Introduction: trust within organisations
Katinka Bijlsma and Paul Koopman
Free University Amsterdam, The Netherlands

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Abstract Introduces six empirical studies on trust within organisations which were originally presented at a workshop on “Trust within and between organisations”, organised by the European Institute for Advanced Studies in Management at the Free University Amsterdam, in November 2001. Areas covered include: the legitimacy of the field of study; common understandings and disagreements in theoretical ideas; and directions for future research.

In the past decade, issues of trust in inter- and intra-organisational relationships have been increasing in importance on the agendas of organisational scholars, legitimated by changes in the social structure of societies, economic exchange relations and organisational forms. Given the diminishing binding power of reciprocal obligations (Kramer, 1996), of hierarchical relations (Sheppard and Tuschinsky, 1996) and of social institutions relying on hierarchy to sanction deviant behaviour (De Swaan, 1990) other mechanisms are needed to keep the social fabric of society intact. Due to processes of globalisation, flexibilisation of labour relations, continuous change and virtualisation of organisational forms, relations between people have become looser and behaviours are less easy to monitor nowadays. Within firms, lateral relationships and alliances are growing in importance, in contrast to hierarchical relationships that used to dominate the framing of work relations (Sheppard and Tuschinsky, 1996). Between firms, new linkages are being formed to achieve and maintain competitive advantage in the marketplace. These linkages require organisations to move towards network forms and alliances (Lewicki and Bunker, 1996). Besides, organisational performance becomes increasingly dependent on behaviours such as scanning the environment to explore opportunities, participation in organisational learning processes and helping colleagues to improve their performance. While cooperative behaviours are growing in importance, hierarchy can be less relied upon to bring these behaviours about (Kramer, 1996). Trustful relations between organisational members can promote voluntary cooperation and extra-role behaviours, as the study by Tyler in this volume shows. Increasing instances of organisational change have also contributed to the rise of trust on the research agenda. Conditions of change heighten the relevance of trust to organisational performance and to the well-being of organisational members (Mishra, 1996; Gilkey, 1991).
In this special issue, six empirical studies on trust within organisations are gathered that were presented at a workshop on “Trust within and between organizations,” organised by the European Institute for Advanced Studies in Management (EIASM) at the Free University Amsterdam, in November 2001. The articles mirror some of the many themes that in the workshop surfaced as relevant to the study of trust, e.g. the legitimacy of the field of study, common understandings reached at and disagreements in theoretical ideas and empirical results that need to be elaborated or tested in future research. The reviews of Nooteboom’s (2002) most recent book by Guido Möllering and Lane and Bachmann’s (1998) edited volume by Antoinette Weibel show the rich variety of questions and topics that have been addressed within the field in the past years.

Why study trust?
Questions regarding legitimacy must be asked and answered among scholars within any emerging field of study and in discussions with scholars outside the field. These questions have been explicitly addressed by scholars that study trust. The concluding chapter of Gambetta’s (1988) book Trust: Making and Breaking Cooperative Relations which was a landmark in the growing attention to trust, was titled: “Can we trust trust?” And in a later landmark book, Trust in Organisations: Frontiers of Theory and Research by Kramer and Tyler (1996) the editorial introduction by Tyler and Kramer (1996) poses the equally marked question of “Whither trust?” At the workshop, answers were sought to questions like: “Why is trust growing in importance nowadays?”, “Is trust really a distinct and new phenomenon?” and “What does the study of trust add to what we already know from studying other characteristics of relations within organisations?”.

In the first study presented in this volume, the keynote speech that Tom Tyler gave at the workshop, the question is addressed of why trust has emerged as such an important issue. He discusses the changes in societies and organisations that are relevant to the rise of trust on the research agenda in more detail, generating hypotheses from this discussion and testing them on empirical data. And he poses the question of whether trust is a different phenomenon than procedural justice, an extensively studied characteristic of intra-organisational relations that seems rather close to the concept of motive-based trust he has developed. By presenting convincing evidence for an affirmative answer to this question, Tyler continues to contribute to the clarification of trust as a distinct phenomenon.

