

DRDC Toronto No. CR-2008-038

Organizational Trust in the Canadian Forces

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PWGSC Contract No. W7711-3-7893/01-TOR Call-Up 7893-04

On behalf of DEPARTMENT OF NATIONAL DEFENCE

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> > March 2008



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Abstract

As the CF continues to protect Canada, defend North America, and contribute to international peace and security, it will become increasingly important that the CF be perceived as trustworthy by personnel within the organization and by potential external partners. It is also critical that Canadian Forces members know how to effectively distinguish among organizations and potential partners who are likely to behave in trustworthy ways, and those that are not. The purpose of this review was to systematically explore research and theory relevant to organizational trust, and the antecedents and consequences of organizational trust, with a specific emphasis on the military context. This review first explores the dimensions that influence trust and the ways in which trust develops, referents of organizational trust, and sociological underpinnings that serve as preconditions for organizational trust. The factors that influence organizational trust are also explored, such as organizational structure and change, diversity, and culture. In addition, the effects of organizational trust (e.g., job satisfaction, organizational commitment, citizenship behaviours, performance) are discussed. Finally, as a better understanding of organizational trust in a JIMP context will require considerable work related to further capturing the nuances of trust in military contexts, ideas for a future program of organizational trust research are presented. Specific research issues and questions related to learning more about the factors and the effects of organizational trust are offered.



Résumé

Alors que les FC continuent de protéger le Canada, de défendre l'Amérique du Nord et de contribuer à la paix et à la sécurité internationales, il devient de plus en plus important qu'elles soient perçues comme étant dignes de confiance (*trustworthy*) tant par leur personnel que par leurs partenaires extérieurs potentiels. Il est également essentiel que les membres des Forces canadiennes sachent comment distinguer efficacement les organisations et les partenaires potentiels qui sont probablement dignes de confiance de ceux qui ne le sont vraisemblablement pas. La présente analyse avait pour objectif d'examiner systématiquement les travaux théoriques et de recherche concernant la confiance organisationnelle (organizational trust), ses fondements et ses conséquences, particulièrement dans le contexte militaire. L'analyse porte d'abord sur les dimensions qui influent sur la confiance et les façons dont elle se développe, les référents de la confiance organisationnelle et les bases sociologiques qui lui sont préalables. Nous étudions également les facteurs qui agissent sur la confiance organisationnelle, comme la structure et les changements organisationnels, la diversité et la culture. Nous nous penchons sur les effets de la confiance organisationnelle (comme la satisfaction professionnelle, le degré d'attachement à l'organisation, le comportement de citovenneté et le rendement). Finalement, étant donné qu'une meilleure compréhension de la confiance organisationnelle dans un contexte IIMP passe par la réalisation d'importants travaux afin de mieux saisir les nuances de la confiance dans les contextes militaires, nous présentons des pistes pour un programme de recherche sur la confiance organisationnelle et nous proposons des questions de recherches précises sur les facteurs et les effets de ce type de confiance.



Executive Summary

As the Canadian Forces (CF) continues to protect Canada, defend North America, and contribute to international peace and security, it will be continually important that the CF is perceived as trustworthy by CF members and by external organizations. Similarly, it is also critical that CF representatives are able to accurately judge the trustworthiness of the people and organizations with which they must collaborate. In recent years, the CF has put increasing emphasis on the conduct of operations within joint, inter-agency, multinational and public (JIMP) environments. Understanding the nature of trust within joint operations, in collaboration with other agencies, at the multinational level and often in the eye of the public requires exploring trust both within organizations and among organizations as they work collaboratively. This review systematically explores research and theory relevant to organizational trust, the antecedents and consequences of organizational trust, and provides suggestions for future research aimed at understanding trust within and among organizations, with a specific emphasis on the military context.

The first 3 chapters of this report discuss the background of this project and the process of the literature review search. The fourth chapter addresses the conceptual aspects of organizational trust. The literature suggests that the dimensions that influence trust and the ways in which trust develops are relatively similar in the organizational and interpersonal domains. However, critical issues distinguishing organizational trust from interpersonal trust include the shifting nature of the referent and the sociological underpinnings that serve as preconditions for organizational trust. For instance, trust between two organizations can represent trust in an abstract system as well as trust in a particular person who is a representative of the system (i.e., individuals who represent the organization in interactions with other employees or other organizations such as managers or boundary spanners). Furthermore, organizational trust can emerge out of the complex institutional framework that enables the structure and action that occur within and among these organizations.

The fifth chapter addresses the factors that influence organizational trust. Understanding the relative contribution of leaders and other organizational representatives in promoting trust at the organizational level is a critical first step to understanding organizational trust within JIMP context. The practices of the CF as an organization, and the ways in which these practices are implemented will influence the perceived trust of CF personnel, as well as the trust of external partners. Other critical factors influencing organizational trust include organizational structure and change, diversity, culture and the support that the organization is perceived to provide to its members.

The sixth chapter explores the effects of organizational trust. Effects noted in the literature suggest that organization trust promotes job satisfaction, organizational commitment and citizenship behaviours, improves workgroup and individual performance and lowers conflict. This area of research, however, shows relatively little attention to the impact of trust at the more systemic level, focusing primarily on trust in leaders as conduits of organizational trust.

The final chapter discusses ideas for a future program of research. Better understanding organizational trust in a JIMP context will require considerable work related to further capturing the nuances of trust in military contexts. Specific research issues and questions related to learning more about the factors and the effects of organizational trust are offered. In addition, a study exploring trust at the intra-organizational level and at the inter-organization level are described. For the future, this area of research offers huge potential to make important contributions to furthering the effectiveness of the CF.



Sommaire

Alors que les Forces canadiennes (FC) continuent de protéger le Canada, de défendre l'Amérique du Nord et de contribuer à la paix et à la sécurité internationales, il devient de plus en plus important qu'elles soient perçues comme dignes de confiance par leurs membres et par les organisations externes. De même, il est essentiel que les représentants des FC soient en mesure de juger avec précision quel degré de confiance accorder aux personnes et aux organisations avec lesquelles ils doivent collaborer. Au cours des dernières années, les FC ont de plus en plus mis l'accent sur la conduite d'opérations dans des environnements interarmées, interorganisationnels, multinationaux et publics (IIMP). Pour comprendre la nature de la confiance au cours d'opérations interarmées menées en collaboration avec d'autres organisations au niveau multinational et bien souvent sous le regard du public, il faut étudier la confiance au sein des organisations entre les organisations qui travaillent en collaboration. La présente analyse, qui se concentre surtout sur le confiance organisationnelle, ses fondements et ses conséquences. Elle propose également des pistes de recherche portant sur la confiance pour comprendre la confiance entre les organisations et en leur sein.

Les trois premiers chapitres du rapport portent sur le contexte du projet et sur le processus de l'analyse documentaire. Le quatrième chapitre est consacré aux aspects conceptuels de la confiance organisationnelle. Selon la littérature, les dimensions qui influent sur la confiance et la façon dont elle se développe sont relativement semblables dans les domaines organisationnels et interpersonnels. Cependant, la confiance organisationnelle se distingue de la confiance interpersonnelle notamment en raison de la nature changeante de son référent et des bases sociologiques qui lui sont préalables. Ainsi, la confiance entre deux organisations peut se manifester sous la forme d'une confiance envers un système abstrait aussi bien qu'envers une personne en particulier qui est un représentant de ce système (les personnes qui représentent l'organisation lors d'interface et les gestionnaires). Qui plus est, la confiance organisationnelle peut émerger du cadre institutionnel complexe qui sous-tend les structures et les interactions qui existent entre ces organisations et en leur sein.

Le cinquième chapitre porte sur les facteurs qui influent sur la confiance organisationnelle. Pour appréhender la confiance organisationnelle dans un contexte IIMP, il est crucial de commencer par comprendre la contribution relative des leaders et des autres représentants d'une organisation à la promotion de la confiance au niveau organisationnel. Les pratiques des FC en tant qu'organisation et les façons dont ces pratiques sont mises en oeuvre influeront sur la confiance apparente de leur personnel ainsi que sur la confiance des partenaires extérieurs. Les autres facteurs qui ont une influence décisive sur la confiance organisationnelle comprennent la structure et les changements organisationnels, la diversité, la culture et la perception que les membres ont du soutien qu'ils reçoivent de leur organisation.

Le sixième chapitre étudie les effets de la confiance organisationnelle. Selon la littérature, il semble que la confiance organisationnelle fasse augmenter la satisfaction professionnelle, le degré d'attachement à l'organisation et le comportement de citoyenneté, en plus d'améliorer le rendement individuel et de groupe et de réduire les conflits. Cependant, les études sur ce sujet se sont surtout concentrées sur la confiance envers les leaders comme vecteur de la confiance organisationnelle et n'ont porté que relativement peu d'attention à l'effet de la confiance au niveau systémique.



Le dernier chapitre donne des pistes pour un programme de recherches futures. Pour mieux comprendre la confiance organisationnelle dans un contexte IIMP, il faut réaliser d'importants travaux sur les nuances de la confiance dans les contextes militaires. Nous proposons des questions de recherche précises sur les facteurs et les effets de la confiance organisationnelle. Nous décrivons également une étude sur la confiance aux niveaux intraorganisationnel et interorganisationnel. Les recherches sur ce sujet comportent d'énormes possibilités de faire d'importantes contributions à l'augmentation de l'efficacité des FC.



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Chapter 1 – Introduction

1.1 Background

This review was initiated to support the work of the Command Effectiveness and Behaviour (CEB) group at Defence Research and Development Canada (DRDC) Toronto. This group had started a program of research focused on understanding trust within small military teams. Relevant work involved a comprehensive review of the scientific and military literature related to trust, the creation of a theoretical model of trust development, and efforts to validate this model and a measure of trust in small military teams. As these efforts evolved, understanding the role of trust in the CF as an organization was identified by the then Scientific Authority (Carol McCann) as being increasingly important. However, as the trust in teams program of research proceeded, completion of the organizational trust review gave way to other research priorities and this review sat dormant for several months.

The Scientific Authority for the trust program of research (and for this specific call-up) shifted to Dr. Megan Thompson in early 2006. Organizational changes within DRDC Toronto have since led to the creation of new sections with redefined research agendas, with the trust program of research (still led by Dr. Megan Thompson) now "residing" in the Collaborative Performance and Learning (CPL) section. During this time, the Canadian Forces has continued to put increasing emphasis on the need to conduct operations within joint, inter-agency, multinational and public (JIMP) environments. This emphasis on JIMP demands a broader view of the context of future operations. Understanding the nature of trust within joint operations, in collaboration with other agencies, at the multinational level and often in the eye of the public requires exploring trust both within organizations and among organizations as they work collaboratively. With these developments, then, and with a new program of trust work initiated by the Scientific Authority related to trust in JIMP environments emerging, it was critical to complete this review and to satisfy the deliverables of the organizational trust call-up.

Thus, this literature review systematically explores research and theory relevant to organizational trust, and the antecedents and consequences of organizational trust. This review also suggestions for future researched aimed at understanding trust within and among organizations, with specific emphasis on the military context.

1.2 Purpose

The purpose of this literature review was to:

- Define the concept of organizational trust and discuss similarities and differences with trust in other domains
- Present empirical and theoretical work in the scientific and military literature relevant to trust within the CF and between the CF and other organizations
- Identify factors that affect the development of organizational trust
- Identify the consequences of trust within and among organizations



• Generate recommendations for incorporating the study of organizational trust into the CF's current program of research, and formulating specific hypotheses concerning trust in the CF at an organizational level that could be addressed in a long-term program of research

1.3 Scope

This literature review focuses on available research relevant to intra- and inter-organizational trust, and attempts to apply this research to the Canadian military context. As the research directly addressing trust in military contexts was extremely limited, it was necessary to take a wider overview of organizational trust research and theory from both academic and applied domains. These domains offer empirical studies of trust in the workplace and experimental studies of organizational trust in lab settings. As leader trust was often argued to be a strong predictor of organizational trust (and occasionally equated with organizational trust in the literature), research exploring leader trust in organizational contexts was also relevant to this review.

It is important to note that there are many possible referents when thinking about trust in an organizational context, and this review was intended to focus primarily on trust among organizational members (intra-organizational trust) and trust among members or representatives of different organizations (inter-organizational trust). This narrowing, in essence, put priority on the trust-relevant perceptions and expectations of CF members for their leaders (as conduits of organizational trust), and on their work relationships with others both within and outside of their own organization. Many other possible forms of organizational trust, such as the public's trust in the CF as an organization were seen as fascinating and important topics for future research to consider, but as outside the scope of this review. As such, with the current CF emphasis on the joint, inter-agency, multinational and public (JIMP) aspects of operations, this review is limited to the joint, inter-agency and multinational issues associated with organizational trust.

1.4 Work Items

The following work items were performed:

- A search of the literature to identify relevant journal articles, reports, books, etc. pertaining to organizational trust
- Approximately 60 primary articles identified in the search were selected and reviewed in detail. In addition, about 50 secondary articles deemed relevant to specific topics of interest were considered, but were not necessarily reviewed in detail
- A report documenting the results of the literature review was composed

1.5 Deliverables

The following deliverables were created under this contract:

- Paper copies of the articles reviewed
- A report on the literature review



Chapter 2 – Method

2.1 Keywords

We developed a set of keywords (see Table 1) for the literature search based on our experience with the pertinent scientific literature on organizational trust. These keywords were chosen because they focused the search on topics directly related to organizational trust and were intended to identify any other related theoretical approaches or conceptualizations that might be relevant.

Core Construct	Secondary Keywords
Trust	Belief, confidence, faith, reliance, dependence, assurance, certainty, security, hope, expectation, integrity, reliability, dependability, predictability
Organization	Industry, business, association, alliance, company, institution, commonwealth, confederation, corporation, federation, institute, union, league, cooperative, establishment, bureaucracy, hierarchy, network, group, fellowship, enterprise, market, society, collective, community, firm
Military	Army, navy, air, hierarchical, rank, specialty, civilian, lateral, arms (e.g., infantry), force, crew, detachment, squad, troop, unit, armament
Leaders/Conduits	Authority, responsibility, leadership style, experience, ethics, honour (honor), boundary spanners, intermediaries, guarantors
Measurement	Trust differentials, scale, questionnaire, inventory, test, indices, indicators, performance indicators

Table 1. Keywords

The core concept keywords were the most important words used in the search, as they represent the broad relevant constructs likely to be of importance. As necessary, the primary keywords were used in order to ensure sampling of literature from several different areas within the core construct, and their use was guided by what emerged during initial core concept searches. The purpose of the primary keywords, then, was to ensure that theory and research related to several different aspects of the organizational trust literature was accessed.

2.2 Databases

Searches were conducted of the following databases and sources:

- PsycINFO
- National Technical Information Service (NTIS)
- Canada Institute for Scientific and Technical Information (CISTI)
- World Wide Web (WWW)

PsycINFO is a resource maintained by the American Psychological Association (APA) that offers products to aid researchers in locating psychological literature. The database is based on Psychological Abstracts and contains non-evaluative summaries of literature in psychology and related fields (e.g., human factors, education, business and social studies). The database contains over one million electronically-stored bibliographic references with authors, titles, publication



information, and abstracts or content summaries, covering material published in over 45 countries since 1967. References include journal articles, dissertations, reports, and book chapters.

NTIS is an agency of the U.S. Department of Commerce's Technology Administration. It is the official source for government sponsored U.S. and worldwide scientific, technical, engineering, and business related information. The database maintained by NTIS contains almost three million titles, including 370,000 technical reports from U.S. government research. The information in the database is gathered from U.S. government agencies and government agencies of countries around the world.

The CISTI database houses a comprehensive collection of publications in science, technology, and medicine. It contains over 50,000 serial titles and 600,000 books, reports, and conference proceedings from around the world.

2.3 The Search

We systematically searched the databases using the keywords specified above. When a keyword yielded an unmanageable number of references, we systematically added additional keywords to refine the search. We also identified articles cited in the reference lists of the articles obtained for the review on the basis of their potential relevance to organizational trust. In addition, we selected articles from our previous reports on trust in military contexts relevant to organizational trust.

2.4 Selection of Articles

The initial search of the databases generated approximately 200 titles and abstracts. We reviewed these and prioritized them (high, medium, or low) according to their fit with the purpose and scope of the literature review. Priority was based on the extent to which the article seemed to apply to the main categories of keywords developed earlier (Table 1). Once titles and abstracts were prioritized, we identified approximately 75 articles and chapters that were rated as highest priority and obtained as many of these as possible. All of these articles were read and screened for their relevance to the issue at hand. However, we found that the quality of articles varied greatly. As a result of this screening process, about 60 articles and chapters were deemed appropriate to be used as primary articles. In addition, many secondary articles were also used in the review.

2.5 Review of Articles

We read and took detailed notes for each of the articles obtained for review. After reviewing approximately 20 articles and chapters, we developed a broad outline of the major issues. We used this outline to categorize the applicability of the articles and to further focus our review of the remaining obtained articles.



Chapter 3 – Results

As previously stated, we obtained about 60 primary articles for review. These articles were drawn from published journals and from military and government reports.

3.1 Domains of Research

The articles obtained for review came from a number of research areas:

- Behavioural Sciences
- Business/Organizational Theory
- Military

Most of the articles were drawn from studies of organizational trust in the behavioural sciences and business domains, as researchers in these domains have devoted the most effort to understanding organizational trust. Although we searched specifically for articles specifically related to organizational trust in the military domain, studies in this area appear to be very limited.

3.2 Structure of the Report

The first section of this report presents a conceptual overview of organizational trust, as well as a discussion of the relationship between intra- and inter-organizational trust. The following section reviews the factors likely to impact on trust within and among organizations. Subsequent sections address the potential consequences or outcomes of intra- and inter-organizational trust. The final chapter includes a proposed program of research for studying intra- and inter-organizational trust in the CF.

3.3 Limitations of this Review

This review is limited in at least 2 key ways. First and foremost, the bulk of the review was undertaken more than 2 years ago. Since that time, the trust literature as a whole (and in specific the organizational trust literature) has progressed at a very high rate. Given the time elapsed since the majority of the review was undertaken, we put some effort into identifying and reviewing some very recent articles about organizational trust in order to ensure that the older parts of the review were calibrated to the current research. Even despite the considerable progression in the literature in the last few years, the existing research and theory was still very relevant to understanding organizational trust.

The other limitation of this review is simply the scope of the literature review and the sheer volume of relevant literature. Capturing the nuances of trust within and among organizations was very difficult to do with a limited number of articles. However, despite these challenges, the review hopefully offers an important perspective on a complex area that is increasingly relevant to the functioning of complex organizations such as the CF.



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Chapter 4 – The Concept of Organizational Trust

The following chapter explores the concept of organizational trust, both within and among organizations. Moving into the 21st century, the nature of organizations is continually evolving. Steven Borgatti (2001) outlines five trends affecting organizations, including:

- Globalization moving from local economies to globalized and worldwide economies
- Diversity more diverse workplaces and markets
- Flexibility fewer rules and procedures, more need for flexible work forces
- Flattened structure less management, more worker empowerment
- Networks new information technology has enabled more strategic alliances, direct communication that ignores the chain of command

At an organizational level, these changes have the potential to influence trust both within and among organizations as they struggle to deal with increased diversity, and are challenged to function in a more global environment. For example, the challenge of a decentralized structure is that, although control structures and procedures may be less rigid, the allocation of responsibilities to lower levels carries the ever-present danger that this responsibility may not be properly enacted. Similarly, increased diversity within organizational systems may also increase the probability of different goals and values being in play, both of which will make developing trust more difficult. Events in recent years have often challenged people's trust in organizations. The collapse of Enron, scandals involving the Catholic Church and the chaotic efforts to help victims of Hurricane Katrina are all examples of breaches of integrity, benevolence and competence at the intra- and interorganizational levels. In the case of Enron, for example, Currall and Epstein (2003) have argued that trust was at the core of both the rise and fall of the company. The rise of Enron was in part due to the ability of executives to fabricate trust in the company by "manipulating expectations, social influences and perceptions of the company's track record. Shareholders and board members were willing to permit excessive compensation, related party transactions, and executive loans based on...trust dynamics" (p. 202-203). The strong reaction to the fall of Enron was a consequence of violating shareholders' and employees' trust, which turned to feelings of injustice. Such events seem to have negatively influenced people's willingness to put their faith in such abstract entities and in the people who run them.

These challenges to organizational trust undoubtedly influence both the public's perceptions as well as those required to work collaboratively in organizational contexts. In any collaborative situation, the extent to which the relevant parties trust each other has been consistently argued to have a substantive impact on how well they will be able to coordinate their efforts. Certainly, a good body of literature has explored trust at the interpersonal level, such as in small military teams (e.g., Adams, Bryant & Webb, 2001). Within an organizational context, however, the "calculation" of how trustworthy another prospective partner is likely to be requires more than just knowledge about this person's competence, benevolence, integrity and predictability. Because this partner is embedded within a specific organizational structure, judgements about this person's trustworthiness must also make allowances for the structure, practices and beliefs of the



organizational system in which this person is embedded. Considering the organizational context, then, is critical to deciding how much to trust an organizational representative.

Similarly, trust in an organizational context may equally be trust in a member or representative of a specific organizational system, or may simply refer to trust in the abstract organization or system. At this level, a person may have very strong attitudes about a particular organization being trustworthy (or not) which is quite devoid of direct and personal contact with a representative of the organization. As such, understanding organizational trust will require understanding both direct and indirect conduits of organizational trust. This review, then, works to explore organizational trust within and among organizations working together on an interdependent task.

4.1 Defining Organizational Trust

Previous work (i.e., Adams, Bryant & Webb, 2001; Adams & Webb, 2003) has investigated trust at the interpersonal level, in small military teams, and in military leaders. The current investigation moves trust from the interpersonal to the organizational level.

As a concept, organizational trust derives primarily from the business domain. As a consequence of the trend toward longer-term relationships among organizations in the business world, the issue of trust in organizational settings has come to the fore (Bachmann, 2001). As Bachmann states, trust is "becoming the central mechanism to allow for an efficient solution of the problem of co-ordinating expectations and interactions between economic actors" (p. 338).

Many of the definitions used to describe trust at the organizational level are very similar to those found in the literature on interpersonal trust. Some scholars describe interpersonal trust specifically as a psychological state, which includes expectations of another's behaviour toward oneself. For example, Rousseau, Sitkin, Burt and Camerer (1998, p. 395) hold that "trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another". Barney and Hansen's (1994) definition of interpersonal trust also includes psychological expectations, stating that "trust is the mutual confidence that one's vulnerabilities will not be exploited in an exchange" (p. 177). Hosmer's (2001) definition also notes the role of expectations, but expands the scope of the expectations, arguing that "trust is the expectation by one person, group or firm of ethical behaviour - that is, morally correct decisions and actions based upon ethical principles of analysis - on the part of the other person, group, or firm in a joint endeavour or economic exchange" (p. 399). Clearly, then, trust is consistently argued to involve positive expectations about another person, group or abstract entity.

Organizational trust also has the same situational antecedents as other forms of trust (namely, interdependence, risk, vulnerability, and uncertainty). Trust as a psychological state is also commonly linked with choice behaviour or decisions to be vulnerable to another person even if this person's behaviour cannot be directly observed or controlled (Aubert & Kelsey, 2003; Bachmann, 2001; D'Amico, 2003; Mayer, Davis & Schoorman, 1995). Currall and Epstein (2003, p. 193) state, "trust is the decision to rely on another party under a condition of risk". Bestowing trust upon someone or some entity, such as an organization, will not guarantee that expectations regarding the outcome will be fulfilled. This uncertainty induces the level of risk inherent in trusting behaviour. Therefore, like descriptions of interpersonal trust, organizational trust requires risk, vulnerability, uncertainty, and the need for interdependence, as well as acceptance of risk in order to resolve trust issues (Adams et al., 2001; Albrecht, 2002; Inkpen & Currall, 2004; Mayer & Davis, 1999).

Theorists have also argued that risks of trusting others and the reasons for doing so are similar in interpersonal and organizational contexts. It is clear in both domains, for example, that initiating



trusting behaviour puts the trustor at risk, because though there is an expectation that giving trust to other people makes them more likely to reciprocate in kind, fulfilment can never be guaranteed (Bachmann, 2001). However, in complex environments, it is most adaptive to attempt to reduce the uncertainty and to simplify the decisions that need to be made. Bachmann (2001) argues that within organizational contexts, this simplification process is aided by the established organizational framework (e.g., the roles in play, organizational procedures that guide behaviour) that provides information about the probability of the trustee behaving in positively predictable ways. These efforts to define organizational trust, then, show the constant mixing of levels of analysis (i.e., between the interpersonal and organizational levels) that distinguish this area of theory and research.

Other literature also shows organizational and interpersonal trust as involving similar underlying trust dimensions. For example, regardless of whether the referent is an individual or an organization, willingness to trust is based on the expectation that those recipients of trust will act benevolently toward the trustor. As Baird and St-Amand (1995, p. 6; quoting Heimovics, 1984) state, trust is "an expectancy held by an individual that the behaviour of another person or a group...[will] be altruistic and personally beneficial". Other organizational scholars have also included a sense of justice and integrity as components of trust. For example, Dyer and Chu (2003, p. 58) characterize interfirm trust as a construct based on three related components: reliability, fairness, and goodwill/ benevolence.

