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Discussion Paper

When Improvements in Performance Don't Translate into Improvements in Trust: A Chair's Reflection on the Importance of Distinguishing between Transactional and Relational Performance in Building Trust, Reputation, and Advocacy from Stakeholders

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Abstract

This paper presents qualitative findings related to stakeholders' trust in, and perceived reputation of, a health care provider. These findings are novel as they reveal that improvements in established measures of quality and performance may not result in increased reputation or trust from stakeholders. A deeper analysis reveals that performing well on transactional elements of service delivery has a limited effect in generating positive advocacy for the organisation; it is equally important to focus on the relational elements of public service delivery, as it is these that are most associated with trust and positive advocacy for the organisation concerned. Practical insights for building trust and reputation are then considered.

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Introduction: A Chair's Reflection on How Increasing Performance Did Not Translate into Expected Increases in Stakeholder Advocacy

Very soon after I became Chair at SW London and St George's Mental Health Trust (the Trust), the Care Quality Commission (CQC) imposed 15 requirement notices on the Trust. It was clear then that a strong response was needed to address the challenges inherent in these inspection results, and that the primary strategic focus had to be on the quality of service delivery. Significant gains were made in this area over the next few years, and despite receiving the lowest levels of investment per weighted head of population for Mental Health Trusts in London, our staff delivered significant quality improvements.

The task was to ensure that the Trust had the right leadership, was collecting and analysing the right data, and that there was a direct line of sight between the Board and front-line services; it was also to develop a culture of openness and transparency about variations in quality, looking at the root causes when things go wrong, triangulating different forms of data and – in particular – the views of service users and carers.

All along, I felt that winning the recommendation of external stakeholders was going to be critical to success and our ability to meet the needs of our local population. However, they were slow to respond to the improved performance and continued to speak negatively about, and respond negatively to, the Trust. When we reported improved quality data it would be questioned by our health commissioners, whose response would be to ask for more data and to test the veracity and quality of our data. In turn our staff found these demands burdensome and demoralising, as their professionalism and commitment to improving services did not seem to be translating into the improvement in trust and reputation that we expected.

Reputation is important (Greenspan, 1999, Hillenbrand et al, 2017). As we know from the academic literature, it secures investment, attracts people to your services, helps with recruitment and retention, and helps the organisation to withstand negative events (Brooks et al, 2016 and Fombrun et al, 2015). Reputation is a concept that is held in the minds of stakeholders and is thus an intangible yet important asset – especially in mental health care, where we have more long-term relationships with many of our patients (Money et al, 2017).

Like any other service provider, we are engaged in competition for reputation. For those of us responsible for public services, it is an understandable expectation of our patients and the public

that our primary focus is on the quality of care being provided (CBI, 2017). The public expect us to know what we are doing and to do so to the very best of our ability (Edelman, 2018). High profile cases such as at Mid-Staffordshire NHS Foundation Trust and at the Winterbourne View care home have led to a demand for more openness and transparency regarding quality, more benchmarking of performance between providers, and for triangulating of different forms of quality data.

It was right to focus on the quality and effectiveness of services, with a desire to create more openness and transparency regarding the quality of service being provided. Improved ratings from the regulators went some way to improve our reputation especially with the public; however, it was frustrating that we could not win the recommendation of some of our most important stakeholders – our strategic partners, organisations commissioning our services, and local politicians. Therefore, we had to assume that something else was going on. We needed help. Our key research question was:

What are the main drivers of trust and reputation for the Trust, from the perspective of key stakeholders?