According to Tyler, trust is a key to organisational performance because it enables voluntary cooperation. This form of cooperation becomes increasingly important when command and control styles of management are no longer effective. More and more people work in widely dispersed groups, with increases in the number of people that work at home. In these situations, task
performance cannot easily be observed. Besides, the nature of work itself is changing in ways that make command and control approaches to motivation increasingly difficult. Work has become more centred around intellectual labour and a lot of work is done in interdependent teams. Management cannot control everything, it is more and more dependent on willing engagement of employees to work well. Cooperation and trust are important conditions in such a work environment.

Tyler argues that conceptualisations of trust must move beyond rational or calculative trust to various forms of social trust. In his study, motive-based trust shows to be most important for positive attitudes, extra-role behaviour and acceptance of decisions made by superiors. Antecedents of motive-based trust found were shared socials bonds, understandable actions by management, quality of treatment by management, and quality of managerial decision making.

Common understandings

Trust as a phenomenon

In the past decades, some common understandings about trust have emerged that can be built on. These understandings have created the opportunity to discover disagreements while also taking next steps in understanding trust. As the authors in this volume, most authors agree that the notion of risk is central to the concept of trust. According to Luhmann (1988) trust is a solution for specific problems of risk in relations between actors, because it is an attitude that allows for risk-taking. If actors choose one course of action in preference to alternatives, in spite of the possibility of being disappointed by the action of others, they define the situation as one of trust (Luhmann, 1988, pp. 97-9).

Another common understanding is that trust and cooperation are closely and positively related. Gambetta (1988, pp. 217-18) defines trust in line with Luhmann, but the link between trust and cooperation is made more explicit:

[...] when we say we trust someone or that someone is trustworthy, we implicitly mean that the probability that he will perform an action that is beneficial or at least not detrimental to us is high enough for us to consider engaging in some form of cooperation with him.

Creed and Miles (1996) build on Gambetta’s (1988) definition, but their definition is more focused on trust within organisations. Based on the work of Garfinkel (1967) “considering engaging in cooperation with another” is widened to a positive inclination towards the demands of the social order within the organisation:

[...] trust is both the specific expectation that an other’s actions will be beneficial rather than detrimental and the generalized ability to take for granted, to take under trust, a vast array of features of the social order (Creed and Miles, 1996, p. 17).

A point of discussion, mirrored in this volume, is what kind of expectations are connected to trust. In an earlier study of trust in superiors, Tyler and Degoejy
(1996) distinguished between instrumental (e.g. task reliability) and relational concerns, of which relational concerns were found to be more powerful predictors of trust. The study of Peter Kerkhof, Annemieke Winder and Bert Klandermans in this volume builds on this work. Using longitudinal data collected among the members of 75 Dutch works councils, they tested predictions regarding the relative influence of instrumental vs relational antecedents on the level of trust in management among works council members. Instrumental concerns included perceived influence of the works council on the organisation, on management decision making, and effectiveness of the works council. The data show that trust in management is related to procedural justice and quality of treatment by management, meaning that relational rather than instrumental antecedents predict trust. Like Tyler in this volume, they conclude that trust is a reaction to social information, information about the quality of the relationship, rather than to information about the favourability of the outcomes of the relationship.