There are many ways to conceptualize organizational trust. For example, Sydow (1998) emphasizes the dimensions of competence, benevolence, and integrity as critical to interorganizational trust, but only when these are representative of the organization and not a specific person. Benevolence, often identified as a key antecedent of interpersonal trust, is commonly argued to be based on common goals or a sense of community. Interestingly, a recent update of the influential model from Mayer et al. (1995) argues that the emergence of trust in organizational contexts depends on time (Schoorman, Mayer & Davis, 2007). Dispositional trust is argued (as it has consistently been) to be an issue at the very beginning of a relationship. Judgements of ability and integrity, however, are argued to form relatively quickly, but benevolence is argued to become more of an issue as the relationship progresses. This explanation is posited to explain the common finding in laboratory studies (with relationships typically of short duration) of a high correlation between benevolence and integrity. On the other hand, they argue, when relationships are more established integrity and benevolence emerge as more distinct entities.

In their review of empirical research on inter-organizational trust, Seppänen, Blomqvist, and Sundqvist (2007) identified a number of dimensions used to study inter-organizational trust. As can be seen in Figure 1, these dimensions include many of the same dimensions used to study interpersonal trust (e.g., benevolence, integrity, competence, credibility, predictability).





Figure 1. Dimensions of inter-organizational trust (Seppänen, Blomqvist, & Sundqvist, 2007)

This graphic provides evidence of the many different ways in which the dimensions relevant to organizational trust have been conceptualized in the literature. What is most telling about this graphic is that even though there are many different dimensions noted by different theorists and researchers, there is a high level of commonality with descriptions of trust within the interpersonal domain. As a whole, then, the core factors of competence, predictability, benevolence, and integrity are seen to be important in interpersonal contexts (e.g. small teams and trust in leaders; Adams & Webb, 2001; Adams et al., 2004a, 2004b) as well as critical influences on organizational trust. However, in the case of organizational trust, these dimensions have somewhat different nuances, and the primary referent of these characteristics is typically the organization rather than the person. From our perspective, however, these dimensions are dependent on direct and personal experience with the trustee, whether an organizational representative or a more abstract system. At this level, then, organizational trust can be based on direct experience.

Another prominent form of trust, however, is category-based trust (Kramer, 1999), and this is also very relevant within the organizational domain. A critical aspect of organizational trust is based on the roles, practices and control structures that influence the functioning of an organization. When disclosure of the trustee's "capabilities, disposition, motives, and intentions" are unavailable (p. 578), trust may be based on a person's role within an organization. Kramer explains that "trust develops from and is sustained by people's common knowledge regarding the barriers to entry into



organizational roles, their presumptions of the training and the socialization processes that role occupants undergo, and their perceptions of various accountability mechanisms intended to ensure role compliance" (p. 578). In fact, trust can be spontaneously attributed to new members of a social category, provided they show the relevant symbols or patterns of behaviour. Within military systems, for example, it is a commonly-held assumption that senior-ranking soldiers are likely to have the skills (e.g., leadership qualities and decision-making capabilities) and motivation necessary to perform a defined role. Trust is bestowed on the assumption that the individual in the role has passed a screening process and complied with the processes, such as training and certification, which underlie the particular role (Kramer, 1999). In such circumstances, a person's role, therefore, is the basis for trust rather than personal knowledge. This sense of trust, Kramer informs, arises from trust in "the *system* of expertise that produces and maintains role-appropriate behaviour role occupants" (p. 578, emphasis added). As such, socialization and training processes can work to promote organizational trust (Kramer, 1999).

Beyond this, the trustworthiness of an organization can also be signalled by its reputation. As Blomqvist and Stahle (2000, p. 4) have argued:

"...organizations have reputations and images and they develop routines, processes and culture, which unify the behaviour of their employees and the responses to external contacts"

According to Dollinger, Golden, and Saxton (1997; cited in Sydow, 1998), a good reputation makes an organization a more desirable partner. Reputation can also transfer among organizations, as organizations seek established similar relationships with other organizations that have proven themselves to be trustworthy (Sydow, 1998). In the case where a reputation is tarnished, Koeszegi (2004) believes that displaying cooperation and trusting behaviour can help people and organizations to recover trust. In any event, reputation is very important for intra- and inter-organizational trust.

Organizational trust is also predicated on common beliefs and shared values evident within an organizational context. Wehmeyer, Reimer, and Schneider (2001) believe that trust in an abstract system emerges from common beliefs, shared values and adherence to certain basic rules. In other words, organizational trust emerges from an established institutional framework that includes common beliefs and shared values regarding how organizations should conduct their business practices. For example, an institutional framework may provide norms for the specific behaviour of its members. These norms can be sanctioned by law or they can be based on social or cultural assumptions. In any event, economic, legal, or cultural norms and expectations embedded in systems enhance the predictability of people belonging to common "networks" within the system, thereby enhancing intra- and inter-organizational trust. The social norms that operate within an organizational or institutional framework also help establish the conditions for organizational trust. For instance, reciprocity norms can be important for establishing mutual trust among organizations, at least initially, because they signal information relevant to the amount of control that people are likely to have over others' behaviour (Koeszegi, 2004). As such, "the norm of reciprocity provides a normative framework, within which trust is embedded" (p. 650). In interactions, participants may incrementally share information, signalling to others trustworthiness. Fulfilment of the normative dimension of trust, therefore, signals one's own trustworthiness to others (Koeszegi, 2004). Moreover, these reciprocity norms also have a self-perpetuating quality as research has demonstrated that people who perceive themselves to be trustworthy also tend to believe that others are trustworthy (Rotter, 1980; Yamagishi & Yamagishi, 1994).



In addition to socialization and training, established practices and procedures are important aspects of organizational trust. Within organizational settings, existing structures and business practices help inform trust judgements (Bachmann, 2001). For example, a legal contract, established merely to provide recourse if a trustor has been betrayed can work to promote predictability and standards for appropriate and inappropriate behaviour. This enhanced predictability may provide the assurance necessary to enter into a trusting relationship with an organization (Luhmann, 1979; cited in Bachmann, 2001). In addition to legalistic structures, Bachmann (2001) argues that several structures that make up an institutional framework, such as financial systems, trade associations, and economic policies, enable organizational trust because such structures promote shared understanding of acceptable business practices and norms. Instead of strict sanctions, "a tightly knit framework of institutions can be seen as minimizing the risk of trust", because it orients "the expectations and (re-)actions of social actors toward specific patterns of behaviour" in a "non-deterministic manner" (Bachmann, 2001, p. 344-345).

The relative consistency between the core dimensions and situational antecedents of organizational and interpersonal trust might promote the conclusion that there is little distinction between them. However, in order to distinguish organizational trust from interpersonal trust, it is necessary to clearly delineate the level of analysis in play. Much of the literature fails to do this, and treats trust between two people (within a specific organizational context) in exactly the same way as trust in an organizational system. These differing referents, however, are likely to impose distinct challenges for trust. This issue is discussed in detail in the next section.

4.2 The Referents of Organizational Trust

In existing literature, the term "organizational trust" refers to a number of trust situations. For example, there is trust between several members of a common organization (intra-organizational trust). Further, there is trust among members of several dissimilar organizations (inter-organizational trust) or trust may be between individuals or groups and the organization as an abstract entity. Each of these levels of analysis is relevant to understanding organizational trust.

Many scholars have focused on the role of organizational representatives as conduits of organizational trust¹. In the case of intra-organizational trust, conduits of organizational trust are typically leaders and managers. For example, Dirks and Ferrin (2001) define trust in an organizational setting as "a psychological state, such as belief or attitude, toward another *known* individual" (p. 451, emphasis added). In this definition, organizational trust remains primarily on the level of interpersonal trust, typically involving one's supervisor and manager, or even the members of one's team.

In the case of *inter*-organizational trust, boundary spanners are typically argued to be the primary conduits of organizational trust. Boundary spanners are discussed at many different points in the inter-organizational trust literature. Langford and Hunsicker (1996, p. 2) have defined boundary spanners as "organizational members who link their organization with the external environment". As the person on the periphery of the organization, the boundary spanner serves to provide information about the competence and intentions of the organizational system that they represent.

¹ As the literature is inconsistent in its terminology concerning conduits of trust or boundary spanners or trust representatives, this review adopts the broad term, 'trust referent', which may be used for intra- and inter-organizational trust. This term will be used throughout the remainder of the document.



Whether based on leaders, managers or boundary spanners, then, these views of organizational trust are predicated on trust in individuals.

In our view, however, this description of organizational trust fails to capture the broader sociological perspective that is critical to understanding both intra- and inter-organizational trust. Theorists from the sociological perspective argue that even though there are individuals who represent the organization at key points, organizational trust per se should ultimately be understood as trust in a system and not in any given person. Bachmann (2001) points out that people (e.g., boundary spanners) on the periphery of any system or organization potentially take up some of the risk of a trust judgement by way of face-to-face interaction, but in no way generate trust in the organizational system. Instead, trust in such abstract systems arises out of the "stable and anonymously working institutional arrangements, standards of expertise, rules and procedures", which boundary spanners merely reflect as conduits of organizational trust (Bachmann, p. 349). Sydow (1998) also makes a similar claim with respect to the object of trust. When speaking of inter-organizational trust, he explains, we are speaking about system trust, which is made up of a collection of 'distinct structural properties' which maintain coherence despite the fact that individuals within that system change over time. From this point of view, trust is predicated not on specific individuals within that social structure, but is also bestowed on a set of social structures and principles that enable trust. As such, institutionally-based trust is at the fore of intra- and interorganizational trust, because it extends beyond interpersonal exchanges, and emerges out of an organization's identification with particular social practices, such as traditions, professions, and certifications. Organizational trust is more than the accumulation of trust within specific circumscribed relationships. Trust within an organizational context is influenced by relationships among people as well as by the structures and control mechanisms that shape their behaviour.

Moreover, at the broader institutional level, trust can be defined as "the legal, political, and social systems that support the monitoring and sanctioning of social behaviour" (Zaheer & Zaheer, 2006, p. 22). These institutional bases of trust permeate through societies, and work to influence both interpersonal and organizational relationships. In fact, some theorists have argued that when strong institutional structures and controls are in place, trust promotes "predictable and consensual relationships between firms" (Lane, 1997; cited in Zaheer & Zaheer, 2006, p. 23). When these are weaker, however, interpersonal trust is likely to play a more important role. Thus, it is important to view organizational trust in relation to the organization, and not only constrained to person-specific referents.

On the other hand, it is also necessary to distinguish the <u>objects</u> of organizational trust from the <u>subjects</u> doing the trusting. Blomquist and Stahle (2000, p. 4) argue that "...it is always the people and not organizations that trust each other". At a literal level, then, only individuals are capable of trusting. As such, the pathways of trust are not entirely reciprocal, because although there are multiple referents or targets of trust, at the core, there is only one trustor. This shifting level of analysis between the person who is a representative of an organization and the actual organization has created constant challenges for understanding organizational trust. The failure to make this distinction with respect to both intra- and inter- organizational trust has clearly made the interpretation of much of the literature even more challenging.



4.3 Concepts to be Distinguished from Intra- and Inter-Organizational Trust

At this point, it is necessary to distinguish several concepts from organizational trust. These include organizational commitment, power, and control.

Increasing attention has been given to the issue of organizational commitment in recent years According to Allen and Meyer's prominent model of organizational commitment (e.g., Meyer & Allen, 1997), there are three major types of organizational commitment: affective, continuance, and normative commitment. Affective commitment occurs when workers strongly identify with the goals of the organization and wish to remain a part of the organization. With this type of commitment, workers have an emotional attachment to the organization. Continuance commitment derives primarily from the worker's perceived <u>investment</u> in the organization, and the desire to protect and maintain what one has invested. That is, either because of perceived lack of choice or the likelihood of personal loss (i.e., having to take a lower salary at another organization) workers feels they will suffer if they do not remain part of the organization. Lastly, normative commitment derives from feelings of obligation toward the organization, and that belief that one owes the organization because of what one has gained from it (e.g. feeling a need to stay because of training opportunities provided by the organization), or feeling obliged to stay out of loyalty. In simple terms, these three components of commitment reflect people who feel they *want, need*, or *ought* to stay with their current organization.

Clearly, there is some overlap between the construct of organizational commitment and organizational trust, as committing to an organization and trusting an organization are likely to be related. The strongest relationship is likely to be between trust and affective commitment, as the perceived sharing of common values prominent in affective commitment is likely to be strongly associated with higher levels of trust in the organization. It is also logical that there would be a relationship between both continuance and normative commitment and trust, because the likelihood of losing the advantages that a job offers and the loyalty that employees would feel toward their organization should be affected by the amount of trust they have in their organization. However, continuance and normative commitment have little necessary relationship to organizational trust. Feeling indebted to the company or believing that one will lose one's investment if one leaves a company do not necessarily implicate trust at an organizational level.

Within an organizational context, there is also a relationship between trust and power. Indeed, as Bachmann (2001, p. 351) points out, "most social relationships are based on a mixture of both trust and power". Power can be used as a means of reducing complexity and co-ordinating action and interaction among organizations (Bachmann, 2001). Organizational relationships will be based on the interplay of trust and power characterized by "the specific arrangements of institutional regulation in which business activities are embedded" (Bachmann, 2001, p. 360). Like trust, then, power is a means of reducing complexity and co-ordinating action among organizations. However, power differs from trust in that the former employs control mechanisms as a means of ensuring that the subordinates conduct themselves in a way that is in the interest of both parties. If the subordinate fails to comply, then the superior has recourse to punishment. As such, power has a systemic means of influence. Moreover, in situations where trust is not an option because of institutional instability, power is a means of restoring a condition of stability.

Trust is also distinct from control, although they are related concepts. At an organizational level, companies must often form strategic alliances to further their own interests. Forming these alliances, however, is based on a risk/benefit calculation that is not necessarily dependent on trust.



In fact, strategic alliances may represent opportunistic behaviour driven by profit motive rather than positive expectations about one's alliance partners. Das and Teng (1998) argue that the confidence necessary for strategic alliances arises largely from the interplay between trust and control, two parallel yet distinct concepts. Control mechanisms can be understood as part of a process whereby one organization affects the behaviour of another (Das & Teng, 1998). Following Leifer and Mills (1996), Das and Teng define control as "a regulatory process by which the elements of a system are made more predictable through the establishment of standards in the pursuit of some desired objective or state" (p. 493). This definition also encompasses control mechanisms, i.e., "organizational arrangements designed to determine and influence what organization members will do", and the level of control, i.e., "the direct outcome of the controlling process" (p. 493). As such, control mechanisms are established to help promote the desired ends of the organization. Or as Das and Teng (1998, p. 493) put it, "the purpose of control is to fashion activities in accordance with expectations so that the ultimate goals of the organization can be attained". According to Das and Teng, if there is a high degree of control, there will be relatively few surprises, and higher levels of trust may emerge.

Das and Teng (1998) underscore the argument that trust and control are distinct yet related concepts. Specifically, they argue that trust is not a control mechanism used by organizations to marshal specific behaviours in accordance with desired ends. Instead, trust is more about "a positive attitude about others' motivations" (p. 495), and thus, "it is not about influencing and affecting others' behaviour, but is about believing that others will perform whatever serves the trustor's best interests, even in the absence of control" (p.495). In this sense, trust is a perception of probable outcomes, whereas control is a guarantor of probable outcomes. In the event of low levels of trust, there is a greater need to apply control mechanisms, such as legal contracts, to counter doubts about the trustee's intentions and ensure the desired behaviours and anticipated outcomes occur. Das and Teng explain that much of the existing literature assumes that trust and control act as substitutes for one another. They further argue that the relationship between the two should be construed as "an open-ended supplementary one" (p.496) in which trust and control together, as well as independently, influence the level of trust in partners' cooperation. Organizations, therefore, must find a balance between cooperating with partners while remaining competitive.

Knights, Noble, Vurdubakis, and Willmott (2001) also discuss the close relationship between trust and control at an organizational level. They suggest that trust and control are social mechanisms that attempt to solve problems of order and organization and regulate interactions. Furthermore, both are "morally charged categories", where trust signifies "respect for the autonomy of the other" and control mechanisms imply distrust (p. 313). However, they hold that trust and control should be viewed as interdependent, rather than poles of one continuum, because implicit control mechanisms might be present even in relationships that are based mainly on trust. Given the need for consistency within an organizational context, for example, an employee could be highly trusted by those in the organizational system, while still being subject to the same control mechanisms faced by all other employees. As such, simply having control mechanisms in place does not necessarily signal distrust for an employee. Knights et al. further state that "control is a condition of, and is entwined with, rather than standing in opposition to trust" (p. 314). Trust in institutional mechanisms as opposed to trust in specific people is closely related to the power of these institutional mechanisms, and the control they have on people and interactions. As mentioned above, systems of control or institutional mechanisms can provide a secure and predictable environment for employees, which will facilitate trust. Again, control and trust are distinct yet parallel concepts that need to be held separately when trying to articulate the concept of organizational trust.



Lastly, even within the organizational trust literature, theorists have sometimes seen organizational trust as very similar to confidence (Handy, 1995; Sydow, 1998). For example, Handy (1995) states "by trust, organizations really mean confidence, a confidence in someone's competence and in his or her commitment to a goal" (p. 5). But, as we have argued previously (Adams, 2005), trust and confidence have several different properties. Fully developed trust occurs in the absence of certainty, and requires a *leap of faith* from information that is known to information that is not known. By definition, then, trust is predicated on risk and uncertainty, and the need to accept these is the essence of trust. We have also argued that a confidence judgement is more often based on prior experience and knowledge and requires little abstraction. In order to make a confidence judgement, one may simply judge the probability of an event occurring given the occurrence of related events. In addition, trust also requires risk, whereas confidence judgements may or may not require risk. Unfortunately, the organizational trust literature fails to make the important conceptual distinction between trust and confidence.

4.4 Organizational Trust Models

Several researchers have created models to better understand organizational trust. In this section, we will discuss models from organizational trust literature developed to better understand how trust in organizations develops and that depict the cyclical nature of inter-organizational trust.

A critical issue of organizational trust is how inter-organizational trust develops. A description of the inter-organizational trust development process is offered in a report exploring trust at the organizational level by the Conference Board of Canada (Ezekiel, 2005).





The core of this model is the trustor, or the person making the trust judgement, shown at the far right of the model. The trustor receives indirect information from the trustee provided by trust intermediaries. These intermediaries assess the quality and reliability of the evidence provided by the trustee. This information is then fed to the trustor, and aids in the trust decision. However, in



gathering information about the trustee, the trustor sometimes faces barriers. This is particularly likely to occur when the trustee is motivated to present only information that casts him/her in a positive light (i.e., when the trustee actually has something to hide), but can also occur for other reasons, such as lack of available information and access. This relatively simplistic depiction of the organizational trust development process is incomplete and key links seem to be missing. For example, although trust intermediaries can filter information moving from the trustee to the trustor, the model fails to depict the fact that the trustor can also receive information directly in many cases. Even at the organizational level, there is often communication coming from the organization that signals its potential worthiness. Nonetheless, this model does posit some key and important links.

The cyclical trust-building loop provides a perspective of how inter-organizational trust develops and strengthens over time. Consistent with much of the trust literature (e.g., Das & Teng, 1998; McAllister, 1995; Lewicki & Bunker, 1996), Vangen and Huxham (2003) argue that trust building is cyclical and incrementally built up over a period of time. The model of their proposed *cyclical trust-building loop* is illustrated in Figure 3.





The thesis of their model can be summarized in the following quote:

"Each time partners act together, they take a risk and form expectations about the intended outcome and the way others will contribute to achieving it. Each time an outcome meets expectations, trusting attitudes are reinforced. The outcome becomes part of the history of the relationship, increasing the chance that partners will have positive expectations about joint actions in the future. The increased trust reduces the sense of risk for these future actions." (Vangen & Huxham, 2003, p. 11)

Essentially, organizations take a large risk in their inaugural collaboration venture with another organization. Presumably they do not enter the situation blindly – reputation and research likely play a role. Regardless, when there is no prior interaction among organizations, a high level of risk exists. Vangen and Huxham (2003, p. 12) hold that at the onset of the cyclical trust-building loop collaboration should reflect modest, low risk initiatives. Then, as a trusting relationship revolves through the loop, fostering higher levels of trust and minimizing risk and vulnerability, the potential for more ambitious collaboration will emerge.



Vangen and Huxham (2003, p. 16) recognize that their model "implies that successful action, alone, is enough to develop trust", and it "implicitly denies the relevance of...the broader processes that practitioners view as central to trust building". Moreover, they note that their model does not necessarily account for the possibility that for some organizations, modest, low risk initiatives are undesirable because they seek ambitious collaboration from the beginning. This suggests, then, that inter-organizational approaches to building trust must be tailored to the goals of the organization after assessment of the specific risks and existing trust levels of each situation. Based on this assessment, organizations can then decide whether trust can be built incrementally via a small-wins approach or whether a more rapid and comprehensive approach to trust development is required.

Further, Vangen and Huxham (2003, p. 16) state that those who enter into the collaboration process at the outset must be able to foresee their future requirements and be willing to take a risk. This can be accomplished by a process known as *identifying partners*, in which participating organizations define their roles, thereby eliminating some of the ambiguity and complexity of the relationship. This process also involves agreeing on collaborative aims, by working to establish clarity in expectations for the collaborative effort (Vangen & Huxham, 2003). This exercise can provide a sense of direction for the organizations involved and to expose incompatible or even competitive objectives (Vangen & Huxham, 2003). This process can also have a downside because perceived differences can hamper trust building initiatives. However, there are also many situations in which full agreement is not critical. Moreover, even disagreements may help to form the basis for future trust.

Vangen and Huxham (2003) caution that trust building over time may be difficult for several reasons. First, any kind of iterative collaboration process will witness changes in players as well as changes in organizational incentives and expectations. In other words, collaborative advantages will change and may require organizations to reformulate their expectations. This process is complicated when those individuals who were previously negotiating are supplanted by new individuals. For example, levels of team turnover are likely to pose a challenge for organizational collaboration given the current trend toward adhoc teams. The second challenge noted by Vangen and Huxham (2003) involves power imbalances. Their research showed that managers in public sector organizations perceived a lack of trust in their collaborative activities, which was largely the result of power issues and control of the processes involved in collaboration. However, power and control issues will be largely dependent on the kind of organizations within the collaborative process. For instance, public sector organizations may need to enter into collaborative relationships in order to ensure continued funding, whereas private sector organizations may enter the collaborative process in order to improve the likeliness that its specific aims are met (Vangen & Huxham, 2003). Divergent motives may make trust building problematic particularly when these different types of organizations must come together. Moreover, differences in size (and hence, power) of those involved in the process may create a power imbalance and make organizational trust more difficult to build.

Seppänen, Blomqvist, and Sundqvist (2007) developed a model of the antecedents, dimensions, and consequences of inter-organizational trust. This model can be seen in Figure 4.





Figure 4. Antecedents, dimensions/components, and consequences of interorganizational trust (Seppänen, Blomqvist, & Sundqvist, 2007)

In their review of inter-organizational trust, Seppänen, Blomqvist, and Sundqvist (2007) describe the difficulty in establishing causal models of trust. This is due to the fact that "trust is a reciprocal concept, being potentially both a cause and partly an effect" (p. 256). For example, the nature of the relationships between trust and cooperation, trust and communication, and trust and performance are all reciprocal. This ambiguity in defining causal relationships for interorganizational trust can be seen in Figure 4. That is, many of the descriptors do not fall into the strict category of antecedents, consequences, or components. For example, reliability is listed as an antecedent, consequence, and dimension of trust.

These graphics, then, help to articulate the processes by which trust in organizational contexts is argued to develop, and the influences on these processes and the challenges inherent in reflecting these in a concise and coherent model conceptual model. Indeed, as a whole there is little evidence in the literature of elaborated and validated models of trust in organizational contexts. Nonetheless, it is encouraging that there has been good attention devoted to understanding organizational trust even if the research is still at a relatively early stage of development.



4.5 Summary and Implications

This chapter explored the definitions and referents of intra- and inter-organizational trust. Although the referents of intra- and inter-organizational trust have unique issues associated with them, the dimensions that influence trust and the ways in which trust develops are relatively similar in the interpersonal and organizational domains.

The critical issue that distinguishes organizational trust from interpersonal trust, however, is the shifting nature of the referent and the sociological underpinnings that serve as preconditions for organizational trust. Trust in an organization (either within or between) can represent trust in an abstract system as well as trust in a particular person who is a representative of the system (i.e., individuals who represent the organization in interactions with other employees or other organizations such as managers or boundary spanners). From the perspective of understanding trust at the JIMP level, then, all of these many referents will need to be given attention.

