FRÉDÉRIQUE SIX

Trust and trouble

Building interpersonal trust within organizations

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Vertrouwen en verstoringen
interpersoonlijk vertrouwen bouwen binnen organisaties

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CONTENTS

LIST OF TABLES

LIST OF FIGURES

PREFACE

As I embarked on this research, my interest was focused on understanding and explaining the phenomenon trust and how it operates within and between organizations. Underlying this focus was a wider interest to help organizations 'use' the immense human potential present inside them to the benefit of all – individual, organization and society. As I delved more into the topic I realized that the crux of organizing in today's increasingly complex (business) environment can best be described with words like unpredictability and permanent change, relations characterized by intense interdependence, sense making and pattern recognition, and a new balance between order and chaos that lies more in the direction of chaos. Yet many of us find more chaos frightening. Trust creates, fear paralyses. We all have our fears and faiths. What makes life so difficult (at times) is that we are often unaware of them. Explicitly acknowledging both trust and fear, and fostering trust, I believed, could create an organization that is more productive, flexible, innovative and fun to work in.
Looking back on the research endeavour, I have come to acknowledge more explicitly the limits to trust present in every individual and the inevitable occurrence of trouble in everyday work life. The experience of researching such an everyday topic as trust has also taught me a lot and I find myself tackling troubling situations more quickly and explicitly and am happy about the results.

The list of people who played a role in getting this Ph.D. dissertation completed is long and goes back almost 16 years. In 1988, as I was graduating from INSEAD, Sumantra Ghoshal approached me for staying on to do a Ph.D. after my MBA. I seriously considered the option, but decided I wanted most to get out into the real world and experience how organizations really worked. Eleven years later the seed he had sown was finally germinating and I contacted him at London Business School. We had a very pleasant and informative meeting about the options. I am very sad that his untimely death in March 2004 means he cannot be with us to celebrate completion of my Ph.D.. Ard Pieter de Man alerted me to the fact that Bart Nooteboom had moved from Groningen to Erasmus University. I am extremely grateful to Bart for taking the risk and accept me as an external Ph.D.-candidate, since at that time my health was still very frail and I thought more like a management consultant than an academic researcher. He also suggested Arndt Sorge as the other supervisor and together they made a great and highly complementary team with high trust and minimal trouble.
Wessel Ganzevoort needs a special thanks for, without any hesitation, saying I could join KPMG Inspire Foundation in 1998 as I was trying to get back into the work process after two years recuperation from a serious accident. Without his help I would probably not have been able to get back to work. He also read the manuscript in the final phase and has supported me throughout.
Rafael Wittek has the, all but dubious, honour of inspiring me to add trouble to my

dissertation title. He also inspired me to apply relational signalling theory as the foundation for a theory of interpersonal trust building and use the trust and trouble event analysis. Over the past four years he has been an important source of inspiration and support.
The empirical work would not have been possible without the essentially unlimited access I was given to the two case study organizations, Krauthammer International and Deerns Raadgevend Ingenieurs. Ronald Meijers and all his colleagues from Krauthammer and Jan Karel Mak and all his colleagues from Deerns took time from their busy lives to talk to me, let me observe them and complete my questionnaires. Ronald, Jan Karel and Eric Hooftman also took the trouble of reading the manuscript in the final phase and give me helpful comments.
Many colleagues in the field of trust research, and beyond, helped shape my thoughts over the years and I thank them: Katinka Bijlsma, Sally Atkinson, Reinhard Bachmann, Irma Bogenrieder, Ana Cristina Costa, Carsten de Dreu, Hans van Ees, Nicole Gillespie, Tally Hatzakis, Harry Hummels, Rosalinde Klein Woolthuis, Nathalie Lazaric, Sigi Lindenberg, Ned Lorenz, Thomas Mellewigt, Guido Möllering, Peter Ring, Ros Searle, Sim Sitkin, Denise Skinner, Shay Tzafrir, Antoinette Weibel and Rudi Wielers.
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I also thank the members of the Ph.D.- committee for their time and effort: Deanne den Hartog, Christel Lane and Niels Noorderhaven.

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My family has been the most important source of support and inspiration throughout my life. My father for subtly nudging me on and showing his pride without words, my mother for being more explicit about it and pointing me to potential trouble ahead. Roos, ‘my third granny’, for her continuous interest and support despite her deteriorating health. And my sisters, Jeanine and Anne Maurice, for showing the true meaning of trust and trouble: we are there for each other when the going gets tough, despite the sibling troubles we had as kids, and over time we continue to grow closer and closer. I am proud to have them both as my ‘paranymphs’.

Zeist, April 2004

1. INTRODUCTION

Trust is considered to be important for successful cooperation by many – both scholars and practitioners –, so why do we not see predominantly high-trust work relationships? Part of the explanation, this book argues, is that trust is difficult to build and maintain in work relations. The purpose of this book is to find out more about how the trust building process operates in work relations within organizations, including how inevitable trouble influences trust building and what the impact of the organizational context[1] is on the trust building process. Few sources in the literature have addressed the trust building process or the process of dealing with (perceived) trust violations (McAllister, 1995; Lewicki and Bunker 1996) and even fewer sources incorporated the reciprocity of the trust building process (Zand 1972). Furthermore, few sources have explicitly and systematically investigated the link between interpersonal trust and organizational context (Lindenberg, 2000). The motivation for the present study is that it is worthwhile investigating trust and trouble within organizations because it can be assumed that the effectiveness of trust building co-varies with the level of cooperation and the effectiveness of cooperation.

The importance of trust

Many authors emphasized the importance of trust for achieving organizational success. The literature overview presented in Table 1.1 shows that many see trust as necessary in contexts of high ambiguity and uncertainty and in contexts of high complexity. Trust, on the one hand, can provide a sense of security that will help survival in these contexts, and on the other hand, trust can help with the risk-taking necessary for survival in complex environments. Trust, when present, is said to enhance the ability to change and supports (radical) change. This is because trust is said to assist in learning, creativity and innovation. Furthermore, trust is a lubricant for social relations which improves efficiency, or as John Locke declared, trust is 'the bond of society', the *vinculum societatis*. Trust is also seen to foster and maintain cooperation, as it encourages information sharing, enriches relationships, increases openness and mutual acceptance and enhances conflict resolution and integrative problem solving. The presence of trust, it has been argued, reduces the need for detailed contractual and monitoring devices and is thus important in governance. And taking it one step further, in complex environments, detailed contracting and monitoring are often undesirable since they may constrain the scope and motivation for quality and for innovation based on individual variety and initiative. Finally, trust can have extrinsic value, as a means to achieve social or economic goals, and it can have intrinsic value, as a

[1] Please note that the term 'organizational context' is used in this study to refer to the organizational level within which individuals interact; and *not* to the larger societal or business context within which the organization operates (societal level).

dimension of relations that is valued for itself, as part of a broader notion of well-being or the quality of life. People may prefer, as an end in itself, to deal with each other on the basis of trust.

These different reasons why trust is important, as found in the literature, overlap and some are related. Many of these authors argued that the interest in trust has surged recently because of changes in the economy and society at large, and thus also in contemporary organizations. The degree of ambiguity and uncertainty is said to be increasing, thus increasing the need for change, innovation, learning and risk-taking. These changes have triggered the development of new forms of organization and styles of management, with more emphasis on mutual dependence, individual initiative and discretion.

Table 1.1: The importance of trust: a literature overview

Importance	Sources
Is necessary in contexts of high ambiguity and uncertainty, and in contexts of high complexity	Lewis and Weigert (1985), Shapiro (1987), Nooteboom (1996), Shaw (1997), Nahapiet and Ghoshal (1998), Lane (1998), Deering and Murphy (1998), Sako (1998), Rousseau *et al.* (1998), Senge *et al.* (1999), Overlaet (2000), Costa (2000)
Can provide a sense of security which will help survival in these contexts	McAllister (1995), Ellinor and Gerard (1998), Ryan and Oestreich (1998), Reina and Reina (1999), Senge *et al.* (1999), Overlaet (2000)
Can help with risk-taking necessary for survival in these contexts	Katzenbach *et al.* (1995), Shaw (1997), Lewis (1999), Senge *et al.* (1999), Reina and Reina (1999), Costa (2000), Overlaet (2000)
Enhances ability to change and supports (radical) change	Argyris (1970), Katzenbach *et al.* (1996), Shaw (1997), de Geus (1997), Ellinor and Gerard (1998), Deering and Murphy (1998), Ryan and Oestreich (1998), Reina and Reina (1999), Senge *et al.* (1999), Overlaet (2000), Costa (2000)
Assists in learning, creativity and innovation	Senge (1990), Zand (1997), McAllister (1997), Shaw (1997), Ghoshal and Bartlett (1997), Nahapiet and Ghoshal (1998), Rousseau *et al.* (1998), Lazaric and Lorenz (1998), Sako (1998), Ryan and Oestreich (1998), Lane (1998), Deering and Murphy (1998), Reina and Reina (1999), Senge *et al.* (1999), Lewis (1999), Overlaet (2000), Costa (2000)

Table 1.1: The importance of trust: a literature overview (continued)

Is lubricant for social relations which improves efficiency	Blau (1964), Zucker (1986), Fukuyama (1995), Hosmer (1995), Hollis (1998), Deering and Murphy (1998)
Fosters and maintains cooperation, as it encourages information sharing, enriches relationships, increases openness and mutual acceptance and enhances conflict resolution and integrative problem solving	Argyris (1970), Zand (1972, 1997), Deutsch (1973), Zucker (1986), Shapiro (1987), Senge *et al.* (1994, 1999), Katzenbach *et al.* (1995), Mayer *et al.* (1995), Ross and LaCroix (1996), Wheatley and Kellner-Rogers (1996), Shaw (1997), Ghoshal and Bartlett (1997), Deering and Murphy (1998), Lane (1998), Ryan and Oestreich (1998), Tsai and Ghoshal (1998), Elangovan and Shapiro (1998), Whitener *et al.* (1998), Rousseau *et al.* (1998), Zaheer *et al.* (1998), Lewis (1999), Reina and Reina (1999), Costa (2000)
Reduces the need for detailed contractual and monitoring devices and is thus important in governance issues	Bradach and Eccles (1989), Shaw (1997), Lane (1998), Rousseau *et al.* (1998), Zaheer *et al*.(1998), Deering and Murphy (1998), Lewis (1999), Nooteboom (1999a), Senge *et al.* (1999), Sen (2000), Costa (2000)
Intrinsic value of trust	Blau (1964), Bradach and Eccles (1989), Powell (1996), Helper (1993), Sako (1998), Gulati (1995), Nooteboom (1996), Ryan and Oestreich (1998)

The trouble with trust

If trust is as important for organizational success as so many claim, why do we not see predominantly high-trust work relations? The explanation proposed is that trust is difficult to build and maintain. Four key characteristics of trust that hinder its building and maintenance have been identified. First, there exist misunderstandings and confusions about what trust is. Many perspectives have been taken and definitions abound (Nooteboom, 2002). The focus of the present study is on interpersonal trust as it can occur between colleagues (at and across all levels) in an organization. This interpersonal trust, when considered in an organizational context, is also linked to trust at the organizational level and more indirectly to other system levels, such as, institutional and societal ones. In Chapter 2 the definition used in this study is formulated, but for now the observation suffices that trust requires dependence, vulnerability and optimism about a positive outcome, conditions that give some indication of why many people may be hesitant to actually engage in it.

