Trust Factors in a Manager-Employee Relationship over Time

Yung-Kuei Huang  
University of Illinois at Urbana-Champaign, huang24@illinois.edu

Lingzhi Guo  
Texas Tech University, lkwok@syr.edu
ABSTRACT

The role of the relationship length in determining the bases for trust judgments has been recognized. However, simply using the relationship length to understand how individuals in vertical dyads form their trust in one another may overlook some factors whose relative importance in shaping trust may not vary over time. Drawing on existing literature, a conceptual framework is proposed to depict what factor(s) may experience changes in their relative importance over the course of a manager-employee relationship and what factor(s) may remain salient over time at an individual and interpersonal level of analysis.

Key Words: Trust Factors; Manager-Employee Relationship; Time

INTRODUCTION

Trust can be defined as the willingness to be vulnerable based on beliefs of another party’s goodwill (Mayer, Davis, and Schoorman, 1995; Rousseu, Sitkin, Burt, & Camerer, 1998). It has been documented that trust in vertical dyads can directly or indirectly lead to numerous desirable organizational outcomes, such as employees’ job performance, organizational citizenship behavior, job satisfaction, organizational commitment, and cooperation (e.g., Colquitt, Scott, & LePine, 2007; Dirks & Ferrin, 2002). Given the benefits of interpersonal trust, research efforts have been geared toward identifying the antecedents to trust in the workplace (Levin, Whitener, & Cross, 2006). It is also imperative that managers know what causes and enhances trust (Butler, 1991).

Recognizing the dynamic nature of trust, trust theorists have noted that trust is associated with time and can be situation-specific (Mayer et al., 1995; Schoorman, Mayer, & Davis, 2007). The assumption that there is a positive association between the levels of trust and the relationship length, however, may not always be the case (Levin, Whitener, & Cross, 2006; McKnight, Cummings, & Chervany, 1998). Intuitively, even in a brand new relationship, the levels of trust can be fairly high or low. Alternatively, trust may grow, decline, or even remerge over the course of a relationship. As the length of a relationship increases, people have more opportunities to observe and learn about each other and the judgment about a given actor can be concluded as either trustworthy or untrustworthy (Dirks & Ferrin, 2002; Levin et al., 2006). Empirical evidence has suggested that there is no correlation between relationship length and levels of trust (e.g.,Dirks & Ferrin, 2002). Levin et al. (2006) argue that the relationship length matters because it may determine the relative importance of the bases by which individuals form their trust. This argument may be valid for each single relationship given the assumption that the knowledge about a particular person increases over time, regardless of the pace and the way of its growth. Some information cues may be more or less salient in dictating cognitive processes for forming trust than others as the relationship matures (Levin et al., 2006). Nevertheless, simply using the relationship length to understand how individuals in vertical dyads form their trust in one another may overlook some factors whose relative salience for forming trust may not vary over time. The questions, therefore, arise as to what are the factors that may experience changes in their relative importance over the course of a manager-employee relationship and what are the factors that may remain salient over time.

The aim of this paper is not to provide an exhaustive list of trust factors. Rather, it intends to extend Levin et al.’s (2006) arguments by providing a discussion on the relative importance of trust factors over time at an individual and interpersonal level of analysis. Based upon a review of the relevant literature on personal and interpersonal attributes underpinning trust, the dynamic roles of those attributes in forming trust over the course of a manager-employee relationship will be illustrated. Beyond the theoretical discussion, this paper will conclude with suggestions for future research in the field of hospitality management and implications for management practices.
**DISPOSITION TO TRUST**

Trust theorists have suggested that dispositional attributes can be a predictor of trust (Colquitt et al., 2007), with support from theoretical extrapolations and empirical findings. Incorporating social learning theory, Rotter (1980) posits that individuals will build up general beliefs about the goodness of human nature based on their previous experience. That is, if their expectancy for trust of others in one particular situation can be generalized to another similar situation, such generalized expectancies that individuals carry over time may eventually become a stable personality trait. This generalized expectancy, therefore, can be viewed as disposition to trust, which is termed propensity to trust in Mayer et al.’s (1995) integrative model of organizational trust. Using Rotter’s interpersonal scale, Gurtman (1992) finds that the levels of generalized expectancy for trust of others vary with individuals. McKnight, Cummings, and Chervany (1998) cite empirical evidence from Kramer (1994) that, unexpectedly, the participants without interaction history and knowledge about each other report high levels of interpersonal trust. A conclusion from a personality perspective is that individuals may demonstrate a consistent tendency to trust others to a certain extent (McKnight et al., 1998). The salient impacts of disposition to trust on the levels of trust, however, seem to be more observable in a relationship that is new or lacks interactions.