However, organizational representatives are not the only relevant referents of organizational trust. The organizational system as a whole is also necessary to consider. Organizational trust can emerge out of the complex institutional framework that enables the structure and action within and among these organizations. The institutional framework itself, on the other hand, is less malleable in form. The existence of specific roles within an organization may remain relatively consistent even though the content of that form will vary over place and time. Because of this, organizational trust is not completely destabilized with changes in representation.

However, it is important to note a critical issue not prominent in the literature, namely that talking about "an organization" and its level of "organizational trust" may imply that it is a relatively homogeneous unit. An organization may, in fact, have many discrepant departments that are not necessarily homogeneous in practice or in culture, and the status of organizational trust within any one of these departments may be very different than levels of organizational trust in another. Even as "organizations" and "organizational trust" are discussed in this report, then, the underlying complexity of the organizational system should be continually salient.

This review also worked to distinguish among trust and several other constructs often linked with them in the literature. Organizational trust is not the same as organizational commitment, power, or control, though these often work in tandem. Control mechanisms exist that operate on the level of the institutional framework to enable the emergence of intra- and inter-organizational trust. So although control and trust are distinct, they have an open-ended, supplementary relationship; as one increases, the other often decreases.

Unfortunately, our review also suggests that strong and validated models of trust in organizational contexts have yet to emerge. As the remainder of this report will hopefully show, a good deal of attention has been devoted to understanding the factors that influence and emerge from organizational trust, but existing work has yet to fully integrate much of the existing knowledge.



Chapter 5 - Factors Influencing Organizational Trust

This chapter explores the factors that influence trust within and among organizations. This chapter addresses the conduits of organizational trust, the role of organizational practices, as well as other dimensions (e.g., organizational structure, organizational change etc.) likely to influence trust in organizational contexts.

5.1 Conduits of Organizational Trust

As noted earlier, organizational trust is relevant at both an interpersonal level (via organizational representatives) and at the organizational level. The unique influences at both of these levels are discussed in the sections that follow.

5.1.1 Interpersonal Referents - Leaders, Boundary Spanners, and Intermediaries

Clearly, the characteristics of organizational representatives are likely to influence trust in organizational contexts. In theory, any member of an organization could serve as the representative of an organization. However, within organizations, leaders are typically recognized as the most salient organizational representatives who influence organizational trust. When examining trust among organizations, the literature typically focuses on the role of the person (i.e. a boundary spanner) representing the organization in promoting organizational trust perceptions. Trust intermediaries and guarantors can also exert influence on levels of organizational trust.

5.1.1.1 Leaders and Boundary Spanners

Two primary referents are noted in the literature as the interpersonal influences on trust in organizations. These include leaders and boundary spanners. As noted earlier, boundary spanners have been defined as "organizational members who link their organization with the external environment" (Langford & Hunsicker, 1996, p. 2).

Throughout the trust literature, leaders are consistently argued to have a major impact on levels of organizational trust. Creed and Miles (1996; p. 19) argue that managers and leaders play a unique role in establishing the level of trust within an organization because:

"within organizations, managers obviously play a central role in determining both the overall level of trust and the specific expectations within given units... managers design reward systems... managers control the flow of certain types of information... and managers are the primary designers of the total organizational form employed."

Creed and Miles (1996) argue that managers are the primary conduits through which intraorganizational trust is engendered and transmitted, given their roles as decision makers. Creed and Miles argue that managers' beliefs and actions, as well as their overall attitudes and behaviours, influence the trust expectations within an organization. Managers' ability to influence intraorganizational trust will often be a result of the managerial philosophy they adopt (Creed & Miles, 1996), which represents a norm of managerial behaviour embedded within a specific time and place.



Leaders often embody the context within which organizational processes will be evaluated. For teams in the CF, this means that new recruits might rely on their leaders' behaviours and attitudes more at the beginning of their tenure, but rely on broader organizational behaviours (e.g., policies, rules, procedural, distributive, and interactional justice) later in their tenure as they get more information about the broader organizational level. This implies that leader trust may develop before strong feelings about organizational trust are formed. Interacting with a leader, on average, is likely to provide day-to-day evidence of trustworthiness. Trust in an organizational system as a whole, however, is somewhat less tangible and concrete, and may take somewhat longer to develop than leader trust. These ideas, however, are speculative.

Dirks and Ferrin (2002; reviewed in Adams & Webb, 2004) conducted a large meta-analytical review considering trust in a leader from several perspectives, and exploring the antecedents, correlates, and effects of trust in a leader. This review focused on trust only as a psychological state, and studies relating solely to trust as behaviour were excluded. Further, the measures were confined to research that used objective measures of trust in a leader (e.g., rather than self-report measures). The conceptualisation of trust used in this analysis distinguished between cognitive trust, affective trust, willingness to be vulnerable, and overall trust. Studies used in the meta-analysis were categorized in terms of whether they addressed trust in a direct leader (a leader with whom direct and personal contact occurred) or trust in an organizational leader (a leader at a higher organizational level with whom personal contact did not occur). In all, 106 independent samples of data, with 27,103 individuals, were included in the meta-analysis.

This review showed several dimensions (including actions, practices, and attributes of the leader/follower relationship) to be predictive of leader trust, as shown in Table 2.

Antecedents of Trust		
Leader actions and/or	Transformational leadership	
practices	Transactional leadership	
	Participative decision making (PDM)	
Attributes of the leader/follower relationship	Length of the relationship Unmet expectations	

Table 2. Antecedents of leader trust (Dirks & Ferrin, 2002).

One influence on organizational trust is whether the leader uses a transformational or transactional leadership style (e.g., Dirks & Skarlicki, 2004). Transformational leadership is based on relationships, and leaders promote trust by forming good relationships with followers, and by showing care and concern for them. From a relationship-based perspective, trust between a leader and follower conforms to a more complex exchange process, and involves higher-quality relationships imbued with care, concern and goodwill. From the relationship-based perspective, trust is argued to improve performance because a good relationship with a leader makes a follower more likely to go *above and beyond* in performing their job. This impact on performance, then, stems from social exchange principles – followers are willing to reciprocate because they have a good relationship with a leader, rather than feeling intimidated by a leader's power.

Transactional leadership, on the other hand, has a more character-based perspective and focuses on the follower's beliefs and expectations with respect to the leader. Transactional leaders put more emphasis on showing good character, rather than on developing personal relationships. From the



character-based perspective, as leaders have power over subordinates, the extent to which a leader is seen to have good qualities (e.g., competence, benevolence) will influence the likelihood of engaging in trusting behaviour (e.g., a risk taking behaviour, such as communicating sensitive information) toward the leader. Similarly, believing that a leader does not have integrity, for example, may necessitate defensive behaviours (e.g., *covering one's back*) that detract from work performance.

In general, the literature argues that transformational leadership is more strongly related to trust in a leader than is transactional leadership (Dirks and Ferrin, 2002). The extent to which leaders are seen to promote participative decision making rather than authoritarian decision making is also a significant positive predictor of leader trust. This meta-analysis by Dirks and Ferrin argues that there is good empirical evidence that styles of leadership influence the level of trust between a leader and follower. Other attributes of the leader/follower relationship were also shown to predict leader trust. These included the length of the relationship (a positive predictor) and unmet expectations (a negative predictor).

Other work also provides evidence of the importance of leadership style on trust in leaders. In a study concerning the role of a leader or manager in engendering organizational trust, Gillespie and Mann (2004) studied the role of transformational leadership on shared values as one of the building blocks of organizational trust. Gillespie and Mann's study focused on how research and development project managers can earn the trust of their team members. In the context of research and development teams, Gillespie and Mann argued that certain transformational leadership practices would be positively associated with team members' trust in the leader. Those specific practices included idealised influence, inspirational motivation, individualised consideration, intellectual stimulation, and charisma.

The study took place in Australia and examined the relationships in a large, public research and development organization. Survey data were collected from 33 teams across two divisions, ranging in size from two to fifteen members. The project leader and two team members completed a questionnaire assessing leadership and trust. Only team members reporting directly to their leader for a minimum of three months were included. Results indicated that the transformational approach to leadership was positively correlated with members' trust in their leaders, but that transactional leadership was not. These results support the argument that relationship-based transformational leadership styles are more conducive to building trust than character-based transactional styles of leadership.

Several factors important in other forms of trust also impact on trust in leaders within organizational contexts. For example, work by Shamir and Lapidot (2003) shows that the reputation of leaders may influence their perceived trustworthiness, and this effect is not necessarily uniform over time. Shamir and Lapidot examined trust in the context of officers' training courses in the Israeli Defence Forces (IDF). They found that, while reputation significantly contributed to respondents' trust expressed in their leaders, the role of reputation became less pronounced as time passed. This may have occurred because people acquire direct information from their own experience while interacting with an individual, which then takes precedence over factors like reputation which provide indirect rather than direct information.

Similarly, Kramer (1999) has argued that information associated with the roles people occupy can also influence trust in leaders. That is, category-based trust can be bestowed on the assumption that the individual in the role has passed a screening process and has surmounted the barriers to entry as well as having received the training and certification that underlie the particular role. In new relationships, then, this role can provide substitute knowledge that assists the development of trust



in interpersonal relationships. The process by which boundary spanners influence trust is likely similar in many ways to how trust is cultivated within organizations, and even in interpersonal relationships. One of the key differences in the inter-organizational context, however, is the diversity of goals and values inherent in such settings and the ways in which these goals and values are communicated (either implicitly or explicitly). A good boundary spanner, then, must be adept at signalling they are trustworthy using whatever "language" is likely to be most persuasive to the receiver of the message.

Although underemphasized in the available literature relevant to trust, an important influence on trust in boundary spanners is the level of role autonomy that the organization provides to the boundary spanners (Perrone, Zaheer & McEvily, 2003). Role autonomy can be defined as "a multidimensional construct that reflects the discretion that agents have in interpreting and enacting their roles" (Perrone et al., 2003, p. 422). When representatives of an organization are seen as being more autonomous in performing their roles, they are also more likely to be trusted. This hypothesis was confirmed in a study exploring 119 buyer/purchaser relationships. Results showed that purchasing managers with higher levels of role autonomy elicited more trust from suppliers. This may be case because higher levels of autonomy might allow purchasers to have more control over their own actions, making expectations about their motivation and ability less precarious.

Overall, then, leaders and boundary spanners are in a unique position to promote trust within organizational contexts, and levels of trust in the people and in the system that they represent are likely to be linked. Within a JIMP context, then, it will be critical to understand the relative contribution of leaders and other organizational representatives in promoting trust at the organizational level. Given the many different levels of leadership in play within the CF, some critical aspects that could be considered include what exact level of leadership is most influential (e.g., direct leader) in CF members' perceptions of organizational trust. This issue is discussed in more detail in the research section at the end of this report.

5.1.1.2 Trust Intermediaries and Trust Guarantors

Although the literature has generally focused on trust in leaders, there are other potential conduits of organizational trust. These include trust intermediaries and trust guarantors (Ezekiel, 2005). Trust intermediaries can be either individuals or institutions that provide information regarding an organization's pragmatic and ethical conduct. At an individual level, trust intermediaries may be either friends or families who provide information about the potential trustworthiness of organizations (e.g., whether or not to trust a specific product or brand), or people whose role is to provide information in a broader context (e.g., a media reporter who reports on a company that is behaving in an untrustworthy way). Ezekiel lists audit and oversight bodies, boards of directors, NGOs, and the media as typical trust intermediaries. The magazine "Consumer Reports" is a good example of a trust intermediary, as its role is to provide unbiased advice about the prospective reliability of various products, and by extension, about the trustworthiness of the companies that make these products. Though there is still risk associated with trusting intermediaries, Ezekiel (p. 7) suggests that intermediaries may be more transparent (and their behaviour more constrained) because "they have an obvious interest in maintaining their reputation as reliable brokers of trust". Therefore, intermediaries are often motivated to maintain at least a semblance of neutrality. In this sense, trust intermediaries work to publicize the underlying assumptions and expectations of an organization within a broader sociological framework.

Trust guarantors serve a somewhat more regulatory function and are described as individuals or bodies that attempt to limit non-compliance with rules, laws and regulations, and to minimize


opportunistic behaviour (Ezekiel, 2005). He lists a number of watchdogs, such as judicial and law enforcement bodies, statutory oversight or governing bodies, etc. In essence, these control mechanisms (though not eliminating the risk of untrustworthy behaviour altogether), make up part of the institutional framework that enables trust in organizations, even in the absence of direct and personal contact with the organization.

A potential problem with trust intermediaries and guarantors, however, is that there is often little control over whether the information that they provide is actually accurate. For example, Kramer (1999, p. 576-577) cautions about the reliability of these sources of information because "third parties often communicate incomplete and skewed accounts regarding the trustworthiness of a prospective trustee because people prefer to communicate information consistent with what they believe the other party wants to hear". Part of the motive, Kramer suggests, is that third parties seek to solidify their relationship with the trustor as a trustworthy person, and so the information that passes between the two is a means to corroborate the trustor's position. This exchange of information will vary according to the strength of the relationship. However, when the information that intermediaries or guarantors provide is not actually accurate, this has the potential to inflict additional harm on a person who sought information (presumably already second-guessing the trustworthiness of the target) and received unreliable information.

Through their own behaviour as representatives of the organization, then, leaders and boundary spanners, intermediaries and guarantors can serve as conduits to provide potentially critical information about the trustworthiness of the organization as a whole.

5.1.2 Organization as Referent

There is also a clear sense in the literature that organizational trust is also more than trust in a particular individual's character or attributes (Sydow, 1998). Even though they can impact trust, organizational representatives are not wholly responsible for organizational trust. This view of organizational trust, then, emphasizes the combination of both the individual as a conduit of organizational trust, and the organization. Zaheer, McEvily and Perrone (1998) have defined interpersonal trust as "the extent of a boundary-spanning agent's trust in her counterpart in the organization", and inter-organizational trust as "the extent of trust placed in the partner organization by the members of a focal organization." Organizational trust can only be properly understood through conduits of organizational trust, such as boundary spanners. Wehmeyer et al. (2001, p. 7) maintain that despite the organizational dimensions that obviously contribute to organizational trust (such as common beliefs, norms, etc.), "interpersonal, psychological aspects often play an important part since the interfaces of organizational collaboration are always personal contacts".

Descriptions of organizational trust often focus on the inherent trustworthiness of the organization as a system or unit (Wehmeyer et al., 2001). Trust in an organizational system does not necessarily require long standing personal relationships among the actors, but the cultivation and maintenance of a consistent framework that provides positive information about the trustworthiness of the system. This framework includes social structures, norms, and principles within the organization. Maintaining this level of consistency, of course, often requires sophisticated mechanisms of control, because even though the players within the organizational system may change, the consistency within the overarching framework enables trust. For example, the policies and philosophies of an organization carry shared assumptions, policies, and expectations regarding specific roles and conduct. These philosophies then become entrenched within the system that people take for granted, making role-related or category-based trust possible. The overarching



framework, therefore, provides the background beliefs and tacit knowledge that subtly stabilize peoples' expectations and patterns of interaction often unbeknownst to them (Bachmann, 2001). Hence, such organizational systems are dynamic, accounting for changes in membership, philosophies, standards, etc., while still offering consistency and assurance in form and in socialization processes. The consistency and predictability of these systems helps to promote trust both within and among organizations.

Among organizations, Sydow (1998) holds that inter-organizational trust is reconstituted and reaffirmed through personal relationships with boundary spanners, who embody the social structure and principles through their activities in their interactions with people outside of the organization. He bases his argument regarding the development of inter-organizational trust on Anthony Giddens' (1984) theory of structuration, in which the interaction between structure and action are intertwined. This theory argues that social structures both enable and limit social action, just as social action simultaneously refers to and sanctions social structure. Similarly, Sydow (1998) argues that inter-organizational trust emerges from action between network partners which occurs within the confines of a specific structure. At the same time, however, this structure adds meaning and legitimacy to these actions. In acting with other members of the network, then, individuals are argued to use "interpretive schemes, norms, and facilities" (p. 36). These social structures then become more institutionalized and sanctioned, until the action becomes a "taken for granted" assumption with general expectations and norms surrounding it (Sydow, 1998). However, Sydow (1998) holds that the development of inter-organizational trust requires a policy of small steps, in which resources are minimized and carefully expressed action (e.g. meeting deadlines, etc.) adds meaning and legitimacy to the existing structures. Boundary spanners, therefore, act recursively toward the accepted rules of signification and meaning, confirming the expectations of others (Sydow, 1998). In this way, system trust is slowly transformed into personal trust through interactions among members of partnering organizations.

Sydow (1998) explains that an *inter-organizational network* can be understood as a long term relationship among organizations that, although distinct, are nevertheless related. He goes on to describe the network relationship as typically complex, reciprocal, relatively stable, and cooperative. Some inter-organizational partnerships might be a consequence of organizations' attempts to diversify their functions within a specific environment. For example, the CF may be particularly apt at a function, such as ISR (intelligence, surveillance and reconnaissance), increasing their demand from other network partners who do not share the same degree of competency in this domain. Developing a relationship with the CF in order to leverage this competency with their own allows other network partners to develop competencies in other areas. In more typical cases, organizations require others organizations because they cannot fulfil their interests without these others.

As a whole, then, this section argues that adequate conceptualizations of organizational trust must include both the interpersonal and the sociological perspective and must articulate the "institutional framework" (Bachmann, 2001) that makes trust in abstract systems like organizations possible. This conceptual distinction is an especially important one, as it is important not to assume that one's trust in a specific person (in whatever organizational role) is wholly equivalent with one's trust in an organization. Unfortunately, much of the literature seems to obfuscate the relation between interpersonal trust and organizational trust, by equating trust in individual leaders or managers within an organizational context with trust in an organization. In fact, these two referents may have very different implications for trust. It is also unfortunate that the existing literature seems to make the assumption (at least implicitly) that there is an entity that is "the organization" and that this entity has a relatively homogeneous form. For many organizations, there are many



different divisions and departments, and there may be many different systemic references to the organization in play. Within the CF, for example, it would be critical to understand the psychological process by which CF members make evaluations about the trustworthiness of the organization. Whether all members have the same referent in mind, and whether the trust dimensions that influence these trust perceptions would be a critical first step.

5.2 Organizational Structure

Many aspects related to organizational structure are likely to influence trust at the organizational level. Ambrose and Schminke (2003) strongly assert that organizational structure is one of the most ubiquitous aspects of an organization. As Ambrose and Schminke (2003, p. 265) argue

"...structure includes - but is not limited to - power and reporting relationships such as those identified in organization charts, behaviours required of organization members by organizational rules, and patterns of decision making (e.g. decentralization) and communication among organizational members."

As such, issues such as role clarity, visibility and authority are also strongly linked with organizational structure (Blomquist & Stahle, 2000). One prevalent distinction for describing fundamental organizational structure categorizes organizations as either mechanistic or organic (Ambrose & Schminke, 2003). Mechanistic structures typically involve rigid, tight, traditional bureaucracies, in that power is centralized in a chosen few, communications often follow hierarchical rather than vertical or lateral channels, and both managerial style and decision making are dominated by formalized rules and regulations. In contrast, organic structures are more flexible, have less rigid channels of communication, more decentralized power relationships and more emphasis on adaptability than on formal rules and regulations. Historically, in recent years, there has been a clear migration away from traditional mechanistic structures toward more lateral/horizontal/organic structures (Tyler & Kramer, 1996).

However, this shift toward more lateral structures has also given more importance to the issue of trust within and among organizational structures. Within an organization, with devolved rather than centralized authority, less familiar individuals are more likely to have power. In such settings, individuals often do not have formal rules and regulations to govern their decisions and actions, and must rely on the information in the setting to help them decide on appropriate action. This has the potential to increase the perceived risk on the part of other co-workers, and to heighten the need for trust in order to manage this uncertainty. Indeed, Tyler and Kramer (1996) argue that one of the challenges of moving toward more lateral alliances is that having few formals controls and procedures raises the potential for corruption Organizations must therefore develop formal and informal social mechanisms in order to promote the highest possible levels of trust.

Other theorists have also argued that different organizational structures put different demands on trust. Creed and Miles (1996) developed a chronology of organizational structures that highlights the movement from a relatively narrow within-organization trust perspective to a broader focus on trust between departments and organizations.

The *agency* organizational form common in the 19th century was characterized by a climate in which the owner of an organization exercised direct supervision and exacted all decisions. Organizations with this form, Creed and Miles (1996) argue, had less requirements for trust, because the need for trust was supplanted by strict rules and procedures that were rigidly enforced. Implicit in this form was the philosophy that workers were like workhorses that worked best when given little opportunity for disruption, and who required little in the way of personal growth.



In the *functional form* (proposed by human relationist advocates and still common today), organizational success is seated in delegation of short-term operating responsibility to functional specialists within the constraints of centrally set schedules and budgets. This form represents some progress away from rigidity, and toward a respect for human dignity, as it combines both set rules and centralization with a decrease in oppressive monitoring. Creed and Miles (1996) suggest that this form functions most effectively when managers intercede only in exceptional cases. This form, however, requires considerable manager trust in subordinates and the philosophy is that managers should not intervene unless there is an exceptional occurrence, such as unmet schedules or budgets. Within this kind of organizational structure, managers who cannot meet the requisite level of trust in their subordinate may cause production delays caused by the need to monitor and double-check, and costs to morale as a result of their excessive monitoring (Creed and Miles, 1996). With this form the costs of a lack of trust should, in theory, be minimized as this form also relies on a sound and centrally planned and controlled functional team.

The *divisional form, matrix form*, and *network form* advocated by human resource scholars, are all related forms that have recently gained popularity. The former succeeds by clustering sets of self-sufficient resources around a particular product, service, or geographic area. Divisions are expected to function nearly autonomously in their specific markets and be evaluated periodically on the basis of their performance. This form requires a great deal of trust from corporate managers and a competent divisional team. The costs of low corporate manager trust within this structure centre primarily on employing redundant administrative resources around various markets while receiving minimal benefits in return. Although the owner-managed entrepreneurial form described earlier could still function relatively well in cases of poor trust (because it uses a centralized management team), organizations with divisionalized form would not be able to function well with low trust, as this form is more reliant on the assumption that people will do the job that they have been asked to do.

The matrix form is similar to the divisional form, but is applied to a broader, geographically distributed situation. The matrix form evolved to achieve frequent and rapid lateral resource allocations, often between stable functional departments and temporary project groups, or global product divisions and local or regional organizations. Creed and Miles (1996) note that matrices tend to succeed to the extent that corporate management creates mechanisms that allow resource allocation decisions to be made at lower levels through joint planning, negotiation, etc. Attempts to operate matrices when low levels of trust exist may lead to decision centralization and/or delays and a loss of both operating efficiency and responsiveness.

Finally, Creed and Miles (1996) note there is little question that within the network form, trust requirements are high and consequences of failing to meet them severe. Network members are expected to recognize their co-dependence with upstream and downstream partners and to sometimes overlook their own interests. Networks depend on minimal transaction costs to ensure responsiveness and efficiency and low transaction costs are facilitated by high trust. Trust assures those contemplating a long-term relationship that adaptations to future contingencies will be made in a jointly optimal way. It should be noted, however, that the internal structure of network organizations must be highly adaptive to facilitate rapid external responsiveness. Thus, as Creed and Miles (1996, p.26) point out:

"both external relationships between network partners and internal arrangements in network organizations are dependent on high levels of trust".

They further state that if managers attempt to operate in network settings with low levels of trust, failure is almost guaranteed.



Even after their review of these many forms of organizational structure, however, Creed and Miles (1996) concluded that even these conceptualizations of organizational structure are still not adequate. As a result they proposed another form: the *human investment philosophy*. Its key characteristic, they advocated, is a willingness to invest in education designed to enhance the technical competencies, business understanding, decision-making and the self-governance capabilities of all organizational members, and the willingness to make explicit investments in similar competencies across firm lines within the network. Such an endeavour, however, imposes even more stringent requirements on trust, as such an approach only makes sense if managers have high confidence in both the educational potential of organizational members (within and across firms) and in their trustworthiness. Whereas the human resources model stresses confidence in the willingness and capability of organizational members to exercise more creative and productive self-direction, the human investment model goes beyond confidence in current capabilities to actually investing in employees. Creed and Miles (1996) state that neither using current capabilities nor providing training for current needs represent investment. Rather, investment requires risktaking, and this context, investment can be understood as expressing trust. While Creed and Miles (1996) did not explicitly say so, we presume that if they expect that this form will improve reciprocal relations between management and employees. That is, employees see that their organizations as having the faith to invest unconditionally in them and that these employees, in turn, become more trusting of the organization.

Other aspects related to organizational structure have also been argued to impact on trust <u>among</u> organizations in the form of structure-based influences on organizational processes. Sydow (1998), for example, argues that trust among organizations is influenced by the extent to which organizational structure promotes the frequency and openness of communication between network partners. This is the case because the opportunity for communication increases the possibility of shared understanding and greater predictability of behaviour. Similarly, the complexity of network relationships is also argued to influence organizational trust. Very simply, the sheer number of connections between network partners will influence the development of trust among organizations. Each connection allows information exchange and the promulgation of common ideas and goals, both of which are likely to increase trust between network partners. Of course, the nature of the interdependencies between two network players will also influence interorganizational trust, with a balanced relationship between autonomy and dependence being likely to foster inter-organizational trust.

