

**FACTORS INFLUENCING EMPLOYEE PERCEPTIONS OF TRUST
WITHIN ORGANISATIONS**

Judith Marquis (BPsych)

Student Number: 19515307

**This thesis is presented for the degree of Doctor of Psychology, Murdoch University,
2002.**

DECLARATION

I declare that this thesis is my own account of my research and contains as its main content work which has not previously been submitted for a degree at any tertiary education institution.

Signed: _____

Date: _____

ABSTRACT

Trust is a complex concept and our understanding of what creates, sustains and builds trust within organisations is variable. The purpose of this study was to examine the antecedent factors influencing employee perceptions of trust in organisations, and this was achieved by aggregating qualitative trust data gathered from four surveys conducted in two related mining companies.

Analyses of questions that referred to trust in the 'company', produced one set of factors which described generalised leader behaviours and characteristics that influence employee perceptions of trust in leaders throughout their employing company. Analyses of questions that referred to employees' trust in their immediate managers produced factors that described behaviours and characteristics influencing their perceptions of trust in the leader with whom respondents had the most intimate supervisory relationship. Many factors were common to both phases of analysis, but the most frequently described was Open and Honest Communication. Some factors were unique to the company analysis, including Managers' Competencies, Provides Benefits, Safety Obligations, Stability of Managerial Personnel and Profit Motives. Others were unique to the immediate manager analyses and included Confidentiality, Consistency and Predictability, and Role Limitations. Similarities and differences in factors described within company analysis and immediate manager analysis were reconciled to produce six factor groupings. The different factor structure found in the company and immediate manager analyses reflect, to some extent, the impact of hierarchical distance on the basis for trust.

Mayer, Davis and Schoorman's (1995) Integrative Model of Organisational Trust was used as a starting point for factor identification and grouping because of its links to previous antecedent factor research. Several factors not represented in that model were extracted. Four factors described leaders' behaviours associated with employee trust: Managers' Competencies, Benevolence, Integrity, and Investment of Role and Task Responsibilities. Propensity to trust was present, but had two subtly different forms. Contextual Factors not represented in Mayer et al.'s, model were also extracted. These factor groups formed the components of an elaborated model of the antecedents of organisational trust.

Exploring trust at the company level as well as the immediate manager level provided important insight into trust behaviours attributed to managers and leaders of the company and those attributed to the immediate manager. Similarities and differences in company and immediate manager analysis provided a strong argument for future trust research making this distinction.

TABLE OF CONTENTS

CHAPTER 1	INTRODUCTION	1
1.1	WHY STUDY TRUST?	1
1.2	RESEARCHING TRUST FROM THE EMPLOYEE PERSPECTIVE	2
CHAPTER 2	LITERATURE REVIEW	5
2.1	EVOLUTION OF TRUST RESEARCH	5
2.2	RESEARCH PERSPECTIVES	6
2.3	DEFINING ORGANISATIONAL TRUST	7
2.4	RECENT ANTECEDENT FACTOR RESEARCH	9
2.4.1	COMPETENCE-BASED FACTORS	11
2.4.2	BENEVOLENCE-BASED FACTORS	13
2.4.3	INTEGRITY-BASED FACTORS	15
2.4.4	AUTONOMY-BASED FACTORS	19
2.4.5	INDIVIDUAL FACTORS - DISPOSITIONAL TRUST, SELF EFFICACY AND VALUES	20
2.4.6	CONTEXTUAL FACTORS	22
2.4.7	TYPES OF TRUST DEVELOPMENT	23
2.4.8	FURTHER BASES OF TRUST	25
2.4.9	CRITIQUE OF ANTECEDENT FACTOR RESEARCH	25
2.5	INTEGRATIVE MODEL OF ORGANISATIONAL TRUST	27
2.6	SUMMARY	31
CHAPTER 3	METHODOLOGY	34
3.1	PARTICIPANTS	34
3.2	DESCRIPTION AND DEVELOPMENT OF SURVEYS	35
3.2.1	TRUST IN COMPANY QUESTIONS	37
3.2.2	TRUST IN IMMEDIATE MANAGER QUESTIONS	39
3.2.3	MANAGEMENT OF THE RATING SCALE ANCHOR DIFFERENCES	39
3.3	QUALITATIVE DATA	41
3.3.1	SEQUENCE OF QUALITATIVE DATA ANALYSIS	41
3.3.2	CODING STRATEGY	42

