TRUST BETWEEN MANAGERS AND SUBORDINATES:
UNDERSTANDING THE EFFECTS

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ABSTRACT
This paper gives an overview of major issues in trust research, identifying common foundations and multiple constellations of organizational trust. In doing so, the paper also addresses important implications of theory development and empirical research. It provides a historical sketch of different approaches to understanding the phenomenon of trust, drawing upon various science disciplines. It deals with important issues of measurement of manager’s trust. Finally, it briefly summarizes the research done in Polish enterprises.

KEYWORDS
trust, trust management, organizational behavior, measurement, managers.

Introduction

Trust is a topic that has been studied a lot lately. The world in which we live has become extremely interdependent. Across various societies the process of globalization has bound people in a network of tightening interlinkages. Cooperation becomes a pressing need, a crucial challenge, but also a domain of uncertainties. Extremely high uncertainty has become the institutional context of postmodern societies, and therefore there is great need for trust and social capital. Trust is important in all spheres of social life. It binds friendships [1], facilitates bargaining and negotiations [2], reduces transaction costs in interfirm exchanges [3], and even resolves international political conflicts [4]. Trust is broadly recognized organizational construct that allow supervisors to promote positive working relationships and the attainment of desired organizational outcomes. Currently, trust in superiors is the focus of investigation by many management theorists and researchers. It has often been argued that trust is essentially important for successful cooperation and effectiveness in organizations [5–15].

The purpose of this research is to investigate the level of trust among managers from the best Polish enterprises from Mazovia Province. Article is connected with the realization of research project entitled “Orientation on trust and organizational performance” (No. N N115 549238) financed by Ministry of Science and Higher Education in Poland.

Definitions of trust

Trust has been defined in many ways by philosophers, economists, psychologists, and researchers of marketing and law.

The great philosophers have written very little about trust. For example Plato and Aristotle, have only indirectly implied trust while discussing cooperation and friendship and the virtues of the human being [16, 17]. Philosophers see trust in a variety of forms and versions. For example Herzberg [18] trusting another person means having trusting attitude towards the other person. Thus trust is implicit, not given on grounds and is never a rational option. Philosophers emphasize the trusting attitude,
often unconscious, as being part of basic conduct of life.

Economics have not traditionally paid much attention to the role of trust in market exchange. The neo-classical ideal market, with perfect information and pure competition, does not involve trust as a central concept. The shifts in focus towards imperfectly competitive markets in which a small number of traders build long-term relationships and make relation-specific investment, has drawn attention to this issue. Those economists who do see the notion of trust as relevant and useful, regard it as mutual confidence, where by an individual or firm trusts second individual or firm to do has it has promised to do [19]. For example according to M. Sako [20] trust can be treated as a state of mind, an expectation held by one trading partner about another, that the other behaves or responds in a predictable and mutually acceptable manner.

Personality psychologists such as Wrightsman [21] and Rotter [22] have viewed trust as a personality trait that reflects the general expectancies of the trustworthiness of others. These expectancies are relatively stable dispositional characteristics that depend on personal experiences and previous socialization.

Many researchers have identified certain critical success factors in relationships inside organizations, one of the most critical, is trust. Trust facilitates more open communication, information sharing and conflict management. Trust is believed to be critical as it is seen to increase predictability, adaptability, and strategic flexibility. In general trust is seen to reduce transaction costs such as management costs, internationalization costs, social complexity. It also paves the way for informal network collaboration and collaborative innovation. It is also acknowledged that trust may be a critical factor in enhancing business performance and a source of sustainable competitive advantage [23].

Trust leads to the kind of constructive and cooperative behaviour that is vital for long-term relationships [24]. In the literature trust has been also recognized as an important attribute of industrial networks [25].

Author [26] see trust as the belief that another party: a) will not act in a way that is harmful to the trusting firm, b) will act in such a way that it is beneficial to the trusting firm, and c) will act reliably d) will behave or respond in a predictable and mutually acceptable manner. Trust can be seen as a bridge between past experiences and anticipated future.

**Trust models**

In the literature we can find also different models of trust: a lot of them are static or take the perspective of the trustor only [27]. Zand [28] is one of the few who propose a truly interactive model: “Let P denote one person and O the other. If (1) P lacks trust, (2) he will disclose little relevant or accurate information, be unwilling to share influence, and will attempt to control O. (3) Assume O also lacks trust, (4) perceives P’s initial behaviour as actually untrusting, and (5) concludes he was right to expect P to be untrustworthy; then (6) he will feel justified in his mistrust of P. Since (7) P sees O’s behaviour as untrusting, he (8) will be confirmed in his initial expectation that O would not be trustworthy and (2) P will behave with less trust than when he entered”.