Similarity of network partners' organizational structures might affect inter-organizational trust. For example, militaries from different countries that are similar in structure and size may also be more likely to trust one another over another network partner with a dissimilar structure. In this case, then, even lacking previous experience with another network, the structure of the network itself is likely to be an indicator of potential similarity. Moreover, there are also several reasons why structures may be dissimilar. For example, dissimilarity may derive from national and cultural differences (Sydow, 1998). These structural properties, Sydow (1998) argues, can only generate inter-organizational trust if individuals adopt interactions which communicate and sanction acceptable or necessary behaviour through interpretive schemes, norms, etc. These properties are not unlike those required for intra-organizational trust.

It seems important to understand the current and evolving organizational structure of the CF, and how this structure is likely to influence levels of organizational trust. For example, given the three different elements of the CF, ensuring that the resources among different arms are shared optimally and that the strength of each element is supported is a critical antecedent to maximizing the effectiveness of the CF as an organization.



5.3 Organizational Practices

Several organizational practices are likely to influence the level of trust within and among organizations. More specifically, various aspects of organizational justice and organizational behaviours, such psychological contracts, control mechanisms and communication are likely to influence organizational trust. Each of these is described in more detail.

5.3.1 Organizational Justice

Organizational justice theory focuses on perceptions of fairness in organizations by exploring employees' views and feelings how they are treated by the organization (Brockner & Siegel, 1996; Saunders & Thornhill, 2003). The primary focus in the organizational justice literature is usually on the process of making decisions within organizations and on their outcomes. Three related but unique forms of organizational justice are prominent in the literature (Brockner & Siegel, 1996; Saunders & Thornhill, 2003). Distributive justice is concerned with fairness regarding organizational allocations and outcomes. Procedural justice concerns fairness about the procedures used to make organizational decisions. Interactional or interpersonal justice is concerned with the perceived fairness of the interpersonal treatment received (e.g. being treated with sensitivity and benevolence) (Saunders & Thornhill, 2003).

Theorists seem to agree that there is a strong and positive relationship between organizational justice and organizational trust. Organizations communicate their intentions and motivations, including trust-relevant ones, through organizational justice. For example, through resource allocations, and with fair policies and procedures, organizations signal their intent to treat employees equally and fairly. Organizations show benevolence by treating employees with respect and dignity and considering their need for personal growth, show predictability by instituting policies and sticking to them, and show competence by instituting well-formed and thoughtful policies. At a theoretical level, then, organizations that demonstrate a sound commitment to organizational justice are likely to elicit greater trust from their employees.

Empirically, Brockner and Siegel (1996) sought to understand the interaction between procedural and distributive justice in their examination of the role of trust in ongoing social relationships. They reviewed over 20 field studies exploring the relationship between trust and perceptions of justice within organizational settings. In general, this review showed that both procedural and distributive justice influence organizational trust, but that "...procedural justice moderated the impact of distributive justice on individuals' reaction to a decision. When procedures were unfair (i.e., procedures were judged to be unfair), people responded much more favourably when distributive justice (i.e., organizational resource allocations and outcomes) was relatively high" (Brockner and Siegel, 1996, p.392). When procedural justice was high (perceived fair procedures), distributive justice (resource allocations and outcomes) had a significantly lower impact on how favourably people perceived the situation. Although this interaction between procedural justice and distributive justice is a ubiquitous finding throughout the literature, Brockner and Siegel argue that it is not really procedural justice per say that impacts on perceived fairness. Rather, they argue persuasively that the impact of procedural justice seen in previous studies is actually driven by trust, which then influences perceptions of distributive justice. This can occur because trust involves expectations of future behaviour. If procedures are seen to be unfair, people may be more likely to expect that this will continue to be the case within an organization, so trust is negatively affected. As such, trust impacts on perceptions of future outcomes through perceptions of procedural justice.



Other research has explored the relationships between interactional justice, the perceived fairness of the decision maker's behaviour toward oneself in the process of decision making, and trust. Korsgaard, Roberson and Rymph (1998) proposed that an assertive communication style on the part of subordinates would result in manager behaving more fairly when giving performance appraisals, and higher subsequent ratings of leader trust.

In the first of two studies, Korsgaard et al. (1998), 42 university student participants (16 female, 26 male) were told that they would be in an experiment with another participant recruited from another college or university. Participants expected to undertake a study about performance feedback in which one of them would perform a task (i.e., the role of the subordinate) and the other would evaluate them (i.e., the role of the evaluator). In reality, however, the confederate was always the task performer and the participant was always the evaluator. After task completion, the participant interviewed the confederate to discuss his or her ratings. Confederates delivered either a high-assertiveness communication script (e.g. "I'm not sure I agree. How did you come up with that?") or a low-assertiveness communication script ("Well, I guess…um … Yeah… all right, whatever"), and all interactions were tape-recorded.

The interactional fairness of participants in the evaluator role was rated by external coders on several dimensions including their acknowledgement and consideration of the evaluator's views and the amount of justification provided for their decision. As hypothesized, when the subordinates being evaluated showed an assertive communication style, participant evaluators engaged in more interactionally fair behaviour. This suggests that evaluators may strive to show more fairness when challenged by assertive employees.

Next, Korsgaard et al. (1998) took their study to the field, examining assertive communication training at a large retailing firm in the context of employees' quarterly performance appraisals. Korsgaard et al. (1998) hypothesized that subordinates trained to exhibit an assertive communication style would be more likely to report perceived fairness and positive attitudes toward the appraisal decision. They further hypothesized that assertive communication would have positive effects on subordinates' relationships with their managers, as indicated by increased levels of trust. Finally, Korsgaard et al. (1998) also hypothesized that individuals who had been trained to communicate assertively would be more committed to their organization than those who had not received such training.

Results partially supported the hypothesis; although participants who had received the training reacted more favourably to their evaluations (believing them to be more fair), and showed greater trust in their managers, their training did not influence their perception of their managers' behaviours nor their commitment to the organization. Thus, while participants reported that their trust in their leaders had increased as a result of assertive communication training, there was no change in organizational commitment, or in perceptions of how managers actually behaved. This suggests that even when procedural fairness promotes trust, this does not necessarily carry over to positive perceptions of managers' behaviour.

Research reviewed to this point has shown that both procedural and interactional justice are relevant within organizational contexts. Research by Ambrose and Schminke (2003) hypothesized that organizational structure would moderate the relationship between different forms of justice and social exchange relationships. More specifically, they reasoned that more organic (more dynamic and less hierarchical) organizations are likely to rely more on human contact, communication and interpersonal relationships and are less likely to be influenced by one's relationship with the organization as a whole. Within this structure, then, the closest conduit (namely the supervisor) would be the best indicator of perceptions of interactional justice. Within a mechanistic



organization, on the other hand, there would be less contact with direct supervisors, so perceptions of justice would be more procedural than interactional, and moreover, would relate more to perceived organizational support than to the personal support from a supervisor.

These hypotheses were tested with 68 service (e.g., retail, food, financial) organizations in the United States. Questionnaire data were gathered on organizational structure, supervisory trust, perceived organizational support, interactional justice, and procedural justice. Organizational structure was measured with a seven-item scale asking participants to rate the degree to which paired statements described the structure of their work unit (e.g., "A strong insistence on a uniform managerial style throughout the business unit" vs. "Managers' operating style allowed to range freely from the very formal to the very informal"). Participants' data was aggregated to a group level within various departments. Supervisory trust was measured using McAllister's (1995) measure of trust in a supervisor, with items such as "I can talk freely to my supervisor about difficulties I am having at work and know that (s)he will want to listen".

Results showed that organizational structure moderated the relationship between interactional justice and supervisory trust, as shown in Figure 5.



Figure 5. Effects of org. structure on perceived interactional justice and supervisory trust² (Korsgaard et al., 1998)

When interactional justice (i.e., social exchange, communication) was high, individuals in organic organizations reported higher levels of supervisory trust than did individuals in mechanistic organizations. However, when interactional justice was low, individuals in organic organizations reported lower levels of trust than their mechanistic counterparts. This may be because in mechanistic organizations, the supervisor's behaviour is more likely to be constrained by rigid rules and regulations. If the supervisor is then perceived as an extension of the organization, the fairness of organizational procedures is likely to generalize from trust attitudes about the supervisor to trust in the organization. Thus, the effect of interactional justice on supervisory trust was more pronounced in organic organizations, whereas the effect of procedural justice (i.e., rules, regulations, policies, procedures) was more pronounced in mechanistic organizations. Other analyses showed that organic organizations, with their flexibility and reliance on informal networks and face-to-face communication, made interpersonal interactions more relevant, more available or

² In Figures 4 and 5, lines anchored with circles refer to mechanistic organizations and those anchored with squares refer to organic organizations.



both more relevant and more available, thus increasing the importance of the fairness of these interactions.

Results also showed that organizational structure moderated the relationship between procedural organizational justice and organizational support. More specifically, participants working within more mechanistic structures reported more perceived organizational support when perceived procedural justice was high. In contrast, participants from more organic organizations did not report any dramatic differences in perceived organizational support in relation to procedural justice. This could be because they perceived relatively high organizational support in general as a result of the procedural justice which tends to be higher in organic organizations.



Figure 6. Effects of org. structure on procedural justice and organizational support³ (Korsgaard et al., 1998)

Structure also mediated the effect of procedural justice on supervisory trust. The relationship between procedural justice and supervisory trust was stronger in mechanistic organizations than in organic organizations.

Research by Ambrose and Schminke (2003) hypothesized that organizational structure would moderate the relationship between different forms of justice and social exchange relationships. More specifically, within mechanistic organizations, there was a strong relationship between procedural justice and perceptions of organizational support. Within less structured organizations, the relationship between interactional justice and trust in one's supervisor was stronger. This suggests that organizational structure can influence the relationship between justice perceptions and the "quality of organizational and supervisory social exchange" (Ambrose & Schminke, p. 295).

Ambrose and Schminke (2003) noted that their results have important practical implications that are relevant to the present discussion. Justice researchers have often suggested that organizations may improve perceptions of fairness by drafting formal policies that will be seen as fair. Ambrose and Schminke (2003) suggest that although formal policies may be effective in fairly mechanistic organizations, they may not necessarily be effective in less hierarchical organizations. Conversely, training supervisors to show increased sensitivity in interpersonal interactions (i.e. interactional justice) might have a more pronounced effect in organic organizations than in a mechanistic organization. This suggests that the effectiveness of formal policies and procedures may vary somewhat depending on the nature of the organization.

³ In Figures 4 and 5, lines anchored with circles refer to mechanistic organizations and those anchored with squares refer to organic organizations.



Other research by Aryee (2002) explores the relationship between trust in one's supervisor and trust in the organization and the different forms of justice. Specifically, their model depicts all three organizational justice factors as predictors of levels of trust in the organization, but only interactional justice is argued to predict levels of trust in the supervisor. This is not surprising given that distributive and procedural justice are determined by the organization; a supervisor is merely a conduit of this information, as s/he does not necessarily have influence into distributive and procedural justice, however, can relate to how the organization interacts with its employees through its policies and the ways in which it communicates its policies, for example, with letters attached to pay stubs or holding a series of meetings with groups of the individuals who will be affected by a key organizational decision.

The setting of Aryee et al.'s (2002) study was a large public-sector coal mine in India with almost 100,000 non-managerial employees and over 3,000 executives. Employment is long-term and employees move through a series of clearly defined job classifications during their careers. However, this organization had recently experienced changes due to the competitive pressures resulting from the opening up of the domestic coal market to foreign competition. At the time of data collection, the organization was actively discussing several options to manage the resulting down turn including downsizing (through early or voluntary retirement), limited-term employment contracts, and initiatives to improve the quality of the coal.

Data were obtained from full-time employees and their direct supervisors (cross-referenced between subordinates and supervisors). In total, 179 subordinate-supervisor data sets (representing 179 subordinates and 28 supervisors) were used. Questionnaires included a wide range of measures (procedural, distributive and interactive justice, trust in organization and supervisor, job satisfaction, turnover intentions, organizational commitment, organizational citizenship behaviour and task performance). This discussion centres solely on the results related to trust and the indicators of organizational justice.

The first set of analyses explored whether the justice items loaded as expect on the two dimensions of trust. Confirmatory factor analyses supported the hypothesized two-factor (organization and supervisor) model of trust. All three organizational justice dimensions were correlated with trust in the organization. As expected, however, interactional justice only correlated with trust in the supervisor. This finding showing that interactional justice applies to the exchange between a worker and his/her supervisor has important implications for research on trust development. Importantly, this finding has since been supported by Stinglhamber, DeCremer and Mercken (2006).

These studies suggest that organizational justice has a complex effect on organizational trust. Perhaps more than any other body of research, the organizational justice literature has attended carefully to the importance of distinguishing the referents of organizational trust, in terms of both one's relationship with one's supervisor, as well as in relation to the organization as a whole.

5.3.2 Psychological Contract Violations

Violations of psychological contracts are argued to diminish trust in organizational contexts. The concept of the *psychological contract* has been used to refer to employer and employee expectations of the employment relationship that includes mutual obligations, values, expectations, and aspirations that operate over and above the formal contract of employment (Argyris, 1960). Recent developments in psychological contract theory have been largely dominated by Rousseau (1996). Rousseau argues that the psychological contract is promise-based and, over time, takes the



form of a mental model or schema that is relatively stable and durable. Rousseau (1996) has focused her theory on individual employees' subjective beliefs about their employment relationship. Violations of the psychological contract are more likely to occur when employer and employee do not agree about what the contract actually involves. The attribution of responsibility for this violation may rest in the specific relationship, but may also be attributed more broadly to the organization as a whole. In this sense, then, organizational trust is closely linked to psychological contracts between employers and employees. Violations of psychological contracts can generate distrust, dissatisfaction, and possibly promote the dissolution of the relationship.

Robinson and Rousseau (1994) studied the effects of psychological contract violations on organizational trust, job satisfaction, and intentions to remain with the employer. Using both quantitative and qualitative data, Robinson and Rousseau (1994) explored the impact of psychological contract violations within work relationships and their influence on trust, satisfaction, and employee retention. They hypothesized that violations of the psychological contract would be negatively correlated with trust, satisfaction, and retention, and positively correlated with actual employee turnover. Moreover, Robinson and Rousseau (1994) expected that degree of careerism would moderate these associations. Careerist employees take the position that their career advancement will occur outside the current organization and view their current employment as a stepping stone. So, careerists would be less negatively impacted by psychological contract violations than those who intend to build their careers within their current organization.

The sample consisted of 128 students from an MBA class in a Midwestern US management school who completed questionnaires just after starting new jobs as graduates, and after 2 years of being in the workforce. Several questionnaires measured careerism, trust, satisfaction, intention to remain with one's employer, and psychological contract violations.

Results indicated that 55% of employees reported having experienced violations of the psychological contract between them and their employer. Further, employees who had experienced more psychological contract violations showed reduced trust in the organization, lower job and organization satisfaction, and showed more intention to leave. Moreover, those who had left their jobs indicated that they had experienced a greater degree of contract violation than those who had not left. Psychological contract violations appear to be moderately important predictors of employees' intention to stay at their employer. However, the hypothesis that careerism would moderate the impact of violations on trust, satisfaction, and intent to leave was only partially supported. The more careerist the employee, the stronger the negative relationship between contract violations and the other variables. However, these results do suggest that trust in an organization can be reduced by the failure of an organization to fulfil a psychological contract with the employee.

5.3.3 Control Mechanisms

Control mechanisms work to guide or regulate systems. Trust has been frequently argued to reduce the need for control mechanisms, and this has often been framed at an organizational level, rather than at an interpersonal one (e.g., Zaheer, McEvily & Perrone, 1998). At an organizational level, trust is built on and simultaneously promotes common norms and standards between people, negating the need for more institutionally legislated controls. These norms and standards, of course, are both explicit and implicit. People within organizations can then make assumptions about how others are likely to behave without continually enacting formal rules and controls to ensure that people act in trustworthy ways (Kramer, 1999).



When trust is in question within organizational contexts, control mechanisms are one means by which behaviour can be made more predictable. Das and Teng (1998) distinguish different types of control mechanisms based on formal and informal dimensions. Formal control consists of defined rules and regulations and demands specific behaviour for specific performance. In contrast, social control mechanisms emphasize values and norms, specifically pertaining to people. As Das and Teng (1998) state, social control mechanisms impose no explicit restrictions, thereby signalling greater respect in others with a higher degree of trust. Formal rules, on the other hand, have less flexibility and do not provide others with the autonomy that would suggest they are trusted. When formal controls are used, they often indicate to the people controlled by them that they are distrusted.

Barney and Hansen (1994) identify three forms of trust according to their respective control mechanisms. These are weak, semi-strong, and strong. Weak trust occurs in situations in which exchange partners are not vulnerable to each other. Because opportunities for opportunistic behaviour are limited, presumptive trust will be the norm in this kind of exchange, but it will obviously have a very weak quality. Thus, control mechanisms are not necessary. Semi-strong trust occurs in exchange situations in which both parties are significantly vulnerable to each other, but are protected through control mechanisms, such as contingent claims contracts, sequential contracting, or strategic alliances (Barney & Hansen, 1994). Thus, control is exercised by imposing costs and punishments on parties who behave opportunistically. Barney and Hansen (1994) argue that semi-strong trust will therefore emerge as interaction partners successfully anticipate their own and their partner's vulnerabilities. Strong-form trust occurs in situations where partners have significant vulnerabilities independent of any governance mechanisms. In such situations, principles of cooperative behaviour are assumed to have been internalized by both partners. As with all forms of trust, however, reciprocity cannot be guaranteed (Barney & Hansen, 1994). Signals for strong form trust emerge in the form of expectations of contract fulfilment, reputation, openness to outside auditors, and unilateral transaction-specific investments in an exchange before that exchange is actually in place.

The trust literature, however, is consistent in pointing out that control mechanisms have the potential to impact both positively and negatively on trust in organizational contexts. Although they can help to form a presumptive base for trust, they can also inadvertently undermine trust in several ways. As noted earlier, for example, organizational structures that allow very little autonomy on the part of the employees may limit their ability to perform efficiently, as well as potentially demotivating them. Kipnis (1996) presents rich discussion of the impact of monitoring technologies, leading to employees feeling distrusted as well as depersonalizing the work environment. Similarly, seminal work by Strickland (1958) has also shown that initiating control processes such as surveillance of employees actually makes observers more suspicious that their targets are actually behaving in untrustworthy ways. Although control mechanisms can help to structure interactions amongst people and to make their behaviour more predictable, these mechanisms can also lower the probability that trust will develop and/or diminish existing levels of trust.

Finding the ideal balance between having too many controls and having enough controls to ensure that trust is a reasonable expectation is clearly not easy. For military organizations such as the CF working in joint, inter-agency, multinational and public contexts, this "balancing act" is likely to be even more difficult. Uniquely high stakes mean high levels of risk and vulnerability, and the CF as an organization must maintain high levels of accountability as well as being able to make critical judgements at the right time.



5.3.4 Communication

Communication, such as proactive information sharing, is argued to assist trust building within organizational contexts (Das & Teng, 1998). For example, sharing sensitive material demonstrates an openness and, more significantly, willingness to be vulnerable to another. Communication also "provides the basis for continued interaction" (Das & Teng, 1998, p. 505).

Various aspects of communication (including both frequency and style) have been argued to influence trust. Some theorists, for example, cite the very act of engaging in communication as a critical means by which to promote organizational trust. Hardy, Phillips, and Lawrence (2000, p. 81) suggest that the term *generated trust* is a better descriptor of inter-organizational trust than is *spontaneous trust* because inter-organizational activities often include situations in which two organizations know little about one another, and because their institutional frameworks are divided on national lines, etc. Generated trust arises when those participants use communication to establish shared meaning where it did not exist before, "coupled with reciprocal participation" (Hardy et al., 2000, p. 81). Although this process often involves conflict, however, this conflict is argued to be an indication that all participants are involved in the creation of shared meaning (Hardy, 2000). Thus, in contexts where potential partners do not share the same background (and hence meanings about the world), communication might help to develop trust, as this act of participation is seen as an act of goodwill and interest in creating shared meaning. This nuance is a potentially important one, as it suggests that the act of engaging in conversation may more important than the content of the conversation.

Empirical research exploring organizational trust referents has studied the extent to which the frequency of communication between trustor and trustee moderates the impact of various trust antecedents on judgements of trustworthiness (Becerra and Gupta, 2003). Their hypothetical model argued that factors of the trustor and trustee join with communication frequency to influence trust judgements, as shown in Figure 7.





Figure 7. Relationship between communication frequency and trust (Becerra & Gupta, 2003)

Research was conducted to test this model. Questionnaire data completed by 157 dyads (managers and other peers which whom they worked from other parts of the organization) from a large multinational engineering firm were used in this study. Questionnaires assessed basic demographic characteristics, as well as attitudes toward other peers, autonomy on the job, bonus (percentage of maximum possible bonus to total compensation), frequency of communication with peers, and perceived trustworthiness of the other half of the dyad. Note that the parties were from equal levels in the organizational hierarchy.

Sixteen different hypotheses were tested. Essentially, in low communication contexts, factors related to the trustor were expected to have more of an effect on perceived trustworthiness of the trustee; the greater his/her propensity to trust, the longer s/he had been in the organization, and the greater his/her autonomy, the more trusting s/he would be of the other party. One factor expected to be negatively correlated with trust was the trustor's motivation toward self-interest (bonus intensity), and the sense that the other member of the dyad was a competitor. In high communication contexts, the trustee's characteristics were expected to have more influence on trust levels: the trustee's attitudinal predisposition toward peers, his/her organizational tenure, and his/her decision-making autonomy was expected to be associated with greater trust in the trustee, and the trustee's self-interest motivation was expected to be associated with lesser trust in the trustor.

The results were somewhat varied. In general, the trustee hypotheses were confirmed, but the trustor hypotheses were not. All trustee coefficients had the expected valence, and all changes in coefficients from low-communication to high-communication were in the expected direction. The trustee's bonus intensity and tenure became more relevant to trust judgements as communication increased. Specifically, organizational tenure was positively related to trust judgements, and bonus intensity was negatively related to trust judgements. However, these effects were moderated by communication frequency, with the coefficient for tenure more positive and that for bonus intensity more negative when communication was high. Becerra and Gupta (2003) assert that a trustor's connections with the organization become more important predictors of trustworthiness in high communication dyads.

In contrast, the relationships concerning the trustor variables were less clear-cut. As predicted, trustors' propensity to trust played a bigger role in trust in the low-communication relationships than in the high-communication relationships. This would be expected because without a lot of communication and therefore information, trustors must rely more on their general trust attitudes. The hypothesis concerning the trustor's autonomy was not supported, and those concerning the trustor's tenure and bonus intensity were only partially supported. The effects for the trustor's tenure and bonus intensity were opposite to what was expected; trustor tenure was more important in high communication relationships than in low communication ones, and bonus intensity was a stronger negative predictor in the high communication relationship than in the low communication relationships, trustor variables showed a less consistent pattern. Becerra and Gupta's (2003) model showing the role of communication in developing trust requires additional validation.

Style (rather than quantity) of communication has also been shown to influence trust. A study by Willemyns, Gallois, and Callan (2003) examined employees' perceptions of trust, power, and mentoring in manager-employee relationships in several sectors including health care, education, hospitality, and retail. Based on supervisor-supervisee communication research, Willemyn et al.



(2003) hypothesized that issues of trust and power would emerge as significant categories in the content analysis of previous conversations. A critical aspect of communication style explored in this research was the level of accommodation indicated by the communication partner. Accommodation can happen in several ways, including adjusting one's communication style to be more consistent with one's communication partner, control strategies in which communication implicitly points out divergence in roles and relational strategies that indicate empathy and support. This accommodation was seen as relevant to communicating a shared (or unshared) social identity. Specifically, it was expected that in positively perceived conversations with managers, managers' communication would be perceived in terms of a mentoring, caring, in-group and trusting relationship. In contrast, salient themes in negatively perceived communications would include communication of dominance, lack of support, etc.

Willemyn et al. (2003) collected data from 157 working psychology students who had been in fulltime employment for at least 6 months or part-time employment for at last 12 months. Participants received two questionnaires asking them to describe specific statements made by themselves or their manager during a satisfactory and an unsatisfactory interaction. The questionnaires also contained open-ended probes soliciting information concerning the communication accommodation strategies, such as "How important was the manager's personality to the way s/he communicated?" Questionnaires obtained structured quantitative data about the interactions, measured on six-point Likert scales such as, "How distancing is your manager?".