Guiding Theory and Methodology

The Trust approached the JMCR and agreed to undertake a piece of research as part of an MBA management research challenge, to better understand why the improved performance didn't seem to be translating into improved trust, reputation and advocacy, as well as to build a more data-driven approach to stakeholder engagement. The project followed the RELATE process (Money et al, 2012) for investigating reputation and its associated issues. This is a six-step process which includes interviewing senior management and key stakeholders, and then performing a gap analysis of the results.
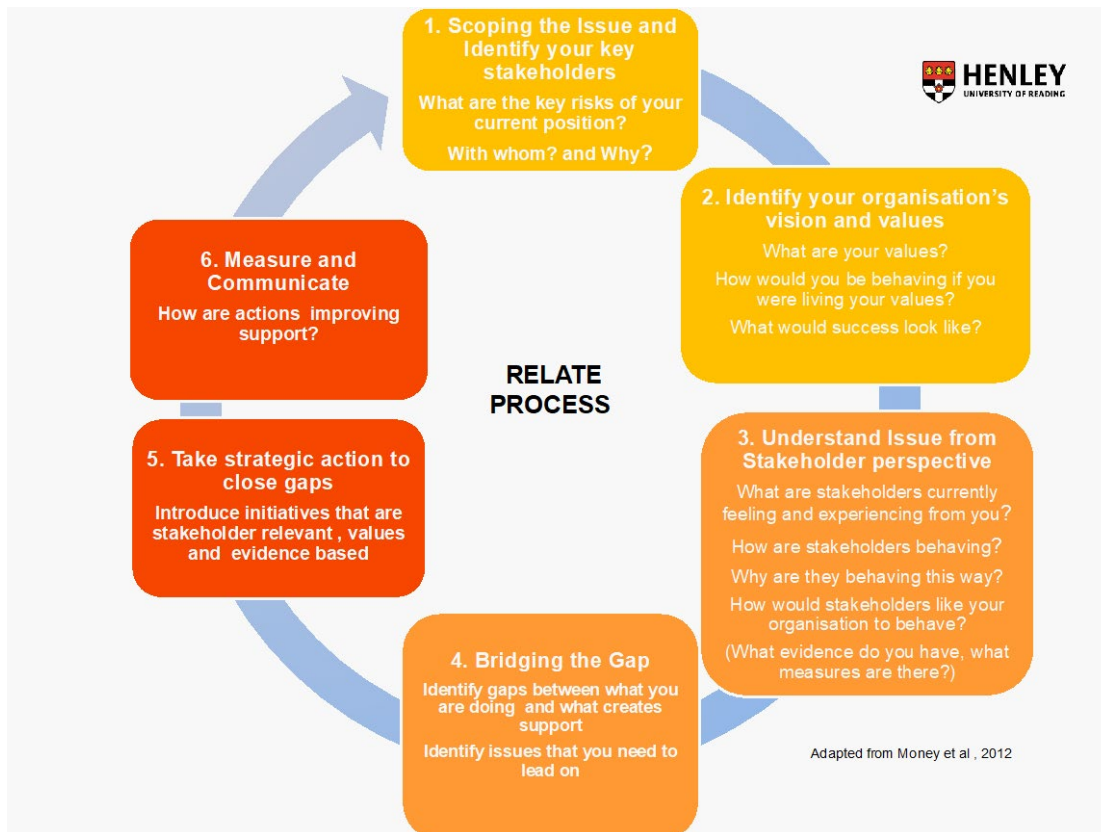
Figure 1: RELATE Process, based on Money et al, 2012

In addition to this process model, the RELATE approach (Money et al, 2012) provides a framework to assess the drivers of trust and reputation in relationships, a key aspect of this being to explore transactional and relational elements. Transactional elements are seen to include tangible benefits for partners in a relationship, such as the quality and price of a service, while relational benefits include being listened to and sharing the values of an organization (see Macmillan et al, 2004 for a deeper exploration). The bi-directional nature of the RELATE Model is illustrated in Figure 2, below:

RELATE Framework (Based on Money et al, 2012)

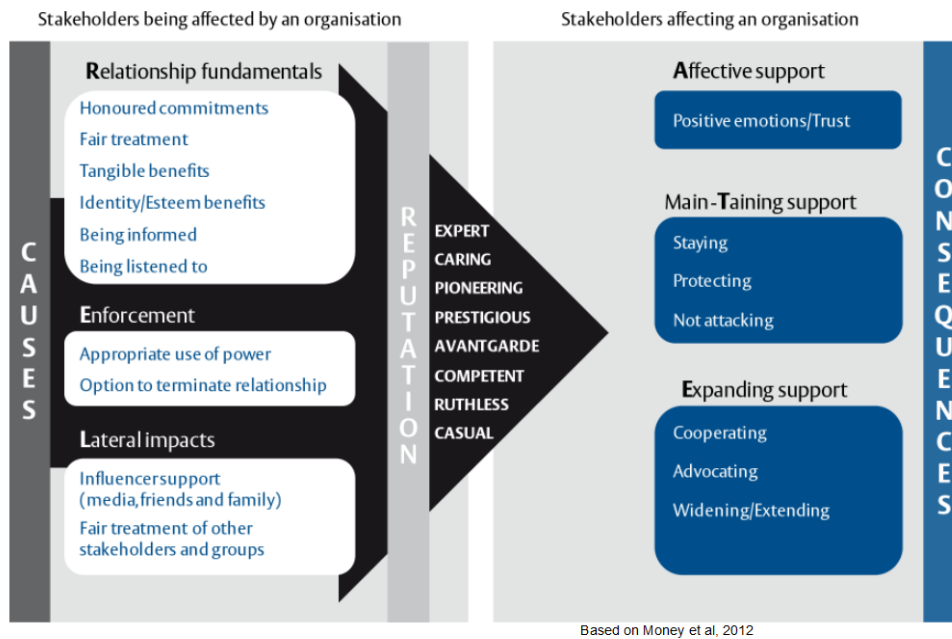Based on Money et al, 2012

Figure 2: Relate Model, adapted from Money et al, 2012

The stakeholder model developed by Wood et al. (2018) was used as an initial step to identify stakeholders; once the stakeholders had been identified, a series of in-depth one-on-one interviews were then carried out. This was recognised to be more likely to reveal the breadth and depth of stakeholders' attitudes, as well as allowing for more control and more flexibility.

