

Trust in the Workplace

by

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### Abstract

Trust encompasses the mutual understanding and willingness between individuals to act on one another's words and actions. Among numerous factors, the existence of trust in the workplace is vital for a company's success. Organizations consist simply of people, and every commercial or economic transaction is simultaneously a social interaction involving both social capital and trust. The existence of these serves to reduce the transaction costs of an interaction, without which costly formal laws, contracts, monitoring and other bureaucratic rules are required. High trust relationships in the workplace serve to reduce friction between staff, establish social bonds, enhance productivity, and stimulate learning, while low-trust organizational settings weaken relationships, stifle innovation, hamper decision-making, and lead to stressed employees. In this paper, trust is first theoretically broken down and studied as an independent variable, as a dependent variable, and subsequently as both. Due to trust being situational and intertemporal in nature, any framework that attempts to analyze its dynamics should incorporate this. The paper then moves to a discussion of three frameworks on trust: the Trust and Betrayal Model by Reina & Reina (2006), the Rings of Trust Model by Sonnenberg (1993) and the Trust Scale by (Lewicki, Saunders, Minton, & Barry, 2009). Increasing studies are calling for bringing the personal, social, and behavioral back into the workplace due to their positive effect on the health and happiness of staff, as well as on bottom line improvement and success of the organization.

## Trust in the Workplace

### Elusive Definitions

Trust is the ultimate intangible. It has no shape or substance, yet it empowers our actions. And its presence or absence can govern our behavior as if it were a tangible force. The belief that we live in a reasonably predictable world is the cornerstone on which cooperation is built, and the basis of our planning and action...Living without some measure of trust would consign us to perpetual fears, paranoia, inefficiency, and even inaction.

(Shea in Sonnenberg, 1993, p.187)

The importance of trust and the issues surrounding its existence or lack thereof has found its way into managerial, organizational and economic literature. Yet an explicit definition of what trust entails is more ambiguous than the discussion around it. In *The Great Disruption and Trust*, Fukuyama looks at trust from a sociological point of view and uses it to link culture to economic prosperity (Quddus, Goldsby, & Farooque, 2000). He does so largely at the national level but also at the firm and community level. His analysis of trust across cultures is a reminder of the seemingly forgotten fact that every commercial or economic transaction is also simultaneously a social interaction. Economic actors are not purely rational thinkers but also emotional and social beings; economic activities can thus no longer be viewed as existing on an impersonal sphere, nor are they independent from other fields of study including sociology, psychology, and other (behavioral) approaches.

Borrowing from negotiation literature, one definition of trust is the mutual understanding and willingness between individuals to act on the words, actions, and decisions of one another (Lewicki, Saunders, Minton, & Barry, 2009). A second definition from management literature looks at trust as one person's belief in the integrity of another. Generally, trust revolves around both the integrity and competence of the parties involved, however; a person trusts different people with different things and to differing extents (DeSteno, 2014; Sonnenberg, 1993). Organizationally, Sonnenberg (1993) compares trust to a love marriage which bonds people together, strengthens their relationship, and makes it an effective one. A love marriage increases security and reduces inhibitions. It frees each person to be him/herself without worrying about being accepted by the other, making sacrifices for, and having confidence in one another.

Delineating what each of a high and low trust environment looks like operationally further clarifies what trust is and what it looks like in practice. At a societal level, Fukuyama (as cited in Quddus et al., 2000) links the level of trust inherent in a culture to transaction costs and the efficiency of markets within that culture. He studies high and low trust cultures as both a "contributing source" as well as an "explanatory variable" in the variance in global prosperity. Trust constitutes one element within social capital, which he defines as "the dense networks of norms and social trust which enable participants to cooperate in the pursuit of shared objectives" (Norris in Quddus et al., 2000, p.89). Low levels of trust and a lack of social capital thus lead to high transaction costs and subsequently limit economic activity. On the firm level, the degree of trust is a factor in reducing inter- and intra-firm transaction costs. Fukuyama, in part, attributes the scalability of organizations in any society to the degree of trust that that particular culture exhibits. To support his argument he provides examples of the largest private sector firms in the high trust cultures of the US, Germany and Japan to those

of low trust societies such as Taiwan, Hong Kong, France and Italy. Firms in high trust cultures were the first to achieve scale, while firms in the latter group have tended toward smaller, family owned businesses. He further argues that firms with higher levels of trust and social capital were more innovative and able to survive over longer periods of time (Quddus et al., 2000).