More than 6053 units of communication were coded into 35 lower-order coding categories (e.g., supporting, self-disclosure), with six second-order categories (e.g., interpersonal control) and two higher-order categories (accommodating/in-group and counter-accommodating/out-group). Overall, this content analysis of employees' perceptions of their supervisor' or manager's communication style showed that issues relating to trust and power emerged as highly salient themes. In addition, the content analysis yielded several categories which related very strongly to in-group/out-group and power dynamics. For example, the out-group interpersonal control themes were highly salient in employees' descriptions of negative interactions with their managers. In fact, *dominance* was one of the largest categories that emerged from the analyses, leading Willemyns et al. (2003, p. 124) to remark that "clearly, a manager's use of a domineering communication style is counter to manager-employee trust". Interestingly, however, Willemyn et al. (2003) caution that while a logical suggestion stemming from these findings is to recommend that managers use appropriate (i.e., trust-building) communication styles, this might be a quick fix that may do more harm than good. That is, if it is simply not the manager's way to converse or communicate in recommended tones or words, the manager might be perceived to be insincere.

These results and those of Ambrose and Schminke (2003; presented in the section on organizational justice) suggest that dominance-based communication on the part of leaders and organizational representatives may diminish organizational trust. Clearly, then, future research must consider how CF leaders' and the CF as an organization tend to communicate, and then whether or not these need to change in the interest of building trust. Moreover, communicative processes seeking to create shared meaning among participants might take considerable time. In a situation in which CF members must communicate via technological networks rather than face-to-face issues of communication are even more complex. Better understanding of the critical communication-relevant influences on organizational trust would be an important contribution of future research.



5.4 Organizational Culture

Organizational culture can be understood as "a pattern of shared assumptions that the group learned as it solved its problems of external adaptation and internal integration that worked well enough to be considered valid and, therefore to be taught to new members as the correct way to perceive, think, and feel in relation to these problems." (Schein, 1992; cited in English, 2004, p. 18). There are obviously many different reflections of organizational culture. These include management philosophies, and the general ethos within the organization. An important aspect of organizational culture is that it will naturally vary over time. Expectations, norms, and standards of expertise regarding managerial behaviour have changed considerably over time. Creed and Miles (1996) delineate how managerial philosophies have evolved over the last hundred years or so. Creed and Miles (1996) argue that managers' beliefs and actions directly and indirectly influence trust in organizations. Managers' core beliefs are defined as managerial philosophies, mechanisms that serve to focus expectations about people and so shape trust in organizations. They flow from basic assumptions about organizational members. As shown in Table 3, Creed and Miles argue that each managerial philosophy is accompanied by basic assumptions, policies and expectations that will guide managerial behaviour.



Table 3. Managerial philosophies: Assumptions, policies, and expectations

Traditional Model	Human Relations Model	Human Resources Model
Assumptions:	Assumptions:	Assumptions:
1. Work is inherently distasteful to most people.	1. People want to feel useful and important.	 Work is not inherently distasteful. People want to contribute to meaningful goals that they have helped establish.
2. What workers do is less important than what they earn doing it.	2. People desire to belong and be recognized as individuals.	2. Most people can exercise far more creative, responsible self-direction and self-control than their exercise demond
Few want or can handle work that requires creativity, self-direction, or self-control.	3. These needs are more important than money in motivating people to work.	their present jobs demand.
Policies:	Policies:	Policies:
 The manager's basic task is to supervise closely and control his or her subordinates. He or she must break down tasks into simple, repetitive, easily learned operations. 	 The manager's basic task is to make each worker feel useful and important. He or she should keep subordinates informed and listen to their objections to his or her plans. 	 The manager's basic task is to make use of his or her "untapped" human resources. He or she must create an environment in which all members may contribute to the limits of their ability.
 He or she must establish detailed work routines and procedures and enforce these firmly but fairly. 	 The manager should allow his or her subordinates to exercise some self-control on routine matters. 	 He or she must encourage full participation on important matters, continually broadening subordinate self-direction and control.
Expectations:	Expectations:	Expectations:
 People can tolerate work if the pay is decent and the boss is fair. 	 Sharing information with subordinates and involving them in routine decisions will satisfy their basic needs to belong and feel important. 	 Expanding subordinate influence, self-direction, and self-control will lead to direct improvements in operating efficiency.
 If tasks are simple enough and people are closely controlled, they will produce up to standard. 	 Satisfying these needs will improve morale and reduce resistance to formal authority— subordinates will "willingly cooperate." 	2. Work satisfaction may improve as a by-product of subordinates making full use of their resources.

Creed and Miles (1996) highlight defining aspects of the three major philosophies concerning managers' view of the work world. First, in the 19th century traditional model, managers emphasized the limited competence of the rank and file level of employees and stressed the [assumed] differences in values between workers and managers. Because of these differences, subordinates were viewed as inherently untrustworthy. Next, the human relations model argued against the prevailing criticism of workers and portrayed them as similar to managers in their needs for belonging and recognition. Workers were viewed as basically trustworthy, though still needing thoughtful and supportive direction and control. Last, human resources advocates argued that most organizational members also shared a desire for personal development and achievement and thus enjoyed opportunities to use their skills and creativity in the service of organizational and personal goals. Thus, subordinates were seen as requiring the same opportunities as managers in terms of personal development, and value and goal congruence was seen to be promoted through such mechanisms as management by objectives. Clearly, then, depending on the perspective taken by modern day leaders in an organization, different underlying managerial philosophies may influence their subordinates' trust in themselves and in the organization. If employees are dissatisfied with their opportunities for growth and achievement, they may exhibit less trust in their organization. If the people that work within an organization have basic assumptions that are consistent with the organization's espoused values, these values will be embodied and manifested in behaviour with a higher degree of congruency.

In a report for the Public Service Commission (PSC), Baird and St-Amand (1995) state that building trust within an organization starts with creating a culture based on shared values. They describe their report as a learning tool in the process of improving the climate of trust within the PSC. A successful organization, they state, is built on a foundation that includes several types of trust. Lateral trust refers to trust relations among peers or equals. Vertical trust refers to trust between a supervisor and a subordinate. Finally, external trust refers to trust relations between an



organization and its clients or suppliers. In this sense, this approach is directly relevant to both intra- and inter-organizational trust.

The authors indicate that an increase in trust research has ensued for three general reasons. First, organizations can no longer make guarantees the way they used to. Due to economic and social trends, organizations cannot guarantee job security, regular pay increases, and pensions. Thus, employee commitment and loyalty must be achieved through organizational goals that employees have faith in, and by building trusting relationships based on honesty, integrity, and benevolence. Second, the workforce is better educated, more knowledgeable, less dependent, and therefore less trusting. Baird and St-Amand (1995) do not expand on this statement, but we presume this refers to the idea that people are now more knowledgeable about their personal rights and about wayward corporations who behave unethically for self-serving reasons, and are therefore more cautious about in whom they invest their lives and livelihood of themselves and their families. Third, the workplace is increasingly ethically diverse and increasing numbers of women are holding positions that were traditionally occupied by men. Baird and St-Amand (1995) cite studies that have found that trust is lower in cross-cultural relationships and that female subordinates are less likely to trust female superiors than male superiors. These three reasons, Baird and St-Amand (1995) suggest, have led to trends toward lowered organizational trust.

In order to improve organizational trust levels, Baird and St-Amand (1995) describe a three-step process which centres on shared values, beginning with culture creation. They suggest that organizations should strive to create a culture based on shared values that people endorse and have faith in. Formal mission statements, mandates, organizational objectives, and goals are symbols of an organization's culture; these are manifested in the actual behaviours of the organization and the people therein. The second step toward developing and maintaining trust within an organization is leadership. Shared values are again relevant here, and they argue that leadership takes place in a context of mutual trust based on shared values and vision. Organizational cultures with shared values at the core allow leaders to impose fewer external controls, less detailed procedure and restrictive rules, and more detached supervision. Thus, maintaining employee commitment requires a management strategy that recognizes the importance of empowering employees. The third and final step is building relationships. In conjunction with creating a culture based on shared values and employees, management and employees alike must commit to building open relationships based on honesty, integrity, and benevolence. Members must feel safe to honestly communicate with colleagues and management. Further, both subordinates and superiors must be fully aware of what they can expect of each other, as well as their responsibilities in creating a trusting environment.

In general, Baird and St-Amand (1995) argue that several factors are essential for the nurturing, development, and maintenance of interpersonal trust. These include integrity, competence, predictability, loyalty (defined as benevolence), and openness (defined as mental accessibility and the willingness to share ideas and information freely). So, by creating an organizational culture imbued with strong and positive values, it may be possible to promote the emergence and maintenance of organizational trust.

It is also important to note, however, that organizational culture can function at both an explicit and implicit level. For example, English (2004) has noted that many organizations show a disconnect between the espoused values of their culture, and the actual values-in-use. This disconnect has very obvious implications for organizational trust. Indeed, the core of the *integrity* definition (a critical characteristic promoting trust) is consistency of word and action, or colloquially, *doing what one says one is going to do.* In organizations where the publicly proclaimed values of an organization



are widely discrepant from how the organization actually does business, the development and maintenance of organizational trust is likely to be compromised.

There is some evidence that this might be a potential problem for the CF/DND as an organization. For example, at the request of the Defence Ethics Program, the Directorate of Human Resources Research and Evaluation (DHRRE) conducted a comprehensive baseline assessment of the ethical climate of the Department of National Defence (DND) and of the values used by DND members to make ethical decisions (Catano, Kelloway & Adams-Roy, 2000). CF respondents were asked to rate the ethical climate within the CF from two perspectives: "the way things are right now" and "the way things should be."

Results from the survey showed that, in the perceptions of CF members, the active ethical values within the CF at the time of the survey fell far short of what they believed they should be (Catano et al., 2000). Specifically, the indices relating to care, self-interest, organizational rules, organizational fairness, rules and personal control had large discrepancies between the current and the ideal state, with the current state being consistently lower than the ideal.

However, another survey undertaken in 2003 showed some positive changes (DND, 2003). For example, results indicated that both military and civilian personnel saw an improvement in the organizational climate during the period between the two surveys. Further, military and civilian personnel stated that they had greater ethical expectations for their organization in 2003 than in 2000. As such, the active organizational culture within the CF (as in many organizations) seems to showed some improvement, but also engendered or promoted higher standards or expectations as well. Improvement in organizational climate will hopefully promote higher levels of organizational trust.

5.5 Perceived Organizational Support

The perceived supportiveness of an organization in the eyes of its employees is an important positive influence on organizational trust. Perceived organizational support refers to "global beliefs concerning the extent to which the organization values their contributions and cares about their well-being." (Eisenberger, Huntington, Hutchison, and Sowa (1986; cited in Whitener, 2001). Theoretically, trust is linked to perceived organizational support (POS) by social exchange theory. Social exchange theory argues that employees who perceive good treatment by their organization, in return, reciprocate with positive attitudes and behaviours toward the organization (Albrecht & Travaglione, 2003). Empirically, research has linked POS with a variety of work related outcomes including trust as well as job satisfaction, reduced turnover, job performance, organizational citizenship behaviour, organizational commitment.

Albrecht and Travaglione (2003) proposed and tested a model of key antecedents and consequences of trust in public sector senior management. In particular, they hypothesized that organizational support would be a significant predictor of trust in senior management. In order to test their model, they collected data from two public sector organizations through an employee opinion survey. Trust in senior management was assessed with a three-item scale. Example items included "I will act on the basis that senior management would honour any agreements made with employees" and "I will act on the basis that senior management will keep the promises they make to employees". Organizational support was measured using a shortened version of the Survey of Perceived Organizational Support. Example items included: "The organization is willing to help when I need a special favour", and "The organization cares about my general satisfaction at work". Correlation analyses showed that trust in senior management had a strong association with



perceived organizational support (Albrecht & Travaglione, 2003), however, the causal direction of this relationship was not tested.

In another study, Whitener (2001) investigated the relationship between POS and trust using 1689 credit union employees. Employees completed a variety of questionnaires included a measure of organizational trust created by Robinson and Rousseau (1994; cited in Whitener, 2001) and Eisenberger's Perceived Organizational Support Scale (1986; cited in Whitener, 2001). Correlation analyses indicated that perceived organizational support was positively related to trust in management. Similarly, Chen, Aryee, and Lee (2005) explored the relationship between POS and trust. This research found that higher perceived organizational support predicted significantly higher levels of trust in the organizational support on various work outcomes, such as organizational commitment. This mediating effect of trust is discussed in further detail in the Organizational Commitment section.

As such, it is clear that a key predictor of organizational trust is perceived organizational support. This construct seems to best capture the benevolence dimension argued to be critical in interpersonal trust and extends it to the organizational domain.

Within the CF, perceived organizational support is also likely to influence organizational trust. In work related to moral and ethical decision-making, for example, a pervasive problem noted by senior CF personnel were their perceptions that CF had not properly supported them after having made difficult decisions (Thomson, Adams & Sartori, 2006). As such, the level of support that CF members perceive from their organization will be a critical contributor to trust in the CF as an organization.

5.6 Organizational Change

Scholars have noted the tendency toward substantial organizational change in recent years. As noted earlier, key amongst these are recent shifts toward more flexible forms of organizations due to decades of work suggesting that organizations will benefit from more agility (Tyler & Kramer, 1996). Research has typically argued that there is a negative relationship between organizational trust and organizational change.

Some research has explored the relationship between organizational trust and change. Morgan and Zeffane (2003) conducted a study using data collected an Australian Workplace Industrial Relations Survey (AWIRS), covering over 2000 workplaces and 19000 employees, in order to examine the effect of differing organizational change strategies on employee trust in management. This survey included measures related to general management was well as an employee survey looking at employee involvement and perceptions of trust. Employee involvement was measured by type of consultation. Employees were asked if they were consulted about workplace changes in the previous 12 months and the manner of consultation. Trust was measured by a single item: "Management at this workplace can be trusted to tell things the way they are".

Results showed that workplaces experiencing no change reported much higher levels of trust in management, suggesting that companies who did not implement change were seen as more trustworthy than those who did. With regard to employee involvement, within companies implementing change over the last year, about half of employees indicated that they were consulted. Further, a regression analysis examined the impact of organizational change on trust in management. When workers had no involvement, there was an expected significant decline in trust in management, with changes in workplace structures and workplace management/organization



being the most influential. However, consistent with organizational justice theory, employees were more likely to react positively to changes that beneficially affected their work, including positive changes in status, responsibility, involvement, job satisfaction, and work/family balance. This suggests that employees do not necessarily perceive changes to the organizational structure as positive unless they see this change as personally beneficial.

Another buffer to change-related declines in trust was employee involvement. Specifically, when employees perceived that they had greater involvement in the formal hierarchy (e.g., consultation with managers), they expressed greater trust in management in workplaces even when organizational change had occurred. However, when they were simply informed of changes (e.g., newsletters), rather than being involved in them more directly employees expressed lower trust in management. This work suggests that employees prefer to have involvement in decisions in the workplace, and prefer receiving information directly rather than indirectly. When this does not occur, organizational trust is likely to be negatively affected.

Research conducted by Saunders and Thornhill (2003) explored the relationship between organizational change and trust/mistrust. The data was collected from 28 employees in a public sector organization in the United Kingdom undergoing strategic change. This organization consisted of the county council responsible for provision of education, social services, police, traffic, road maintenance, libraries, and strategic planning.

Data collection used a structured card technique with possible emotions listed on the cards and a subsequent in-depth interview to explain each individual's emotional experience of the changes occurring within the organization. Findings indicated that participants experienced both trust and mistrust when undergoing organizational change. Results showed that although over half of the participants felt trust to some extent without any sense of mistrust, a few felt mistrust without any sense of trust, and some felt both and some felt neither trust nor mistrust toward the organization. This suggests that reactions to organizational change are not necessarily unitary.

Taken together, this research has important implications for the CF given the recent push toward more lateral organizational structures. Morgan and Zeffane's (2003) work suggests that structural changes within organizations may negatively influence employee's trust in the organization. At a minimum, this work suggests that the CF should take care to determine <u>what</u> changes would benefit the CF and its employees, <u>how</u> these changes should be made and <u>who</u> these decisions and implementation strategies should involve. Morgan and Zeffane (2003) suggest that employees need to feel an increased sense of ownership in organizational change in order to keep their trust levels up, and that this might be afforded by direct involvement in the implementation of organizational change.

The relationship between organizational change and organizational trust is obviously a very important one. The very action of implementing change within an organization might affect its perceived trustworthiness from several different perspectives. Organizational change might render an organization somewhat unstable at least until the implementation is complete or the employees have habituated to it. Even outside of the organization, inter-organizational trust may be more difficult to develop with a potential partner organization undergoing significant organizational change, as this organization is likely to be inherently less predictable. The literature suggests that the management of organizational change is likely to be a key predictor of organizational trust. Unfortunately, none of the available literature offers the necessary longitudinal approach that would be needed to understand the relationships amongst the many variables in play in a more dynamic way. From the perspective of the ongoing transformation processes underway in the CF, monitoring the impact of these organizational changes on levels of trust of CF personnel within the



organization as well as the perceived trustworthiness of the CF from the perspective of external organizations will be crucial.

5.7 Organizational Identity

The active identity of people within an organization has also been cited as a critical influence on trust in organizational contexts. The concept of organizational identity, of course, stems from social identity theory. Tajfel (1974) defines social identity as an individual's knowledge that she or he belongs to a certain social group or status on which she or he places some value. The more a person identifies with his or her in-group, the more she or he will feel distinct from out-group members (e.g., one's manager, other organizations). Thus, organizational identification is a specific form of social identity in which individuals define themselves in terms of their organizational membership. As Dutton et al. (1994; quoted in Lee, 2004, p. 626) hold, organizational identification is "the degree to which a member defines himself or herself by the same attributes that she or he believes define the organization".

Researchers have argued that individuals who identify with their employing organization tend to choose activities that are congruent with organizational identify and values (Ashforth & Mael, 1989; Cheney, 1983; cited from Lee, 2004). Specifically, organizational identification has been shown to relate to extra-role behaviours (such as OCB), cooperative behaviour, and intent to stay at one's employer. Extending these ideas, then, Lee (2004) hypothesized that employees with greater organizational identification would exhibit greater continuous improvement efforts. Trust in the competence of the organization was expected to influence continuous improvement efforts. Lastly, organizational identification was also expected to moderate the relationship between trust and continuous improvement.

In an application of these ideas about organizational identification, Lee (2004) collected data from 490 employees at a multinational high-tech manufacturing company based in Korea, with an average tenure in the organization of about four years. Self-report questionnaires tapped trust in the competence of the organization, organizational identification and continuous improvement motivation.

Results showed that trust on its own did not have a direct impact on continuous improvement, but that organizational identification did have a strong, positive impact. However, additional analyses showed that organizational identification significantly moderated the relationship between organizational trust and continuous improvement. Specifically, for employees whose organization identification was high, the relationship between trust and continuous improvement was positive. In contrast, the relationship was the opposite for the employees with low organizational identification, there was no relationship between trust and continuous improvement. On the other hand, as Lee (2004, p. 627) posits, "for employees who do not see their values and goals as congruent with those of the organization, trust in the organization may not necessarily mean a greater sense of obligation toward their employer". In this case, organizational trust is not sufficient to produce a strong sense of obligation toward one's employer. Rather, organizational identity is necessary to foster greater obligation, which in turn generates more organizational trust.

Lee (2004) speculates that perhaps individuals with high organizational identification as a result of perceived congruence between their goals and the organization's goals consider their relationship with their employer as long-term relational in nature, while individuals with low organizational identification and less congruence with their own goals consider the relationship as short-term or transactional (Lee, 2004). Lee (2004) notes that as the psychological contract literature suggests



(Rousseau, 1996), individuals who define relationships as relational or long-term have a higher level of trust in the organization, which is likely to lead to a greater sense of obligation toward the organization. Consequently, individuals are likely to exert greater effort in general than those individuals who envision a short-term view of their tenure with a given organization.

As a whole, then, this research suggests that managers can increase their subordinates' continuous improvement efforts by ensuring high levels of trust in conjunction with promoting the subordinates' organizational identification. Lee (2004) suggests that workplace justice might be one mechanism that would assist this process, because when perceived workplace justice is high, employees would be more likely to believe that any benefits gained by the organization will be distributed back to everyone fairly.

Another critical issue particularly relevant to organizational trust is the issue of complex organizational identities. Roccas and Brewer (2002) have introduced the construct of *social identity complexity* in order to explain the ability to juggle multiple activities roles or identities. In short, this theory is based on the notion that when a person sees himself as a simultaneous members of several different categories, he must work to somehow manage this complexity. Moreover, the extent to which this is likely to be challenging (or even problematic) might be influenced by the logical consistency of the categories. For example, if one sees herself as a White person and a Muslim, the fact that these two categories can overlap without being logically inconsistent suggests that such a person could manage with a lower level of social identity complexity. However, when the categories do not overlap well, such differentiation will require a higher level of social identity complexity.

Within the JIMP paradigm, the issue of organizational identity clearly takes on even more importance. For example, when working among organizations, issues of identity have the potential to wreck havoc with creating and maintaining inter-organizational trust, because an individual within an organization must interact with other people even working as a representative of multiple agencies or organizations. For example, one might simultaneously be a member of the Canadian military, as well a person who is representing the U.N. on a peacekeeping mission. How these different (and sometimes incongruent) identities are managed could have very important implications for trust at the organizational level. As a Canadian, one might naturally elicit goodwill and positive expectations when interacting with another organization, by sheer virtue of a positive Canadian reputation. On the other hand, the same person, when construed as a military person rather than as a Canadian may elicit serious distrust from NGOs in the area, as a product of the historical issues between NGOs and military systems (e.g., Aall, Miltenberger & Weiss, 2000). Within the JIMP context, then, the need for social identity complexity would stem from inconsistencies between the various active identities. More important to the current discussion is that this diversity of identities within an organizational context has critical implications for the perceived trustworthiness of other potential partners (i.e., either individuals or organizations). The clarity of intra-organizational trust, then, may depend on the multiple identities in play within a complex organizational structure, and on whether an organizational member sees his allegiance to the larger organizational context, or to the small team of which he is a part.

5.8 Organizational Diversity

Diversity within workgroups is another potential threat to trust within and among organizations. Even within the same organization, assuming an organization to be a homogeneous entity is not ideal. Stinglhamber, DeCremer and Mercken (2006, p. 443), for example, have argued that:



"rather than considering the organization as a single monolithic entity, it is more useful to view an organization in terms of its various "coalitions and constituencies" (e.g., managers, customers). Each of these entities has its own goals and values that may or may not be compatible with those of the organization itself. As such, the organization should not be considered anymore as a single entity to which employees direct, or from which they derive, their attitudes and behaviors at work."

This observation that different departments within the same organization will have diverse goals and values is an important one. Moreover, this suggests that a high level of trust among these diverse organizational facets is not guaranteed.

Levels of diversity, however, are likely to be accentuated when moving from the intra-organizational level to the inter-organizational level. As trust is predicated on similarities (e.g. shared values), people from different cultures may have different standards for trust (Doney, Canon & Mullen, 1998). Although this analysis referred to interpersonal trust, the impact of cultural diversity also been argued to be an issue in organizational contexts. For example, Bachmann (2001) describes how different business norms, practices and values relevant to trust have emerged in the United Kingdom versus Germany. In the UK, organizations leave it up to individuals to determine how they will proceed in business transacting and relationship building. As such, disputes are managed by lawyers on a case-by-case basis, using as the source the letters of the contract between the opposing parties. On the other hand, German business norms and values are determined largely by the authority and neutrality of commercial law, and are not meant to be challenged by individuals within the system. Bachmann (2001) reveals that the German legal system applies very strict, general rules when resolving disputes, which are endorsed and guaranteed by the state. These rules will simply override the position of those disputing parties. Though the existence of the institutional framework persists over time, their particular expression will vary between nations.

Huff and Kelley (2003) examined potential differences in levels of trust between individualist and collectivist cultures. They collected survey data from 1,282 mid-level bank managers from large banks in individualist cultures (Hawaii and Illinois) and in collectivist cultures (South Korea, Japan, China, Taiwan, Hong Kong, and Malaysia) asking questions about trust (propensity to trust, intra-organizational trust). Participants from individualist cultures were found to have greater individual propensities to trust (inter-personal trust) and have greater trust in external organizations (inter-organizational trust) than did people from collectivist cultures. No significant differences were found between cultures for intra-organizational trust. This suggests that national culture is particularly likely to be an issue for inter-organizational trust.

One of the issues noted in the literature is that Western culture has only recently come to terms with the competitive advantage evident within Eastern cultures where "reciprocal bonds of obligation facilitate trust and cooperation between individuals" (Brunner, 1989; cited in Baba, 1999). In the absence of this within Western culture, Baba (1999) argues that firms have enacted several new structures and management practices in order to build trust and to improve cooperation and coordination. These have included:

- Self directed and/or cross-functional work teams
- Total quality management
- Employee involvement



This observation of differences in the relationships among Eastern and Western cultures in building trust suggests potential challenges when diverse organizations must collaborate. In fact, as Zaheer & Zaheer, 2006, p. 21) have argued:

"...researchers have still barely begun to explore the related idea that trust may differ systematically across cultures, and thereby present significant challenges for both cross-border and comparative research, as well as practice...."