Trust and trouble

The second characteristic is that interpersonal trust building is an interactive process involving (at least) two individuals learning about each other's trustworthiness. This has several implications. Firstly, trust building can only occur when one individual is open to social influence from another individual or when a third party with whom both individuals are open to social influence intervenes to mediate (Zucker *et al.,* 1996). Secondly, trust building within work relations is a reciprocal process; it takes two to tango. It will be very difficult to build trust unilaterally if the other individual never reciprocates. Thus, out of the four theoretically possible situations (A= willing to build trust – B= willing to build trust; A= unwilling to build trust – B= unwilling; A= willing - B= unwilling; A= unwilling - B=willing) only one will provide the necessary condition for trust building to stand a chance. Thirdly, trust requires action. By acting trustingly, the individual makes himself vulnerable to abuse by the other individual *and* communicates his intention to trust and his own trustworthiness (Zand, 1972, 1997). Furthermore, trust appears to need regular, if not constant, nurturing and tending. You cannot 'install' trust in a relationship and then assume it will remain there and forget about it. In fact, the supply of trust appears to increase rather than decrease with use (Pettit, 1995). Also, if not used, trust can become depleted (Powell, 1996). Finally, trust is best understood from a learning perspective, trust has to be learned (Luhmann, 1979). Hardin (1993) argued that excessive trusters, those who err on the side of too much trust in others, will enter far more interactions than the distrusters, who err on the side of too much distrust, and will therefore have many more direct opportunities to correct their judgment of the 'correct level' of trustworthiness. He concluded that, even in only modestly supportive worlds, adopting not only the attitude but also the behaviour of an optimistic trustor may be beneficial, since that behaviour opens up the possibility of discovering the trustworthy. The dynamic that he described makes sense; his recommendation, however, appears to ignore the costs involved in getting hurt while learning. How many of us are actually able to live like this all the time? Probably not that many. This implies that there will be relationships in which the level of trust is lower than the trustworthiness of the parties involved actually warrants, because one of the players is hesitant to trust.

The third characteristic showing trust's complexity is that several asymmetries are involved. Firstly, both trust and distrust are contagious, but with an important asymmetry. The underlying system dynamics of both are based on positive feedbacks, reinforcing the initial behaviour (Zand, 1972, 1997; Deutsch, 1973). However, trust builds up gradually and incrementally, reinforced by previous trusting behaviour and previous positive experiences (for example, Zand, 1972; McAllister, 1995; Lewicki and Bunker, 1996); and distrust is more catastrophic (for example, Lewicki and Bunker, 1996; Lane, 1998). Part of the explanation for this lies in the fact that experiences of betrayal are usually more vivid and thus easier to store and retrieve than experiences of trust (Ross and LaCroix, 1996). As the Dutch statesman Thorbecke formulated: trust comes on foot, but leaves on horseback. Furthermore, one of the most powerful ways to show your own trustworthiness is by you trusting the other (Zand, 1997). However, we like to be trusted, yet having to trust other

people is often problematic (Kipnis, 1996). We generally hate to be hurt and to trust implies making yourself vulnerable to someone else.

The fourth characteristic that makes trust difficult to build is that there is no absolute certainty that the trust will be honoured. It is easy to find evidence of untrustworthy behaviour, but practically impossible to prove trustworthiness (Luhmann, 1979; Gambetta, 1988). Also:

> Even if people have perfectly adequate motives for cooperation they still need to know about each other's motives and to trust each other, or at least the effectiveness of their motives. It is necessary not only to trust others before acting cooperatively, but also to believe that one is trusted *by* others [italics in original] (Gambetta, 1988: 216).

Furthermore, as Lewis and Weigert (1985: 970), referring to Simmel, observed:

> trust involves a degree of cognitive familiarity with the object of trust that is somewhere between total knowledge and total ignorance. That is, if one were omniscient, actions could be undertaken with complete certainty, leaving no need, or even possibility, for trust to develop. On the other hand, in the case of absolute ignorance, there can be no reason to trust. When faced by the totally unknown, we can gamble, but we cannot trust.

And last but not least, trust is to an important extent based on predictability and perceived consistency of behaviour. Yet, however well intentioned we are, virtually no one 'walks his talk' all the time in all respects. And in the eye of the onlooker our 'walk' is often perceived as even less consistent with our 'talk' (Weick, 1995)[2]. Also, trust deals with expectations, not probabilities. Probabilities are related to the interpretation of risk as the variance of a distribution (density function) of probabilities attached to alternative outcomes. Beyond this type of risk there is radical uncertainty, which entails that we do not know the complete set of alternative outcomes of a particular choice nor do we know the full range of alternative options from which we can choose (Knight, 1921). This leads to an important argument in this book, which is that in (organizational) life trouble is inevitable, because of the presence of radical uncertainty. Most organizational and social theories are based on the implicit assumption that the challenge of organizing - turning interdependence into effective cooperation - is to design and introduce the correct rules, thus preventing problems (Wittek, 1999). In many organizations this has led to an obsession with control, which in most cases is no more than an illusion of control (Mintzberg, 1994). Yet, since trouble is inevitable, we have to address the question of *ex post* dealing with experiences of trouble. Why is it important to be good at dealing with trouble? Is it not more effective to (continue to) focus our energy on improving our *ex ante* prevention of trouble? Those who support this view probably hold the (implicit)

[2] Weick therefore suggested that we should focus on 'talk our walk' rather than the usually preached 'walk our talk'.

assumption that, if only we have enough information, the world is predictable and individuals behave rationally. Yet convincing arguments have been put forward to show that social systems and the world in general are inherently unpredictable. Organizing is thus about managing the tension between innovation and control (Weick, 1995). Too much *ex ante* prevention of trouble reduces the number of surprises, including the pleasant ones that will lead us to the novel resource combinations needed for value creation (Moran and Ghoshal, 1999). However, too few rules make it difficult for relationships to develop the trust necessary for effective cooperation to take place, because there is too much chaos. We need to find the appropriate balance, which, in my view, for most contemporary organizations implies strengthening the circumstances for dealing effectively with trust and trouble. In fact, cooperation and conflict go hand-in-hand. 'Cooperation creates conflict, cooperation ends conflict and cooperation provides the context in which conflicts can be resolved constructively' (Johnson and Johnson, 1995: 242). The more you care about what you share, the more frequent and intense the conflicts can be.

In conclusion, there appear to be many mechanisms and conditions that make the successful building of trust difficult.

Existing explanations

Several perspectives have been taken in theorizing about trust. The first perspective involves authors giving different classifications of trust either by level of analysis (for example, Luhmann, 1979; Lewis and Weigert, 1985; Lane, 1998; Zaheer *et al.,* 1998) or basis for trust (for example, Zucker, 1986; McAllister, 1995; Lewicki and Bunker, 1996; Ross and LaCroix, 1996; Rousseau *et al.,* 1998; Nooteboom, 2002). Given the complexity of trust and its different manifestations this is an important first step in understanding trust. Several levels of analysis can be distinguished. First there is system trust, or 'trust in the reliable functioning of certain [abstract] systems, which no longer refers to a personally known reality' (Lane, 1998:16); it can be closely related to societal trust. According to Luhmann (1979) in this trust the system can be both the object and the source of trust. In comparison, at the next level of analysis, institutional trust, the institution acts as a source of trust (Lane, 1998). Institutional trust exists when people rely 'on formal, socially produced and legitimated structures which guarantee trust' (Lane, 1998: 15). And finally there is interpersonal trust, which is defined by Lane (1998: 14) as 'trust between individuals […] based on familiarity, developed in previous interaction or derived from membership in the same social group'. This distinction is analytically useful and necessary because the way in which trust works varies by level; in practice however, the distinctions can become blurred as in any particular interaction several levels are usually involved. Many different bases on which to base trust have been formulated ranging from a distinction between cognitive or rational versus affective or emotional (Lewis and Weigert, 1985; McAllister, 1995), through a distinction between calculus or deterrence-based, knowledge-based versus identification or relational-based trust (Lewicki and Bunker,

1996; Ross and LaCroix, 1996; Rousseau *et al.,* 1998) or a distinction between process-based, characteristic-based versus institutional-based trust (Zucker, 1986), to a 2-by-2 matrix with some 14 bases (Nooteboom, 2002).

In another perspective[3] explanations of trust are sought through the formulation and testing of hypotheses. Much research in this perspective has addressed and tested partial explanations for the relationship between trust and a limited number of antecedents or outcomes at different levels of analysis in particular situations, either through experiments (for example, Deutsch, 1958; Zand, 1972; Sato, 1988) or surveys (for example, McAllister, 1995; Sako, 1998; den Hartog, 2003). Sometimes more complete models for trust have been built (for example, Mayer *et al.,* 1995; Ross and LaCroix, 1996), but these have not been (fully) tested empirically. Many of the theories of trust formulated so far have stayed within rational choice theory (RCT) as their theoretical framework. RCT applies several principles which are considered valuable, such as the use of clear analytical assumptions about personal goals and restrictions on the actions of participating actors, and the use of analytical methods that are unambiguous and precise[4].

Despite these advantages of the RCT approach, a growing number of authors have pointed out that the more orthodox forms of RCT were not able to give satisfactory explanations of trust (Tyler and Kramer, 1996; Hollis, 1998; Lindenberg, 2000; Nooteboom, 2002). These more orthodox forms of RCT have worked with assumptions that, on the one hand, allow for neat and elegant formalization, but, on the other hand, are too obviously not in line with social reality. Extensions to these orthodox forms have been formulated which include new assumptions about rationality (ranging from perfect rationality via bounded rationality to procedural rationality), preferences (whether self-interested or altruistic and whether pursuing material gain only or also social gain) and social embedding (ranging from none via structural to normative) (Wittek and Flache, 2003). Wittek and Flache (2003) distinguished six forms of RCT with different core assumptions. Agency theory comes closest to the orthodox form of RCT with the most 'objective' core assumptions of perfect rationality, preferences based on maximization of self-interested material gain and no social embedding. Shapiro (1987) is an example of research on trust based on agency theory. Williamson's (1993) transaction cost theory approach to trust is often referred to in efforts to show RCT's inadequacies and is also a more orthodox form since only the assumption of perfect rationality is replaced by a bounded rationality assumption, while self-interest maximization and opportunism are still assumed together with no social embedding. The next two forms of RCT differ from the first two in the assumption of structural embedding, which implies that influences of the social network within which the individual acts are taken into account. In reputation models the social networks act as a

[3] These perspectives do not exclude each other, for example, Nooteboom has empirically tested hypotheses using an earlier version of his bases for trust (Nooteboom *et al.*, 1997).
[4] At least, that is the aim.

mechanism for disciplining opportunism and an example is Burt and Knez' (1996) research on third party effects on trust. In reward models social gains, including status, friendship and social recognition, are also recognized in the preference assumption. The works of Coleman (1990) and Deutsch (1973), often referred to in trust research, are examples of this form of RCT. No notable example for trust was found of the linked utility theory form of RCT. Finally, relational signalling theory as proposed by Lindenberg (2000) is an extended form of RCT which assumes that rationality is bounded through framing, preferences are partially guided by altruism through the distinction between foreground and background goals and an individual's action is guided by the normative embedding in which the individual operates. Of these six theories, relational signalling theory appears to provide the most appropriate foundation for explanations of interpersonal trust building that incorporate the characteristics of trust mentioned earlier.

Research questions and design

Thus, an important gap in the trust research to date has been identified, because no comprehensive explanation of trust has been found that can explain how trust works as an interactive and asymmetrical process, how trust is built up against the inevitable occurrence of trouble and how organizational policies and settings affect the generation and maintenance of trust. This study aims to contribute to existing trust research by filling this gap. The rest of this book addresses the issue of formulating and testing a theory of interpersonal trust building in work relations within organizations by answering three research questions:

1. How is interpersonal trust built in work relations within organizations?
2. How does trouble influence this process?
3. How does the organizational context influence these trust and trouble processes?