The findings of the study of Tyler in this volume also show that contrary to instrumental antecedents, relational antecedents, in this study attribution of positive motives, predict trust in managers and authorities. Motive-based trust, in turn, shows to be the best predictor of extra-role behaviours. Tyler therefore argues that conceptualisations of trust must move beyond rational or calculative trust to various forms of social trust. By adopting Boon and Holmes’ (1991) conceptualisation of trust in terms of motives, De Gilder agrees with Tyler’s point of view. Bijlsma and van de Bunt take the matter in another direction by searching for single managerial behaviours that can predict trust. In their view, these behaviours indicate relevant expectations that subordinates foster in pondering on trust in managers. They conclude that the behaviours found mean that subordinates see these as the core tasks of managers, and that they attach value to a proper execution of these tasks. In this view, task-reliability equals benevolence and respect, shown for subordinates. Referring to the work of Sitkin and Stickel (1996) they argue that both signify value-congruence that impedes distrust to arise.

Another conceptual matter that is not agreed upon is whether trust is better conceived of as a one-dimensional or a multi-dimensional construct. Most authors in this volume define trust as a psychological state, thus implying that trust is best conceived of as a one-dimensional construct. Costa and Connell et al. conceptualise trust as a multi-dimensional construct. Ana Cristina Costa discusses her point of view that trust is better understood as a multidimensional construct. Her study focused on the nature and functioning of trust in work teams in three social care institutions. Based on the work of authors from different disciplines, like Cummings and Bromiley (1996) and Lewis and Weigert (1985) she included behaviours that signify trust, like cooperative behaviours and absence of monitoring as dimensions of trust, besides perceived trustworthiness, that represents the psychological state
dimension. A last dimension added was propensity to trust. Trust between team members showed to be positively related to attitudinal commitment, perceived task performance and team satisfaction, while continuance commitment was negatively related to trust.

Consequences of trust
Theoretically, there is little disagreement about the nature of the consequences of trust. It is widely acknowledged that trust works as a lubricant in economic transactions, by smoothing relations between actors and reducing transaction costs, related to control (Williamson, 1975; Powell, 1990; Creed and Miles, 1996). Empirical research has yielded a wide variety of findings. A recently published meta analysis of antecedents and consequences of trust in leadership by Dirks and Ferrin (2002) resulted in the following consequences, of which several were also found in the studies presented in this volume: belief of information, organisational commitment (Connell et al.; De Gilder; Costa), decision commitment, organisational citizenship behaviour (Connell et al.; De Gilder), job satisfaction, satisfaction with leaders, leader-member exchange, intention to stay (Connell et al.; De Gilder). Other authors found trust within organisations to be related to team commitment (De Gilder), voice, loyalty and low neglect (De Gilder), OCB (De Gilder), extra-role behaviours (Tyler), acceptance of decisions (Tyler), acceptance of influence (Blau, 1964; Tyler and Degory, 1996), absence of monitoring (Costa), team satisfaction (Costa), attribution of positive motives (Kramer, 1996), mutual learning (Nonaka and Takeuchi, 1995; Boisot, 1995; Bijlsma et al., 1999; Janowicz and Noorderhaven, 2002), and to positive outcomes such as high levels of cooperation and performance (Morgan and Hunt, 1994; Gambetta, 1988; Costa et al., 2001; Costa). These studies do support the theoretical idea that trust lubricates a wide array of organisational processes.

Building trust
It is also a matter of common understanding that trust is influenced by past experiences and chances of future interactions, both relevant within organisations. Expectations of others’ beneficial actions will be enhanced by prior experiences of such behaviour. If others live up to prior expectations, this good repute will further positive expectations in the future, enhance the level of trust, and promote actor’s willingness to cooperate (Lewicki and Bunker, 1996; Buskens, 1999; Gautschi, 2002). This idea, however, has not been tested extensively by empirical research as yet. Longitudinal data are needed for this purpose. In this volume, the study of Kerkhof et al. sheds some light on this matter, based on data of two measurements at different points in time.