In a new vertical dyad, since both the manager and the employee are not familiar with each other and may have little knowledge about each other’s trustworthy characteristics, they may have to resort to their generalized expectancy for trust. According to Lewin’s (1939) field theory, behavior is a function of personality characteristics and the situation. When situations are strong by providing salient behavioral cues, people will act as expected and the expression of individual differences is suppressed (Gill, Boies, Finegan, & McNally, 2005; McKnight et al., 1998). When situations are weak by providing ambiguous behavioral cues, people will face few behavioral constraints which, in turn, allow their personality characteristics to dictate their behavior in response to the circumstances. In an experimental study, Gill et al. (2005) confirm that, while people have clear information about the person’s trustworthiness, disposition to trust is not related to trust; that while people have ambiguous information about the person’s trustworthiness, disposition to trust is predictive of their intention to trust. In a meta-analytic study, Colquitt et al. (2007) find that, controlling for trustworthiness information such as ability, integrity, and benevolence, disposition to trust is a statistically significant but relatively weak predictor of trust levels. They suggest that individuals’ reliance on disposition to trust in a trusting relationship may diminish over time.

**TRUST AND TRUSTWORTHINESS**

Both Blau’s (1986) social exchange theory and Mayer et al.’s (1995) trust model have served as widely-used approaches to understanding the evolution of interpersonal trust. It is assumed within social exchange theory that the growth of trust between parties relies on ongoing reciprocity of benefits and gradual expansion of exchanges over time (Blau, 1986). The timing and the way they reciprocate signal the extent to which they have interest in maintaining exchange relationships. By discharging their obligations for benefits received in an appropriate fashion, trusted parties demonstrate their trustworthiness to trusting parties. The growth of mutual trust accompanying this gradual expansion of exchanges may in turn mitigate perceived risk of opportunism.

According to Mayer et al.’s (1995) trust model, there are four major attributes in relation to interpersonal trust: trustor’s propensity to trust, and trustee’s ability, integrity, and benevolence. In their theory, the latter three are the major dimensions of trustworthiness of trustees, whereas trustworthiness is deemed necessary but not sufficient foundation for trust (Whitener, Brodt, Korsgaard, & Werner, 1998). Perceived ability of a trustee shapes a belief that the extent to which this particular person is competent for the specific task; perceived integrity refers to the extent to which the trustor perceives the trustee as acting in adherence to an acceptable set of principles; perceived benevolence refers to the extent to which a trustee has an intention to act in the interest of the trustor (Mayer et al., 1995; Levin et al., 2006). In vertical dyads, employees’ trust in managers are likely to be enhanced if managers share and delegate control, demonstrate concern for employees’ interests and needs, and/or communicate with employees with accurate information, adequate explanations, and open mindedness (Whitener et al., 1998). The relationship between trustworthy behavior and trust has received empirical support (e.g., Connell, Ferris, & Travaglione, 2003; Dirks & Ferrin, 2002). In Dirks and Ferrin’s meta-analytic study, participative management practices, distributive justice, procedural justice and interactional justice are significant antecedents to trust in leaders. The overall conclusion from social exchange theory and Mayer et al.’s integrative model of trust is that observed behavioral characteristics of a trustee matter in forming trust judgments. However, it is noteworthy that perceived trustworthiness is in the eyes of the beholder who makes a judgment based upon the core beliefs espoused (Caldwell & Clapham, 2003) and behavioral observations of a trustee are not always ready for inferences of trustworthiness (Levin et al., 2006). When inferences of trustworthiness are susceptible to subjective perceptions or
judgments as well as the availability of behavioral observations over time, the roles of perceived social categories, trustors’ moods/emotions, and the third party in forming trust judgments should merit attention.