Theorizing starts within relational signalling theory, because the concept of relational signals has deep implications for a theory of interpersonal trust building. As the theory of trust building is formulated and assumptions need to be extended or changed, this is done explicitly.

Given trust's complexity, testing the theory requires a multi-method approach, using several sources of data and several types of analysis. A multiple case study strategy was applied covering two organizations. Embedded within the case study strategy, a multi-method approach was used with interviews, observations, a questionnaire survey, documents and verification meetings as instruments for three types of analysis: a quantitative trust and trouble event analysis, a quantitative survey analysis and qualitative analyses.

In this study, organizations in general are seen as groups of people who come together because they are interdependent on each other to achieve what they aspire and need for survival; together they can achieve more than alone or in another combination. Many

organizational forms are possible and not all necessarily need trust to be present to the same degree. However, as argued in the section on the importance of trust, due to recent changes in the economy and society at large, organizations are increasingly faced with a need for continuous change, innovation, learning and risk-taking, which usually requires organizational forms with more emphasis on mutual dependence (interdependence) and individual initiative. For this to work effectively trust is seen as important (for example, Creed and Miles, 1996). This study focuses on organizations with these characteristics, which are referred to as contemporary organizations.

Plan of the book

The remainder of this book is organized in seven chapters. In Chapter 2 the foundations for a theory of interpersonal trust building are developed. The chapter begins with a description of relational signalling theory and then applies it to interpersonal trust building. For trust to be built between two individuals their behaviour needs to be guided by a stable normative frame and stabilizing normative frames becomes the joint goal. Four strategies for stabilizing normative frames are identified, two operating at the contextual level and two at the individual level. These strategies are subsequently tested in empirical research. Chapter 3 describes the research strategy, instruments and analyses applied and Chapter 4 sets the scene with a characterization of the two case study organizations. In Chapter 5 'Creating a trust-enhancing organizational context' the two strategies at the contextual level are taken together because in real life it is difficult to distinguish the two. The brief theoretical sketch provided in Chapter 2 is extended and eleven hypotheses are formulated and tested using predominantly qualitative analyses in which the two organizations are compared. In Chapter 6 'Building interpersonal trust' the first strategy operating at the individual level is examined and tested. In the theoretical section actions that are considered to be trust building actions are identified and categories are formed based on the type of relational signal they contain. The empirical research was aimed at testing the hypothesis formulated about the occurrence of each of these actions and at testing the categorization of the actions using the results of the questionnaire survey. Chapter 7 'Dealing with trouble' examines the fourth strategy by investigating the impact of a trouble event on trust in the relationship. Hypotheses are formulated and tested about a trouble model using the quantitative trust and trouble event analysis. Finally, the findings and implications of the results are summarized in Chapter 8, which also draws some conclusions with regard to the strengths and limitations of the theoretical approach used in this book. Some methodological and practical implications are furthermore addressed and several avenues for further research are suggested. Background information is provided in two appendices. Background data regarding the research design are provided in appendix A, while additional data about the building of trust are provided in appendix B.

2. FOUNDATIONS FOR A THEORY OF TRUST BUILDING

This chapter begins with a general description of the assumptions and key implications of relational signalling theory before applying these to a theory of interpersonal trust building. The key argument put forward in this study – and explained in this chapter - is that for trust to work in work relations within contemporary organizations[5], both individuals in the relationship need to have their actions guided by a stable normative frame[6]. Thus the stability of normative frames becomes a joint goal and likely to be jointly produced within the relationship itself with positive relational signals, as well as within the organization as a whole with the help of flanking arrangements that are part of the organizational context.

Relational signalling theory

The present explanatory effort builds on the theoretical framework for the analysis of governance problems in organizations, *Relational Signalling Theory*. For the theoretical foundations of the relational signalling approach see the writings of Lindenberg (1988, 1992, 1993, 1997, 1998). Further elaboration and empirical testing of the theory can be found in Wittek (1999, 2003) and Mühlau (2000).

Two basic assumptions are made in relational signalling: First, *human behaviour is goal directed* and any effort to explain social phenomena should pay attention to the goals of the individual actors (Lindenberg, 1997). Individuals are boundedly rational in the sense that they have too little information, but also – and possibly more so – with regard to their ability to make use of all the information at their disposal. This implies that individuals are generally intelligent enough to pursue one goal in any given action situation, bringing this main goal into the foreground of the individual's attention. This main goal structures ('frames') the definition of the situation, while the other potential goals are in the background and have an indirect effect as they only affect the strength with which the main goal guides structuring, evaluation and choice processes. The frame with which an individual approaches a particular situation can be seen as a process that guides selective attention and is 'triggered' by the salient goal. When a background goal is congruent with the main goal, it will have a positive effect on the salience of that goal and when background goals are incompatible with the main goal they will have a negative effect. Direct costs, which are related to the main goal, are much stronger than opportunity costs, which are related to background goals. This is important for a theory of trust because it allows the opportunity costs of honouring trust to vanish into the background, greatly lowering opportunistic tendencies if the normative frame is strong. Rationality is thus

[5] As defined in Chapter 1 to be the focus of this study.

[6] Please note that the notion of frame in relational signalling theory is different from that used in Kahnemann and Tversky's (1979, 2000) prospect theory.

strongly bounded by the fact that the various potential goals are not equally in consideration. In relational signalling theory, all human beings are seen to strive towards the realization of two general goals: physical and social well-being, and all other goals can be interpreted as means towards these goals (Lindenberg, 1997). For example, comfort and stimulation can be seen as means towards the physical well-being goal; and status, behavioural confirmation and affection can be seen as means towards the social well-being goal. An important implication of the framing of goals is that goals are not fixed in advance. This is in line with Kahneman and Tversky's (2000: xvi) argument that preferences are not fixed:

> The image of a decision maker who makes choices by consulting a pre-existing preference order appears increasingly implausible. The alternative image is of a decision maker who chooses reluctantly and with difficulty […] and who constructs preferences in the context and in the format required by a particular situation ….

A final point related to this first assumption is the issue of frame stability as it influences which goal is the main goal and which is in the background. The greater the involvement of the individual in the framed goal, the more stable the frame will be in the situation concerned. Frame salience will be stronger when a framed goal is tied to compatible emotions and to direct consequences to the individual himself. There are two threats to the stability of an individual's frame. First, although behaviour is seen as goal-directed, human beings are quite myopic about it as they appear to find it difficult to resist short-term temptations even if this is against their own long-term interest. This makes frames precarious. Furthermore, frames can decay as the salience of the frame decreases over time unless a special effort is made. It is lowered through the influence of incompatible background goals. When salience becomes very low, frames may even switch altogether, with the background goal becoming the new frame and the old framed goal being pushed into the background. This frame change will have a significant effect on the ordering of the alternatives considered for action.

The second assumption underpinning relational signalling theory is that *human behaviour is context dependent*, depending on the frame that the individual is in. Lindenberg (2003) identified three master frames: the hedonic frame, the gain frame and the normative frame. The *hedonic frame*'s main goal is to feel good or better right now. It is thus very short-term oriented and directed at emotional states of the individual himself, such as bodily states (hunger, pain, excitement) and psychic states (sense of loss[7], fear, status, affection). The second frame is called the *gain frame* whose main goal is to improve one's resources. These resources can be material, for example money, or immaterial, such as improving one's competence. This goal is also directly tied to the individual himself, but removed in terms of emotions and is also removed in time, as the resources must be used before they

[7] In an earlier publication, Lindenberg (2000) called the first frame 'loss frame' and focused especially on this aspect of hedonism.

have the hedonic effect. The third frame is called the *normative frame* as its goal is to act appropriately. It is not directly tied to either emotions or to consequences for the individual himself, since the hedonic and gain-related goals are in the background, if they are present at all. Thus *a priori*, the hedonic frame would appear more salient than the gain frame, which in turn would appear more salient than the normative frame. As a consequence, individuals who interact with each other appear to be justified in suspecting that the normative frame will give way to the hedonic frame or the gain frame. They will therefore look for signs in the behaviour of the other individual with regard to the stability of the normative frame, in other words, to which degree the other individual is still interested in maintaining the relationship. Relational signals are 'behavioral clues that allow us to make inferences about other people's interest in maintaining a mutually rewarding social relationship with us' (Wittek 1999: 8). A positive relational signal is any behaviour by a first individual that contributes to the well-being of the second individual, usually entails a sacrifice from the first individual and is perceived by the second individual as an indication of the stability of the first individual's normative frame. A negative relational signal is any behaviour by a first individual that decreases the well-being of the second individual and who perceives it as an indication of the decay of the first individual's normative frame. An important point to make here is that which types of actions do or do not constitute relational signals is in the eye of the beholder (Wittek, 1999) and the same holds for the sign of the relational signal: whether it is perceived as positive or negative[8]. When signals are important in the interaction between two or more individuals, they predominantly include 'expressions given off', which are seemingly involuntary aspects like blushing. These are less open to manipulation. This may be important as individuals who have no relational interest can and probably will exploit relational signalling (Deutsch, 1973). Luckily, it is difficult for most people to pretend they are in a frame that they are not actually in, as they will nearly always give off signals to the contrary.

An individual is seen to have an interest in the stability of both his own and the other individual's frame, due to the effect that losses can have on framing and frame stability, caused by the higher strength of loss aversion over gain achievement (Kahneman and Tversky, 2000). This implies that he will tend to look for situations that will increase the salience of his own frame and avoid situations that will decrease the salience of his frame. Lindenberg (2003) found that there is frame resonance: one individual's frame will influence the frame of another individual in his vicinity. A highly salient frame in one individual will increase the likelihood that the other individual will adopt the same frame, which appears to imply that an individual will have an interest in the frame environment, that is, in the frames of others, even if he does not interact directly with those other individuals.

[8] Later in this chapter the deeper implications of this concept of relational signals for trust are examined.

Theory of interpersonal trust building

This section first defines interpersonal trust and the trust building process. It is argued that for interpersonal trust building to be possible both individuals involved need to have their actions guided by a stable normative frame and that, therefore, the stability of normative frames becomes a joint goal. Four strategies for stabilizing normative frames are identified which are discussed in turn.

Interpersonal trust and the trust building process

Many different perspectives have been taken when studying trust and definitions abound. This study focuses on interpersonal trust in work relations within an organization. Common elements relevant to this perspective appear to be:

- Trust is relevant in situations where the trustor is dependent on the trustee's action(s) in the future to achieve his own goals and objectives (Hosmer, 1995; Lane, 1998; Whitener *et al.,* 1998). This implies a time lag and time asymmetries (Coleman, 1990).
- This dependence implies that the trustor, when acting on his trust, makes himself vulnerable to the actions of the trustee.
    - When the trust is broken, the trustor will be hurt (Hosmer, 1995; Lane, 1998).
    - Even if the trustor runs no probabilistic risk in relying on the trustee to act in a particular way, he must still recognize that the other party is a free agent and that his welfare is in the free hands of the trustee (Hosmer, 1995).
    - Trust is thus assumed to provide a way to cope with risk or uncertainty in a relationship (Lane, 1998).
- Trust is seen as a choice; it entails voluntary, not forced, cooperation on the part of the trustor (Hosmer, 1995).
- Trust is related to optimistic expectations about the outcome of the event; that vulnerability will not be taken advantage of (Hosmer, 1995; Whitener *et al.,* 1998).