Twelve interviews with key stakeholders of the Trust (strategic partners, organisations commissioning our services, and local politicians) were conducted using the RELATE process and model as a guide to explore the key drivers of trust and reputation of the organisation from the perspective stakeholders. Interviews were carried out in line with the ethical guidelines of the University of Reading and ranged from 40 to 70 minutes in length. The interviews were coded and an inductive process of identifying themes was used in line with guidelines for qualitative research in the social sciences (see Miles and Huberman, 1994 for a review). Having identified the dominant themes from the interviews, a gap analysis comparing the internal and external interviews was used to inform a set of recommendations.

Findings and Reflection

The findings are presented in terms three high-level themes:

Theme One: The Organisation was seen to be improving its performance with regards to tangible outcomes

The interviews revealed that stakeholders had seen an improvement in the transactional performance of the organization. These findings were in line with the perceptions of the board, and with the improvement in measures of performance and quality.

Theme Two: Reputation was understood as perceived external 'prestige' and driven by transactional drivers

The participants in the study were clear that improvements in transactional performance (such as quality and efficiency of service) were associated with increases in reputation of the organization, particularly in terms of improvements in performance and quality measures and how the organisation benchmarked with other similar organisations. This result in itself was not surprising; what was interesting was the discovery of how reputation itself was understood – for the participants, reputation (which is normally defined as a sense of personal trust and admiration in an organization) was understood more as a perceived external prestige (Smidts et al, 2001) or even as an assessment of how stakeholders believed *other people* thought and felt about the organization.

Theme 3: Trust was understood as an expectation that the organization would deliver on its promises and not take advantage of stakeholders, and was driven by relational drivers

In contrast to reputation, trust was understood as a very personal concept (Duck, 2007 & 2010). Stakeholders considered how much they believed the organization would deliver on its promises and keep stakeholders' best interests at heart, even if they were in a vulnerable situation (Gottman, 2011). It was thus understood as a very emotional construct, in line with classic trust theory (Goleman, 2004; MacMillan et al, 2004). What was interesting was that trust in the organisation was on a downward trajectory, and it was clear from the interviews that improvements in transactional elements (such as rankings and league tables) were perceived to have come at the cost of placing less priority on relational aspects of the relationship (such as listening and acting flexibly).

When considering trust, participants became more focussed on individuals and relationships; issues such as openness, transparency, honesty and integrity were often referenced, as well as a tendency to be reactive rather than proactive, and in under-delivering on promises. It was also

clear that there was a lack of proper stakeholder engagement at all levels of the organisation; this was partly due to a misconception that engagement was a responsibility of the communications team, and that there was a lack of mutuality in relationships. This has led to negative reactions towards the Trust from stakeholders – in particular, stakeholders called into question the veracity of data supplied by the Trust.

Discussion: Unpacking the Links between Tangible Performance, Trust, and Reputation

Conventional thinking would suggest that improvements in tangible performance should be associated with improvements in reputation and trust; our results suggest that this is not always the case. First, it is important to delve deeper into how stakeholders make sense of certain concepts – if reputation is understood as perceived external prestige, rather than being a sense of personal trust in an organisation, then unanticipated outcomes become possible (Zak, 2017).

From a macro perspective, perhaps a more important question is how such a situation may arise; perhaps this situation is possible if performance and quality metrics focus on transactional rather than relational factors, while at the same time driving the appraisal of boards. What is measured matters, and when this is focussed on transactional rather than relational aspects, trust in an organisation can suffer as a result.

If there is misalignment in the organisation between the quality of service delivery and the quality of stakeholder engagement, then this will lead to a misalignment between perceived external prestige and trust. As these two – quality of services and quality of engagement – are distinct variables, and as they each serve as distinct drivers, it follows that external prestige and trust can operate differently.

The findings also show the value of qualitative research, which allowed us to understand how stakeholders considered the concepts of reputation and trust differently to conventional definitions. We suggest that qualitative research would be a good starting point for boards exploring puzzling and surprising observations when it comes to reputation and stakeholder engagement issues.

Conclusion

A focus on the transactional elements of the reputation of public services is important; however, it will not automatically translate into positive advocacy. Whilst improvements in measures of

performance and quality are clearly important, it might also be useful to include more relational factors within such measures in the suite of metrics being looked at by the Board – our research suggests that doing so may help improve the personal trust that stakeholders have in organisations. One consequence of not emphasising relational aspects in external performance measurement may be to drive a barrier between personal trust in an organisation and quality and performance measures; indeed, our results suggest that it is possible to improve performance in rankings while at the same time decreasing stakeholder trust. Since quality and performance metrics are often seen as a proxy for trust (Fombrun and Van Riel, 2003), an overemphasis on the transactional elements of quality and performance seems counter-productive from a public service perspective.

The project brought validation to a characterisation of the stakeholder landscape, as well as an understanding of a characteristic that had previously seemed intangible to the Board. Making improved engagement at all levels of the organisation is the strategic priority; this requires an understanding of who the stakeholders are, and their importance in varying situations (Money and Hillenbrand, 2006). Once that has been done, it is important to have clear lines of responsibility for dealing with stakeholder groups – what are the preferences of the individual stakeholder in terms of contact; how will communication be recorded/managed; how are any problems going to be filtered up through the organisation.

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