Perceptions of Social Categories

Without a history of interaction, individuals may rely on observable physical features of a given person or second-hand categorical data to make judgments about his or her trustworthiness in a new relationship (Levin et al., 2006), including sex, race, age, nationality, occupation, and educational background. In this sense, an individual’s perceptions of social categories associated with others are likely to shape his/her expectations of others by which to form his/her trust. Likewise, managers and employees may exercise their judgments of trustworthiness based on this type of cognitive processing at the beginning of the dyadic relationship. According to social identity theory, individuals have a tendency to classify others into social categories of salient characteristics in order to reduce subjective uncertainty (Hogg & Terry, 2000). As a result of categorization and ingroup favoritism, individuals are likely to attribute more positive attributes to ingroup members than to outgroup members (Hogg & Terry, 2000; Kramer, 1999; Tajfel & Turner, 1979). Presumably, individuals may perceive those demographically similar others to be more honest, cooperative, and trustworthy than those who are viewed as outgroup members (McAllister, 1995). In addition to similarity-based attraction, a categorization process is likely to reinforce the stereotypes of a certain category (McKnight et al., 1998). For example, societal norms in the past reinforce the submissive role of women. When this stereotype is perpetuated in the workplace, the placement of women in dominant positions becomes less accepted, irrespective of their capabilities (Scott, 1983). In a field study conducted in a state extension service agency in the Midwest, Scott (1983) finds that both male and female employees indicate higher levels of trust in the regional managers of same sex than those of the opposite sex. Nevertheless, his prediction that employees are likely to express higher levels of trust for male managers than for female managers due to a negative stereotype for women in managerial positions is not supported in this study. In extending the scope of Scott’s study, Jeanquart-Barone (1993) examines the impacts of both sex and race on employees’ trust in managers. Contradictory to Scott’s findings about sex and trust, Jeanquart-Barone finds that male and female employees express higher levels of trust in their managers of the opposite sex than the ones of same sex. Her post hoc account for this inconsistent result is that the female employees who participated in her study might not be used to working for female managers, as most of them held secretarial positions; that male employees might have a greater need to progress than female employees and, therefore, felt less secure in their current positions. In accordance with her expectation concerning the effects of race on trust, the results show that white and black employees express more trust in their managers of the same race than those of different races. While Jeanquart-Barone suggests that racial similarity between managers and employees leads to higher levels of employees’ trust, McAllister’s (1995) field study concludes that cultural or ethnical similarity is not associated with the levels of trust between managers and their peers.

Aside from methodological concerns regarding the validity of instruments, the confounding results in preceding studies can be attributed to two major conceptual shortcomings. First, they failed to recognize that the relative importance of cognitive cues available to people for trust judgments changes over the course of a relationship. In a recent study, Levin et al. (2006) find that awareness of same gender has greater impacts on perceived trustworthiness in a brand new relationship than in an old relationship. Tanis and Postmes’s (2005) experimental study conducted in a group of freshmen at a university also indicates that, in the absence of cues to personal identity, participants act in accordance with group memberships displaying stronger trusting behavior toward ingroup members than outgroup members. Thus, it can be inferred that the respondents in those earlier studies might not necessarily form their trust based on readily observable features of trustees. Second, they did not recognize that the positive value of perceptions derived from similarity-attraction may be contrary to the stereotypes associated with a certain category. In effect, failure to distinguish the interplay of the two in shaping trust may oversimplify social categorization processes. Levin et al.’s (2006) field study has shown that stereotypes of categories may override the expectancies based on same social category. Unlike gender, awareness of same age is found not to be predictive of perceived trustworthiness in a new dyad. Recognizing that people normally expect that managers should be older than their employees, they further analyze whether this normative stereotype dictates perceptions of trustworthiness. The result indicates that those who have younger managers or older employees report lower ratings of trustworthiness than those who are same-age pairings or have older managers or younger employees. In a similar vein, Lau, Lam, and Salamon (2008) find that the effect of similarity-based attraction is not found in employees’ evaluations of managerial trustworthiness in Chinese retailing settings when personal characteristics such as education, tenure, and organizational rank are of concern. Managers with higher levels of education or organizational rank are perceived as more trustworthy relative to managers with similar or lower levels of education or organizational rank. While age, education levels, tenure, credentials, or organizational rank are often seen as
proxy of knowledge, wisdom, or experience, the readily visible demographic cues or second-hand information about a given person provide alternative information sources for others to form expectancies and judgments.