Within organizations, high trust relationships serve to reduce friction, establish social bonds, enhance productivity, and stimulate learning, while low trust organizational settings weaken relationships, stifle innovation, hamper decision-making, and are more likely to lead to stressed employees (Sonnenberg, 1993). The inefficiency associated with low trust organizational culture relates to employees' needing to do things - such as covering their backs or managing office politics - that distract them from focusing on work. Low trust settings are also linked to a restricted flow of information, limited discussion, and a fear of failure. All of these move an organization away from creative problem solving, collaboration and success.

The study of any relationship – be it in a commercial or social context – involves an element of trust and social capital, without which formal coordination mechanisms would be required to limit transaction costs. While successful transactions are possible when social capital is low, this comes at the cost of contracts, monitoring, litigation and other bureaucratic rules (Fukuyama, 1999). Historically, social capital predates formal law and organization, and theories of modernization largely view modernization to require the replacement of these informal rules and mechanisms with formal ones. Max Weber (as cited in Fukuyama, 1999; Weber in Boone & Bowen, 1980), in particular, advocated rational bureaucratic organization based on impersonal rules, hierarchical order, and promotions based on merit (which serve as

extrinsic motivators). This model of the organization relies on the existence of formal contracts as well as on obedience to authority at an impersonal level. He separates individuals' personal freedom from their impersonal, official obligations (Weber in Boone & Bowen, 1980). While these formalities are arguably necessary, current managerial literature is realizing the negative consequences of this view, particularly given that economic activity, organizations, and technology have become more complex. On both the societal and organizational level, the increased complication of communities and relationships is serving to remind us of the value of the social, and of the need to bring the personal back into the workplace (Perlow & Porter, 2009).

**Trust in a new light.** DeSteno (2014) offers a renewed take on trust. Instead of viewing it as a static and stable characteristic of an individual, he explains it as multi-faceted, situational, and intertemporal. At a societal level, the benefits of trust outweigh the costs. Humanity has prospered as a result of cooperation and mutual dependence, and thus evolutionary development favors trust over distrust. Of course, trusting inevitably entails vulnerability and risk, but as long as humanity is right most of the time at a societal level, survival as a species is possible. It is at an individual level, however, where the odds are not in any one person's favor. Although many theories on trust and indicators thereof exist, research indicates that we have not yet figured out how trust works and how to predict it accurately. Deciding whether or not to trust a person or organization is a bet, and the decision comes into play exactly when the needs of the parties involved differ. DeSteno even extends this to conflicts between a person's current and future self.

Like any social interaction, assessing another person's trustworthiness is as much a rational process of the mind as it is a process driven by the emotional and physiological. Not

only can a fluctuation in emotional state affect a person's trustworthiness and their assessment of it in another, but also people's moral behavior has been shown to be more flexible than one would assume. Emotional states factor heavily into a person's behavior, and morality and trustworthiness are less a fixed trait and more a situational balance between mental mechanisms (DeSteno, 2014). At a biological level, people have the same capacity to trust as to betray, and what is key is to adequately assess which reaction suits a given situation. In recognizing signals of trustworthiness, it appears that no one signal is indicative. And while a combination of signals as well as context provide more accuracy in interpretation, these signals can be faked. To further complicate things, the fact that someone is able to be trustworthy and deliver on something does not necessarily imply they will choose to do so.

Informal, social capital predates formal rules, as previously mentioned, and the human mind and body evolved with systems to guide social decisions and interactions before they gained the ability for rational analysis (DeSteno, 2014). Unfortunately, while most people can successfully perform initial assessments of another's trustworthiness, most people fail to continuously re-visit this trust assessment. It seems that doing so makes people uncomfortable at a psychological level. Studies are increasingly indicating that regular re-evaluations of trustworthiness are important for managing decisions and relationships exactly because trust is situational and changes over time (Kramer, 2009). Any framework of trust should thus be an inter-temporal one.

