

TRUST IN BOSS-SUBORDINATE RELATIONSHIPS

It is widely acknowledged that trust among members of an organization is important for organizational success. Therefore, it should be studied deeply. Trust has been studied in different disciplines, including economics, sociology and psychology. There is no generally accepted definition of trust. We define trust as a *willingness to be vulnerable to the action of another person, based on positive expectations about the other person's intentions and behavior*¹. From this definition it follows that trust is not a type of behavior, nor a choice, but an attitude toward a particular person which may be the cause or consequence of such behavior or choices. Therefore, trust is relational, trust includes vulnerability, and trust is founded on positive expectations.

Besides understanding what we mean by trust, it is also important to identify the *factors that promote* trust in an organization. What factors promote trust (or distrust) among people in an organization? The most recent studies of the subject from the psychological perspective distinguish two types of characteristics that determine the level of trust in boss-subordinate relationships: *personal factors and the boss's behavior*.

The personal factors correspond to the characteristics of the participants and the boss's behavior reflects the dynamic between boss and subordinate. Under the heading of personal factors comes a series of characteristics of boss and subordinate that affect the extent of the subordinate trust in the boss: demographic characteristics (age, gender, race/ethnic group), personal characteristics (past experience, personality and cultural background) and professional competence of the boss (knowledge and skills of the boss). As for demographic characteristics, various researchers have found that similarities between boss and subordinate are positively correlated with trust. As for personal characteristics, some people are more predisposed than others to trust people. As for the professional competence of the boss, subordinates will judge whether or not a boss is qualified to do her job well, and will either trust or distrust her accordingly.

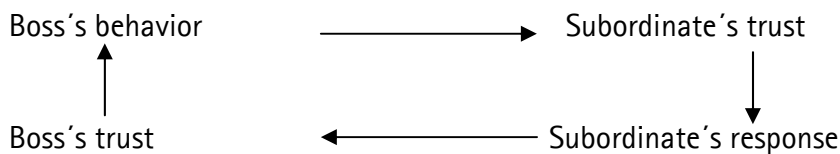
Apart from the personal factors, there is the boss's behavior. Subordinates will judge a boss's trustworthiness based on the way the boss behaves in interactions with them. Whitener, Brodt, Korsgaard and Werner pinpoint five types of behavior by bosses that foster trust in subordinates²: a) consistency, b) integrity, c) communication, d) delegation, and e) consideration. Personal factors and the boss's behavior are the two dimensions that we find in every interaction between a boss and a subordinate. For a complete diagnosis of the relationships of trust, both the personal factors and the boss's behavior

¹ Rousseau, D.M., Sitkin, S.B., Burt, R.S. & Camerer, C. 1998. "Not so different after all: A cross-discipline view of trust", *Academy of Management Review*, 23, pp. 393-404.

² Whitener, E.M., Brodt, S.E., Korsgaard M.A. and Werner, J.M. 1998. "Managers as initiators of trust: An exchange relationship framework for understanding managerial trustworthy behavior", *Academy of Management Review*, 23, pp. 513-530.

must be taken into account, as both contribute to the development of interpersonal trust. These two basic dimensions of trust are not equally changeable in the short term. Personal factors tend to remain stable over time. Although knowledge and skills certainly can change, there is unlikely to be any radical change in the short term. Behavior, in contrast, can indeed change dramatically in the short term. That is not to say that all behaviors have an immediate effect in the short term. The two dimensions also differ in terms of the boss's capacity to generate trust. As the personal factors are less changeable, trust will depend mainly on the boss's fit with the job. Behavior, in contrast, is something the boss certainly can control. In any case, culture will affect the perceptions of the personal characteristics and it will also affect the subordinates' judgement of the boss's behavior.

Trust evolves gradually over time. And yet, trust does not develop automatically as time passes, but according to the quality of the interaction between the parties. Both the the boss's behavior and the subordinate's response will influence the process, as they establish a dynamic relationship of mutual influence. However, because the boss is in position of greater influence, her behavior is critical, as it crucially affects the subordinate's motivation in the relationship. The interaction process starts with the boss's initial assessment of the subordinate's capabilities. Based on that assessment, the boss forms certain expectations. If she judges that the subordinate is trustworthy, she will act in consequence. As a result, the subordinate will see that the boss trusts her and will tend to respond in kind. This will reinforce the boss's initial expectations, and so the trust will continue to grow. Therefore, we can say that trust is a reciprocal phenomenon³, as it is shown in the figure.