The majority of definitions used in the literature see trust as a state, belief or positive expectation. Combining Mayer *et al.*'s (1995) definition with Rousseau *et al.*'s (1998) this study's definition is:

> *Interpersonal trust is a psychological state comprising the intention to accept vulnerability to the actions of another party based upon the expectation that the other will perform a particular action important to you, irrespective of the ability to monitor or control that other party.*

When control is possible, and possibly also present, Nooteboom's notion of 'reliance', which is 'an expectation that things will not go wrong' (Nooteboom, 2002: 49) is applicable and where it is not, his notion of 'real trust' is applicable. Even though this is not explicitly reflected in the definition, trust and action must mutually reinforce each other. This is explicitly reflected in this study's perspective that interpersonal trust building is a reciprocal process in which both parties involved interactively build trust. Most models in the literature are either static or look only at the perspective of the trustor (for example,

Mayer *et al.,* 1995 and Ross and LaCroix, 1996). Zand is one of the few who proposed an interactive model:

> Let P denote one person and O the other. If (1) P lacks trust, (2) he will disclose little relevant or accurate information, be unwilling to share influence, and will attempt to control O. (3) Assume O also lacks trust, (4) perceives P's initial behavior as actually untrusting, and (5) concludes he was right to expect P to be untrustworthy; then (6) he will feel justified in his mistrust of P. Since (7) P sees O's behavior as untrusting, he (8) will be confirmed in his initial expectation that O would not be trustworthy and (2) P will behave with less trust than when he entered (Zand, 1972: 232-233).

The individual's predisposing beliefs are crucial and they determine his initial attitude and he will most likely find these confirmed through the impact of his actions – driven by these beliefs - on the other person: the self-fulfilling prophesy of beliefs (Zand, 1972, 1997). Thus, trust building is based on positive feedbacks. This implies that there are both upward spiralling processes and downward spiralling processes. In upward spiralling processes of positive trust experiences A's trust in B is confirmed, that is, B acts according to A's pattern of expectations and trust is built. If A perceives B to be sufficiently trustworthy, A will act to make himself vulnerable to the actions of B; B in turn will perceive A's action as indications of A's trustworthiness and will likely act in line with A's expectations, which will be perceived as confirmation of A's initial trust (Figure 2.1).

As said, trust is related to the optimistic expectation that the trust will not be taken advantage of. Thus, trust requires the absence of opportunistic behaviour by the trustee so that the trustor can make himself vulnerable to the action(s) of the trustee. This requires a stable normative frame. And since in interpersonal trust building each individual is simultaneously trustor and trustee, both individuals need to have their actions guided by a stable normative frame.

Proposition 2.1 For interpersonal trust to be built in long-term work relations, both individuals need to have their actions guided by a stable normative frame.

This is, however, not straightforward, because normative frames will decay over time if not actively maintained due to the *a priori* salience of hedonic and gain frames. Furthermore, contemporary organizations, the focus of this study, cannot survive for long if employees are only working towards normative goals. With only a normative frame no use is made of the individual's resourcefulness, while with only a gain frame, the individual does not necessarily act in the organization's best interest. Therefore, such organizations will need the presence of both the gain frame and the normative frame, preferably with frame-compatible hedonic goals present in the background so that enjoyment can occur as a side-product of gain and normative behaviour. This configuration of frames is called weak solidarity (Lindenberg, 2003). For trust to be able to develop within a weak solidarity organization, according to Lindenberg (2003), its organizational

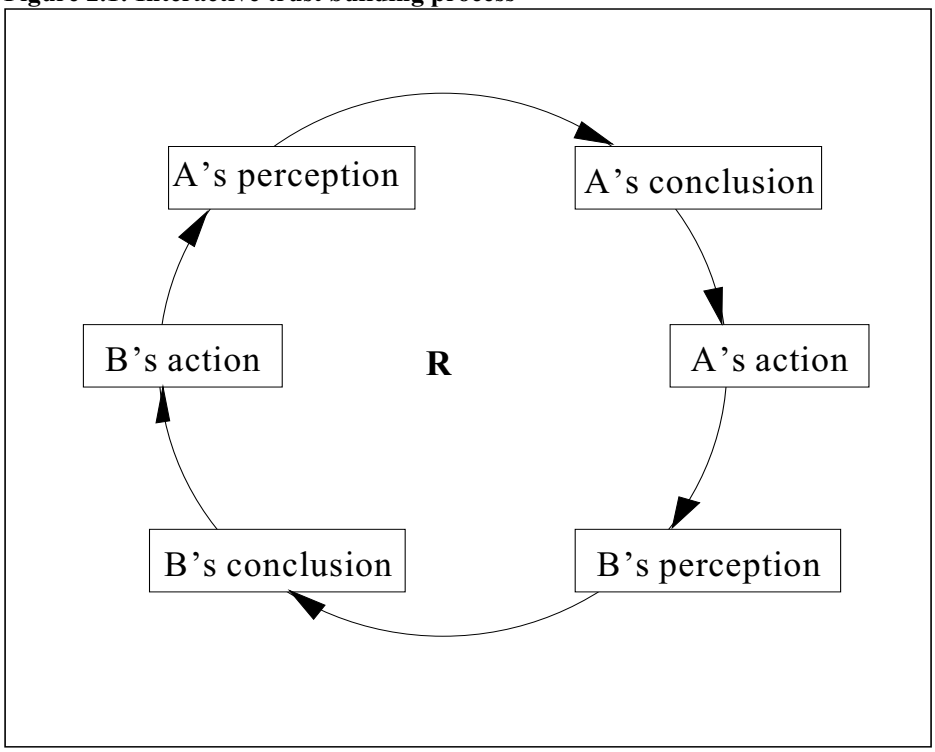
context must contain arrangements that (1) align the individual actor's gain with organizational goals; (2) guard against intrusion of the hedonic frame (particularly feelings of loss); and (3) make relationships sufficiently important so that relationship maintenance alone boosts the wish to act appropriately to the other individual in the relationship. How exactly this weak solidarity should be envisaged is not exactly clear from the existing literature on relational signalling theory (Lindenberg, 2003). Wittek (1999) proposed that weak solidarity is a configuration with the gain frame in the foreground together with strong normative goals in the background. It also appears possible to argue the reverse: that the normative frame is in the foreground together with strong gain goals in the background. Which goal is in the foreground and which in the background will probably depend on a particular individual's general preference and on the particular situation. The question then becomes how relevant this issue is for this study's purpose. It appears sufficient for the moment to acknowledge the strong presence of both gain goals and normative goals, each constraining the other, together forming the weak solidarity frame.

Thus, the normative frame needs to be strong enough to suspend the opportunistic behaviour of the hedonic and the gain goals. The stability of normative frames becomes a joint goal and is likely to be jointly produced within the relationship itself with positive relational signals, as well as with in the organization as a whole with the help of flanking arrangements that are part of the organizational context. Four strategies for stabilizing normative frames are identified: (1) suspend opportunistic behaviour, or take away distrust; (2) stimulate frame resonance, or create a trust-enhancing organizational context; (3) send positive relational signals, or build trust; and (4) avoid negative relational signals, or deal with trouble. An organization needs to implement all four strategies, but depending on the particular environment it operates in, it may place different emphases. The better an organization is at implementing all four strategies, the more likely interpersonal trust can be built successfully in the work relations within it.

Proposition 2.2 The better the organization is at implementing all four strategies for stabilizing normative frames, the more likely that interpersonal trust can be built successfully in the work relations in it.

Next, each of the strategies is described in more detail.

Figure 2.1: Interactive trust building process



Source: Adapted from Zand (1972)

Taking away distrust

Distrust and trust are distinct, though related, entities and taking away distrust is not the same as building trust (Lewis and Weigert, 1985; Lindenberg, 2000). Lack of distrust is a necessary but not sufficient condition for building trust. Situations of legitimate distrust, defined as situations where 'any explicit or implicit promise […] is blatantly against the self-interest of the promising party' (Lindenberg, 2000:12), are highly likely to lead to actions of the potential trustee that are strategically opportunistic, that is actions like lying, cheating and generally willing to hurt the other individual (the trustor). In such situations, distrust on the part of the potential trustor is seen as not a sign of ill will or abnormal risk-aversion, but as legitimate since both the opportunities and the incentives for opportunism are too high for the potential trustee reasonably to expect compliance; everyone has a price (Nooteboom, 2002). Because the distrust is seen as legitimate, that is, 'reasonable observers would say that any other reasonable person put into this situation' would judge similarly, remedies can be relationally neutral, meaning that the distrusting individual can 'claim the necessity of remedies, pinpoint a menu of solutions and show good faith at the

same time' (Lindenberg, 2000: 12). The solution will focus on the alignment of interests, for example, through credible commitments, reputation effects or third parties.

Proposition 2.3 Before two individuals can begin to build trust, legitimate distrust situations must first be sufficiently reduced through interest alignment arrangements.

When the blatant self-interest of the potential trustee is sufficiently reduced, there may still be room for opportunism of a different sort when short term and longer term interests point in opposite directions, leading to a short-term temptation to break the trust (*myopic opportunism*).

A normative frame will largely suspend the opportunistic behaviour present in both the hedonic and the gain frame; and the absence of opportunistic behaviour is a crucial condition for the trustor to place trust in a trustee. Therefore, the trustor will be looking for relational signals related to the presence and stability of the trustee's normative frame. In situations of legitimate distrust, gain becomes the salient goal, thus bringing the trustee in a gain frame and making it highly likely that he will act in a strategically opportunistic way because the restraints on that opportunism, such as relational and normative considerations, would have to come from goals that are pushed too far into the background to be able to affect the trustee's actions. Only if interests are better aligned can the salience of the gain frame be sufficiently lowered for the normative goal to have its guiding effect on the trustee's actions. Having thus dealt with the temptations for strategic opportunism, temptations from myopic opportunism created by random shocks of situational temptations must now be dealt with. Myopic opportunism is particularly likely where a normative frame is especially needed: in situations where the desired behaviour cannot be prescribed in detail and where detailed control of performance is costly; in other words, in most contemporary organizations. If an individual allows himself to be guided by myopic opportunism, he is likely to cause the other individual to experience a loss and this experience of loss is likely to trigger strong emotions, which in turn may cause a frame switch in the other individual to a hedonic frame in which the eradication of the feeling of loss is the main goal. If there are furthermore no options for restoring the loss (or to 'exit' the relationship), then the second individual is likely to resort to 'getting even' to balance this feeling of loss (Bies and Tripp, 1996; Lindenberg, 2000). An individual thus has a self-interest in avoiding to act in a myopically opportunistic way, since it would trigger a loss frame in the other individual who may try to get even with him.

Creating a trust enhancing organizational context

The second strategy for stabilizing normative frames is stimulating frame resonance and, like the first strategy, also operates at the contextual level. Because of frame resonance, that is, the notion that one individual's frame will influence the frame of another in his vicinity, an individual has an interest in the frame environment, or organizational context, within which he operates. A trust-enhancing organizational context can be created when

resonance of the normative frame is stimulated, and vice versa a trust-enhancing organizational context will stimulate frame resonance. In most contemporary organizations this must be achieved while at the same time ensuring that the individual's gain is aligned with the organizational goals and feelings of loss are avoided (weak solidarity frame).

In general, the social context in which an individual acts affects the relative benefits of different actions. An individual's behaviour is guided by the social context in which he operates; it is not determined by it, as individuals retain (some) freedom of choice, they can choose to obey the rules and norms or to break them (for example, Coleman, 1990; Archer, 1995). This study uses the term context rather than the often-used terms culture or climate to avoid possible confusion (Barney, 1986; Denison, 1996; Ghoshal and Bartlett, 1997). Context is defined as:

> *Organizational context is a complex set of values, assumptions and symbols that defines the way in which an organization conducts its business.*

This concept blurs the classical distinctions between an organization's culture, its structure and its strategy because the latter attributes are direct manifestations of cultural assumptions about what business an organization is in and how it conducts its business (Barney, 1986). The organizational context emerges over time as an organization struggles with the joint problems of adaptation, individual meaning and social integration. (Denison, 1996). Researchers, myself included, struggle with the inherent expansiveness of this explicitly broad and inclusive phenomenon. As a result, the definition of the domain varies greatly by the individual theorist (Denison, 1996). You have to have a focus in order to give a meaningful description. 'Not all parts of a culture are relevant to any given issue the organization may be facing; hence attempting to study an entire culture in all its facets is not only impractical but also usually inappropriate' (Schein, 1992: 148). The focus in this research is: how does the organizational context influence the way trust is built within interpersonal interactions?