**Trust as a Variable**

The dynamics of trust in the workplace are easier to grasp when trust is analyzed as a variable. This entails breaking it down as either an input or an outcome in any given interaction. No factor within an interaction operates alone, and cause and effect are not always distinct. Yet, looking at trust separately as an independent variable (and subsequently as a dependent one) simplifies the complexity of interactions and attempts to better identify the underlying dynamics. This can be done at each of the individual, team, and organizational level.

**Trust as an input.**

Trust is the miracle ingredient in organizational life - a lubricant that reduces friction, a bonding agent that glues together disparate parts, a catalyst that facilitates action. No substitute – neither threat nor promise – will do the job as well.

(Shea in Sonnenberg, 1993, p. 190)

First, trust can be analyzed as a contributing source, explanatory factor, or an elicitor. At the individual level, multiple studies show the influence of trust by recognizing the consequences of its absence (Worrall & Cooper, 2012; American Psychological Association Practice Organization [APA], 2010). Sixty-nine percent of employees identified work as a significant source of stress and forty-one percent feel stressed throughout the workday. Additionally, fifty-one percent of employees attributed being less productive at work due to stress (APA, 2010). Various factors cause these high stress levels, including: increased workloads, fast pace of work, overloaded demands on an employee's time and effort, physical isolation, and others. An environment that lacks trust is also among these factors.



Over the span of a decade, psychiatrist, Edward Hallowell (2005), has seen a tenfold increase in adult patients with what he calls Attention Deficiency Trait (ADT) from brain overload. Identified as “epidemic in organizations” today, ADT is a neurological phenomenon with symptoms of “distractability, inner frenzy, and impatience” that results entirely from a person’s external environment (Hallowell, 2005, p. 56). What ADT does is put an individual’s mind and body in constant survival mode. Such a low but continuous level of fear limits the brain’s executive functioning. This, in turn, affects a person’s ability to solve problems creatively, be flexible, and avoid making mistakes. In essence, intelligence is lowered and otherwise high performing employees are unable to perform up to their potential. Fortunately, managing ADT does not require medication but rather a positive and safe environment alongside a healthy lifestyle. Not only does ADT occur far less in environments where people are in physical contact with each other (rather than working remotely), but also when colleagues trust and respect each other (Hallowell, 2005). This boils down to people being social creatures and needing human communication and connection. Even if extreme stress does arise due to a particular project or situation, an environment which fosters connection and trust helps the brain maintain the needed executive functioning.

Moving to the managerial level, a number of things come into play. A trustworthy manager leads authentically and by example, balances involvement with empowerment of employees, and cares about bridging organizational and managerial goals with those of staff (Argyris in Boone & Bowen, 1980; Goffee & Jones, 2005). Too often, managers reward employees who overload at their own detriment and to the quality of their work, and punish those who say no to work overload. This type of behavior causes a manager to fall short in exhibiting trust as well as eliciting it and other positive behaviors in others. Instead, the workplace becomes stressful, unhappy and unhealthy. Recent studies illustrate the correlation

between distrustful work environments and a lack of job satisfaction among workers and higher rates of sick leaves (Worrall & Cooper, 2012). Conversely, authentic leaders can be defined as: “true to themselves, reliable, trustworthy, transparent, committed to ‘followers’ development, and moral/ethical” (Vianello, Galliani, & Haidt, 2010, p. 390). Or, in the words of David Foster Wallace (2005):

A real leader can somehow get us to do certain things that deep down we think are good and want to be able to do...A leader's true authority is a power you voluntarily give him, and you grant him this authority not in a resigned or resentful way but happily; it feels right. Deep down, you almost always like how a real leader makes you feel, how you find yourself working harder and pushing yourself and thinking in ways you wouldn't be able to if there weren't this person you respected and believed in and wanted to please.