Proposition 1: In a vertical dyad, the effect of perceived social categories on forming perceived trustworthiness is a function of the salience of categories, similarity-based attraction, and stereotypical beliefs.

Emotions/Moods

In trust formation, not only cognitive processes will lead to perceptions of trustworthiness, but affective states may also come into play (Schoorman et al., 2007). Moods and emotions are affective states that signal people’s ongoing experiences and reflect their state of being (Jones & George, 1998). Emotions refer to “intense affective states that interrupt ongoing cognitive processes and behaviors and are tied to particular events or circumstances,” while moods refer to “less intense, pervasive, and generalized affective states that are not explicitly linked to particular events or circumstance” (Jones & George, 1998, p. 533). According to the affect-as-information model, people’s judgments at hand are often dictated by their emotion or mood (Dunn & Schweitzer, 2005). Accordingly, one is likely to project his/her positive valence of emotions or moods onto his/her perceptions of others and thereby experiences heightened levels of trust in others. One may also perceive others as less trustworthy than they actually are when he/she experiences negative emotions and moods. To date, there is relatively little empirical research seeking to discover the link between emotions/moods and trust.

A recent study that includes a set of five sub-studies conducted by Dunn and Schweitzer (2005) suggests that the relationship between emotions and trust judgments in effect depends on the history of interaction and types of emotions. They first argue that, when a trustor has long history with a trustee, the trustor has a tendency to automatically associate the trustee with high or low levels of trust without retrieving specific information from memory to support or refute the judgments. In contrast, when trustees are unfamiliar acquaintances to trustors, trustors may rely on heuristics to form a judgment of trustworthiness. Therefore, trustors’ misattributing incidental emotions to their trust judgments may be more readily observable when there is little history of interaction. Consistent with their prediction, they find that incidental emotions produce greater impacts on trust in unfamiliar trustees than familiar ones. By the same token, when the trustee is unfamiliar, a positive emotion leads to a greater level of trust and a negative emotion leads to a lower level of trust. The levels of trust in familiar targets do not vary with different valences of emotions. Building on their findings, it can be postulated that trust between managers and employees is more likely to be subject to not only personal emotions but also to mood states when their history of interaction is short than when the history of interaction is long. In relation to types of emotions, the appraisal of valence distinguishes emotions with positive valence from those with negative valence, while the appraisal of control over the incident attributes emotions to other people, situations, or self (Dunn & Schweitzer, 2005). Anger, for example, is considered to be a negative emotion characterized by high other-person control. Dunn and Schweitzer expect that individuals are more likely to misattribute the valence of their emotions to trust judgments when their emotions are assessed as other-person control than when their emotions are assessed as self or situational control. In support of this extrapolation, their data suggests that emotions with appraisals of other-person control (anger and gratitude) are found to have greater influence on levels of trust than emotions with appraisals of self or situational control (pride and guilt), regardless of the valence of emotions. In a similar vein, perceived trustworthiness of one another in a new vertical dyad is likely to be intervened by moods or emotional states that are caused by others.

Proposition 2a: The positive (negative) valence of moods will be likely to lead to higher (lower) levels of perceived trustworthiness in a new vertical dyad.

Proposition 2b: The emotional state caused by interaction with other people will be more likely to affect trust in a new vertical dyad than will the emotional state caused by self or situations.