A related matter that calls for attention is what this insight means in the light of processes of globalisation, flexibilisation of labour relations, continuous change and virtualisation of organisational forms, which were
discussed before. When relations between people become looser, more temporal and more virtual, a paradoxical consequence can be that trust is more needed to enhance cooperation and extra-role behaviours, as Tyler argues, while at the same time fewer cues are present to build trust on. One can wonder if a breaking point can be discovered in the process of loosening up, a point of the most minimal conditions that are sufficient to build trust. Or is this question not worth asking because trust can be built in any circumstance? Based on the work of Möllering (2001), the question can be rephrased in different terms. He argues that an irreducible leap of faith is always involved in building trust. The question then is whether there is an upper limit to this leap of faith. Systematic comparison of more and less stable work situations, more or less shared bonds, workers with long-term and short-term contracts, local and global organisational forms can bring about some answers to this question. In this volume, the study of Dick de Gilder offers insights regarding this matter. In his study differences in trust, commitment and justice perceptions were investigated between contingent and core employees in two hotels, as well as their effects on work behaviours. Contingent workers showed lower commitment to the team and to the organisation, and displayed less favourable work-related behaviours than core employees. Commitment to the team mediated between job status (contingent versus core employees) and five work-related behaviours:

1. exit;
2. voice;
3. loyalty;
4. neglect; and
5. labour market activity.

He concludes that only in the case that a relationship is created at team level, more constructive work-related behaviour can be expected from contingent workers.

Matters in discussion

Antecedents of trust

Although there is a growing understanding about the antecedents of trust, a lot of work has yet to be done. In the study of Dirks and Ferrin (2002), a first systematic review of empirical evidence for antecedents of trust in leadership is presented, that is mirrored in the findings of several studies in this volume. Trust in leaders was found to be significantly related to transformational leadership (Connell et al.), perceived organisational support (Connell et al.), interactional justice, procedural justice (Kerkhof et al.; Connell et al.), transactional leadership, distributive justice, participative decision making and meeting expectations of followers (Dirks and Ferrin, 2002, p. 622).
The study of Julia Connell, Natalie Ferres and Tony Travaglione is most in line with the outcomes of this meta-analysis. They studied antecedents and consequences of trust within manager-subordinate relationships within a large Australian organisation. The annual staff survey for this organisation indicated that levels of trust in managers were very low. Perceived organisational support, procedural justice and transformational leadership were found to be significant predictors of trust in managers, while turnover intention and commitment were significant consequences. In this volume, shared social bonds (Tyler), quality of treatment by management (Kerkhof et al.; Tyler), understandable actions by management (Tyler), quality of managerial decision making (Tyler) and perceived trustworthiness (Costa) were also found as antecedents of trust in managers.

An emerging discussion within the field is whether employing rather complex constructs as indicators of antecedents will pave the way to a better understanding of what triggers trust in managers. In this volume, Bijlsma and Van de Bunt argue that antecedents of trust found so far do not easily stand up to confrontation with the widely-held assumption of bounded rationality. By employing complex constructs, it is implied that actors, in pondering on trust in managers, can deal with many complex cues, instead of a few single ones, as bounded rationality suggests (Simon, 1955; March, 1978). Dirks and Ferrin (2002, p. 622) make a similar point in concluding that further research is needed to “examine the behavioural cues that employees use to draw conclusions about the character of the leader or whether the relation is one involving care and concern.”

How to measure antecedents of trust?
In the matter of how to measure antecedents, two points of discussion have recently emerged after a period of common understanding. The first point, in the words of Kramer (1996), is that in order to arrive at a better understanding of trust, mental accounts of actors should be included in research on trust. By triangulating qualitative data and survey data, robustness of findings can be enhanced (Bijlsma-Frankema and van de Bunt, in press). While most contributions in this volume rely on survey data, Connell et al., in line with this recommendation, used focus group data to test whether the design of their survey reflected all matters that respondents experienced as relevant to trust in managers. Bijlsma and van de Bunt advocate an inductive version of a triangulation approach by basing survey items entirely on interview data.

