner. Research shows that individuals who have less ‘predispositions to trust others’ in general, will also be less likely to develop interorganisational trust in specific interactions.

The following figure summarises these arguments in a model that shows how the multidimensional ‘trust process’ is supported by ‘reasons for trust’ on macro- and meso-level arrangements in the interactions between social partners in the VET social dialogue.

Figure 2: A 'logic of trust' framework in which the 'trust process' is supported by macro- and meso-level 'reasons for trust' in interorganisational interaction arrangements



In what follows, we will discuss how the workshop recommendations fit into this perspective of trust development between organisations in VET social partnerships.

> 2.3. **ETF recommendations from a trust perspective**

> 2.3.1. **ETF recommendations as macro-level reasons for trust:**

From a perspective of trust management, the regulatory frameworks, partnership structures and role distributions in all phases of the VET policy cycle must be defined in a way that is clear, transparent, and stable. Rules and roles in the partnership should not only be defined but should also entail agreement on the rights and obligations of the partners, and partners should be accountable with regards to these rules and roles, within the boundaries of their autonomy. While such formal frameworks should be clear, they should be used consistently but only in case of absolute necessity, so that they “*remain in the shadows, as a distant protective framework for spontaneous trustful actions*” (Sztompka, 1998: 29). The capacity of boundary spanners to understand and interpret legal frameworks in VET systems is also important, and requires transparent institutional frameworks on the one hand, and expert training for the boundary spanners on the other hand. The following ETF recommendations can be considered to contribute to these objectives:

- Recommendation 2: All possible social partners' roles in all stages of VET policy cycle (formulation, implementation, monitoring and evaluation) should be considered
- Recommendation 4: Modalities, common conditions and objectives for social dialogue and social partnership in VET are negotiated among all parties
- Recommendation 5: Regulate role & functions of sector (skills) committee, resource them properly, involve them in more areas apart from defining standards
- Recommendation 8: Trust building is a two-way process, good multilevel governance supports trust through transparency (including transparent processes and procedures) and accountability.
- Recommendation 9: Define and use a common language, understanding, and methods when it comes to skills development (e.g. skills needs identification, definition of occupational profiles, qualification standards)
- Recommendation 13: Systemic involvement of social partners in monitoring and evaluation through a clear regulatory framework and partnership-based structures

Second, moving toward a culture of cooperation is important. When social partnership is considered as the 'normal' practice in VET rather than an exception to the norm, trust will grow more readily between the partners. Leadership figures play an important role in normalising such practices. Thus, recommendations that focus on the 'soft' and informal elements of institutions are of crucial importance. Recommendations that focus on using lifelong learning discussions to bring in social

dialogue and on the extrapolation of successful sectorial experiences to mainstream social partnerships, are crucial to develop a culture of social partnership in the VET policy cycle.

- *Recommendation 6: A culture of lifelong learning and social dialogue are mutually reinforcing*
- *Recommendation 7: Build on sectorial approaches to mainstream social partnerships into VET policy implementation, considering country specificities and taking into account relevance of the territorial dimension*

Finally, the ability of the boundary spanner to make ‘credible commitments’ towards partners on behalf of their own organisations is essential. The ability to make credible commitment requires that the boundary spanner is firmly embedded in their own organisation on the one hand, with a strong mandate to represent their organisation and convince their organisational leaders and members to carry out the commitments made on their behalf. On the other hand, it must also be clearly demonstrated to the counterpart organisation that boundary spanners have such strong mandates. Institutional mandates allowing boundary spanners to make credible commitments are therefore crucial for the development of interorganisational trust, and must allow the boundary spanner to act as a true ‘linking pin’ between the internal and the external environment of their organisation.

- *Recommendation 10: Credible partnership is based on collaborative advantage and existing resources, with a formulated vision and strategy based on the agreed needs.*

> 2.3.2. **ETF recommendations as meso-level calculative reasons for trust**

Efforts to clarify the relationship between costs (financial resources, time, energy, risks) and benefits, as well as the promotion of visible benefits to social partnerships, are argued to support calculus-based trust. Recommendations to emphasise potential collaborative advantages in function of existing resources, and the strategic encapsulation of costs-benefit considerations in a coherent vision of how to respond to existing needs, are thus essential to establish calculus-based trust in social dialogue partnerships.

- *Recommendation 3: Define interest in VET, with prioritisation based on resources, context and other conditions*
- *Recommendation 10: Credible partnership is based on collaborative advantage and existing resources, with a formulated vision and strategy based on the agreed needs.*

Second, clear strategies and milestones allow actors to better assess the extent to which their engagement in the social partnership will require investment of time and resources. Therefore, strategic planning allows better management of (opportunity) costs versus potential benefits of social dialogue in VET, and may thus contribute to calculus-based trust in the partnership.