Several institutional arrangements that are part of the organizational context are important; in this chapter they are only briefly mentioned while in Chapter 5 they are investigated in more detail. Firstly, an organization can increase the chances that its people experience trust through the explicit formulation and implementation of those *norms and values* relevant for operating within it. This is also likely to enhance the resolution of trouble when it inevitably occurs. From a relational signalling perspective the norms and values would have to identify what appropriate behaviour is within the organization including 'showing other regard' (Lindenberg, 2003). The second institutional arrangement concerns the *socialization process* for newcomers. The more explicit and intensive the socialization process for newcomers, the more quickly frame resonance can be achieved and the more quickly trust can be built between newcomers and tenured colleagues. Thirdly, the ways in which people are *control*led is important to the dynamics of trust building. The relational signal in a controlling action is decisive in determining whether control leads to distrust or

trust. A fourth institutional arrangement is the way in which people in the organization are functionally dependent on each other. Several studies (for example, Powell, 1996; Wittek, 1999; Costa, 2000) have shown that the higher the *functional interdependence*, the higher the trust needs to be and thus the more effort is made to achieve normative frames and trust. A fifth institutional arrangement concerns *human resource practices* (Creed and Miles, 1996; Mühlau, 2000). As argued before, most contemporary organizations require a balance between the normative frame and the gain frame, which implies that there must also be opportunities for an employee (of whatever rank) to improve his resources (Lindenberg, 2003).

In sum, an organization can stabilize the normative frames of its people by stimulating resonance of normative frames. This can be done by creating several institutional arrangements and this study has identified five important ones: strong norms and values stressing 'other regard', explicit and intensive socialization, normative control, strong functional interdependence and fair human resource practices allowing for opportunities to improve one's resources.

Proposition 2.4 The more the organization puts in place trust enhancing institutional arrangements, such as strong norms and values stressing other regard, explicit and intensive socialization, normative control, strong functional interdependence and fair human resource practices allowing for opportunities to improve one's resources, the easier trust can be built.

Building trust

To strengthen the stability of their normative frames individuals can act in ways that reaffirm the normative frame. This will be done when the actions of the individuals give off positive relational signals, in other words, when they act in a trustworthy manner; a good way to do this is to act in a trusting manner (Zand, 1997).

Proposition 2.5 The more positive relational signals are given off by both individuals, the easier trust is built.

The concept of relational signals has deep implications for a theory of trust building. As explained earlier, whether an action contains a relational signal and what type of signal is determined by how the receiver of the signal (= trustor) perceives it and not what the sender (= trustee) thinks he has done. An action may be perceived to contain both positive and negative relational clues, creating four types of overall relational signals depending on the presence or absence of positive and negative relational clues (Figure 2.2). When neither a positive nor a negative relational clue is perceived by the receiver, the overall relational signal is 'neutral'. This is most likely to occur when the receiver is in a gain frame and solidarity considerations are far into the background, because in such situations he is not

concerned with relationship maintenance[9]. When only a positive relational clue is perceived, the overall relational signal is 'unambiguously positive', and similarly when only a negative relational clue is perceived it is called 'unambiguously negative'.

Figure 2.2: Types of overall relational signals

		Negative relational clue	
		Absent	Present
Positive relational clue	Absent	Neutral	Unambiguously negative
	Present	Unambiguously positive	Ambiguous

However, it is likely that frequently the receiver is not quite clear about the overall signal as both positive and negative clues are perceived to be present. This is called an 'ambiguous' relational signal. This may, for example, occur when the verbal and non-verbal actions of the sender appear to contradict each other in this respect. The sender may think he should trust the receiver, but in fact in his subconsciousness he does not trust him and conflicting signals are sent and probably received. Ambiguous relational signals may also occur when someone is perceived to not 'walk his talk' or behaves inconsistently; or when he intends well, but is not sufficiently skilled to execute the action that is supposed to send the unambiguously positive relational signal. Given the vulnerability involved in trust building, the trustor is more likely to err on the side of caution when perceiving an ambiguous relational signal, which implies that he is more likely to interpret the action as conveying a negative relational signal, which will hinder the trust building process. Thus,

Proposition 2.6 The more ambiguous a relational signal, the more likely it will be treated as a negative relational signal.

It may even be more important for negative relational clues to be absent than positive relational clues to be present. In general, the ambiguity of the relational signal is probably reduced the more both trustor and trustee are aware of their own true attitude toward the

[9] And therefore, he is also not concerned with trust.

other, have self-confidence (without arrogance; Deutsch, 1973), self-discipline (Sitkin, 2003[10]) and a high level of interpersonal skills (Johnson and Johnson, 1995) .

Proposition 2.7 The more both trustor and trustee are aware of their true attitude toward the other, have self-confidence, self-discipline and a high level of interpersonal skills, the more likely ambiguity of the relational signal is avoided.

In the trust literature three psychological heuristics are mentioned that affect the process of sending and receiving relational signals (Tyler and Kramer, 1996; Nooteboom, 2002). First, the 'availability' heuristic, which shows that individuals tend to assess the probability and the likely causes of a prospect by the degree to which instances of it are readily available in the memory: the more vivid, recognizable, recent or emotion laden the more readily available the memories tend to be. Second, the 'representativeness' heuristic that points to the tendency to assess the likelihood of a prospect by its similarity to stereotypes of similar occurrences. And finally, the 'anchoring and adjustment' heuristic that shows how our judgment is formed by a base value ('anchor') that in turn is based on previous experience or social comparison plus incremental adjustments from that value. Furthermore, Nooteboom (2002) referred to the psychological mechanism of 'non-rational escalation of commitment' which shows that sunk costs, such as sacrifices made in a relationship, are not seen as bygones. It suggests that individuals are likely to be more committed to a relationship when they have more of a history together and they are likely to make more of an effort to maintain a good relationship when trouble happens and when questions about the other person's trustworthiness are raised. Negatively formulated, pulling out of a relationship would then be seen as an admission of failure or having made a bad decision in the past and, as Kahneman and Tversky (1979, 2000) showed, people have a stronger preference for loss aversion than gain achievement. It is likely that the more aware both trustor and trustee are of these psychological mechanisms and the attributions they make in this way, the more likely ambiguity of the relational signal can be avoided. And when the resulting unambiguous relational signal is positive, then trust can be built interactively. But when A perceives an ambiguous relational signal in B's action that leads him to be more hesitant in his action towards B, this can set in motion a vicious cycle of more ambiguity and hesitance, which can, given the asymmetries in trust and distrust, easily lead to distrust and rupture of the relationship, unless one or both players can stop the decline and get back on the virtuous trust cycle.

Interpersonal trust building requires that two individuals open themselves up to social influence (Zucker *et al.*, 1996) and learn about each other's trustworthiness. Experience, be it direct or indirect through third parties, is the most important route for building interpersonal trust (for example, Lewis and Weigert, 1985; Lewicki and Bunker,1996; Rousseau *et al.*, 1998). Hardin's (1993) learning perspective is valuable: excessive trusters,

[10] Presentation given at the second workshop on trust, Amsterdam, October 23-24, 2003.

those who err on the side of too much trust in others, will enter far more interactions than the distrusters, who err on the side of too much distrust, and will therefore have many more direct opportunities to correct their judgment of the 'correct level' of trustworthiness. This implies that it is through interaction that we learn about the other's limits to trust (Deutsch, 1973). If we avoid interaction, we gain no experience and cannot learn. As the trustor forms his conclusion to engage in interaction with the trustee (or not), he will examine the information he has at his disposal. In the extreme case where no information of whatever sort exists, there is no basis for trust. Lewis and Weigert (1985: 970), referring to Simmel, claim that trust is only relevant when there is 'a degree of cognitive familiarity with the object of trust that is somewhere between total knowledge and total ignorance…'. When there is total knowledge, there is complete certainty, and thus no need for trust. When there is total ignorance, or no knowledge whatsoever, there is no reason to trust, and thus we should talk about a gamble and Hardin (1993) claimed that there is nearly always at least some cognitive familiarity even if not at a personal level. Taken to the extreme, only Martians, and other extra-terrestrial creatures, could find themselves in a position of total ignorance. Information of any sort, either directly through interaction with the trustee or indirectly from third parties or the context within which the interaction takes place, is therefore always available. The information comes to us through all our senses: hearing, seeing, smelling, feeling, etcetera. It then gets processed to form a cognitive and emotional base for trust. Much of this is done outside of our focal awareness (Nooteboom, 2002). I may be more likely to trust an hitherto unknown stranger if he smells like someone I trust; I may be more likely to distrust an hitherto unknown stranger if he looks like someone who cheated on me. I will probably not even be aware of these processes. So we probably always have information of some sort available, and at the same time we are usually limited in our capacity to ever achieve full knowledge of others, their motives and their responses to changes (Gambetta, 1988).

The interactive trust building model depicted in Figure 2.1 is a reinforcing loop (with the 'R' in the middle) because the underlying system dynamics are based on positive feedbacks. However, if that were the whole story, there would be no end to the level of trust reached and that does not happen in real life; hence there must be balancing elements not yet shown (Anderson and Johnson, 1997). There are limits to trust in every individual. A general limit to trust is formed by the *a priori* potential salience of the hedonic and the gain frame over the normative frame and the potential presence of 'legitimate distrust situations'. No one can be trusted in all respects under all conditions. Thus the central issue in trust building is 'how well do I know under which conditions I can trust him to do what' rather than 'the more I can trust him the better it is' (Gabarro, 1978; Six and Nooteboom, 2003). As a consequence, it is important to distinguish different dimensions of trustworthiness. In the literature many different dimensions of trustworthiness have been identified. It appears common in most sources that a distinction is made between competence or ability on the one hand, and intentions on the other (among others, Barber, 1983; Nooteboom, 2002). The dimension 'intention' is in turn split up further. Mayer *et al*.

(1995) came up with benevolence and integrity (personal integrity and moral integrity). Nooteboom (2002) subdivided intention into benevolence and dedication. In Lindenberg's relational signalling approach to trust (2000) only the dimension of intention appears to be addressed, with a distinction between strategic opportunism, which this study argues relates to (lack of) 'benevolence', and myopic opportunism, which this study argues relates to Nooteboom's (2002) notion of (lack of) 'dedication' and Mayer *et al.*'s (1995) notion of 'personal integrity'. The relational signalling approach to trust as proposed by Lindenberg needs to be extended to include 'ability' or competence to provide a sufficient cover of the dimensions of trustworthiness within organizations (Tyler and Kramer, 1996; Gabarro, 1978). I furthermore argue that a fourth dimension should be added as put forward by Mayer *et al.,* since their dimension 'integrity' consisted of two elements: personal integrity, or the adherence to one's principles, which this study calls 'dedication'; and moral integrity, or the acceptability of one's principles, which is not mentioned by either Nooteboom (2002), Lindenberg (2000) or Barber (1983), yet which is considered relevant. Thus I propose the following four dimensions of trustworthiness: ability, benevolence, dedication and norm-acceptability.