(p. 224-225)

Of course, there is more than one way to manage or lead effectively. In recent years, some companies have shifted from structuring themselves hierarchically to doing so in a flatter, more networked way, and the resulting collaboration can be remarkable. The high levels of teamwork and open collaboration in companies such as Linux, Toyota and Samsung point to the power of transparency, communication, trust, a sense of community, and team level rewards (Evans & Wolf, 2005; Siegel & Chang, 2009). When colleagues are able to trust each other and their organization, it enhances the likelihood they will collaborate, be productive, and give the job what it requires of them for the sake of the future reward they know they will receive. Samsung invests highly in their people and culture. They adopt a meritocratic culture, exhibit care about their employees beyond the workplace, and encourage

collaboration and healthy internal competition. The company's unique culture has many times placed them ahead of competitors in terms of productivity (Siegel & Chang, 2009). Similarly, at Linux and Toyota, workers resemble communities and exhibit profound levels of self-management and motivation. In the case of Toyota, collaboration even exists externally across its supply chain, which saved the company in 1997 when a fire broke out at a supplier's factory. Staff at both Toyota and Aisin Seiki (the supplier) voluntarily worked out how to avoid the likely need to shutdown for months (Evans & Wolf, 2005). In contrast to relying on contracts and reciprocity, these examples illustrate how intrinsic motivators are more effective at ensuring productivity, collaboration and good behavior. Another intrinsic motivator is the need to maintain one's reputation, which becomes a source of power in a workplace where trust already exists. This is because it then becomes harder to derive power from brokering or restricting the flow of information in companies whose networks are dense. Employees are less inclined to act opportunistically because there is more power in being an "information source" than an "information sink" (Evans & Wolf, 2005, p. 7).

Hay Group highlights group emotional intelligence (EI) to be the greatest predictor of team success. While a low performing team often seems to be less than the sum of its parts, a high performing one is able to combine the abilities of the individuals involved into a "superperforming whole with capabilities that surpass...its most talented member" (Ross, 2007, p. 11). Teams with high group EI achieve superior levels of participation and collaboration because there is a strong shared sense of identity, they have confidence in themselves as a team, and because trust exists within the group (Ross, 2007).

Overall, trust plays an important role and is among the key influencing factors that distinguish a healthier and a more productive workplace from its opposite. Environments that

exhibit trust lead to higher job satisfaction and also help maintain employee and brand loyalty. In addition to trust leading to other intangible benefits for an organization, there are numerous positive effects on the bottom line as well. Productivity is often higher and the quality of output better. Improved employee retention rates lead to lower losses of investment in the hiring and training of staff and lower healthcare costs. In the US alone, high levels of absenteeism, turnover, as well as low productivity and medical, legal and insurance costs were estimated to cost industry \$300 billion in 2001 (APA, 2010).

**Trust as an outcome.** Trust can also be analyzed as a dependent factor. While trust is vital to the flow of information and ideas, trust itself is also contingent on factors such as the existence of interpersonal understanding and connection between people. Trust is harder to come by without close personal connection. This could manifest through a sense of community, shared identity and values, or otherwise. People are more likely to trust a friend or family member than a stranger, and in the high pressure and high stakes context of work trust is critical. Where prior relationships do not exist, management can foster them. Making time for introductions and socializing with new co-workers helps build trust, as well as establishing safe and comfortable ways for team members to express what they need to, including frustration. These efforts create a less threatening culture in which to work and serve to help colleagues at all levels to trust each other (Ross, 2007). Other factors such as the appropriate and public recognition of a job well done, allowing employees a healthy work-life balance also serve to further employees' trust of their management and organization.

An experiment that set up planned and compulsory time off at the Boston Consulting Group as a solution to its on-call culture is telling. At the start of the pilot experiment, participating staff felt anxious about the experiment. It is unlikely to have helped matters that

it started off with select teams while the rest of the large organization continued its business as usual. Over time, however, participants got used to it, felt respected for being able to set their personal limits, experienced a higher job satisfaction, and their expectation of wanting to stay with the company longer increased (Perlow & Porter, 2009). The quality of teamwork improved, silos broke down, and people worked better together. A mutual, enhanced level of trust was created, cross-learning increased, experimentation was encouraged and team dialogue shifted from being about work content to the discussion of their work processes (Perlow & Porter, 2009). In sum, team members became more comfortable and began to view each other in more holistic ways - as people as well as professionals. Such a shift in work culture from distrust to trust means employees can do their work in a challenging, yet not hostile environment.