- *Recommendation 12: Develop strategies and define milestones and a timetable to develop and implement the strategies.*

Third, the development of the capacity to produce and analyse labour market data enables more accurate assessment about the costs and benefits of collaboration between social partners, and therefore also allows more opportunities to manage (opportunity) costs and maximise the potential benefits of social dialogue in VET. As such, recommendation 14 may also contribute to the development of calculus-based trust in the partnership.

- *Recommendation 14: Expanded expertise of all partners to create, mediate and use data and information*

> 2.3.3. **ETF recommendations as meso-level relational reasons for trust**

The development of high-quality interpersonal relationships between boundary spanners is argued to be crucial for the development of relation-based trust. During the ETF workshop, participants discussed about the need for capacity-building within the social partners, putting great emphasis on the development of boundary spanners’ ‘soft skills’ and their ability to build interpersonal relationships with other boundary spanners in the partnership. Essential skills to be developed in this respect included a combination of ‘openness for compromise’ and ‘tolerance for conflicts’, negotiation skills, teamwork skills, clear communication skills, active listening skills, being

honest, respectful, empathetic, and flexible in interactions with partner organisations. It is also important to emphasise that research has shown that trust is reciprocal: boundary spanners who give trust, are more likely to receive trust in return (Oomsels, 2016). Training boundary spanners with regards to these skills is therefore essential to develop interorganisational trust. It may be relevant to consider to which extent ETF could play a role in training boundary spanners in VET social partnerships with regards to these interpersonal skills.

- *Recommendation 11: Functioning dialogue is a two-way process. Acquire capacities and develop intelligence and skills to function in VET social dialogue and partnership*

Furthermore, the development of a shared vision about VET impact may contribute to greater value identification between the social partners. Furthermore, systematic involvement of the social partners in monitoring and evaluation of VET policy would provide a platform for repeated structured interactions between the partners, which helps develop familiarity between the organisations and their boundary spanners. This all contributes to the development of relation-based trust.

- *Recommendation 15: Shared vision on the expected impact of policies and embedded monitoring and evaluation mechanisms in policy setting*
- *Recommendation 16: Joint monitoring, progress measurement and effectiveness assessment (government, social partners, research.)*

> 2.3.4. **ETF recommendations as micro- level reasons for trust**

Finally, we note that the individual personality of the boundary spanners representing the various actors in the social partnership is crucial for the development of interorganisational trust between partners. Thus, despite this aspect not being raised during the ETF workshop, we add that social partners need to carefully select their boundary spanners, with due care and regard for their personalities. The extent to which these individuals show dedication to the common interest over the individual interest, and the extent to which these individuals have a trusting or a cynical general attitude toward ‘others’, may greatly determine their capacity to establish interorganisational trust between the various stakeholders in the VET partnership.

> 2.4. **Conclusions about the ETF recommendations from a trust perspective**

From a trust perspective, we can thus argue that the ETF workshop recommendations contribute positively to many ‘reasons for trust’ and are thus useful to establish interorganisational trust in social partnerships.

We may add that, at least from a trust perspective, it is useful to focus first on recommendations which establish macro-level institutional ‘reasons for trust’, as institutions can be considered to act as the foundation on which ‘meso-level reasons’ for trust are built. The effectiveness of the meso-level ‘reasons for trust’ is supported by institutional environments that support the generation of trust.

Secondly, we note that building trust between ‘boundary spanners’ will only lead to effective behavioural changes if the boundary spanners have a sufficiently broad mandate to represent their organisations in social partnership interactions. Perceived trustworthiness and willingness to suspend vulnerability must, in the end, be able to influence the cooperative behaviour of social partner representatives in the partnership. If social partners’ boundary spanners have no discretion or mandate to determine how to act on behalf of their organisations, the positive effects of trust-building efforts may fail to materialise in the partnership.

Finally, we note that trust is a self-reinforcing phenomenon. As we have argued, the experience of engaging in cooperative behaviour will update the trustors’ pre-existing perceptions of the counterpart’s trustworthiness, therefore making trust a cyclical self-reinforcing process. From the perspective of trust-building, one additional recommendation is therefore to empower opportunities for collaborative reflection about the social partnership by organising moments for the exchange of

open, honest and constructive feedback between the stakeholders. This will allow the partners to set more realistic expectations about each other, and identify possible areas for improvement of the partnership in the future.

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