Ability (or competence) is 'that group of skills, competencies and characteristics that enable a party to have influence within some specific domain' (Mayer *et al.*, 1995: 717). It is situation- and domain-specific. Does the trustee have the skills, experience, means and position to perform as I want?
A person may be highly competent, and therefore worthy of our trust, in one area, for example finance, but inexperienced or incompetent in another area, such as personnel. Also a person may simply not be in a position to influence the situation in the direction desired by the trustor. For example, a superior promises you that you will be able to follow a particular career path within the organization. That person, however, is not in a position to deliver on that promise as he does not have the resources; nor does he have the decision making power required to deliver.

Benevolence is 'the extent to which the trustee is believed to want to do good to the trustor, aside from an egocentric profit motive' (Mayer *et al.*, 1995: 718). It is trustor-trustee specific. Benevolence only appears relevant when the trustee has opportunities for opportunistic behaviour. And there are limits to the occasions when people will forgo opportunistic opportunities: everyone has a price (Nooteboom, 1999b). This relates to the notions of strategic opportunism and legitimate distrust situations.

Dedication is the extent to which the trustee is believed to make the effort to meet the expectations of the trustor. Dedication as a dimension of trustworthiness is about commitment, punctuality, making the effort and reliability. If the trustee fails, despite making the effort, this may be because of his inability to meet the expectations of the trustor in the specific situation; and since the trustee tried but failed, he was not aware of his inability. Or the failure despite the effort may be due to changed circumstances that have led the trustee to change his priorities to opportunistic behaviour after all. The distinction between benevolence and dedication may be illustrated with the situation in which the trustee really means well – is benevolent towards the trustor – but he cannot be

bothered to make the effort. One could possibly argue that, if you cannot be bothered, you are not really benevolent, since your egocentric laziness dominates. But in real life, these situations occur regularly; hence the distinction is useful. The trustee can also be found to be dedicated without being benevolent. This occurs when the particular action that the trustor trusts the trustee to take is also in the trustee's own interest; that is, he has an egocentric profit motive. Trust is relevant in that situation, because the trustee's self-interest may be weak and he may therefore not bother. The trustor has to consider how dedicated the trustee is, whether he will bother to make the effort. Perceived lack of dedication needs to be evaluated carefully. It can simply be due to the natural occurrence of inconsistent behaviour. Even though many of us make an effort to 'practice what we preach' or 'walk our talk', we will never be perfect. Mayer *et al.*'s third dimension includes personal integrity or one's adherence to a set of principles. This has to do with making the effort and being dedicated. Dedication is also related to the myopic opportunism in relational signalling theory.

Norm-acceptability is the acceptability of the trustee's (set of) norms. Since it is rare for two individuals to have complete norm-congruence, occasions for violations of trust exist whenever we find the other's norms unacceptable. Someone can be highly capable, benevolent toward me and dedicated, yet I may want to have nothing to do with him. He may be benevolent to me but, in wanting to help me, hurt others. He may not behave opportunistically towards me, but take every chance he gets to take what he can from others. This is likely to happen when I belong to his 'clan' and the other person does not[11]. If someone helps me by behaving in ways that I consider unethical, I will not ask this person to help me. I may even avoid contact because I do not want this person to volunteer to help me. For example, he may steal, commit fraud, lie or otherwise harm others or break rules. He may consider that fair play while I do not. The emphasis is thus on the trustee's behaviour toward others: whether that is acceptable to the trustor. The normative frame, in the relational signalling approach, has as its goal 'to act appropriately'. What is 'appropriate behaviour' is culture-dependent. For example, you are sitting in the car with your best friend who is driving. He causes an accident in which someone else is seriously injured. To act appropriately in one culture would imply to always tell the truth under oath even if that implies a prison sentence for your best friend. In another culture it would mean to always protect your friend even if that implies lying under oath[12].

The task then, when building trust as a trustor is to learn as much as possible about the trustee, getting as realistic a picture as is possible of his likely behaviour under different conditions. This learning will largely be based on a combination of the actual outcomes achieved and the relational signals perceived. The trustor may have some influence on the trustee's behaviour in the sense that some parts of the trustee's behaviour can be negotiated (Gabarro, 1978). The trustee's task when building trust is to be as clear and unambiguous

[11] I belong to his 'ingroup' and the other belongs to his 'outgroup'.

[12] The culture-dependency of what is appropriate behaviour points to the importance of socialization and being explicit about the culture you want to maintain within the organization. Please note that culture is used here in the narrow sense of norms and values.

as possible about the conditions and actions he wants to be trusted in[13]. And, even better, the trustee can help the trustor get the most realistic picture by indicating openly where some of the limits of his own trustworthiness are.

Dealing with trouble

The fourth and final strategy for stabilizing normative frames is to avoid negative relational signals and this becomes especially relevant when experiencing trouble. Trouble is inevitable, because of the occurrence of mishap situations, because occasionally we may fall for randomly occurring short-term temptations and because of the presence of radical uncertainty (Knight, 1921). Trouble is defined as:

> *The disruption of the flow of expectations, which is, at least initially, experienced as unpleasant*.

Thus, both trust and trouble deal with patterns of expectations. With trust the pattern of expectations is satisfied, with trouble the pattern is disrupted. Dealing with trouble is something we would rather avoid. Three basic human tendencies are toward consistency or balance, attribution, and evaluation (Argyris, 1970). Yet the way to deal effectively with trouble requires us to do the opposite: to suspend our judgment (evaluation) and attributions and inquire into the causes of the troubling experience (Argyris, 1970; Bohm, 1996; Isaacs, 1999). What actually happens at these critical moments when trouble occurs? The individual who is confronted with trouble caused by another individual's behaviour is likely to experience negative affect and uncertainty regarding the other's behaviour. This will most likely lead to emotional activity, designed to deal with the negative affect and feelings of betrayal; and to cognitive activity, such as attributions and assessing the degree of trust violation (Lewicki and Bunker, 1996). Does the individual do all this in his head, jumping to conclusions about the cause and effect of the trouble, or does he suspend his judgement until he has inquired into the background of the trouble situation? After all there are many potential causes for trouble, such as a mishap, a misunderstanding, a disagreement, incompetence or malicious intent; and only some of these causes would offer ground for distrust. A violation of expectations

> produces a sense of disruption of trust, or profound confusion, but not of distrust. Distrust only emerges when the suspicion arises that the disruption of expectations in one exchange is likely to generalize to other transactions. To distrust, then, implies an attribution of intentionality that continues throughout all interactions or exchanges, at least of a particular type (Zucker, 1986: 59).

[13] If the trustee is in a gain frame or a hedonic frame he has an interest to pretend to be in a normative frame and thus will try to send unambiguously positive relational signals (Deutsch, 1973). The notion of 'expressions given off' shows that in practice that may be difficult to get away with.

It is this dynamic interplay between trust and trouble that ultimately determines the quality of a particular relationship and its effectiveness.

Wittek (1999) showed that the essence of effective informal control – in other words, dealing with trouble – is that the controlling individual acts in ways that are not perceived by the target individual as negative relational signals. However, the impact of the trouble on trust in the relationship requires more than only the controlling individual avoiding negative relational signals; the target individual's reaction to the controlling individual's action should also not be perceived as a negative relational signal or else the controlling individual will feel his uncertainty about the other's behaviour confirmed:

Proposition 2.8 The more both individuals involved in a trouble situation act in ways that are not perceived as negative relational signals, the more likely the potentially negative impact of the trouble on the trust in the relationship is avoided.

An interactive trouble model thus evolves with the same elements as the interactive trust building model shown in Figure 2.1: B's action is perceived as trouble by A – the lead player – who may immediately jump to conclusions or suspend his judgment and conclude on an action (or not). B – the other player who caused the trouble– observes A's action and decides to react (or not). This may lead to A taking another action and the cycle may thus be repeated. At some point A will evaluate this specific trouble event and draw a conclusion about its impact on the overall trust in the relationship. In the instance the lead player experiences the trouble for the first time, regardless of the potential cause, he will have doubts about the presence/stability of the normative frame of the other player, and the actions he takes subsequently are likely to be aimed at trying to make sure the trouble will not reoccur and finding out why the trouble occurred. The latter aim would fit in the learning stance advocated in this study, but this is only possible if the lead player is able to suspend his judgment, contain his negative affect and is open to social influence from the other player (or a third party).

Summary

The key argument put forward in this chapter is that for interpersonal trust to be built in work relations within organizations, both individuals in the relationship need to have their actions guided by a stable normative frame. Thus the stability of normative frames becomes a joint goal and likely to be jointly produced within the relationship itself with positive relational signals, as well as within the organization as a whole with the help of flanking arrangements that are part of the organizational context. The theory argues that for interpersonal trust to be built (1) legitimate distrust situations must be taken away through interest alignment arrangements, (2) institutional arrangements must be put in place that stimulate frame resonance, (3) both individuals must regularly perform actions

conveying positive relational signals and (4) both individuals involved in a trouble situation must act in ways that are at least not perceived as negative relational signals.

Interpersonal trust building is best conceptualised as an interactive process in which both individuals learn about each other's trustworthiness in different situations. The theory of interpersonal trust building developed in this study is based on two basic assumptions:

1. Human behaviour is goal directed and rationality is strongly bounded by the fact that the various potential goals are not equally in consideration.
2. Human behaviour is context dependent and guided by the normative embedding in which the individual operates.

With this assumption set it is possible to explain important characteristics of interpersonal trust such as the interactive nature of trust, the learning needed to achieve trust, the role of psychological mechanisms in decisions to trust (or not), the limits to trust, the inevitable uncertainty inherent in trust, the asymmetries between trust and distrust and the context-dependency of trust.

The remainder of this book is devoted to empirical research testing the theory developed in this chapter, in particular the strategies for stabilizing normative frames. Because the first two strategies – take away distrust and create a trust-enhancing organizational context – both operate at the organizational level they are examined together in Chapter 5. The third strategy is examined in Chapter 6 and the fourth strategy in Chapter 7.

3. METHODOLOGY

A multiple case study strategy was chosen because 'how' questions are being asked about a contemporary set of events over which the researcher has little or no control (Yin, 1994). A case study inquiry relies on multiple sources of evidence, converging in a triangulating fashion and on the prior development of theoretical propositions and hypotheses to guide data collection and analysis (Yin, 1994). Furthermore, a mixed model was applied in which both quantitative and qualitative approaches were used with more or less equal emphasis (Rudestam and Newton, 2001). The overall design was a two case study organizations approach aimed at analytical generalization, with embedded quantitative designs (trust and trouble event analysis and questionnaire survey), and embedded qualitative designs (observations, open-ended interviews, document analysis and verification meetings). The trust and trouble event analysis allowed for rich narratives and the perceptions of the trustor/lead player to be captured and analysed quantitatively. The questionnaire survey, including a vignette analysis, provided a check on the representativeness of the data collected in the trust and trouble event analysis and enabled new analyses, such as factor analysis, to be performed. Also, data from the questionnaire survey could be controlled for function, gender, age, tenure and social desirability. Observations, open-ended interviews and documents were used as sources of evidence for the qualitative analysis applied to the third research question (impact of organizational context) and for general impressions related to the first two research questions (building trust and dealing with trouble). Finally, verification meetings were held within each organization which yielded extra insights and confirmation of the findings. Together they provided a wide lens for as complete a picture as possible within each organization together with ample triangulation.

This chapter addresses the details of the research design: selection of the units of analysis, instruments, analyses and finally, routines for quality assurance.