In contrast, more traditional models of organizations (like Weber's bureaucracy) are more focused on the reduction of human error for the sake of organizational success. While this does entail catering to a human quality (people's information processing capacity) it often insufficiently caters to other qualities. Employees are driven by four key motivators: the drive to acquire, to bond with others, to comprehend and make meaningful contributions, as well as to defend themselves, their possessions, accomplishments and people (Nohria, Groysberg, & Lee, 2008). As such, managing by objective rather than by control is far more superior. External, carrot-and-stick motivators are less effective and less likely to promote trust than managing through inspiring self-control, self-direction, and leveraging intrinsic motivators (Argyris in Boone & Bowen, 1980; McGregor in Boone & Bowen, 1980). The latter appeals to employees' emotional needs, which if fulfilled successfully, can empower employees to motivate themselves. To match these four emotional drives, four primary levers exist which in tandem can help managers instill trust and develop a genuine passion toward

work. Reward systems must indicate adequate and consistent signals to employees, a culture of mutual reliance and teamwork should be created, job roles must be clearly delineated and be meaningful to the employee, and finally transparency, fairness and trust must be built (Nohria et al., 2008).

**Trust as both.** While trust sometimes acts as an elicitor of positive behavior, collaboration and productivity, it is just as often an outcome of these same occurrences. Higher trust contributes to better cooperation and this, in turn, enhances trust further. The reality is a virtuous cycle over time where trust breeds more trust. Unfortunately the opposite is also true. Building this cycle of trust is possible but it is a gradual and slow process. It is also a very sensitive process because trust is broken quickly and is hard to rebuild.

### **A Framework**

Given that trust is a continuously reinforcing dynamic over time, a framework that incorporates time and intertemporal choice provides a better way of thinking about trust, building it, and putting it into practice.

A number of such frameworks exist, one of which is the Trust and Betrayal Model by psychologists, Dennis and Michelle Reina (Reina & Reina, 2006). Focusing specifically on the workplace, this model looks at “transactional trust” which is both reciprocal and built incrementally (Reina & Reina, n.d.). The model then breaks this down into three types of transactional trust, the first of which is called contractual trust and relates to a person’s character. This type of trust establishes the playing field and rules of interaction. Next, communication trust relates to issues of disclosure and determines how information will flow

between the involved parties. And last, competence trust has to do with the capability of each person who is part of the interaction. The Trust and Betrayal Model identifies these types of trust and describes steps to build them into the workplace. Reina & Reina (n.d.) further argue that having one type of trust but not another is possible, but not over the long term. Should one of the three types be broken, steps must be taken to rebuild this or the unresolved distrust in one area will destroy the trust that exists in other areas. While this model views trust building as a gradual process over time, it does so insufficiently. Its definition of trust as reciprocal limits itself to focusing solely on the more superficial levels of trust. This may not be an intended interpretation, or perhaps due to its organizational context the assumption is that no factors are present which would allow for deeper levels of trust. In either case, this partial picture becomes evident in comparison with other frameworks which account more thoroughly for depth.

**Initial trust.** Two more complete frameworks are the Rings of Trust Model from management theory and the Trust Scale from negotiation literature (Sonnenberg, 1993; Lewicki et al., 2009). For the most part these two models overlap; however, Sonnenberg's (1993) model appears to start off at an earlier step in the trust building process and includes a pre-existing context or level of initial trust. These models and the types of trust therein can be broken up into two phases in the trust building process; one based on initial and pre-existing indicators of trust and the other resulting through the process of the social interaction itself.