TABLE OF CONTENTS (cont)

CHAPTER 4	RESULTS	45
4.1	LINKING FINDINGS TO PREVIOUS TRUST RESEARCH	45
4.2	PHASE 1: COMPANY-RELATED FACTORS	47
4.2.1	TRUST LEVELS, RELATED FACTORS & FREQUENCY OF PARTICIPANT RESPONSES	47
4.2.2	OPEN AND HONEST COMMUNICATION	48
4.2.3	FAIR TREATMENT	53
4.2.4	HONOURING COMMITMENTS	58
4.2.5	PROPENSITY TO TRUST	63
4.2.6	INVESTMENT OF ROLE AND TASK RESPONSIBILITIES	68
4.2.7	PROFIT MOTIVES	70
4.2.8	TECHNICAL COMPETENCIES	73
4.2.9	PROVIDES SUPPORT	75
4.2.10	FUTURE UNCERTAINTY	78
4.2.11	STABILITY OF MANAGERIAL PERSONNEL	81
4.2.12	PROVIDES BENEFITS	83
4.2.13	SAFETY OBLIGATIONS	85
4.2.14	BUSINESS / DECISION MAKING COMPETENCIES	87
4.3	PHASE 2: TRUST IN IMMEDIATE MANAGER FACTORS	89
4.3.1	TRUST LEVELS, RELATED FACTORS & FREQUENCY OF PARTICIPANT RESPONSES	89
4.3.2	OPEN AND HONEST COMMUNICATION	91
4.3.3	PROVIDES SUPPORT	96
4.3.4	ROLE LIMITATIONS	100
4.3.5	CONSISTENCY AND PREDICTABILITY	104
4.3.6	CONFIDENTIALITY	108
4.3.7	INVESTMENT OF ROLE AND TASK RESPONSIBILITIES	111
4.3.8	FAIR TREATMENT	114
4.3.9	HONOURING COMMITMENTS	117

TABLE OF CONTENTS (cont)

4.3.10	FUTURE UNCERTAINTY	119
4.3.11	PROPENSITY TO TRUST	120
CHAPTER 5	DISCUSSION	122
5.1	ALIGNMENT BETWEEN THE INTEGRATIVE MODEL AND FACTORS IN THE CURRENT STUDY	124
5.1.1	FACTORS ALIGNED WITH ABILITY	124
5.1.2	FACTORS ALIGNED WITH BENEVOLENCE	127
5.1.3	FACTORS ALIGNED WITH INTEGRITY	130
5.1.3.1	OPEN AND HONEST COMMUNICATION	131
5.1.3.2	HONOURING COMMITMENTS	133
5.1.3.3	FAIR TREATMENT	134
5.1.3.4	SAFETY OBLIGATIONS	136
5.1.3.5	CONFIDENTIALITY	137
5.1.3.6	CONSISTENCY AND PREDICTABILITY	139
5.1.4	FACTORS ALIGNED WITH PROPENSITY	141
5.1.5	FACTORS NOT REPRESENTED IN THE INTEGRATIVE MODEL	143
5.1.5.1	INVESTMENT OF ROLE AND TASK RESPONSIBILITIES	143
5.1.5.2	STABILITY OF MANAGERIAL PERSONNEL	145
5.1.5.3	PROFIT MOTIVES	147
5.1.5.4	FUTURE UNCERTAINTY	149
5.1.5.5	ROLE LIMITATIONS	151
5.2	AN EXTENDED MODEL OF THE ANTECEDENTS OF ORGANISATIONAL TRUST	153
CHAPTER 6	CONCLUSION	158
6.1	CRITIQUE OF THIS STUDY	158
6.2	SUMMARY	163
	REFERENCES	166