Units of analysis

The present study focuses on interpersonal trust building within organizations at two levels of analysis, the contextual level and the individual level. At the first level the two organizations were the unit of analysis and at the second level events in which either trust was built or trouble was dealt with were the unit of analysis. When studying the third research question (impact of organizational context) the level of interpersonal trust was the dependent variable and the organization was the explanatory variable, or rather, the relevant organizational characteristics identified such as values and norms, socialization process, control, human resource practices and interdependencies. The two organizations

studied were selected according to the following criteria[14]. Intercultural effects were explicitly excluded and the study was therefore limited to Dutch operating units. Furthermore, effects of different business sectors were minimized, by focussing on the professional services sector, a sector the researcher was very familiar with. Size effects were also minimized by choosing firms of similar size, in this case total size of some 200 – 300 employees and the business units studied encompassing some 60-75 employees. Finally, the effects of relative standing within the market segment and financial performance were also minimised: both firms were said to be at the high end of their segment in terms of quality, price and financial performance. In terms of ways of working both organizations fitted into Mintzberg's typology of a professional organization with a hierarchy at the level of unit manager and board, rather than the partnership structure that can also occur in professional organizations; they were client- and results-oriented and worked in teams on particular client projects. The constitution of these teams varied over time as projects finished and new ones were started, implying that individuals over time will have worked together with many colleagues. Within projects there was a clear division of roles and tasks. The variable that differed can best be described as: individuals working within the first organization, Krauthammer International, had chosen a profession working with *people and organizational culture*, as trainers, coaches and 'human capital' consultants; whereas individuals working within the second organization, Deerns, had chosen a profession working with *technology*, as engineers. Applying the homogeneity of personality hypothesis proven by Schneider *et al.* (1998), these personal preferences were assumed to be reflected in the organizational context.

Trust and trouble events were the unit of analysis for the first two research questions (building trust and dealing with trouble) and the third and fourth strategy for stabilizing normative frames. They occurred within particular relationships between two individuals. When studying trust building the level of interpersonal trust was the dependent variable and trust building actions the explanatory variable. In the trouble events the dependent variable was the impact of the trouble event on the trust level in the relationship and the key explanatory variables were actions taken by each player, severity of the trouble, strength of interdependence and evaluation of the event. The events studied within each organization were collected in ways to ensure that they were as representative as possible. This was done by a partially random and partially criteria-directed design: within both organizations about one-third of the people were interviewed, 26 in each, and a representative range of meetings were observed during a four months period. From both interviews and observations events were distilled in which trust and/or trouble occurred. How this was done is described in the following sections.

[14] See Appendix A.1 for a description of how access was gained to each organization.

Instruments

Multiple sources of data were used in the study: interviews with a structured part and a semi-structured part, observations of meetings and other public interactions, a questionnaire survey, document analysis and verification meetings. Each instrument is described in detail in this section.

Interviews

For the interviews a representative range of interviewees within each organization was selected in terms of function and tenure, with a subsidiary glance at gender and age. Within Krauthammer the complete coaching team (8 people) that was observed was interviewed and the rest of the interviewees were selected from the list of personnel (with function, tenure, gender and date of birth) to make up the representative sample. 13 interviews were in-depth and face-to-face usually lasting 1,5 - 2 hours; the other 13 focused on the collection of trust and trouble events only and were often conducted by telephone; they usually lasted for 0,5 – 1 hour. Within Deerns a first selection was made from a list of personnel with function, tenure, gender and date of birth, which was subsequently discussed with the unit manager and some minor changes were made due to long-term illness, maternity leave or someone who had just left the unit. All interviews were face-to-face and lasted for 1,5 - 2 hours. All interviews were taped[15], resulting in a total of some 27 hours of taped material for Krauthammer and some 40 hours of taped material for Deerns. The interviews consisted of several parts:

- Three general questions about how s/he perceived the organization, which were used for the analysis of the congruence of espoused values and the values-in-use. The questions were formulated following Schein's (1992) argument that norms and values-in-use can usually only be uncovered through observations and indirect questions about views on how to be successful and what makes the organization attractive and what not. The questions were: (1) what attracts you to Krauthammer/Deerns?, (2) what is the shadow side of Krauthammer/Deerns? and (3) what is the key to success within Krauthammer/Deerns? These questions were used in the 13 in-depth interviews within Krauthammer and for all 26 interviews within Deerns.
- Semi-structured questions selected from a prepared list to get a general overview of how the organization worked. Themes varied per interviewee, for example, recent recruits were asked about the selection and socialization processes, while very tenured people were asked about the history of the organization and which changes they saw over time. These questions were used in the 13 in-depth interviews within Krauthammer and for all 26 interviews within Deerns.

[15] With one complete exception and several partial exceptions where the technology failed.

Trust and trouble

- Questions to generate as rich a picture as possible about (a) events in which the interviewee was aware of the trust he had to put in someone else, and (b) events in which trouble occurred. These questions were put to all 26 interviewees in both organizations.
- Each event was coded along a range of relevant variables (see the next section 'analyses'). Within Krauthammer each interviewee was asked after the initial interview about the coding for each event. This was done with a form for each event that was sent by e-mail to each person individually. The procedure was tested with several interviewees beforehand. When collecting the data within Deerns the interviewee did the structured coding of each event during the interview together with the researcher (with the exception of three senior people who followed the procedure as used within Krauthammer). The procedure was changed because I had learned in the process.

The interviews within Krauthammer were conducted during September - December 2000 and the subsequent coding of the cases occurred in July- August 2001; the interviews within Deerns were conducted during March - June 2002. Appendix A.2 shows the distribution of interviewees over the organization along relevant criteria.

Observations

I spent four months being present regularly within each organization: observing a representative range of meetings (see Appendix A.3), participating in plenary events, having lunch or coffee and simply being present working at a desk, while also conducting the interviews. This instrument was a combination of observing from a clinical perspective and from an ethnographic perspective (Schein, 1992). In ethnographic observation the researcher is a participant observer who 'enters into a social setting and gets to know the people in it' (Emerson *et al.*, 1995). The subject investigated has minimal involvement in the research, but the researcher has a high involvement. In the clinical perspective, both subject and researcher are actively involved as insider-outsider interactions are actively sought and used to clarify and further deepen understanding of the organization (Schein, 1992). This is important when studying organizational context. The insider is likely to take typical elements for granted, while the outsider lacks the in-depth knowledge for a correct understanding. As Schein (1992: 167) formulated it: 'the most efficient and possibly valid way to decipher cultural assumptions is for an outsider to work directly with a group of motivated insiders'. Only a joint effort between an insider and an outsider can decipher the essential assumptions and their patterns of interrelationships (see also 'verification meetings'). In the clinical perspective the researcher is thus expected to actively use him or

herself in the observations. I was therefore alert to what surprised or puzzled me, because these situations were highly likely to be typical for this particular organization[16].

The observed meetings were recorded and used for the distillation of trust and trouble events. In total some 25 hours of meetings were recorded within Krauthammer and some 34 hours within Deerns.

Questionnaire survey

A questionnaire survey was used as one method of data collection. The main goal was to determine whether the results from the trust and trouble event methodology were representative. It consisted of three sections: (1) dealing with trouble; (2) building trust; and (3) general questions. In the first section four vignettes were presented with the 16 actions for dealing with trouble developed in the theory and the respondent was asked to indicate how likely it would be that he would apply each of these actions in this trouble situation. He was furthermore asked to indicate how often he observed each of these trouble actions within his organization in general and asked to rate the trouble severity of each vignette. The vignettes were constructed to represent situations that the respondent could recognize in his own work environment. Furthermore they were constructed to vary along two dimensions: severity of trouble and whether the trouble occurred in a public setting or not. Vignettes were used because in this way respondents were confronted with the same situation and the variation in response across the two organizations could be measured more precisely. In the second section the respondent was presented with 20 trust-building actions and was asked to indicate how often each of these actions was observed within his organization in general. In the third and final section general questions were asked about gender, function, tenure and age. Finally four questions were asked to test for social desirability following Wittek (1999) who used a shortened version of Crown and Marlowe's scale. The survey was conducted in Dutch (see Appendix A.4) and the notions developed in English in the theory were translated for the purpose. The items used to test for social desirability were also translated from English. The survey was tested first with several people within Krauthammer.

Within Krauthammer the survey was conducted with the people that had not been interviewed (and who had been with the firm for at least 3 months): 42 people. This choice was made to get as large a sample as possible while spreading the burden of collaborating with the research[17]. Since the selection of the interviewees was done to get a representative

[16] I have been a consultant for almost 15 years studying and advising a large number and wide range of organizations across several European countries. Applying the clinical perspective allowed this knowledge to be used in the research (Yin, 1994).

[17] Filling out the forms for the coding of the trust and trouble events was a very time intensive procedure which took most interviewees 1-2 hours, while a few needed 3-4 hours.

sample, the remainder of the organization who participated in the survey was also representative. The survey was conducted electronically: the participants were sent an email with a link to a web page where the survey could be filled out electronically. The researcher was available for questions and sent reminders. The survey was conducted during January-February 2002.

Within Deerns the survey was sent to all people (69 in all) on paper, handed out in person to the majority and a secretary handed it to the others (who were not at their desk when I was present). I changed my strategy from electronic to paper because too few people within Deerns had an internet connection and I asked all to participate because I had not asked as much time of the interviewees as I had in Krauthammer. I walked around the office three times a week to encourage participation, answer questions and collect forms. The survey was conducted during November – December 2002.

Document analysis

Relevant documents were analysed to get a sense of how the organization worked. A list of the most important documents used is given in Appendix A.5.

Verification meetings

Another instrument used to get triangulation of the data and to achieve Schein's insider-outsider interaction was that of holding verification meetings. Within each organization several were held with different groups of participants within the organization. The first one held within Krauthammer was in February 2001 with the Dutch management team, the team leaders and the department heads (10-15 people were present). I had sent the preliminary results of the analysis of the organizational context in preparation, including an almost complete[18] list of the responses of the interviewees to the three general questions and a very tentative exploration of the underlying assumptions following Schein's (1992) description of possible assumptions. I had asked each participant to give his first impressions of the preliminary results: what was surprising, what was missing, what was not correct; and prepare his four core underlying assumptions. This was the topic of discussion during the meeting. During this meeting it was decided that the regular meeting with the whole office in May 2001 would be partly spent on collectively reflecting on Krauthammer's underlying assumptions; this was the second verification meeting. Participants were again sent the list of the responses of the interviewees to the three general questions and an introduction to 'underlying assumptions'. I facilitated this half-day session. In June 2001 a progress report was sent to the international board and discussed over a dinner meeting. In May 2002 a final verification meeting was held within Krauthammer including for the first time the results of the questionnaire survey. This

[18] In order to build trust with the interviewee (and avoid trouble), I had promised each interviewee that I would only use direct quotes after I had received an explicit OK from him. This had not yet been the case in all instances.

meeting was held during lunch on a day where most of the people were in the office. Those interested and available joined (15 –20 persons). All these meetings resulted in an agreement with the observations and conclusions and also helped sharpen the findings. The first two meetings were also used partly as separate data gathering occasions (see the analysis of the congruence between espoused values and values-in-use in Chapter 5).