The Rings of Trust Model is described through a metaphor consisting of a center rod around which subsequent rings are layered over time. This core rod entails an individual or organization's history and track record based on which the other party can attempt to foresee what the interaction may be like. These preconceived notions could arise from reputation,

common friends or networks, or background research. Around this rod, three levels of rings are then added; each bonding to its predecessor before another is added. The first ring relates to traits that lead to trust, including reliability, openness, fairness, competence, integrity and more. As these characteristics are demonstrated between parties repeatedly over time, they solidify and become a part of the party's track record. Together, they also serve as the foundation on which the next level of rings can rest (Sonnenberg, 1993). While the Trust and Betrayal Model also incorporates this initial level of trust, the Rings of Trust Model does this more explicitly and thereby attaches a greater importance to this foundational level. Lewicki et al.'s (2009) Trust Scale does not incorporate this at all which may result from it coming from negotiation theory where the context to which the two negotiating parties belong may not be common. This would be the case where representatives from two separate companies interact with no prior or common organizational setting. This, however, is not necessarily the case even when it comes to negotiation scenarios because negotiation within the workplace occurs regularly – an employee negotiating with a superior for a promotion or raise being one example.

**Interaction based trust.** It is at Sonnenberg's (1993) second ring level where the Trust Scale starts, and both run in parallel to one another from then on. This second ring level or type of trust concerns parties' consistency of behavior - what people say and how they act. Such consistency is achieved, managed and sustained by both the promise of reward for being consistent and the threat of punishment for failing to be so (Lewicki et al., 2009). This type of trust is the lowest among the interaction based types and its existence is possible in situations where little or no prior close connection or knowledge exists between people. At this point, one party's trust in another is not yet internalized or expected and still requires iterated demonstrations of consistency.



Sonnenberg's (1993) last ring combines Lewicki et al.'s (2009) second and third types of trust. With the prior rings incorporated into the foundational rod, the last ring moves parties from requiring predictability to interacting based on faith. Here, consistency has been established and the bond is strong enough to no longer make it necessary to doubt whether promises will be kept. And, in the case that it appears a promise is not kept by one party, the other feels safe enough to trust it and is more likely to understand that such perceived inconsistency was likely for valid reasons. The Trust Scale follows this same process of trust building over time, but splits this step into two. Lewicki et al.'s second type of trust is called knowledge based trust and involves establishing predictability, a reliance on information, and on a history of interaction. The last type is identification based trust, and similar to Sonnenberg, takes the trust building process to the same potential end point where it is based on mutual empathy, understanding and appreciation.

In both frameworks, these levels of trust develop sequentially over time, and most relationships never reach the level of identification or faith based trust. The existence of this type of trust is a long-term phenomenon and is rare. This is, in part, due to a lack of necessity or even ability to heavily invest in all social relationships in one's life, as well as being due to the fragile nature of the trust building process. Given that trust is easier to break than build, it logically follows that the long-term ideal is hard to achieve. It is for this reason that a person often has the closest, most safe and stable relationships with close family members and long-term friends. Although people arguably have the most heated arguments in these types of relationships, this occurs precisely because it is safe to do so and is less likely to result in a break in the relationship.

In applying these frameworks to the workplace, identification based trust does not seem as likely an outcome as with personal, social interactions. Perhaps in cases where employees remain with a company over the long term, but this is becoming less and less the norm, and trust and employee turnover are interrelated phenomena. There is also the additional issue of scale; how does the size of an organization affect the ability of its members to achieve a strong, deep sense of trust? Fukuyama's (as cited in Quddus et al., 2000) studies on high and low trust cultures in relation to organizational size indicate that organizational trust is hard to instill and manage in large companies. If it were at all possible, it does not seem likely where trust is absent and where old concepts of the impersonal organization and extrinsic motivators persist. To stand a chance at achieving a more trusting and denser organization, work relationships need to become more personal at all levels of the organization. At the micro-level, it is easier for identification based trust to develop because the interaction is between a few individuals. However, this does not automatically translate into organizational trust by extrapolation, and a continuance of such a friendship once they leave the organization solely serves the involved individuals and not the company. This is why deliberate efforts at creating a strong and trusting company culture is imperative for the longevity of the organization.