Third Party

In organizations, a manager-employee dyad is hardly isolated from its social contexts (Ferrin, Dirks, & Shah, 2006). The relationships with other individuals surrounding a dyad may affect the trust that grows between the members of the dyad (Burt & Knez, 1996; Ferrin et al., 2006). In this sense, an individual can form his or her trust in another not only through observing that actor’s behavior in the workplace but also through receiving information or messages from other fellows (Ferrin et al., 2006). The trust-related data, sometimes, is difficult to obtain while observations of the actor’s behavior are not readily available (Burt & Knez, 1996; Kramer, 1999). Given this fact,
the trust-related information from actively communicating with the third party becomes a valuable conduit of knowledge about the prospective trustee’s trustworthiness (Ferrin et al., 2006). Burt and Knez (1996) first demonstrate that third parties in organizations diffuse trust-related information directly via gossip among senior managers in a high-tech firm. In their study, third party gossip reinforces existing relations between members of a dyad while third parties have a tendency to only disclose partial information which is consistent with their perceptions of the tie between the two members of the dyad. In so doing, third parties may have a better relationship with the members. It is found that negative stories from the third party are likely to amplify distrust in a weak relationship, whereas positive stories serve to confirm trust in a strong relationship. The data in their study also indicates that the influence of negative information communicated by third parties on trust is greater than the influence of positive information on trust, suggesting the dark side of the network.

As the strength of the relations is operationally defined by interaction frequency, duration, and emotion in Burt and Knez (1996), their findings also imply that individuals tend to rely on information from a third party when situations are ambiguous or when objective verification of beliefs about trustworthiness is difficult (Ferrin et al., 2006). Given the fact that a new manager-employee relationship is characterized by ambiguity and uncertainty, trust between the two may be subject to interference of third party sources. Before having meaningful interactions with a given manager, a new employee, for example, may learn about some of his/her colleagues’ experiences with the manager on which to base his/her initial trust judgment about the manager. The frequency of meaningful interactions is not always incremental as the length of a vertical dyadic relationship grows. An ongoing manager-employee relationship with little direct interaction can be vulnerable to negative information from third parties because it can be difficult for both parties to validate trust-related information they receive. The history of interaction may not only predict what type of information (positive or negative) from third parties but also the extent to which members of a dyad are likely to accept the information for trust judgments. According to the communication literature on source credibility (Giffin, 1967; Tormala, Brinol, & Petty, 2007), the third party’s credibility perceived by people may also determine the extent to which the story of the third party will be accepted. Trust-related information from a third party is more likely to affect people’s trust judgments when this given third party is deemed trustworthy than when he/she is not perceived as trustworthy (Ferrin et al., 2006). People may also judge credibility of the third party’s information based on perceived dynamism in the communication, physical appearance, and opinions of others (Giffin, 1967). Ferrin et al.’s (2006) empirical evidence suggests that consistent opinions from a group of others can exert substantial influence on an employee’s trust in a coworker. A great number of third parties who are perceived as credible may provide a comprehensive view of a given party’s trustworthiness, whereas their information may not necessarily be consistent from one to another and, therefore, may add difficulty in forming trust judgments.

Proposition 3: In a new vertical dyad, negative information from third parties is likely to have a greater impact on perceived trustworthiness of the actor than positive information from them if they are seen as credible.

Relative Importance of Trust Factors over Time

When the length of a dyadic relationship grows, the truster may gain more knowledge about the behavioral characteristics of the trustee through observations of the trustee’s words and deeds. For example, the truster may be able to know in what area the trustee is competent and in what area the trustee is inexperienced. Accordingly, over time, the trust-related information presents a fuller picture of the trustee, and allows the truster to make more rational, context-specific judgments about trustworthiness or untrustworthiness as opposed to judgments based upon generalized expectancies, perceptions of social categories, and moods or emotions. In an experimental study, Gill et al. (2005) suggest that, when behavioral characteristics such as ability, integrity, and benevolence are clearly informed, they can be a strong predictor of intention to trust. As mentioned earlier, trust can be shaped by disposition to trust, perceptions of social categories, or moods or other-control emotions, especially when unfamiliar two parties have ambiguous information about each other. While the ambiguous information about the other’s behavior is improved with incremental insights, the effects of those cognitive operations or affective states on perceived trustworthiness or even trust may be reduced. Since an ongoing manager-employee relationship cannot be isolated from the network in the workplace, the influence of third parties can be pronounced, regardless of the length of the relationship. Observed behavioral characteristics of the actor as well as information from third parties, therefore, are likely to be the two major determinants of perceived trustworthiness as a vertical dyad matures. The relationships between trust factors and perceived trustworthiness/trust in a new as well as a more mature vertical dyad are presented in Figure 1. The dotted line represents a less pronounced relationship; the bold line represents a more salient link between the variables.
**Proposition 4:** Over time, the characteristics of the actor observed will have greater impacts on perceived trustworthiness of the actor or trust in the actor than disposition to trust, perceptions of social category, and emotions/moods in a vertical dyad, while the impacts of third party on perceived trustworthiness will remain salient.