The implications of these cross-cultural differences in trust are far-reaching. Within organizational contexts, trust is a product of "institutional, socio-cultural and industry norms and these 'trust support mechanisms' moderate the relationship between the choice firms make about how much to invest in trust and performance relationships" (Zaheer & Zaheer, 2006, p. 23). In short, if trust is less available in some contexts, the cost, from a business perspective, may be that more stringent control mechanisms may be necessary to promote trust to even the minimal level. When trust has been examined in different cultural contexts, the assumption has typically been that trust is the same in every context (i.e. a universalistic view of trust). This assumption is clearly problematic, and trust may vary not only in levels and degree of trust, but also in the very nature of trust in different cultures.

Although much of the discussion in the literature available relates to inter-organizational trust, even within the same organization, diverse workgroups may be very challenged in building trust with other workgroups. Trust levels are influenced by common values and attitudes, and even differences in the perceived roles and priorities can lead to problems in building and then maintaining organizational trust.

5.9 Summary and Implications

Obviously, a wide range of factors in the organizational context are likely to influence organizational trust within and among organizations. Of course, many other factors not discussed here are also likely to influence trust at the organizational level. These include reputation, shared values and attitudes, and perceived similarity. However, as the organizational trust literature showed little discrete discussion of these factors, our existing review of trust in military teams provides some coverage of these issues (Adams, Bryant & Webb, 2001). It is important to note, however, that although the factors described in this chapter are framed as individual factors, the interactions between them are also of critical importance. Organizational structure, for example, has been shown to interact consistently with perceptions of organizational justice.

Understanding the relative contribution of leaders and other organizational representatives in promoting trust at the organizational level is a critical first step to understanding organizational trust within the JIMP context. The practices of the CF as an organization, and the ways in which these practices are implemented will influence the perceived trust of CF personnel, as well as the trust of external partners. According to the theory of structuration, the CF as an organization is constantly creating the systemic framework in which organizational trust will either thrive or fade, just as the actions of the people within the framework shape the organization.

Applying this work to the CF context, organizational practices, varying structures and cultures will challenge the emergence and maintenance of organizational trust. In an inter-organizational collaboration, the CF may need to co-ordinate with other militaries and organizations that are even more hierarchically oriented than is the CF. In fact, at least some of the frustration experienced by CF members within previous operations (e.g., Dallaire trying to work with the UN in Rwanda; Dallaire, 2005) might have arisen out of having to work with extremely hierarchical structures that did not seem to have the organizational agility necessary to quickly adapt to changes that happened



"on the ground". Organizational structure, then, could have a potential influence on trust between members of a common network. In the case of the UN, for example, its inability to act (perhaps as the result of its bureaucratic inertia due to structure rather than its true intention) could be seen by frustrated people on the ground as being representative of individuals within the UN not having the capability and/or motivation to work to help resolve the situation. In this case, then, organizational structure (and its limitations) could lead to attributions about the true motivations of the representatives of this structure. As such, in organizational (as in interpersonal) contexts, incorrect attributions about the "real" intentions of individuals embedded within complex organizational structures have the potential to be very problematic.

Organizational structure and change research is particularly relevant because recent CF transformation effects have seemed to move away from the divisionalized structure in order to emphasize more of a *total force* approach. At an operational level, for example, the concept of mission command devolves the authority structure to lower levels than previously, and works to empower people at much lower levels of the hierarchy. This potential shift in organizational structure has serious implications for trust at the organizational level. For example, mission command seems dependent on those at the higher levels of command being willing to give higher levels of autonomy to those typically lower in the hierarchy. Similarly, exercising autonomy will only occur if those at lower levels believe that the larger organizational structure will support their decisions. At this point, however, it may be too soon for adequate identification of all the potential trust issues inherent in major changes in the organizational structure of the CF. However, this section suggests that paying attention to the impact of varying organizational structures on organizational trust will be critical.

Our review also suggests that psychological contract violations can also have negative impacts on organizational trust. The CF seems to have made deliberate attempts to address previous violations of psychological contracts with its members. For instance, CF efforts to ensure better salaries and living conditions are examples of organizational efforts to show concern and responsiveness to organizational members. However, in the CF as in any organization, violations of implicit or explicit psychological contracts are perhaps inevitable. In this sense, the provision of means by which the *voice* of people who feel violated by the organization is critical, and knowing when psychological contracts are perceived to have been broken also would be critical. Moreover, it is also important to note that continuous fulfilment of psychological contracts might be even more challenging with increased diversity among inter-organizational partners. In multinational military operations, for example, what might constitute a psychological contract for a representative of one culture may be very different from what constitutes a binding contract for a person from another culture. In such situations, promoting high levels of organizational trust will be more difficult.

Organizational identity is also likely to be of increasing importance when CF personnel are tasked to work within the JIMP context. For the organizational representative working in interorganizational teams, a primary challenge will be managing the many different identities in play. Whether a representative of one's regiment, of the Army, of Canadian society, or of the United Nations, the complex nature of future collaboration will require people to continually grapple with their roles as representatives of many different organizations. It will be necessary for organizational representatives (at whatever level) to build and maintain trusting relationships with other people and to protect the perceived trustworthiness of the abstract systems that they represent while making sound decisions about the probable trustworthiness of their prospective partners. In all of these situations, understanding organizational trust will require continually shifting the focus between the interpersonal level and the more systemic level to truly capture the many influences on organizational trust.



Chapter 6 – The Effects of Organizational Trust

The following chapter explores the effects of organizational trust on a variety of outcomes including job satisfaction, conflict reduction, organizational citizenship behaviour, organizational commitment, and workgroup and individual performance.

6.1 Job Satisfaction

Job satisfaction can be defined as both the attitude and the feeling that people have regarding their jobs, and, "the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs" (Spector, 1997, p. 2). Job satisfaction is an assessment of overall job experience, and arises from many factors such as one's relationship with a supervisor, the sense of fulfilment of work, perceived congruence between pay and work production, and physical conditions of the working environment.

There is very good evidence indicating that trust has a strong and positive impact on job satisfaction. In his study of a number of business-to-business sales organizations, Rich (1997) worked to understand the relationship between trust in a manager and job satisfaction. Rich argued that managers are responsible for many duties that impact on employees, such as performance evaluations, promotions, authorizing raises, and training. He, therefore, hypothesized that high employee trust and loyalty to the manager would be associated with high job satisfaction. To test this hypothesis, Rich analyzed questionnaires from 183 salesperson-manager dyads working in 10 different U.S. companies. Measures included ratings of trust in and loyalty toward manager, overall job performance, and job satisfaction. Results showed a significant correlation (r = .42) between employee's trust in their manager and job satisfaction.

Research by Mulki, Jaramillo, and Locander (2006) explored the relationship between ethical climate and supervisory trust as critical determinants of salespersons' job attitudes and behavioural intentions. Researchers had 333 salespeople working for a global pharmaceuticals company operating in the United States complete a mail survey questionnaire. Measures included a trust in supervisor scale and an overall job satisfaction scale. Relevant results showed a significant positive correlation (r = .38) between trust in supervisor and job satisfaction.

A meta-analysis by Dirks and Ferrin (2001) found further evidence that trust has a positive impact on job satisfaction. The researchers reviewed 12 studies examining the effects of trust on various aspects of workplace satisfaction (e.g., satisfaction with supervisor, satisfaction with job). Even though these studies operationalized job satisfaction in several different ways, they all show trust to have a positive significant effect on job satisfaction. Correlation values for these studies can be seen in Table 4.



Study	Primary Thesis Related to Trust	Sig.	R		
Satisfaction					
Boss 1978	Trust has (+) effect on satisfaction (sat) with meeting	*	0.65		
Brockner et al. 1997	Trust has (+) effect on sat./support for leader; relationship moderated by outcome favourability	*	0.65		
Driscoll 1978	Trust has (+) effect on job sat.	*	0.52		
Muchinsky 1977	Trust has (+) effect on job sat.	*	0.40		
O'Reilly and Roberts 1974	Trust has (+) effect on sat. with communication	*	0.29		
Pillai et al. 1999	Trust in leader mediates the relationship between leader behaviour and job sat.	*	0.13, 0.32		
Rich 1997	Trust has (+) effect on job sat.	*	0.43		
Roberts and O'Reilly 1974	Trust has (+) effect on sat. with communication	*	0.39 to 0.43		
Schurr and Ozanne 1985	Trust has (+) effect on sat. with partner	*	0.53		
Smith and Barclay 1997	Trust has (+) effect on sat. with IRP	*	0.42		
Ward 1997	Trust has (+) effect on sat. with work group	*	0.58		
Zand 1972	Trust has (+) effect on sat. with meeting	*	0.63		

Table 4. The impact of trust on job satisfaction

*p < .05

In their subsequent meta-analytic review, Dirks and Ferrin (2002) reviewed a further 34 studies and found a strong overall relationship between job satisfaction and trust in leadership (r = .51).

Although research points to a strong positive relationship between trust in an organizational conduit (such as a leader or manager) and job satisfaction, there is little empirical research available that speaks directly to whether trust in a broader organizational system positively impacts job satisfaction. However, the general working environment helps to frame workers' perceptions of the organization as a whole. For example, positive working conditions, which include up-to-date equipment, policy measures to guarantee safety, etc., implicitly signal care and concern for the safety and well-being of employees, and likely help to reduce feelings of uncertainty and ambiguity. All of these actions, of course, are likely to promote both higher levels of trust in the organization as well as job satisfaction. However, whether organizational trust at the systemic level influences job satisfaction directly or indirectly is an empirical question.

6.2 Conflict Reduction

In general, conflict can emerge as the result of two simultaneously opposing interests, ideas, or beliefs. Trust literature suggests that the level of conflict within and among organizations can be influenced by trust. For example, a study by Simons and Peterson (2000; reviewed in Adams 2001) shows that trust can determine how workplace conflicts are construed. This work shows that when conflicts within a work setting occur, these conflicts can be interpreted as either task conflict (involving specific disagreements between group members about the content of their decisions), or as relationship conflict (a more global conflict, centred on issues of interpretsonal compatibility). When low trust teams experienced conflict in performing a task, team members were more likely to interpret other team members' behaviour negatively and to take the conflict personally, resulting in further relationship conflict. On the other hand, in teams with high trust levels, conflict was interpreted in terms of specific task conflict and did not "carry over" to the broader form of relationship conflict. Thus, high levels of trust constrained the nature of the attributions made about



a conflict situation and conflict was not attributed to the problems in the relationships with coworkers.

Peterson and Behfar (2003) also looked at the influence of trust on conflict. In their study, the researchers investigated the impact of past group performance feedback on future intragroup conflict. They were interested in understanding whether or not reported group conflict is a reaction to feedback on past group performance as well as whether intragroup trust would moderate the impact of task conflict. To test their research questions, Peterson and Behfar randomly assigned 252 first year MBA students into teams of four. The teams worked closely together to analyze and write case studies to complete problem sets of target businesses. Participants were required to complete two surveys. The first survey was completed after the first team assignment was submitted to instructors but before grades were released (week 3). The second survey completed after first assignment grade were released and after they had handed in their final team assignment (week 7). Both surveys included the task conflict, relationship conflict, and intragroup trust scales.

Peterson and Behfar found a significant main effect for intragroup trust, as it negatively predicted relationship conflict. Second, they found a significant interaction. When intragroup trust levels were low, high levels of task conflict led to high levels of relationship conflict. However, when intragroup trust levels were high, high levels of task conflict was only weakly associated with relationship conflict. The researchers concluded that intragroup trust is a key factor in reducing the early task conflict that can lead to later relationship conflict.

Additional support for the notion that trust lessens conflict was found by Dirks and Ferrin (2001). Dirks and Ferrin (2001) reviewed three articles investigating the main effects of trust on conflict. As can be seen in Table 5, results from three separate studies indicate that trust between negotiators and trust within groups had a significantly negative effect on conflict. However, trust in partners in inter-organizational relationships was not found to significantly reduce conflict.

Study	Primary Thesis Related to Trust	Sig.	r
Conflict	·		
DeDreu et al. 1998	Trust between negotiators has (-) effect on conflict	*	-0.53
Porter and Lilly 1996	Trust within group has (-) effect on conflict in team	*	-0.46
Zaheer et al. 1997	Trust has (-) effect on conflict between partners in inter- organizational relationship	ns	-0.13 to -0.25

Table 5. T	he impact	of trust on	conflict reduction
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* p < .05

Other research by Simons and Peterson (2000) and Peterson and Behfar (2003) emphasizes a very important point about the interplay between task conflict and relationship conflict. Whereas some level of task conflict should be expected in many forms of collaborative work, the most serious conflict-related problems are likely to occur when conflicts extend to the relationship domain. Peterson and Behfar (2003) argue research has shown that relationship conflict has three general effects. First, relationship conflict limits the information processing ability of the group because group members focus on each other rather than on group problems. Second, relationship conflict limits group members' cognitive functioning by increasing stress and anxiety levels. Finally, relationship conflict fosters antagonistic or accusatory attributions for other members' behaviour, which can create a perpetual cycle of mutual hostility and blaming. Given the potential for negative effects as the result of relationship conflict, it seems possible that conflict among representatives of an organization could damage trust at the broader organization level as well. Unfortunately, the



available literature does not appear to discuss the potential "migration" of conflict from the interpersonal to the organizational level. However, we would argue that this shift is a potentially critical issue for organizational conflict and organizational trust. This issue is explored in more detail in the research chapter at the end of this report.

6.3 Organizational Citizenship Behaviour

According to Deluga (1994), organizational citizenship behaviour (OCB) includes duties specified in one's job requirements as well as non-mandatory behaviours performed without expectation of recognition or reward. OCB behaviours promote the efficient and effective functioning of an organization. Deluga notes that five categories of OCB (i.e., altruism, courtesy, conscientiousness, sportsmanship, and civic virtue) have been identified. Aryee, Budhwar, and Chen (2002) distinguish between organizational citizenship behaviour (OCB) at the organizational level (OCBO) versus at the individual level (OCBI). At an individual level, OCBI refers to helping a fellow employee (e.g., orienting a new employee to the office communications network). Conversely, at the organizational level, OCBO refers to helping the organization (e.g., making helpful suggestions that could make inter-departmental communication more efficient). Thus, the former may benefit the supervisor by taking work off of his/her slate, whereas the latter may benefit the supervisor or the organization as a whole. The literature suggests that both levels of OCB are positive outcomes of organizational trust (e.g., Aryee, Budhwar, and Chen, 2002).

Within organizational settings, there is empirical evidence that trust impacts directly on the prominence of organizational citizenship behaviour. In their investigation of trust in organizational settings, Dirks and Ferrin (2001) reviewed six articles investigating the main effects of trust on OCB. As can be seen in Table 6, results from these studies indicate that trust in co-workers, trust in superiors, and trust in organizations had a significant effect on OCB both directly and indirectly through other constructs.

Study	Primary Thesis Related to Trust	Sig.	r			
	Organizational Citizenship Behaviour					
Deluga 1994	Trust building by leader has (+) effect on organizational citizenship behaviour (OCB)	ns	n/a			
Konovsky and Pugh 1994	Trust in superior mediates the relationship between justice and organizational citizenship behaviour	*	0.28			
McAllister 1995	Trust in co-worker has (+) effect on OCB	*	0.19, 0.48			
Pillai et al. 1999	Trust in leader mediates the relationship between leader behaviour and organizational citizenship behaviour	*	0.08, 0.31			
Podaskoff et al. 1990	Trust in leader mediates the relationship between leader behaviour and organizational citizenship behaviour	*	0.15 to 0.30			
Robinson 1996	Trust in organization has (+) effect on organizational citizenship behaviour	*	0.32			

Table 6.	The	impact	of	trust	on	ОСВ
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*p < .05



Subsequent research has also found positive relationships between trust and OCB. Aryee, Budhwar, and Chen (2002) investigated the relationship between trust and OCB in a study designed to test a social exchange model of employee work attitudes and behaviours. The researchers argued that trust would mediate the relationships between organizational justice and the employee's work-related attitudes and behaviours. They expected that trust in the organization would mediate organizational commitment variables (i.e., job satisfaction, turnover intention, and organizational commitment). In contrast, they expected that trust in the supervisor would mediate OCB (as can be seen in Figure 8).



Figure 8. Mediated model of justice, trust, and work outcomes (Aryee et al., 2003)

To test their model, Aryee, Budhwar, and Chen had 179 supervisor-subordinate dyads working in a public sector organization in India complete survey packets. Supervisors completed questions measuring task performance and OCB. Subordinates completed questions measuring organizational commitment variables. Results showed that trust in supervisor was significantly related to OCBI (r=.25) and OCBO (r=.34), whereas trust in organization was not significantly related to either form of OCB.

More recently, Colquitt, Scott, and LePine (2007) conducted a meta-analysis to understand the relationship between trust (both trust in co-worker and trust in leader), its antecedents, and its consequences. Measures were coded as reflecting trust if they involved positive expectations about the actions and behaviours of the trustee, willingness to be vulnerable, or asked direct trust questions (e.g., "How much trust do you place in your superiors?"). Colquitt, Scott, and LePine included 19 independent samples in their analysis and found a positive relationship between trust and organizational citizenship behaviour (r = .27). This relationship was the same for co-worker based referents and leader-based referents.



Dirks and Skarlicki (2004) explored the impact of leader trust on subordinate OCB. They suggest that "affective forms of trust, such as benevolence, and cognitive forms of trust, such as integrity, may operate via different processes on outcomes such as OCB" (p. 29). Specifically, they assert that leader benevolence may predict OCB because the employee perceives that the leader cares about the employee's well-being, and extra role activity might be a way to reciprocate this care. However, trust in a leader's integrity may impact differently, by inspiring employees to "believe that by engaging in OCB, he or she may derive future benefits because of the leader's adherence to certain values, such as fair treatment" (p. 28). Dirks and Skarlicki explored these issues in a sample of employees in the financial services department of a bank. Employees completed questionnaires assessing their trust in their manager in terms of benevolence and integrity. Managers, in turn, rated their employees' helping behaviours. Results showed that although leader integrity and benevolence (indicators of trustworthiness) did not predict helping behaviour individually, the relationship between integrity and OCB was positive when benevolence was high, but the relationship between integrity and OCB was not significant at moderate and low levels of benevolence.

Dirks and Skarlicki's work has implications for leaders as conduits of organizational trust as well as implications for OCB as an effect of organizational trust in general. As the results demonstrated, it is not enough for a leader simply to exhibit integrity in the absence of benevolence or to show only low to moderate levels of benevolence. They argue that "leaders must be able to cultivate an image of personal integrity and also be able to establish personal relationships with subordinates" (Dirks & Skarlicki, 2004, p. 29). Clearly if OCB hinges on a perception of benevolence, then organizations will need to develop ways in which they can convey care to their members.

6.4 Organizational Commitment

Organizational commitment can be described as a psychological state characterizing an employee's relationship with an organization, as well as impacting an employee's decisions to continue employment with the organization (Gade, 2003). Further, Gade (2003) describes organizational commitment as a combination of three components:

- affective commitment (AC);
- continuance commitment (CC);
- normative commitment (NC)

Affective commitment represents the *want* aspect of commitment and refers to an individual's emotional attachment and/or identification with the organization. Continuance commitment represents the *need* aspect of commitment, such that individuals need to stay with the organization as they have no other choice or no other desirable options (e.g., there is no other job opportunity for them). Finally, normative commitment is the *ought* of commitment and refers to the individual's felt obligation to remain in the organization.

As organizational commitment is a vital concern for the military, both theorists and researchers have explored both the factors that influence commitment and the benefits that it offers. Commitment within the military refers to a service member's strong attachment to serving the military system as an organization and to his or her unit as part of that organization (Gade, 2003). Moreover, commitment to the organization ensures that service members stay in the military, perform their work better, and are good citizens of their organization (Gade, 2003). Military personnel must deal with long hours, frequent relocation, multiple deployments and life-threatening



situations with little reward (Karrash, 2003). Despite these hardships, many individuals remain committed to the service. It is therefore important to understand what keeps these individuals committed to the organization as this commitment is critical to the effectiveness and readiness of the military.

Some research has also explored organizational commitment within a military context. For example, Karrasch (2003) conducted a study to identify antecedents of organizational commitment. In particular, she investigated gender, ethnicity, and perceptions of tokenism (e.g., isolation, stereotyping) as antecedents of organizational commitment (i.e., affective, continuance, normative). To conduct this study, Karrasch had 1,270 male and 142 female US Army captains complete surveys. She found significant differences for gender, ethnicity, and tokenism. More specifically, male participants reported significantly higher continuance commitment than female participants. Significant differences were reports for ethnicity and affective and continuance commitment. Unfortunately, no means were reported to better understand these differences. With respect to tokenism, participants reporting strong tokenism in their environment also reported significantly higher continuance commitment and significantly lower affective commitment than those reporting low or mild tokenism. As described by Gade, Tiggle, and Schumm (2003), other researchers have also studied organizational commitment in a military context. Importantly, in these studies, organizational commitment was found to predict reenlistment intentions and behaviours, military job satisfaction, unit cohesion, retention intentions, adjustment to army life, perceived combat readiness, and psychological well-being. The literature suggests that higher levels of organizational trust are likely to promote higher levels of organizational commitment within military contexts.

Despite the obvious benefits of organizational commitment, however, there appears to have been relatively little research linking trust and commitment. However, the research that does exist indicates a positive relationship between organizational trust and organizational commitment. For example, in the study by Aryee, Budhwar, and Chen (2002) described in Section 6.3, the researchers investigated the relationship between trust and organizational commitment, in addition to OCB. The researchers argued that organizational trust is related to organizational commitment, and mediates the relationship between organizational justice components and organizational commitment. Correlation analyses revealed that organizational commitment was significantly related to both trust in organization (r = .56) and trust in supervisor (r = .31).

In a similar study, Chen, Aryee, and Lee (2005) tested the relationship between trust and organizational commitment. In particular, their study was designed to examine the mediating influence of organizational trust on perceived organizational support (POS) and its work outcomes. Researchers have often focused on a reciprocity or relationship-oriented explanation of the influence of trust on employee work outcomes (Chen et al., 2005). That is, employees who perceive the organization as demonstrating care and concern will reciprocate this in the form of positive work outcomes, such as organizational citizenship behaviour and organizational commitment. Given such an argument, Chen et al. (2002) suggested that trust in organization would mediate the relationship between POS and organizational commitment.

In total, 217 employees of multiple organizations enrolled in a part-time MBA program at a Chinese University were asked to complete a survey to assess perceived organizational support, trust, and affective commitment. Consistent with expectations, results indicated that trust in one's organization is significantly related to organizational commitment (r = .44).

Although existing research suggests a positive relationship between organizational trust and organizational commitment, some of the research fails to separate trust in supervisors as representatives of the organization from trust in the organization as a system. For instance, Perry



(2004) examined the relationship between affective organizational commitment and supervisory trust in both the public and private sector. A single item was used to measure commitment: "I stay with this organization because I respect the goals and values it represents." Trust in the supervisor was measured using a 7-item Likert-type scale and addressed supervisor integrity, motives, intentions, and fairness. Employees at a municipal fire department (n = 88) and at a manufacturing firm (n = 71) completed the questionnaires. Regression analyses revealed no significant relationship between supervisor trust and affective commitment. However, given the constrained nature of the questions used, it is difficult to know why no relationship between trust and commitment was seen.

Employee commitment is an important aspect to the success of any organization; however, some researchers have argued that organizational commitment is particularly important for the public sector. Within the public sector, the values embraced by government organizations attracts and sustains staff, often even as they are have fewer resources and rewards than those in the private sector (Perry, 2004).

Whitener (2001) investigated the relationship between human resource practices, trust-inmanagement, and organizational commitment. Specifically, Whitener tested the hypothesis that organizational commitment would be positively related to trust in management. To test this hypothesis, Whitener had 1689 employees from 180 credit unions complete a survey assessing organizational commitment, trust in employer, organizational support, and human resource practices. Using hierarchical multiple regression, Whitener found trust in management to be significantly related to organizational commitment (r = .61). In addition, mediation analyses revealed that trust partially mediates the relationship between perceived organizational support and organizational commitment, such that perceived organizational support also has a direct influence on commitment. However, this study has certain limitations. For example, the manner in which organizational commitment was operationalized seemed confounded with organizational citizenship behaviour, as the scale included an item measuring "the extent to which the employee is willing to put in effort beyond what is normally expected" (p.524). Going above and beyond the call of duty is typically associated with organizational citizenship behaviour as opposed to organizational commitment. As such, results may speak more directly to organizational citizenship behaviour than to actual organizational commitment. Future work is therefore necessary to properly assess the relationship between perceived organizational support, trust and commitment.

Given the importance of organizational commitment to the CF, more research is required to clarify the role of organizational trust in organizational commitment. In particular, research is required to clarify the effect of trust in leader and trust in the organization on commitment to the CF.