With trust, the boss-subordinate relationship evolves from one initially based on economic exchange and contractual performance to one based on *identification*⁴. As the parties interact, they get to know one another. If both parties' behavior is honest and consistent over time, if there is a transparent exchange of information, and if there is joint participation in decision making, then it is possible that the level of trust will grow and there will be less need for the use of coercive measures. Eventually, the parties to the relationship may develop such trust that they identify with the needs, preferences and priorities of the other, and act to satisfy those needs. This type of trust appears when the boss shows genuine interest and consideration for the subordinate. Trust boosts the boss's authority and, therefore, the ability to demand a higher degree of cooperation than the contractual minimum. Authority (and trust) is won not with cunning, but with exemplary

³ Broker, H.H., Schoorman, F.D. and Tan, H.H. 2000. "A model of relational leadership: The integration of trust and leader-member exchange", *Leadership Quarterly*, 11, pp. 227-250.

⁴ Lewicki, R.J. and Bunker, B.B. 1996. "Developing and maintaining trust in work relationships", in Kramer, R.M. and Tyler, T.R. (Eds.), *Trust in organizations: Frontiers of theory and research* (pp. 114-139). Thousand Oaks, Sage.

behavior. It can be eroded by misuse of power: not using power when it should be used, using it unnecessarily, or using it unjustly⁵. Obviously, these concepts are going to be interpreted differently according to culture.

3.1. Cross-cultural perspective

Summing up, trust is a relational attitude that evolves gradually over time. There are factors that promote trust in organizations. How is culture going to affect those factors? We have above mentioned the five types of bosses' behavior that foster trust in subordinates: a) consistency, b) integrity, c) communication, d) delegation, and e) consideration. Various outcomes of these five types of behavior may be interpreted and valued distinctively depending on the organization's culture and the subordinate's culture. As anthropologists Nader and Sursock⁶ noted, justice beliefs and the justice motive are universal, but the meanings of justice vary across different social and cultural settings.

Kabanoff⁷ presents a system level theory of organizational justice trying to describe the orientation of an organization as a whole. Organizations have a tendency toward producing equality or inequality of outcomes among organizational members, and a tendency of having procedures oriented toward treating people more or less equally or unequally. These tendencies produce four different kinds of organizations with different value structures. Kabanoff has integrated his model with Hofstede's individualism and power distance dimensions, so as to link the four organizational types with four national culture types. The Elite Organization (unequal outcome values and inequality oriented procedural values) corresponds to a high power distance and high individualism national culture. The Leadership Organization (unequal outcome orientation but cohesion oriented procedural values that try to compensate for the outcomes) corresponds to a high power distance and low individualism national culture. The Meritocratic Organization (unequal outcomes but equality procedures) corresponds to a low power distance and high individualism national culture. The Collegial Organization (equality in outcomes and procedures) corresponds to a low power distance and low individualism national culture. Thus, the boss's behavior will be interpreted differently depending on the culture of the organization. Obviously, the culture of origin (and of residence) of the subordinates may also affect their interpretation of the boss's behavior⁸.

⁵ Pérez-López, J.A. 1996. *Fundamentos de la dirección de empresas*, (3rd ed.), Madrid, Rialp.

⁶ Nader, L. & Sursock, A. 1986. "Anthropology and justice", in Cohen, R. L. (Ed), *Justice Views from the social sciences*, pp. 205/233, Plenum.

⁷ Kabanoff, B. "Organizational Justice Across Cultures. Integrating Organization-Level and Culture-Level Perspectives", chapter 23, in Earley, P. C., and Erez, M. (Eds) 1997. *New Perspectives on International Industrial/Organizational Psychology*, The New Lexington Press.

⁸ However, it is not clear whether the organizational culture (affected by the national culture in which the organization is established but not to be confounded with it – we just have to think in mergers, acquisitions, and subsidiary companies, where it is not clear which culture will be dominant-) or the subordinates' culture is more relevant in the subordinates' interpretation of the boss's behavior. See Kabanoff, B. "Organizational Justice Across Cultures. Integrating Organization-Level and Culture-Level Perspectives", chapter 23, in Earley, P. C., and Erez, M. (Eds) 1997. *New*

In conclusion, we are interested in continuing this line of research from a cross-cultural perspective, in order to answer this kind of questions: how do we measure the degree of trust between a boss and a subordinate... shall we need different measures depending on the culture? What are the relevant factors for trust in the different cultures we study? How are the concepts of consistency, integrity, communication, delegation, and consideration, interpreted and valued in the cultures under study? How are the concepts of "not using power when it should be used", using power unnecessarily", and "using it unjustly", interpreted in the cultures under study? How can we get out from a distrust relationship and start trust building; will the culture affect the process? How do we measure the relation between trust, satisfaction, motivation, better performance and organizational commitment?