**Good practices.** Some good practices have already been discussed throughout prior sections, but many more strategies exist to develop trust over the lifetime of an organization. Some further examples are described below, categorized as per the three types of trust within the Trust Scale Model for simplicity.

Calculus based trust, which relies on consistency, is perhaps the easiest to deliberately build. This can be done by managing expectations across the organization and by ensuring

they are mutually serving to the parties involved. Clear and realistic goals should be set by managers for employees, alongside demonstrating support and trust in employees' abilities. Employees, in turn, should work to meet others' expectations – both colleagues and managers. Promises and agreements must be kept, and in the case that this is not possible should be justified and explained as much as possible. Where tasks and roles are concerned, work must be appropriately delegated and boundaries established. What is key for this type of trust is the establishment of a track record of credibility and a reputation for trustworthiness (Sonnenberg, 1993; Lewicki et al., 2009).

In the case of knowledge based trust, it becomes a matter of courtship and a process of learning about each other over time. The improvement of this type of trust requires frequent communication and interaction. The more transparent communication is, the better, as the accumulation information through this contributes to familiarity and predictability. Information gained about the other party is continuously incorporated into the interaction to further enhance the relationship. Predictability enhances trust even if this entails being predictably unreliable because with this information one is able to expect and plan how to manage the interaction. It is at this level, that reputation starts to take precedence over formal contracts or commitments, which can become a powerful factor in strengthening trust as illustrated by the experiences of Linux and Toyota (Lewicki et al., 2009; Evans & Wolf, 2005).

Lastly, identification based trust can be created by continuing to affirm similar goals, objectives, interests and common actions. What distinguishes this type of trust is that parties have moved from evaluating each other to having faith in each other. This decision can become so internalized it is made unconsciously. This type of trust is achieved once the prior

two have already been earned and is confirmed when parties move toward empathetic behavior to one another, taking unselfish interest in each other, and exceeding expectations (Sonnenberg, 1993).

In all cases, at each step of the trust building process, the full support of management and the board is required. In order for employees to trust their management and company, they need their explicit support, transparency and participation. The Boston Consulting Group's culture change confirms this as staff had more faith in the experiment, felt safe to participate and trusted management once managers themselves participated (Perlow & Porter, 2009).

## **Conclusion**

As organizations have become more institutionalized, more complex, and their rules of operation entrenched, it too often appears to be forgotten that organizations consist simply of people. Whether these communities are a mere three members of staff or 500 employees, it seems counterintuitive to dehumanize the interactions between them. And yet, this is what hyperfocusing on rationality or systematic rules tend toward. None of these theories or approaches is wrong, but in isolation they deal with only part of a larger picture. To date, the return of behavioral influences into economics and business indicates that a more holistic picture is possible moving forward, in which factors such as trust and other forms of social capital are incorporated. What is assisting this trend is the increasing measurability of the behavioral sciences. Increasing studies are calling for bringing the personal, social, and behavioral back into the workplace due to their ability to promote not only improved health and happiness, but also bottom line improvement and success of the organization. Factors

such as trust may not be distinct or easily measurable on a financial statement, but proof of their significance will likely improve in the future. As organizations grow in size and complexity, a deliberate focus on managing relationships will become more necessary over the long run. Forms of social capital and trust matter across all cultures, however, an analysis of the trust dynamic is more complex in its global application. This is an additional reason why an explicit focus on building trust will become more important as companies continue to increase in scale and diversity. The same can be said of technology and the Internet, which are already changing the way people communicate as well as their lifestyles and cultures across generations. An analysis of trust as both an input and outcome of an interaction, and its delicate building process over time confirm the need to incorporate it strategically into business operations. Organizations and their managers have numerous means through which trust can be established, as is evidenced by the frameworks that have been developed. Giving attention to both the pre-existing context and characteristics of people is valuable, as Sonnenberg's (1993) Rings of Trust Model details, as well as the processes and types of trust that can emerge through continued interaction, as per Lewicki et al.'s (2009) Trust Scale.

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