6.5 Workgroup and Individual Performance

Most studies examining the relationship between trust and interpersonal behaviour are predicated on the assumption that trust in a work partner affect how one interacts with the work partner (Dirks & Ferrin, 2001). More specifically, trust may impact one's willingness to engage in risk behaviours with the work partner (e.g., cooperation, sharing information), which is expected to lead to positive outcomes (i.e., individual performance). As with individuals, groups that cooperate and share information as a result of trusting each other are also expected to show better group performance (Dirks & Ferrin, 2001). However, research investigating this phenomenon has had mixed results. In their investigation of trust in organizational settings, Dirks and Ferrin (2001) reviewed articles investigating the main effects of trust on performance. Relevant research is listed in Table 7.



Study	Primary Thesis Related to Trust	Sig.	r	
Unit Performance	· ·		•	
Davis et al. 2000	Trust in general manager has (+) effect on business unit performance	*	n/a	
Dirks 1999	Trust within group has (+) effect on group performance	ns	-0.21 to 0.20	
Dirks 2000	Trust in leader has (+) effect on group performance	*	0.57	
Friedlander 1970	Trust within group has (+) effect on group performance	ns	n/a	
Kegan and Rubenstein 1973	Trust within group has (+) effect on group performance	*	-0.31 to 0.30	
Kimmel et al. 1980	Trust between negotiators has (+) effect on dyad performance	ns	n/a	
Kilmoski and Karol 1976	Trust in partners has (+) effect on group performance	*	n/a	
Schurr and Ozanne 1985	Trust between negotiators has (+) effect on dyad performance	*	0.16 to 0.23	
Zaheer et al. 1997	Trust has (+) effect on inter-organizational relationship performance	ns	0.26 to 0.39	
Individual Performance				
Earley 1986	Trust in supervisor mediates relationship between praise/criticism and job performance	*	0.43	
Oldham 1975	Trust in leader has (+) effect on task performance	*	0.12 to 0.28	
Rich 1997	Trust in manager has (+) effect on sales performance	*	0.30	
Robinson 1996	Trust in organization mediates relationship between psychologist contract violation and job performance		0.41	

Table 7. The impact of trust on unit performance

*p < .05

As Table 7 shows, then, the evidence of trust having an effect on unit performance shows very mixed results, although the impact on individual rather that group performance is consistently positive.

Colquitt, Scott, and LePine (2007) found further evidence that trust in leader has an impact on performance. As noted in section 6.4, the researchers conducted a meta-analysis to understand the relationship between trust (both trust in co-worker and trust in leader), its antecedents, and its consequences. In their analysis of trust and task performance, the researchers included 27 independent samples. They found a positive relationship between trust in leader and task performance (r = .26). The relationship between trust in co-worker and task performance was found to be even greater (r = .39).

Trust in leaders has also been shown to impact on performance. Simons and Parks (2001; cited in Dirks & Skarlicki, 2004) explored whether or not a senior manager's behavioural integrity created a sense of collaborative trust in the senior manager and led to better performance. Perceptions of behavioural integrity and trust in the senior manager were related to customer satisfaction and,



more relevant for our purposes, employee productivity. They found an increase in profitability, which they attribute to perceptions of leader trust. Trust in the leader appeared to account for a large proportion of the improvement in productivity.

Dirks and Ferrin (2001) suggest that trust in a manager may also influence performance indirectly through the subordinates' response to manager's feedback. For example, they suggest that when a manager is trusted and provides negative feedback, the subordinate is likely to deem this as justified, thereby spending more time working to improve their performance. On the other hand, when a manager is not trusted, negative feedback will be interpreted as inaccurate, and the subordinate will spend little effort trying to change their performance. Hence, trust in a leader and subordinates' responses to the leader's feedback can indirectly affect individual performance, especially in the case of negative feedback that is nevertheless accurate.

There is empirical research indicating that level of trust affects motivation within groups. For example, work by Dirks (1999; reviewed previously in Adams et. al., 2001) showed that levels of motivation had a significant positive impact on performance in the high trust condition, but not in the low trust condition. More specifically, high trust groups who were highly motivated channelled their energy toward group goals, whereas low trust groups tended to focus on individual rather than group goals. According to Dirks and Ferrin (2001), trust had an indirect rather than direct impact on performance.

In addition to trust in leaders, research has also been undertaken to understand the relationship between inter-organizational trust and performance. Research by Zaheer, McEvily and Perrone (1995) explored the effects of trust at the inter-organizational level. Conducted within the business domain, this research explored dyadic relationships among electrical equipment manufacturers and their component suppliers. The focus was on the two boundary spanners perceptions' of the trustworthiness of the other organization as a system, as well as on their interpersonal relationships. Measured items related to inter-organizational trust (e.g., "Supplier X has always been even handed in its negotiations with us"), interpersonal trust ("My contact person has always been even handed in negotiations with me"), the quality of negotiation and conflict in these relationships, as well as several indicators of performance.

Results showed that interpersonal trust and inter-organizational trust were distinct but related constructs. Additional analyses showed that inter-organizational trust (but not interpersonal trust) did lower negotiation costs (defined as the time and effort needed to agree on costs and benefits in a negotiation) and conflict. Most importantly, higher levels of inter-organizational trust also significantly predicted higher levels of actual organizational performance. This was not the case for interpersonal trust. As a whole, then, this research shows a direct and significant link between trust at an inter-organizational level and organizational performance.

Interestingly, Dirks and Ferrin (2001) have argued that to the effects of organizational trust on desired organizational outcomes will largely depend on the *situational strength* of the work place. They explain that "strong" situations provide guidance and incentives to behave in a particular way. Such instances, little trust is required because cues as to how to behave are very salient, leaving little room for deviation. On the other hand, weak situations "do not provide guidance or incentives to behave in a particular way, and do not provide clear or powerful cues that lead individuals to interpret the events in a similar way" (p. 461). As such, when the situational strength of the workplace is weak, high levels of trust will be more influential in fostering positive outcomes. The CF is involved in numerous kinds of operations that do not always involve strong situations. It is important, therefore, to recognize the challenges that members have when they are


involved in situations that do not provide guidance or cues to help them interpret events. In such situations, trust is one of the significant factors in interpreting and managing the situation.

As a whole, then, the research related to the effect of trust on work performance shows mixed and inconsistent effects. Moreover, there is little apparent research that specifically addresses the impact of organizational trust at the systemic level and performance. Moreover, even in the research that does exist, the referents are not necessarily consistent, making it hard to determine the exact effects of trust in the organizational context. There is some evidence in the literature that trust can have both direct and indirect effects, but indirect effects seem to have the strongest empirical support. Hopefully, future research will explore this important issue more.

6.6 Summary and Implications

The research and theory reviewed in this chapter suggests that organizational trust has many potential impacts, in terms of attitudes (e.g. job satisfaction), behaviours (e.g. reduced conflict, organizational citizenship behaviour), and outcomes (individual and workgroup performance).

Despite the existence of some empirical research addressing the effects of organizational trust, however, the available research in this area is limited in several ways. Unfortunately, much of the research currently available remains at the interpersonal level (albeit within organizational contexts) and does not specifically address the role of systemic organizational trust on specific behavioural outcomes. Much research is required to understand just how organizational trust impacts behavioural outcomes, and whether or not inferring from the interpersonal trust research to the organizational domain is appropriate.

Moreover, although several outcomes have been identified as stemming from high levels of organizational trust, the causal path is unclear. In many cases, it is clear that positive outcomes both stem from organizational trust as well as promote higher levels of it. For example, it is clear that workers with higher level of organizational citizenship behaviour may be more prominent in high trust organizations. However, through their behaviour, they also create a more trusting and predictable work environment.

Although many of the potential outcomes reviewed in this section are worth pursuing in their own right, the benefits that they have been shown to give rise to are also very compelling. For example, the fact that organizational commitment within a military context has been shown to predict reenlistment intentions and behaviours, military job satisfaction, unit cohesion, retention intentions, perceived combat readiness, and psychological well-being suggests that more research is necessary to fully understand all of these outcomes in military contexts. Currently, most of these performance benefits have been studied primarily outside the military domain. It will be necessary to undertake research in environments that better matches the pressures and issues inherent within complex JIMP environments to fully understand the impact of organizational trust.

In response to the new security environment and the "whole of government" approach to international affairs, the CF will become increasingly dependent on its elements and on outside organizations to manage the growing complexity of military operations. As such, the CF will need to cooperate not only with other nations' militaries, but other governmental departments (OGDs), Non-Governmental Organizations (NGOs), and other external agencies, bringing the importance of both intra and inter-organizational trust to the fore. Clearly, the ability of military systems such as CF to manage to build trust with these external partners will influence their ability to perform with maximal effectiveness.



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Chapter 7 – Proposed Research Program

7.1 Proposed Research Approaches and Recommendations⁴

The goal of this section is to articulate research approaches related to understanding organizational trust within JIMP contexts, and to identify specific research questions that could be explored in a future program of research.

At the outset of any program of research, it would be critical to clearly identify the target and scope of the research. As discussed in this report, organizational trust is likely to impact on attitudes, behaviours, and organizational outcomes. However, given the sheer number of potential research issues and questions arising from this area of research, it will be necessary to clearly identify the most critical targets for future research. As always, the ability to assist the CF to conduct more effective operations would need to be the decision criteria used to determine how to focus a future program of research. One of the ways to proceed is to identify the level at which organizational trust is most problematic in the CF context. It may be, for example, that trust within the CF system could be relatively high, but that external partners might have skewed views of the organization based on old experiences or reputations as peacekeepers rather than as combatants. Similarly, even thinking about the JIMP context provides 4 very different contexts within which to situate research efforts. Understanding which of these contexts represents the most urgent research priorities would be an important first step.

Another logic step in developing such a program of research would be to identify and to work to mitigate the potential challenges to this research. One challenge is that CF personnel asked to provide information about their level of trust in the CF as an organization could be very apprehensive to report their level of trust in the CF (or its representatives) for fear of retribution or negative impact on their careers. As such, it would be of utmost importance that individual participants' confidentiality be assured. This confidentiality is critical to the welfare of participants as well as to protecting the validity of the research. If participants are fearful of providing information, their answers may not be honest and results could be biased. Another potential danger of this research is that taking part in the research could make organizational trust issues or latent negative feeling salient to participants. As such, making sure not to ask leading questions or to ask participants to "fish" for concerns or problems that may or may not be there would be important.

The second challenge is that the topic of organizational trust (with respect to the CF or to any organization) is inherently politically charged. The status of trust within the CF in the eyes of its members is likely to be of great interest to the media and the public, given the many salient breaches of trust in other organizations (e.g., Enron) in recent years. This, combined with the salience of the CF's mission in Afghanistan could easily be misconstrued, misused or taken out of context, whether the status of organizational trust is positive or negative. Of course, this challenge

⁴ In the Statement of Work for this report, the Scientific Authority requested pragmatic recommendations that would help improve organizational trust in the CF. Given the many current unknowns, however, it may be premature to make recommendations about how to improve organizational trust without having had time to study it. However, in this research chapter, we have attempted to make both general and specific recommendations about how to study organizational trust in the CF. Our hope, of course, is that future research will provide empirically grounded information relevant to improving organizational trust in the CF context.



is also an opportunity, in the sense that whatever CF members' perceptions about the trustworthiness of the CF are, knowing the status of trust in the organization may be better than an organization having strengths or weaknesses but being unaware of them. At least with identification of potential issues, there can be an impetus to address them. This concern, of course, is equally valid at the inter-organizational as well as at the intra-organizational level. Compiling data that speaks to trust among diverse militaries and other government departments is also likely to be highly provocative. As a whole, then, the potential for information gathered solely for the purposes of research to be used in the service of other goals (e.g., political agendas) is a very real challenge associated with undertaking this line of research.

Despite these potential challenges, however, it should be apparent from the literature reviewed in this report that there are many possibilities and avenues for future research concerning organizational trust in the CF. More importantly, this line of research also has the potential to make a serious contribution toward improving the functioning and effectiveness of the Canadian Forces, whether conducting domestic or multinational operations. However, as the structure of this report suggests, three broad areas of research are likely to be most critical to the CF when seeking to understand trust within and among organizations. These areas include understanding the nature of organizational trust, the factors that influence it, and the potential effects of organizational trust. Specific research issues and questions related to each of these areas are considered in more detail in the sections that follow.

7.1.1 Nature of Organizational Trust within a Military Context

Research at the beginning phase would need to focus on understanding the broad nature of organizational trust within the CF military context. The existing literature suggests that organizational trust can be understood as both trust in a system and trust in given individuals (representatives of the organization). Conduits of organizational trust can be represented by various roles within the organization (e.g., leaders in the case of intra-organizational trust and boundary spanners in the case of inter-organizational trust).

One the most important priorities for a future program of organizational trust research would be to clarify the nature of organizational trust within the Canadian Forces. More specifically, if CF personnel were asked how much they trusted the CF, on what basis would they make this judgement? One important aspect of this trust judgement to be explored would be the relative impact of the many possible referents in play. For example, is a CF member's direct leader the best predictor of organizational trust judgements, or are experiences with "the system" most likely to drive these evaluations? The role of experiences (positive or negative) while interacting with the many potential conduits of organizational trust would be important to capture.

Another related research issue is how such complex trust judgements are made. In an organizational situation with many different divisions and departments in play, how people combine these sometimes discrepant perspectives would be an important issue to explore. One way in which people might make organizational trust judgements, for example, is by somehow combining their views of the different facets of an organization (e.g., averaging them) to arrive at a judgement of how much they trust their organization. Or, as noted earlier, perhaps the most proximal referent (e.g., direct leader) or even the most salient referent (e.g., conflict with a leader on a given day) could influence organizational trust judgements. Existing research and theory do not address these types of questions.



Understanding how organizational trust judgements are made would be an important contribution, in part, because it would provide information about how to remedy the situation if organizational trust were low. If trust in one's direct leader was the best predictor of organizational trust, then it would make sense to put intensive effort into ensuring that leaders were well trained in order to use the power they have to influence perceptions of the organization as a whole. On the other hand, if the organizational system were to be identified as the best predictor of organizational trust, then it would make sense to put efforts into constantly monitoring the status of trust in the organization, and to direct energy toward refining some of the organization's problematic policies or practices. It seems likely that organizational trust, but understanding the factors that contribute to the variance in these estimations would be very worthwhile from a research perspective.

Another critical issue to explore is identifying which trust dimensions (e.g., integrity, competence) are the best predictors of organizational trust in the CF as an organization. There is some discussion in the literature about these trust dimensions having differential importance at varying stages of the trust development process. As noted earlier in this report, dispositional trust is argued to be an issue at the very beginning of a relationship. Judgements of ability and integrity, however, are argued to form relatively quickly, but benevolence is argued to become more of an issue as the relationship progresses (Mayer et al., 1995; Schoorman, Mayer & Davis, 2007). Currently, however, there is little empirical validation of this proposed pattern. Moreover, although there is some agreement in the literature that organizational trust has some of the same features as interpersonal trust; it seems likely that the very meaning of the term "integrity" for example, will change when applied to a system rather than to an individual. These nuances of trust at an organizational level, then, need to be better understood.

In light of the "joint" aspect of the JIMP paradigm, it would be beneficial to understand the status of organizational trust in the CF as a whole, as well as to compare the perceptions of personnel within its various elements (e.g., Navy and Air Force personnel). Whether the most important dimensions of organizational trust (e.g., benevolence, integrity, predictability) are similar in these diverse elements would also be critical to explore. Arguably, the somewhat unique cultures within these elements could predict possible differences in the most critical influences on organizational trust.

Inter-organizationally, it would also be important to understand the status of CF members' trust in other relevant organizations and systems. Understanding both the present day and historical issues that have impacted on trust perceptions would be crucial. And, given that trust has a reciprocating quality, exploring how the CF as an organization is perceived in the eyes of others, whether other militaries, agencies (e.g., other government departments, non-governmental organizations) or in the eyes of the public (if this is seen as a priority) would also be an important contribution.

Another compelling issue with widespread implications for the JIMP context is the exact nature of the relationship between organizational trust and interpersonal trust. As our review suggests, the line between organizational trust and interpersonal trust is sometimes muddled in both theory and research. However, trust is often described as being cyclical and perpetuating. Although there is little evidence in the literature of spirals in one form of trust (e.g., interpersonal) affecting another form of trust (e.g., organizational), this seems inevitable. Understanding whether this occurs, and the mechanisms by which these cycles could be influenced (either exploited if positive or hindered if negative) would be an important contribution. Table 8 lists some of the possible research issues and questions associated with understanding the nature of organizational trust.



Research Issue	Example Research Questions
What are the referents of organizational trust?	Does the individual look toward the leader or the system as a referent for organizational trust?
	To what extent are leaders perceived to be conduits of organizational trust in the CF? Which leaders (e.g., direct or indirect) are conduits of organizational trust in the CF? In such a hierarchical systems, how many "levels up" (of leaders) influence organizational trust?
	Who are the intermediaries of organizational trust in the views of CF personnel?
	Who are the guarantors of organizational trust in for CF personnel?
What dimensions (e.g., integrity, competence) influence organizational trust?	Are the most critical trust dimensions similar across organizational referents? Do these trust dimensions have the same meaning when applied to different organizational trust referents (e.g., is integrity the same in interpersonal vs. organizational contexts)?
	Do these dimensions impact equally throughout the trust development process?
Intra-organizational status of trust in the CF	What is the current status of organizational trust within the CF (e.g., CF personnel's trust in the organization)?
	Are levels of organizational trust and the dimensions that influence them consistent across the different elements?
Inter-organizational status of trust in the CF	How trustworthy do CF representatives perceive other relevant organizations to be (e.g. DND, other militaries, NGOs, OGDs)?
	How consistent is this systemic trust with trust in the boundary spanners of these organizations?
	How is the trustworthiness of the CF as an organization perceived by other organizations (e.g., other militaries, NGOs, OGDs)?
	How is the trustworthiness of the CF as an organization perceived by Canadian citizens?
What is the relationship between organizational trust and interpersonal	To what extent does organizational trust permeate interpersonal trust interactions in the CF?
trust?	How can the relationship between organizational trust and interpersonal trust be maximized (if trust is high) or remedied (if trust is low)?

Table 8. Research issues: Nature of organizational trust

7.1.2 Factors that Influence Organizational Trust

It is also important to understand how best to develop and maintain organizational trust within a military context. This will require understanding the factors that promote or inhibit the development of organizational trust. The literature suggests that many organizational factors are likely to influence organizational trust development.

The practices of an organization and its representatives clearly influence organizational trust. Within this, there are many rich areas of research. Understanding the organizational practices that impact most strongly on trust perceptions within the CF context would be important. Being



perceived to exercise a fair and consistent approach toward organizational members seems to be an important part of organizational trust. Ensuring good levels of communication and ensuring that organization members have some "voice" in how the organization is run are also identified in the literature as critical elements.

Organizational diversity is an especially relevant influence within the CF context. Within the JIMP context, the CF will be required to work with multinational organizations in order accomplish various goals. Given that the CF and other agencies have diverse backgrounds, cultural diversity in terms of both national culture and organizational culture could challenge the development of trust among organizations. Culture implies shared values, norms and expectations regarding other's behaviours. Given different values, norms or expectations, organizations may require more time to build relationships with diverse partners, as well as more transparent proof of their partners' intentions than would be the case in more homogeneous environments. Understanding how diversity may impact inter-organizational trust development would be critical.

The issue of organizational change is also particularly relevant within the CF context, as the CF continues its transformation. Our review suggests that organizational change and shifts in organizational structure may have a serious impact on levels of trust within the organization as a system. At the very least, existing research and theory suggests that understanding the implications of shifting organizational structures and practices will be critical to ensuring consistent levels of trust at the organizational level. Possible research issues and questions related to these issues and other factors likely to influence organizational trust are shown in Table 9.



Research Issue	Example Research Questions
How do organizational practices influence organizational trust?	To what extent is the CF perceived to treat its members fairly? What factors influence this?
	What is the role of procedural, distributive, and interactional justice in the CF?
	How does the structure of the CF influence perceptions of organizational justice?
	What psychological contracts made with CF members are most predictive of organizational trust? How are trust violations in the CF managed?
	What historical psychological contract violations might hinder trust in the CF as an organization?
	What control mechanisms and structures are in place to ensure trust in the CF as an organization?
	What control mechanisms best protect the CF as an organization without impeding the growth of organizational trust?
	How are these mechanisms perceived by CF personnel at varying levels?
	What communication structures are maintained to promote organizational trust in the CF?
	What communication styles could best promote organizational trust in the CF?
How does organizational structure impact trust?	What is the current organizational structure of the CF, and how might this structure impact on trust in the organization?
	How can trust be maximized in hierarchical systems such as the CF?
What effect does organizational culture have on organizational trust?	What is the current organizational culture in the CF, and how might this impact on organizational trust?
	Does organizational culture differ by element?
	How does diversity in organizational culture within the CF (e.g., in the elements) effect the development and maintenance of trust?
How does perceived organizational support impact on organizational trust?	To what extent do CF members feel supported by the CF as an organization? In what situations do they feel less than supported, and how does this impact on organizational trust?
	To what extent is the CF as an organization perceived to be supportive by external partners? What factors might help or hinder these perceptions?
How does organizational change impact on organizational trust?	How will the shift from a hierarchical structure to a more decentralized structure affect organizational trust?
How does organizational identity affect organizational trust?	How does the presence of multiple organizational identities impact on how organizational trust judgements are made?



Research Issue	Example Research Questions
How does diversity impact on organizational trust?	How can the positive aspects of diversity best be used to promote organizational trust?
	How can the potentially negative aspects of diversity on organizational trust best be mitigated?
What unique features of the CF influence organizational trust?	How does the nature of organizational trust change in multinational operations?
	How does the nature of organizational trust change in distributed operations?

Table 9. Research issues: Factors that influence organizational trust – cont'd

7.1.3 The Effects of Organizational Trust on Outcomes and Performance

As highlighted in previous sections, organizational trust can influence both work attitudes and work outcomes. The reviewed literature suggests that organizational trust promotes high levels of job satisfaction, organizational citizenship behaviour, conflict resolution, as well as positively predicting overall performance. Organizational trust can also impact upon one's level of commitment to the organization.

Understanding the role of organizational trust in determining organizational commitment would be an interesting avenue to explore, in part because organizational commitment is a good predictor of other positive outcomes that are particularly relevant to the military domain (e.g., retention, cohesion, morale, etc.). Specifically, understanding how trust influences the different forms of organizational commitment would provide useful information for the CF. For instance, does low organizational trust diminish all forms of commitment (i.e., affective, continuance, normative) or only certain types. Moreover, can organizational commitment be sustained even when organization members have low levels of trust in their organization? Given that commitment to the CF and their goals is critical to the overall effectiveness of the organization, fully understanding the link between trust and organizational commitment could provide valuable insight.

Within a military context it is also critical to ensure maximal performance. Individual and workgroup performance is critical to mission success. The empirical research suggests that there is a significant positive relationship between organizational trust and performance. Moreover, research from the team literature suggests that when trust is low, individuals may turn their attention away from broader group goals toward more individual gain (Dirks, 1999). If extended to the organizational domain, this self-serving activity would have a very detrimental effect on the performance of an organization. As such, understanding the mechanisms by which trust impacts upon performance and how the power of high organizational trust could be harnessed (and negative effects mitigated) is critical. Possible research issues and questions are shown in Table 10.



Research Issue	Example Research Questions		
How does organizational trust	How does organizational trust effect job satisfaction?		
impact job satisfaction and related constructs?	How does organizational trust effect morale?		
	How does organizational trust effect retention/re-enlistment?		
How is organizational trust	Does organizational trust enhance conflict reduction in the CF?		
related to conflict reduction?	When engaged in multinational operations, does organizational trust enhance conflict reduction?		
	Does interpersonal conflict within teams undermine the development of organizational trust? Does organizational trust moderate the effect of task conflict on relationship conflict?		
How does organizational trust affect organizational	What impact does organizational trust have on affective organization commitment, continuance commitment, and normative commitment in the CF?		
commitment?	How does trust in leader impact organizational commitment in the CF?		
What are the effects of	How does trust in leader impact performance in the CF?		
organizational trust on performance?	How does trust in the CF as an organization impact workgroup and organizational performance?		
	What are the effects of organizational trust on individual performance?		

Table 10. Research issues: Effects of organizational trust

7.2 Organizational Trust Measures⁵

Valid and reliable measures are a critical component of any program of research. In order to assist a possible future research program exploring trust at the organizational level, we designed two questionnaires intended to assess CF members trust (and distrust) in the CF as an organization. This work was undertaken because a large number of CF participants were available for another study, and this provided an opportunity to pilot draft versions of organizational trust and distrust questionnaires. The purpose of this pilot study was simply to explore the psychometric properties of these draft measures in comparison to existing measures of organizational trust and to receive feedback from participants about how the organizational trust and distrust scales might be further refined.

7.2.1 Existing Measures of Organizational Trust

It was important to compare the pilot organizational trust and distrust questionnaires with existing organizational trust scales.

The Organizational Trust Inventory was developed by Cummings and Bromiley (1996). The short form of this 15-item scale was designed to measure trust within an organization or among organizations on a 9-point scale from 1 (strongly disagree) to 9 (strongly agree). This scale was

⁵ An earlier version of this section already included in the previous Trust Scale Validation report (Adams and Sartori, 2006).



carefully constructed to include affective, behaviour, and cognitive items. Several iterations have resulted in retention of only the affective and cognitive items that exhibited the highest item-to-factor correlations (.75 to .94), and reliability levels of .90 and .94. In this study, this scale was altered to make CF as an organization the subject of the test items.