LIST OF TABLES

Table 1	Current Definitions of Trust Within Organisations	8
Table 2	Summary of Antecedent Factor Research	10
Table 3	Survey Year, Participant Numbers and Organisation	35
Table 4	Frequency of Responses by Factor and Trust Level - Company	47
Table 5	Frequency of Responses by Factor and Trust Level - Immediate Manager	90
Table 6	Common Factors, Unique Company Analysis Factors, and Unique Immediate Manager Analysis Factors	123
Table 7	Frequency of Factors Found in the Company and Immediate Manager Data	124

LIST OF FIGURES

Figure 1	Integrative Model of Organisational Trust (Mayer et al., 1995)	28
Figure 2	Components of the Integrative Model of Organisational Trust Relevant to the Current Study	46
Figure 3	Company Factor - Open and Honest Communication	48
Figure 4	Company Factor - Fair Treatment	53
Figure 5	Company Factor - Honouring Commitments	58
Figure 6	Company Factor - Propensity to Trust	63
Figure 7	Company Factor - Investment of Role & Task Responsibilities	68
Figure 8	Company Factor - Profit Motives	70
Figure 9	Company Factor - Technical Competencies	73
Figure 10	Company Factor - Provides Support	75
Figure 11	Company Factor - Future Uncertainty	78
Figure 12	Company Factor - Stability of Managerial Personnel	81
Figure 13	Company Factor - Provides Benefits	83
Figure 14	Company Factor - Safety Obligations	85
Figure 15	Company Factor - Business / Decision Making Competencies	87
Figure 16	Immediate Manager Factor - Open and Honest Communication	91
Figure 17	Immediate Manager Factor - Provides Support	96
Figure 18	Immediate Manager Factor - Role Limitations	100
Figure 19	Immediate Manager Factor - Consistency & Predictability	104
Figure 20	Immediate Manager Factor - Confidentiality	108
Figure 21	Immediate Manager Factor - Investment of Role & Task Responsibilities	111
Figure 22	Immediate Manager Factor - Fair Treatment	114
Figure 23	Immediate Manager Factor - Honouring Commitments	117
Figure 24	Immediate Manager Factor - Future Uncertainty	119
Figure 25	Immediate Manager Factor - Propensity to Trust	120
Figure 26	Ability-Based Factors and Alignment with the Integrative Model of Organisational Trust	124

LIST OF FIGURES (cont)

Figure 27	Benevolence-Based Factors and Alignment with the Integrative Model of Organisational Trust	123
Figure 28	Integrity-Based Factors and Alignment with the Integrative Model of Organisational Trust	131
Figure 29	Propensity to Trust and Alignment with the Integrative Model of Organisational Trust	141
Figure 30	Investment of Role & Task Responsibilities and Alignment with the Integrative Model of Organisational Trust	143
Figure 31	Stability of Managerial Personnel and Alignment with the Integrative Model of Organisational Trust	145
Figure 32	Profit Motives and Alignment with the Integrative Model of Organisational Trust	147
Figure 33	Future Uncertainty and Alignment with the Integrative Model of Organisational Trust	149
Figure 34	Role Limitations and Alignment with the Integrative Model of Organisational Trust	151
Figure 35	An Extended Model of Organisational Trust - Factors Influencing Employee Perceptions of Trust Within Organisations	154

ACKNOWLEDGEMENTS

I would like to express my appreciation to all the people who have been involved in ensuring the successful completion of this research study.

I extend a special thanks to Strategic Interactions in allowing me to access the data, and explore the behaviours, activities and events related to employee perceptions of trust in organisations. Sincere thanks to my supervisor Dr Pauline Arnold whose insight, intellectual guidance, critical comments, pragmatism and encouragement were instrumental to the successful completion of this thesis. My positive experiences of supervision from Pauline were critical throughout all phases of the study. Finally, I would like to thank my family and friends (you know who you are) who have more than tolerated my absences and supported me throughout this experience.