Three notable models of trust are Hartman’s [29] model, Rousseau et al.’s [30] framework, and Lewicki and Bunker’s conceptualization [31]. These conceptualizations assume different reasons why trust should emerge and the forms it will then take.

As identified by Hartman, who draws on earlier classic literature, such as Mayer et al. [32], three distinct but related types of trust represent specific dimensions of this construct:

1. Integrity trust – ethical trust or the belief that one party will routinely look after the interests of another party.
2. Competence trust – the belief that the other party has the ability to perform the work assigned.
3. Intuitive trust – the emotional that one party can trust the intentions and actions of the other party.

Rousseau et al.’s [33] conceptualization of trust posited three basic forms:

1. Calculus-based trust – trust is motivated by self-interest or economic incentives.
2. Relational trust – trust emerging through repeated, direct interactions that spark a comfort level between parties.
3. Institution-based trust – the role played by legal institutions, cultural and societal norms in promoting trust within a culture or country.

A final model of trust presented by Lewicki and Bunker argues that trust builds across three levels [34]:

1. Deterrence-base trust – parties can be trusted to keep their word in order to avoid sanctions for violation.
2. Knowledge-based trust – parties know each other well enough that their behavior toward each other is predictable.
3. Identification-based trust – mutual understanding is developed to the point where parties can act on each other’s behalf.

Some of the features of the concept of trust were presented by A. Argandoña [35]:
- It is interpersonal: between concrete individuals;
- Situational rather than global: trust is placed in one particular person;
- Voluntary: properly, trust must spring from choice and cannot be compulsory;
- Fee, since no party can (sufficiently) control the other party’s behavior;
- Committed, since each party depends on the other (without being able to control her);
- Conscious: each party is aware of the other party’s trust;
- Vulnerable, because betrayal or breach of trust are possible;
- Relevant, in the sense that the consequences of breach of trust by one of the parties cannot be considered insignificant by the other;
- Dynamic or temporal, because it evolves over time: trust is established, grows, diminishes and dies;
- Action oriented, implicit in the goal of the alliance;
- Uncertain, since before the alliance is established it is possible to question the reliability of the other party and, once it is under way, the question is whether the other party will have change of heart and betray the terms of the relationship;
- Based on communication, and
- Experimental.

Trust between an employee and his/her direct supervisor or the organizational leader

Most of the work on trust in specific targets has focused on trust in a direct leader, such as supervisor, manager, or work-group leader [36–38]. Researchers have found trust in different referent types to be related to different sets of antecedents and outcomes. For example, Tan and Tan [39] explored supervisor and organization as trust referents and found that the former is affected by the perceived ability, benevolence, and integrity of the supervisor and leads to satisfaction with supervisor and innovative behavior, whereas the latter is affected by procedural and distributive justice and results in higher organizational commitment and lower turnover intentions.

Wintrobe and Breton’s [40] argument that there is a potential conflict between vertical trust (trust between the employer and employees) and horizontal trust (trust among employees). They argue that when employees do not trust their management, they band together for collective action. Therefore, it is equally plausible that moderators, such as the extent to which an organization is particularistic in its organizational practices [41], exist in the relation between trust in coworkers and trust in organizations.

Immediate supervisors often have frequent and direct contact with subordinates in daily work. Supervisors’ actions and behaviors, which are essential in determining the subordinates’ attitudes, provide the foundation for trust [42]. Supervisory support is a strong indicator of the quality of exchange relationships between employees and supervisors [43]. When supervisors express concern for their employees’ wellbeing, help them with career development, and value their work, they signal to their subordinates that they are interested in a close and social exchange relationship. To equalize or ensure a balance in their exchanges, employees will feel obligated to reciprocate the good deeds and goodwill of the supervisor. By discharging their obligations for services provided, they demonstrate their trustworthiness and the gradual expansion of mutual services. Reciprocation between supervisors and their subordinates reinforces and stabilizes trust, the axis upon which social exchange revolves [44]. Trust relationships further enable people to make emotional investments, because they believe in the intrinsic virtue of such relationships and that these sentiments are reciprocated [45]. Wayne, Shore, and Liden [46] suggested that employees often generalize their experiences with their supervisors to the organization. Indeed, it has been observed that employees’ trust in supervisors is associated with their trust in the organization [47]. As their trust in the supervisor increases, their favorable perceptions of the organization also increase [48]. Thus, as supervisors build a social exchange relationship with employees and fulfill employee perceptions of the organization’s obligations through providing social support, employee trust in the organization increases [49].