**Figure 1. Trust factors in a New Manager-Employee Dyad over Time**

**DISCUSSION AND IMPLICATIONS**

This paper sought to provide a better understanding about the roles of disposition to trust, observed characteristics of trustees, perceptions of social categories, mood/emotions, and third party information in forming trust between managers and employees at two time points. As depicted in Figure 1, some of the trust parameters may not receive the same weight in influencing people’s cognitive processing loop underpinning trust over time. The more knowledge about the behavioral characteristics of a given trustee over time, the less likely the trustor will form trust simply based on generalized expectancy for humanity, cognitive bias from categorization, and moods/emotions. Third party information is the only trust parameter that is proposed to generate relatively strong impacts on a manager-employee relationship at both the time points. While this paper highlights the relative potency of third party information from an initial relationship to a mature one, it may be worthwhile to inquire, for example, how does the importance of third parties change over different stages of a relationship (Ferrin et al., 2006), as well as, how different types of information from third parties will influence perceived trustworthiness in a mature relationship. The link between third party information and perceived trustworthiness calls for deeper elaboration and further exploration. As theoretical discussions on the antecedents to trust have been blooming, empirical research on this topic has “lagged behind the theory” (Gill et al., 2005). Moreover, in the field of hospitality management, research on trust often focuses on the context of relationship marketing, service recovery, and supplier-buyer relationships (Chathoth, Mak, Jauhari, & Manaktola, 2007). The configuration in the proposed conceptual framework, thus, requires empirical validation, providing an alternative venue for future studies on trust in hospitality settings.

Given the fact that this paper uses a limited set of trust variables to advance the understanding about the interplay between time and those variables, several limitations are acknowledged. Individuals are not socially isolated actors in the workplace (Kramer, 1991), insofar as the relationship between individuals’ behavior and the surrounding social contexts can evolve as a circling loop. The power and interdependent structure inherent in a vertical dyad, for example, may predispose the development of trust toward complex calculative bases beyond the dynamics described in this paper. Likewise, the effects of macro-level parameters (e.g., organizational culture and policies, demographic composition, and national culture) can be observed on the trust development in vertical dyads across organizations. Future theoretical endeavors can seek to integrate the factors across different levels along with time into a conceptual framework, which will ultimately present a considerably full picture of trust development.

The analysis in this paper has several implications for building trust beyond managerial initiatives or training strategies which are designed to tackle ability, integrity, or benevolence. First, it provides insights into diversity management. As perceptions of social categories may engender bias in trust development, training should be targeted at reduction of stereotypes and prejudiced attitudes. With the growth in the diversity of the American workforce (Mayer et al. 1995), differences in gender, age, race, and educational background oftentimes exist
between a manager and an employee. Well-designed diversity training may provide an approach to transforming prejudices and stereotypes into appreciation of differences. Second, the analysis should help managers better understand the potential effects of moods/emotions on perceived trustworthiness. For those who want to build trust in others, the awareness of the role of moods/emotions in the judgment process may buffer the effects of misattribution resulting from moods/emotions. Since individuals with high levels of emotional intelligence can build stronger personal relationships than those with low levels of emotional intelligence (Cooper, 1997), organizations may introduce emotional intelligence training programs to improve trust relationships in vertical dyads. Finally, the discussion on third parties shifts the focal point from dyads to interpersonal networks, suggesting an indirect channel for building trust. Managers can foster employees’ trust in them by encouraging informal communication (Ferrin et al., 2006), which will be valuable for employees to have better knowledge about managers, especially those employees who do not have strong direct ties with managers. To ensure that communication will promote trust and rapport instead of misunderstandings, the bottom line is to act and speak in a trustworthy manner.

REFERENCES


http://scholarworks.umass.edu/refereed/Sessions/Saturday/16