A second emerging debate is about the use of multiple-item scales in measuring antecedents of trust. Most researchers measure antecedents of trust as multiple-item scales, in line with the traditions in psychology and sociology not to rely on single item variables, because of robustness considerations. This tradition is followed in most of the studies presented in this volume. Yet, advocates of single item measurements have not been absent in the field of
work and organisational psychology. Wanous and Reichert (1997), for instance, compared the robustness of single item and multiple item measurements of overall job satisfaction, concluding that it seems reasonable that single item measures are more robust than scale measures. Dirks and Ferrin’s (2002) proposal to search for behavioural cues in future studies of trust in leadership also draws attention to single item measurements, that can lead to a more parsimonious model of antecedents. In the study of Katinka Bijlsma and Gerhard van de Bunt, conducted in a general hospital, interview and survey data were combined in the search for such a parsimonious set of single managerial behaviours that serve as cues for subordinates in pondering on trust in managers. Based on interviews, seven hypotheses, each relating a single behavioural cue to trust, were formulated and tested in a survey, using single item variables. Based on regression analysis and a Boolean pattern analysis, a pattern of three behaviours was found to predict 97 per cent of trust in managers: monitoring performance, guidance to improve performance and support in case of trouble with others. They note, however, that these findings may be context bound.

Relation between trust and control
A standing matter of substantial disagreement is how trust and control are related. This matter is of importance because almost all of the positive consequences of trust have once been attributed to managerial control. Besides, since control, which is a core task of managers, cannot be expected to disappear, the question of how higher levels of trust affect levels and modes of managerial control needs to be addressed. Many authors conceive of trust as a substitute of control because it reduces transaction costs. The higher the level of trust in a relationship, the lower the costs of monitoring and other control mechanisms will be (Cummings and Bromiley, 1996; Curral and Judge, 1995; Smith and Barclay, 1997). Another idea is that organisational forms differ in trust and control requirements to function effectively. Whereas building and maintaining a formal control apparatus is effective in functional forms, in network forms building and maintaining trust in hierarchical relations is required to master the risks involved in this form (Creed and Miles, 1996).

It is, however, also argued that the increased need for trust in modern organisations does not necessarily mean lesser need of checks and controls. On the one hand, because violations of trust are more likely to occur when vulnerability increases (Morris and Moberg, 1994), on the other hand because the effects of such violations can lead to drastic consequences. Das and Teng (1998, p. 459) also reject the idea that trust is a substitute of control. They argue that trust and control should be seen as complementary phenomena, both contributing to the level of cooperation needed in a relationship. Other authors concentrate on possible tensions between trust and control. Actors may
experience control as based on Theory X (McGregor, 1960), signifying value-incongruence between the controller and the controlled, that can fuel distrust in the controller on the part of the controlled (Sitkin and Stickel, 1996; Handy, 1993; Whitney, 1993).

So far, empirical research has not yielded decisive support for one stance over another. In this volume, Costa found that trust between members involved high cooperative behaviours and lack of monitoring between colleagues, indicating that trust can work as a substitute for control. Bijlsma and Van de Bunt, on the contrary, found that subordinates’ trust in managers is positively related to monitoring their performance, indicating that trust and control can be positively related.

Directions for future research
The studies, presented in this volume reflect common understandings, but they mirror standing and emerging points of discussions as well. Based on the discussions, some directions for future research can be formulated. In our view, the discussion on the relation between trust and control needs to be addressed with full attention. However optimistic some advocates of the substitution hypothesis may be, it cannot reasonably be argued that control will be fully replaced by trust as a mechanism of organisational governance. The general idea that levels and modes of control will be affected if levels of trust are rising seems to be amply supported by scholars, but there is a pressing need for more empirical evidence.

A promising way to address this matter may be to follow upon economic ways of reasoning by approaching trust via the concept of risk. The relation between risk and trust is an uncontested one, but in social scientific studies the implications of this conceptual relation have not been fully exploited so far. A study of trust could start by analysing the risks involved in a particular relationship. Several authors in this volume have made a start in this direction. The idea that different relations may involve different risks can be worked out more systematically by comparing risk analyses that explain the findings of different studies.