Research methodology and results

The questionnaire was done by 259 managers (106 from top management, 115 – middle management, 38 – lowest management) working in enterprises, which are the best according to Journal Forbes in Mazovia Province. The questionnaire and points for the answers are presented in the Table 1. The possible answers for the questions were:

1 – I strongly disagree;
2 – I disagree;
3 – I do not know;  
4 – I agree;  
5 – I strongly agree.

<table>
<thead>
<tr>
<th>No.</th>
<th>Questions</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>In dealing with people never be too careful</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>You should not trust other people until you do not know them well</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>3.</td>
<td>Most people will lie if it will then be able to get something</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>4.</td>
<td>Employees in your company when the opportunity arises to gain something will be dishonest</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>5.</td>
<td>In these days in your company you can only count on yourself and only trust yourself</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>6.</td>
<td>Contacts between the employees in your company are mainly based on struggle and rivalry</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>7.</td>
<td>Employees in your company wish others the best</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8.</td>
<td>Most people in your company keeps promises</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>9.</td>
<td>I have confidence in my subordinates</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>10.</td>
<td>In your company employees can openly talk about what they do not like, or how something should be changed</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>11.</td>
<td>In your company your employees feel accountable for their tasks and do not have to be monitored</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>12.</td>
<td>In your company staff for most of the time trying to be helpful to others and do not care only about self-interest</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Author’s research

After summing a points (mentioned in Table 1), we can find that low level of trust were represented by 1% of top management and 2% of middle management. The middle level of trust were represented by 60% of top management, 75% of middle management and 61% of lowest management. High level of trust was represented by 39% of top management, 23% of middle management and 39% lowest management. Results are presented in Table 2.

<table>
<thead>
<tr>
<th>Level of management</th>
<th>Level of trust</th>
<th>12–27</th>
<th>28–45</th>
<th>44–60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>Low</td>
<td>11%</td>
<td>60%</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>Middle</td>
<td>13%</td>
<td>75%</td>
<td>23%</td>
</tr>
<tr>
<td></td>
<td>Lowest</td>
<td>3%</td>
<td>25%</td>
<td>61%</td>
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</table>

Source: Author’s research

According to research managers mostly present middle level of management. In organizations, managers are initiators of trust and must play a central role in determining both its overall level and specific expectations within individual work units. Their ability to establish, grow, extend, and restore trust is a key managerial competency. Some say that extending trust is the first job of any manager, to be conducted in ways that release the talent, creativity, capacity, and contribution of individuals and teams and enable them to give their best in synergy with others. The best leaders frame trust in economic terms. In a low-trust culture, leaders can expect negative economic consequences. Everything takes longer and costs more because of the steps people need to take to compensate for the low trust. When these costs are counted, leaders recognize how low trust becomes an economic matter.

Conclusions

There are several reasons why the research of trust has long remained problematic. First of all, there has been lack of clarity of the key concepts such as trust and risk. The antecedents and outcomes of trust have also been blurred and the roles of trustor and trustee haven’t been clear enough. Perhaps the interdisciplinary interest in trust is one of the reasons why the concept of trust lack clarity. Since trust research has spread to several discipline, a single researcher needs to collect the bits and pieces of trust related studies in various disciplines and try to make his or her synthesis to add something new to the scientific discussion of trust. However, for a new researcher, trust as a research topic gives many possibilities. For example, trust is also one of the key concepts in the knowledge-based competition of the network era and has been kindly studied recently in computer science related areas [50, 51]. New technologies have raised the interest in trust all around the world. Examples of currently researched topics are studies questioning what makes consumers trust a certain website and how trust can be built in online buyer-seller relationships.

The theory developed in this study requires empirical testing to further deepens our understanding of the dynamics of interpersonal trust-building and the role of trust management. In the course of this study, several propositions have been formulated as a foundation for further research to test the validity of the theory. The first stage would be to develop reliable and valid instruments for each of the action connected with trust building. When actions are in-
interpreted, the perception of the receiver, as well as the intentions of the actor, should be studied.

References