Two other subscales from the Interpersonal Trust at Work Scale (Cook & Wall, 1980) were used in this research. These subscales measure trust toward management, in terms of faith in intentions and confidence in actions, both using a 7-point scale ranging from 1 (strongly disagree) to 7 (strongly agree). We altered managerial-oriented items to reflect the CF context instead. A sample question included "The CF has a poor future unless it can attract better leaders". Cook and Wall (1980) reported good inter-item correlations (r = .46 in study 1, r = .43 in study 2) for a sample of 260 participants, but modest test-retest reliability (r = .60, p < .001). While reliability levels were not provided, the factor analysis indicated that the items loaded as predicted on the underlying constructs.

In addition, 3 items from an organizational trust scale by Defuria (1996) were also included in this research. The Defuria scale attempts to capture trust with respect to several referents within an organization, including upper management, the organization as a whole, and the basic organizational unit (one's branch or division). For this study, only the broad organizational items were analyzed, after having been adapted to represent the CF context, and included questions such as "The CF as an organization lives up to my expectations", rated on a 9-point scale, ranging from 1 (strongly disagree) to 9 (strongly agree). These 3 items were indexed into a single item for analyses.

7.2.2 Pilot Organizational Trust Scale

<u>Scale Creation and Preliminary Analyses</u> - Trust in the CF as an organization was assessed with the Organizational Trust Scale. This scale is comprised of 7 questions tapping trust in the CF with respect to Competence, Benevolence, etc. Examples include, "How competent (i.e., able to do its job) do you think the CF as an organization is?" with all items rated from 0 ("Not at all") to 100 ("Completely").

Descriptive statistics and reliability estimates for the organizational trust items are presented in Table 11.



Item	Valid N	Mean	StDev	Skewness	Kurtosis	ltem- total r	α if item deleted
Organizational Tr	ust (mean :	= 55.14; me	an inter-iter	n correlation	= .49; alpha	= .86)	1
How competent (i.e., able to do its job) do you think the <u>CF as an</u> organization is?	218	55.11	26.24	45	57	.68	.89
How concerned about your interests and safety do you think the CF as an organization is?	219	53.98	28.42	33	82	.72	.88
How predictable (i.e., consistent) do you think <u>the CF as an</u> organization is?	220	60.89	29.73	55	74	.39	.91
How much integrity (i.e., fairness, honesty, ethical values) do you think <u>the CF as an</u> organization has?	219	59.42	26.60	57	42	.69	.89
To what extent do you agree that the CF promotes people with integrity?	218	52.05	29.71	25	90	.60	.89
To what extent do you agree that CF members can rely on the leaders and commanders above them?	218	55.92	25.37	37	51	.69	.89
To what extent do you think the <u>CF as an organization</u> is looking out for you?	218	48.62	27.79	08	95	.72	.88

Table 11. Descriptive statistics – Organizational Trust Scale

Table 11 shows that the mean of the organizational trust items ($\overline{x} = 55.14$) was just over the midpoint of the 100-point scale, suggesting that participants had a relatively, albeit very slight, trusting attitude toward the CF. Scale reliability was high at .86.

In creating the Organizational Distrust Scale, we attempted to write items that captured the higher end of the scale rather than the fuller range of distrust concepts. As such, we focused on malevolent intentions and the need to protect oneself, rather than simple misgivings or scepticism about the motives of others. This decision was made because the more extreme trust judgements within an organizational context are likely to be the most problematic. Table 12 shows the descriptive statistics and reliability estimates for this scale.



Item	Valid N	Mean	StDev	Skewness	Kurtosis	ltem- total r	α if item deleted
Organizational Dis	strust (mea	an = 40.34;	mean inter-i	tem correlatio	on = 68; alpl	na = .89)	
To what extent do you think	219	39.78	31.68	.25	-1.19	.76	.85
the CF as an organization							
would intentionally screw you?							
To what extent do you think	219	39.34	29.76	.23	-1.11	.82	.83
the CF as an organization							
would intentionally treat other							
members of the CF unfairly?							
To what extent do you need to	218	41.99	32.93	.22	-1.23	.71	.86
protect yourself from the <u>CF</u>							
as an organization?							
To extent do you agree that	217	40.26	30.65	.32	-1.01	.74	.85
most organizations like the CF							
tend to screw their workers?							

Table 12. Descriptive statistics – Organizational Distrust Scale

Results showed that distrust in the CF was below the midpoint of the scale, but still relatively high at 40.34. However, due the extremity of these organizational distrust items, it was important to understand the frequency distribution of responses for items individually, and as a whole, as shown in Figure 9.



Figure 9. Frequency distribution for Organizational Distrust Scale index.

As Figure 9 shows, the distribution of participants endorsing the organizational distrust items shows that there were more participants endorsing a less distrustful stance than those above the midpoint (50) of the scale. On the other hand, considering the relative extremity of the organizational distrust items, even if some participants endorse items in the mid-range, this is a strong statement about the status of trust in the CF given that they clearly had the option not to agree in any way.



Participants also responded to two summary item questions regarding organizational trust and distrust. as shown in Table 13.

Item	Valid N	Mean	Std.Dev.	Skewness	Kurtosis
Organizational Trust Summary Item	220	54.91	27.48	39	72
Organizational Distrust Summary Item	220	44.70	28.44	.21	89

Table 13. Descriptives – Organizational trust and distrust summary items

As seen in Table 13, ratings of organizational trust were above the midpoint of the scale (x =

54.91), and ratings of organizational distrust were only somewhat lower ($\overline{x} = 44.70$). As the organizational trust summary items ask directly about the status of trust in the CF, the size of these means is somewhat telling. Clearly, participants did not appear to be hesitant in noting their low trust (and relatively high distrust) in the CF as an organization.

These results were then explored in relation to the more elaborated questionnaire ratings of organizational trust and distrust. Of course, as the organizational trust scale and the organizational trust summary item ratings are expected to be similar, one would expect a high correlation between these, but a negative correlation with distrust measures, as shown in Table 14.

	Org.Trust Summary item	Org.Distrust Summary item				
Organizational Trust Index	0.83	-0.53				
Organizational Distrust Index -0.51 0.56						
Note: All correlations significant at p< 05						

Table 14. Correlations – Organizational trust indices and summary items

Note: All correlations significant at p<.05.

Table 14 shows the strong and significant positive correlations amongst the organizational trust scale measure and the summary item measure (r = .83), and between the related distrust measures (r=.56). Other analyses showed organizational trust and distrust as being overlapping, but not wholly redundant. The Organizational Trust and Distrust indexes showed a correlation of r = -.44, and the summary items showed a correlation of r = -.68.

In a previous literature review (Adams & Sartori, 2005a), we have argued that trust and distrust form two distinct constructs, rather than being the opposing poles of one construct. More specifically, we have argued that distrust is not a mere opposite of trust, but a construct integrally linked with the attribution of malevolent intention to another person or system. Consistent with this logic, items that tap trust at the organizational level should be distinguishable from items tapping organizational distrust. In order to explore the dimensionality of the organizational trust vs. organizational distrust items, a factor analysis was conducted. This exploratory factor analysis used oblique rotation because we expected that organizational trust and distrust would be correlated. Table 15 illustrates the results of this analysis.



ltem	Factor 1 (Trust)	Factor 2 (Distrust)
How competent (i.e., able to do its job) do you think the <u>CF</u>	(Truoty	(Biotidot)
as an organization is?	.75	03
How concerned about your interests and safety do you think		
the CF as an organization is?	.76	09
How predictable (i.e., consistent) do you think the CF as an		
organization is?	.67	.31
How much integrity (i.e., fairness, honesty, ethical values)		
do you think the CF as an organization has?	.68	19
To what extent do you agree that the CF promotes people		
with integrity?	.67	07
To what extent do you agree that CF members can rely on		
the leaders and commanders above them?	.72	14
To what extent do you think the <u>CF as an organization</u> is		
looking out for you?	.74	15
To what extent do you think the <u>CF as an organization</u> would		
intentionally screw you?	02	.88
To what extent do you think the <u>CF as an organization</u> would		
intentionally treat other members of the CF unfairly?	02	.88
To what extent do you need to protect yourself from the <u>CF</u>		
as an organization?	09	.77
To extent do you agree that most organizations like the CF		
tend to screw their workers?	08	.84
Eigenvalue	5.06	1.88
% Total Variance Explained	.46	.17

Table 15. Factor analysis - Organizational trust and distrust scales

Table 15 shows that the Organizational Trust and Organizational Distrust items emerged as two distinct and reliable factors precisely as expected, explaining 46% and 17% of the proportion of variance, respectively. In addition, their eigenvalues were acceptable at 5.06 and 1.88, respectively. At an exploratory level, then, these new measures of organizational trust appear to have a distinct factor structure. Of course, using confirmatory factor analysis will be a more stringent test of the distinct structure of the two scales.

<u>Comparison with Other Organizational Trust Scales</u> - We expected our organizational trust scales to be correlated with all of the other scales measuring trust within organizational domains, as shown in Table 16. We also expected a moderate negative correlation between our organizational distrust scale and other organizational trust scales.

	Cook and Wall Confidence in Management	Cook and Wall Faith in Management	Cummings and Bromiley	Defuria
Org. Trust Scale	0.26	0.61	0.69	0.59
Org. Distrust Scale	-0.20	-0.59	-0.61	-0.39

Note: All correlations significant at p<.05.



As these results attest, the Organizational Trust scale is significantly correlated with all of these existing measures of trust at the organizational level. For the Cook and Wall measures, the Organizational Trust showed correlations of .26 with the Cook and Wall *confidence in management* subscale and a stronger correlation (r = .61) with the *faith in management* subscale. Our organizational trust scale was also strongly correlated with the Cummings and Bromiley (1996) measure(r = .69) and also showed a strong correlation (r = .59) with the 3 items from the Defuria scale. Overall, then, the results for the Organizational Trust Scale suggest very good convergence with existing measures of trust at the organizational level.

These analyses also show that the pilot organizational distrust scale is strongly negatively correlated with existing organizational trust measures. Given that we have posited trust and distrust to be distinct but related constructs, the size of the correlations between organizational trust and distrust is perhaps stronger than would be ideal. It will be important to explore this issue in more detail in the future.

These findings indicate that the first pilot iteration of the Organizational Trust and Distrust scales performed relatively well, and showed good correlations with more established measures of organizational trust.

A critical part of this effort, however, consisted of broader focus groups, in which we discussed participants' experiences in completing these organizational trust scales. In talking to CF personnel who had completed the organizational trust scales, they argued that many different organizational referents were relevant to them. Participants argued, for example, that their perceptions of the trustworthiness of the organization that they served depended on whether the referent was specifically Canadian Forces, or the Department of National Defence. As such, future iterations of the scale will need to make this important distinction. Additional effort will also need to be directed at identifying the relevant interpersonal conduits of organizational trust, whether the leader, another team member, or another conduit is the referent.

Moreover, CF members also pointed out the importance of the distinction between the organizational milieu within their own battalion vs. the milieu outside of the battalion. This issue will need to be explored. Lastly, other important feedback from participants also indicated the need to make a distinction even within the CF category between the CF as a whole, and National Defence Headquarters specifically, as the implications for trust may be very different between these two bodies. This feedback was very helpful in working toward further refinements of the organizational trust measures.

7.3 Prototypical Studies

Following are some prototypical studies that could be used to explore organizational trust in military contexts.

7.3.1 Exploring the Referents and Status of Organizational Trust

Defining the referents used to assess organizational trust is critical. It is important to clearly define who the individual has in mind when making organizational trust judgements and whether these judgments are consistent across the various conduits of organizational trust. However, many researchers have not defined a trust referent in their research. In fact, much of the existing literature discusses trust in leaders and trust in organizational contexts interchangeably (e.g., Dirks and Ferrin, 2001). Previous research projects conducted in this program of research have explored trust



in teams and trust in the leaders of those teams (Adams, Bruyn & Chung-Yan, 2004; Adams & Sartori, 2005). This research showed trust in direct leaders within the CF to be relatively high at 85% when rated using both questionnaire measures and a 0 to 100 rating scale. On the other hand, as noted in the measures section, our pilot research showed that CF members reported trusting the CF as an organization only about 55% (again using 2 different rating formats). Given that researchers and theorists working in the organizational trust domain have often argued one's direct leader to be the primary conduit of organizational trust, this seems a very large discrepancy and it is impossible to know how to resolve this conflict. It is also possible that the difference is simply because the questions shifted between interpersonal trust (i.e., direct leader) and intra-organizational trust (i.e., in the CF as a system). Whatever the case, it seems critical for future research to work to disentangle the relationship between organizational trust via conduits such as leaders and trust in organizational systems.

To further complicate matters, the many different "layers" within any complex system will make defining the referent even more problematic. Within the military, there are many relevant hierarchies. For instance, CF personnel are not only members of the Canadian Forces but also members of DND as the CF falls under the governance of DND. When asking CF members about organizational trust, our pilot research suggests that the distinction between CF and DND will be critical to capture. For instance, it is possible that CF members judge the CF to be highly trustworthy but do not perceive the DND in the same light. Similarly, the trust implications for the many different departments and divisions within the CF will not necessarily be congruent with each other either. It may be possible that they trust the part of the organization that is closest in functioning to their own because it is more familiar. Understanding where these differences lie could help with future intervention efforts. Whatever the issue, understanding the relevant referents in play will hopefully contribute to better knowledge and prediction of organizational trust within and beyond the CF.

One way to explore this issue empirically is to "map out" the organizational structure within which the "target" participants would be embedded. For the purpose of illustration, working with the noncommissioned members of an infantry regiment, it would be possible to plot out many different levels of the organizational hierarchy of which they are a part. These members are first members of a section commanded by their direct leader (typically a Sergeant). At the next level, they are a member of a platoon (typically commanded by a junior commanding officer such as a Lieutenant). At the next level, this NCO is also a member of a company and ultimately of a battalion. Even more broadly, this NCO is a member of the Army, of Canadian Forces which is governed by DND. Although not all of these levels are likely to be crucial, understanding NCOs' views about the trustworthiness of the organizational system as a whole would seem worthwhile. However, if such "plots" could be developed, information could be used to target interventions to the appropriate levels of organizational trust, and avoid wasting time and resources considering incorrect levels in the hierarchy.

In addition to asking about trust in the referents at the relevant levels, participants could also be asked to describe how they made the trust assessments. For instance, they would be asked to describe how they made their assessment of organizational trust (i.e., What experiences were the assessments predicated on? Were their assessments based on particular individuals within the organization?). Finally, they would be asked to identify the extent to which these varying trust referents influenced their views of the trustworthiness of the relevant organizational system (e.g., the CF).



Given the changing nature of military environments in which the CF is required to "operate in harmony with joint, interagency and other multinational partners" (National Defence, 2007), it is important to understand the perceived trustworthiness of the CF as an organization by other organizations. If other organizations do not perceive the CF to be trustworthy, it may be difficult for the CF to work collaboratively with them. To address these issues, research looking at trust at the inter-organizational level could use focus groups, interviews, and surveys. A number of focus groups could be run with a small number of representatives from organizations that work very closely with the CF. These could include representatives with other relevant organizations, other government departments, non-governmental organizations, and militaries that work with the CF (e.g., U.S. military, British military). An important part of the focus could be on assessing the trustworthiness of the CF as an organization is, how respondents made their assessments, and what trust issues they have encountered while working with the CF. Understanding the perceived trustworthiness of the CF as an organization would be helpful for the CF to identify which relationships the CF should work to enhance, or which are likely to problematic in the future.

7.3.2 Laboratory study exploring inter-organizational trust

With the establishment of the JIMP framework, the CF will be required to work with multinational organizations in order accomplish various goals. Future research could use experimental approaches to understand some of the intricacies of inter-organizational trust, and to address one of the most common "problems" of inter-organizational collaboration. Unfortunately, the organizational trust literature seems to provide very little information relevant to one of the key challenges of multinational collaboration, namely information sharing. In at least some situations, the sharing of critical information may be related to issues of trust. From a trust perspective, sharing information only makes sense when one believes in the competence, integrity and benevolence of the party receiving the information) has been cited as a key problem that is likely to gain in importance as network-enabled operations are fully implemented. As an influential Australian military report (Warne, Ali, Bopping, Hart & Pascoe, 2004, p. 58) has argued, one of the "dominant recurring themes" in the NEOps literature is that

"...the future battlespace will be information rich, high tempo, unpredictable, requiring effective information sharing and collaboration..."

One of the key requirements of a network-enabled approach is that all of the different nodes of a linked network (e.g., comprised of different multinational partners) will be "sensors", feeding information into the system with each raising the overall level of "the system's" situation awareness. However, such heightened situation awareness will only occur if the various members at each of the nodes actually provide the information that they possess to the system.

A recently developed experimental platform has aimed to enable experimental exploration of issues of collaboration and information sharing. This is called the Experimental Laboratory for Investigating Collaboration, Information-Sharing, and Trust (ELICIT). ELICIT is a computerized multiplayer intelligence game that requires teams of 17 participants to act as intelligence analysts collaborating in a network-centric, information processing environment in order to identify a fictitious terrorist plot (Leweling & Nissen, 2007). Each participant in a team must determine the identity (i.e., who, what, where and when) of an adversary's attack based on information distributed across team members. During the game, team members can only communicate using the software, which restricts them to "share" information with other individuals or to "post" information to web-site lists. Initial information is provided to participants as single line "factoids".



In total, there are 68 factoids, each of which is insufficient to identify the attack. Some factoids are more useful than others (i.e., 25% key factoids, 25% supportive factoids, and 50% noise factoids). Each team member receives two unique factoids at the start of the experiment, an additional factoid five minutes into the experiment, and a final factoid five minutes later. Participants must choose whether to share the factoids or not. If information is posted, participants can pull factoids from one of four websites associated with who, what, where, and when. As soon as team members have made identity conclusions, they submit text messages to the moderator of the experiment.

As its name suggests, this platform has been argued to be useful for exploring issues of trust. In our opinion, this definition of trust is similar to many other "gaming" approaches (e.g., prisoner's dilemma) in which cooperative behaviour has been wholly equated with trust as a psychological state. The problem, of course, is that people can easily behave in ways that appear trusting while having different motives in mind. One could, for example, co-operate with a partner simply because it was likely to yield future benefits. As such, any efforts to study trust using this platform would need to work to separate cooperative behaviour from actual trust. However, the ELICIT platform still shows promise for researching issues of organizational trust.

An experiment could explore the many different referents of inter-organizational trust, and the relationship between trusting behaviour (information sharing) and actual trust within this context. Using a constrained version of the existing "game" with fewer participants may make the implementation of the experiment more focused. The gaming script could use the conventional experimental task of identifying the adversary's plot. All participants in the "game" could be cast as representatives of discrete organizations (e.g., differing militaries and agencies) working together to identify a common threat presented by the adversary. Before the start of each game, each participant would be provided with key information about the organizational representative and the organization with which they are affiliated. This could be done using written profiles purported to have been completed by other participants in the game, and profiles of the overall organization and its past practices and achievements. Inter-organizational trust could be manipulated by providing profiles that show the organizational representative to be either trustworthy or not trustworthy. Similarly, the organizational profile would depict each organization as being either trustworthy or not trustworthy. As the "game" proceeded, participants would also be asked to rate the trustworthiness of the organizations in the game as well as in the people that represent them. Data would also be collected through the game log as to the information received and shared by each member at each node of the network.

This experiment would allow comparison of inter-organizational trust in organizations and organizational referents in order to better understand how people combine these perceptions. For example, if interacting with an organizational representative with a strong reputation but who comes from an untrustworthy organization, it would be interesting to see if the systemic trust would influence interpersonal perceptions. The opposite pattern would also be possible to explore. In addition, it would be possible to explore the relationship between processes such as information sharing in relation to the perceived trustworthiness of the organizational referent and the organization.

Another variant of this scenario would be to create a mixed motive manipulation in which participants were motivated (e.g., through incentives) to share information to benefit themselves (personal interest) or to serve the members of their workshop (group interest), but which did not experimentally manipulate trust. This would enable exploration of whether trust would be hindered by compatible or incompatible goals among inter-organizational partners.



As the CF continues to protect Canada, defend North America, and contribute to international peace and security, it will become increasingly important that the CF be perceived as trustworthy by personnel within the organization and by potential external partners. It is also critical that Canadian Forces members know how to effectively distinguish among organizations and potential partners who are likely to behave in trustworthy ways, and those that are not. Although the existing literature provides valuable information from a range of domains, current research and theory fail to sufficiently address the unique nature of trust in military contexts. From all of these perspectives, then, future research needs to work to better understand trust within and among organizations.



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Publishing: DRDC Toronto			UNCLASSIFIED
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3. TITLE (The complete document title as indicated on the title page. Its classification is indicated by the appropriate abbreviation (S, C, R, or U) in parenthesis at the end of the title)			
Organizational Trust in the Canadian Forces (U) La confiance organisationnelle dans les Forces canadiennes (U)			
4. AUTHORS (First name, middle initial and last name. If military, show rank, e.g. Maj. John E. Doe.)			
Barbara D. Adams; Michael H. Thomson; Andrea Brown; Jessica A. Sartori; Tamsen Taylor; Sonya Waldherr			
5. DATE OF PUBLICATION (Month and year of publication of document.) March 2008	6a NO. OF PAGES (Total containing information, including Annexes, Appendices, etc.) 101		6b. NO. OF REFS
			(Total cited in document.)
			96
7. DESCRIPTIVE NOTES (The category of the document, e.g. technical report, technical note or memorandum. If appropriate, enter the type of document, e.g. interim, progress, summary, annual or final. Give the inclusive dates when a specific reporting period is covered.) Contract Report			
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Sponsoring:			
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 9a. PROJECT OR GRANT NO. (If appropriate, the applicable research and development project or grant under which the document was written. Please specify whether project or grant.) 120e 		9b. CONTRACT NO. (If appropriate, the applicable number under which the document was written.)	
		W7711-3-7893/01-TOR	
10a. ORIGINATOR'S DOCUMENT NUMBER (The official document number by which the document is identified by the originating activity. This number must be unique to this document)		10b. OTHER DOCUMENT NO(s). (Any other numbers under which may be assigned this document either by the originator or by the sponsor.)	
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- (U) As the CF continues to protect Canada, defend North America, and contribute to international peace and security, it will become increasingly important that the CF be perceived as trustworthy by personnel within the organization and by potential external partners. It is also critical that Canadian Forces members know how to effectively distinguish among organizations and potential partners who are likely to behave in trustworthy ways, and those that are not. The purpose of this review was to systematically explore research and theory relevant to organizational trust, and the antecedents and consequences of organizational trust, with a specific emphasis on the military context. This review first explores the dimensions that influence trust and the ways in which trust develops, referents of organizational trust, and sociological underpinnings that serve as preconditions for organizational trust. The factors that influence organizational trust are also explored, such as organizational structure and change, diversity, and culture. In addition, the effects of organizational trust (e.g., job satisfaction, organizational commitment, citizenship behaviours, performance) are discussed. Finally, as a better understanding of organizational trust in a JIMP context will require considerable work related to further capturing the nuances of trust in military contexts, ideas for a future program of organizational trust research are presented. Specific research issues and questions related to learning more about the factors and the effects of organizational trust are offered.
- (U) Alors que les FC continuent de protéger le Canada, de défendre l'Amérique du Nord et de contribuer à la paix et à la sécurité internationales, il devient de plus en plus important qu'elles soient perçues comme étant dignes de confiance (trustworthy) tant par leur personnel que par leurs partenaires extérieurs potentiels. Il est également essentiel que les membres des Forces canadiennes sachent comment distinguer efficacement les organisations et les partenaires potentiels qui sont probablement dignes de confiance de ceux qui ne le sont vraisemblablement pas. La présente analyse avait pour objectif d'examiner systématiquement les travaux théoriques et de recherche concernant la confiance organisationnelle (organizational trust), ses fondements et ses conséquences, particulièrement dans le contexte militaire. L'analyse porte d'abord sur les dimensions qui influent sur la confiance et les façons dont elle se développe, les référents de la confiance organisationnelle et les bases sociologiques qui lui sont préalables. Nous étudions également les facteurs qui agissent sur la confiance organisationnelle, comme la structure et les changements organisationnels, la diversité et la culture. Nous nous penchons sur les effets de la confiance organisationnelle (comme la satisfaction professionnelle, le degré d'attachement à l'organisation, le comportement de citoyenneté et le rendement). Finalement, étant donné qu'une meilleure compréhension de la confiance organisationnelle dans un contexte IIMP passe par la réalisation d'importants travaux afin de mieux saisir les nuances de la confiance dans les contextes militaires, nous présentons des pistes pour un programme de recherche sur la confiance organisationnelle et nous proposons des questions de recherches précises sur les facteurs et les effets de ce type de confiance.

(U) Canadian Forces; organizational trust; military

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