The relation between trust and control as mechanisms of governance may also be clarified by systematic analysis of risks. In reference to the argument of Weibel (2002), that trust is way to absorb risks and formal control is a way to reduce risks, it can be conjectured that, in the eyes of the actors involved, some risks in relationships are better dealt with by control, because reduced risks are more easy to absorb. In this way, control can positively influence trust building. The contrary findings on trust and monitoring of Costa and Bijlsma and van de Bunt may also be explained by following this line of reasoning. A major risk for subordinates is an unfair assessment of performance by the supervisor, which can cause considerable damage to them. Bijlsma and van de Bunt found that monitoring by the supervisor was experienced as care, as a
benevolent action that reduces the risk of unfair assessments. In relations with colleagues, on the contrary, the risk of social exclusion seems of major relevance. If monitoring colleagues is experienced as promoting this risk, the negative relation Costa found becomes understandable.

Another challenge for future research seems to lie in the search for more parsimonious models of antecedents of trust by taking the assumption of bounded rationality seriously. Triangulation of qualitative and quantitative data can be a promising approach to this search, enriching the field with inductive approaches to complement deductive approaches that dominated in the past. It must be noted, however, that inductive approaches are based on distinct assumptions (Silverman, 2001). It is, for instance, not to be expected that replication of a study will produce exactly the same results in other organisations and situations, because of context boundedness. Differences in tasks, in risks involved, in the nature of organisational relations, contexts and cultures may produce differences in the single cues actors employ in pondering on trusting others. Systematic analysis of different findings, digging a spade below the surface of diversity so to speak, can produce a model of antecedents that, after testing, meets the demands of parsimony, validity and scope better than the complex constructs at hand.

A last and general recommendation for future research is that much can be gained by systematic comparison, of more and less stable work situations, more and less shared bonds, more or less virtual relations, workers with long-term and short-term contracts, temporary and stable teams, local and global organisational forms. In this way, answers can be found to the question of how trust and control function in different circumstances. It can, for instance be assumed that the relation between trust and control changes over time within a certain context. If a team must be build from scratch, making agreements and monitoring compliance of team members can help build trust, as Lewicki and Bunker (1996) argue. In teams in a mature phase, like the teams Costa studied, trust building can have been so solid, and the risks involved so small, that monitoring is not needed to maintain optimal cooperation. A comparison of teams in different phases of maturity can shed light on this matter. It seems not so far fetched to conclude that a lot of promising research lies ahead of us.

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Further reading

About the Guest Editors
Katinka Bijlsma is Associate Professor of Organisation Theory at the Department of Public Administration and Organization Science at the Free University Amsterdam and Professor of Organisation Sciences at the European Institute for Advanced Studies in Management (EIASM). She received her PHD in Management and Organization sciences from the University of Amsterdam. Her main areas of expertise include organization theory, organisational behaviour and research methodology. Current research interests besides trust include consequences of frictions between cultures and structure in changing organisations, organisational learning processes, managerial cognition. She is chair of the First International Network on Trust (FINT), in which scholars from 18 countries participate, and co-chairs the second international workshop on trust in October 23-24 2003 with Bart Nooteboom. E-mail: K.M.Bijlsma-Frankemascw.vu.nl

Paul Koopman is Professor of the Psychology of Management and Organization at the Free University Amsterdam, The Netherlands. In 1980 he finished his PhD study on the subject “Decision making in organizations”. Since then he studied different types of processes of management and decision making on organisational level (industrial democracy, reorganization, turnaround management, privatization in Eastern Europe) and departmental level (leadership and motivation, quality circles, teamwork, ICT, innovation management). At this moment he is interested and actively involved in cross-cultural research, in particular in relation to issues of HRM, leadership, trust and organisational culture. E-mail: PL.Koopman@psy.vu.nl