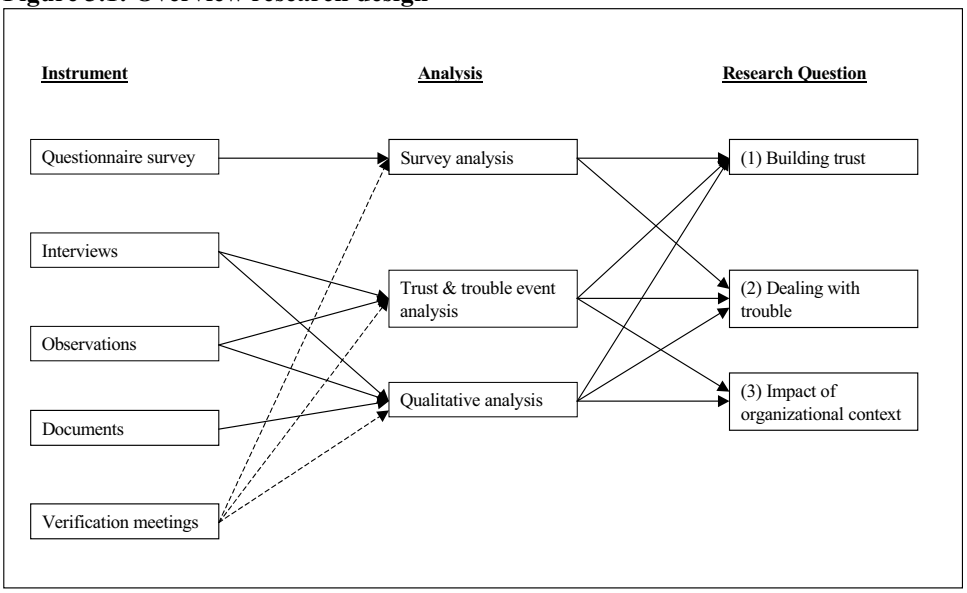
Within Deerns three verification meetings were held, the first two being presentations of the results to the units studied. They were held in February and March 2003 during lunch and all were invited; free lunch was provided. A brief summary of the results was sent beforehand. On both occasions more than half the unit was present. The third verification meeting was with the management team (board and all Deerns unit managers plus heads of finance and personnel; some 20 people in total) during a two-day work conference in May 2003. The results of the research were fed back and discussed during a half-day session facilitated by the researcher. On all occasions the general reaction was that the overall observations and conclusions were supported and some comments helped sharpen the findings.

A potential bias in the instrument of verification meetings is that the people present respond from their espoused theory rather than their theory-in-use. When this happens, the verification loses much of its value. I argue that this did not occur in a significant way during these meetings because of actual behaviour: reflection and self-criticism were regularly shown. However, it is probably inevitable that on some occasions some people would air espoused values.
Finally, another verification instrument used was that a draft manuscript of this book was read and commented on by key people within each organization. Overall, they agreed with the observations and conclusions.

Analyses

Based on the above described five sources of data, three different types of analysis were performed: a quantitative analysis of trust and/or trouble events distilled from the interviews and observations; a quantitative analysis of the questionnaire survey; and qualitative analyses of interviews, observations and documents. Each analysis is described in detail in this section. The relationship of each analysis with the instruments and the research questions is illustrated in Figure 3.1.

Figure 3.1: Overview research design



Note: Normal arrow indicates main input and dotted arrow indicates subsidiary input.

Trust and trouble event analysis

The trust and trouble event analysis methodology is based on the trouble case analysis methodology as used by Morrill (1995) and Wittek (1999). This study develops it in three directions: first by extending the type of events studied to include trust events; second, by extending the variables coded for each event to ones also measuring perceptions of the player(s) involved, which implied asking the person involved to do the coding; and third by performing statistical analyses, including structural equations modelling, on the events collected.

The first step in this analysis was that the recorded interviews were transcribed[19] and then these transcripts were checked for trust and/or trouble events. Additional events could often be distilled from parts of the interview, other than the section explicitly devoted to these events. Each event was given a case number, entered into a database and coded along the relevant variables. The codification was carried out by the interviewee. Within Deerns the key variables were explicitly coded by the interviewee during most interviews, but

[19] Where the interviewee was speaking a full transcript was produced, except for the exceptional occasions where he repeated himself too often. The questions I asked were briefly noted where relevant. Names mentioned during the interview were changed to avoid recognition by others and protect confidentiality.

within Krauthammer I performed a preliminary coding before creating forms for each event and asking the interviewee to code each case[20].

The recorded observations were listened to again and all fragments where trust and/or trouble events occurred were transcribed in full. I did an initial coding of each event and created a form which was sent to one of the players involved (preferably the lead player/trustor).

The variables analysed and the different codes used for each variable are listed and explained in Appendix A.6. A total of 197 events were collected within Krauthammer: 32% trust events, 41% trouble events and 27% trust & trouble events[21]; 61% of the events came from interviews and 39% from observations. Within Deerns 192 events were collected: 25% trust events, 67% trouble events and 8% trust & trouble events; 70% were collected from interviews and 30% from observations.

The goal of this analysis was to collect and analyse a sufficiently representative sample of events within each organization. It is claimed that the events collected in the interviews came from a sufficiently representative sample of people within the organization. The questions used to prompt events were open and only limited the interviewee to trust or trouble with a colleague within the organization (that is, not a client or another outside person). A potential bias with the interviews was that I only heard events that interviewees could recall and were prepared to tell me. Recollection could be biased to recent events or very memorable events, which often implied (highly) emotional events. During the interviews within Krauthammer I hardly ever felt hesitation on the part of the interviewee; I sometimes even heard the emotion in the interviewee's voice, suggesting high trust between interviewee and myself. Within Deerns I more often sensed some hesitation at the start of the interview, but usually found that dissolving as the interview progressed and I gained the trust of the interviewee. The events collected in the observations came from a sufficiently representative sample of meetings within the organization over a four month period. A potential bias with the observations was that I only heard public trouble events as I was not present in private (one-on-one) situations. I asked the interviewees to indicate the severity of the trouble (at the moment the trouble occurred; 1= very light trouble and 10 = very severe trouble) and found a good representation of the whole range of severity within both organizations with no significant differences between the two organizations (see Figure 7.8 in Chapter 7).

[20] Within Krauthammer not all events were coded by the person directly involved: in 8 events the interviewee was no longer in active service and 89% of the interviewees returned the forms with codifications.

[21] An event is coded as trust & trouble when both are explicitly referred to.

Trust and trouble

In order to check the degree to which the potential biases identified actually influenced the representativeness of the results, a vignette analysis was conducted as part of the questionnaire survey.

Survey analysis

The responses to the questionnaire survey from Krauthammer were provided in the form of a spreadsheet. Of the 42 people asked to participate 27 responses (64%) were received in terms of completed questionnaires while 8 responses were received with reasons why the person could not participate (due to maternity leave, sabbatical, longer term illness, about to leave the firm or technical failure when submitting the survey). Inquiring at the office for other possible reasons of 'no response' the usual answer was 'too busy meeting urgent deadlines'.

The responses from Deerns came in paper form, the data from which were entered into a spreadsheet and the input was double-checked. Of the 69 people asked to participate 43 responses (62%) were received. The response appeared to be sufficiently representative. While handing out the forms and walking around the office regularly, several people indicated to me they never completed questionnaires; I know of at least one of these to have responded after all. Inquiring into other possible reasons of 'no response' the usual answer was 'too busy meeting urgent deadlines'. Again, no indication was found of a biased response.

A potential bias with the trouble vignette analysis was that it only recorded the intentions of the respondent's own behaviour. Firstly, most of us do not always act according to our intentions all the time (for example, Weick 1995). Secondly, responses may have been influenced by what was considered socially desirable. By adding the four social desirability questions, this potential bias could be investigated. The questions how often a particular behaviour occurred in general were added to get a sense of the difference between 'self' and 'other', and 'intention' and 'actual behaviour'.

Qualitative analysis

Instruments used in the qualitative analysis were documents, interviews, and observations. From the theory several themes were formulated which were used to order the data. During the first step of ordering, several new themes were added. For the interviews, using simple cut-and-paste techniques, text from the interview notes was reordered into the theme-files. Combined with the data from documents and general impressions from the observations, working documents were produced, with many direct quotes, for discussion with the Ph.D. supervisors. Beforehand they were also sent a number of interview notes. The discussion focussed on: what is missing?, what are emerging themes? and what are next steps?. Next, draft texts were written (and presentations prepared) for discussion with people within Krauthammer and Deerns during verification meetings, and interested colleagues at seminars or workshops. During the verification meetings within the organizations the focus

was on: are the findings representative of your organization? What is misinterpreted? And what is missing? Finally, a draft manuscript was read and commented on by a few key contact persons within each organization.

Routines for quality assurance

Four routines are generally conducted to assure the quality of research designs (Yin, 1994). This section shows how this study has dealt with them. The first routine is to increase *construct validity*, or establishing the correct operational measures for the concepts being studied. Three main tactics were used. First, multiple sources of evidence were used as shown in the section Instruments. Second, by building a complete and exhaustive case study data base with all the primary and secondary information, data and analyses, a clear chain of evidence was built that can be checked and followed by external observers. Third, all the preliminary and final findings have been reviewed by people from the case study organizations.

The second routine is to increase *internal validity*, or establishing a causal relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships. The main tactic used here is pattern-matching with the first phases of explanation-building (Yin, 1994) as the predictions proposed in the theoretical section were compared with empirical data in two organizations. Rival explanations were sought, especially during the different presentations of findings to peer researchers and the Ph.D. supervisors.

The third routine is to increase *external* validity, or establishing the domain to which a study's findings can be generalized. This domain probably encompasses at least medium-sized Dutch professional services firms, or subunits of that size which are operationally largely independent from the rest of the organization, even though the actual study was only based on two case studies. Studying more organizations would have been better, but was not feasible due to constraints in resources and time. Further research is needed to investigate whether the findings can be generalized to personal interactions in corporate firms in general, if not all organizations. Contextual differences are important though and business corporations in general have different contexts from governmental institutions and non governmental organizations (NGO's). Also, national cultures will make a difference. However, all these differences are about the specific content of the organizational context. I argue that the range of choices one has at the micro level for building trust and dealing with trouble is pretty universal. Which option is actually chosen is dependent on the social context and will vary by social group. I suspect that one individual will probably make different choices depending on which social group she is currently operating in. For example, whether she is dealing with a situation within her own family, her in-laws, her work, her sports club, her children's school or one of her household suppliers.

Trust and trouble

The fourth and final routine is to increase *reliability*, or demonstrating that the operations of a study can be repeated with the same results. The tactics used here are first, building the exhaustive case study data base mentioned earlier. This case study database contains:

- all the minidisks with recorded interviews, observations and (some) verification meetings
- all relevant internal documents for each organization and the correspondence I had with each organization
- completed survey forms
- interview notes and meeting notes
- tabular materials, such as the trust and trouble events data base, tables resulting from analysing these events, and the survey results
- narratives in the form of working documents (for discussions with the Ph.D. supervisors) and progress reports (for discussions within the case study organizations)

The second tactic applied was that the same procedure for data collection was used in order to replicate the collection of data within both case study organizations as much as feasible. A possible limitation in the replication from the first to the second case study is the time span between the different components of the analysis. In the first organization, Krauthammer, the trust and trouble events were collected during September – December 2000, while the codification was carried out during June – August 2001 and the survey was conducted during January – February 2002. In the second case study, Deerns, the interviews and codification took place at the same time in the period of March – June 2002 and the survey was conducted in November – December 2002. There is a limitation to the replication by other researchers as I extensively used my own prior experience and puzzlement when doing the research as I applied the clinical perspective during the observations. I also used joint inquiry approaches during some of the verification meetings, thus intervening in the organization. This bias is reduced by using ample quotes in working documents that were discussed with the Ph.D. supervisors, and by regularly feeding back results to (groups of) the case study organizations.

4. SETTING THE SCENE

This chapter gives a general description of each organization, the business it was in and its history. Mintzberg's (1989) typology of organizations is used for describing each organization: the coordination mechanisms and configurations. Mintzberg distinguished six key coordination mechanisms: mutual adjustment, direct supervision, standardization of work processes, standardization of outputs, standardization of skills and standardization of norms.

Krauthammer International

The first organization, Krauthammer International, was an international professional services firm in the field of human capital development. It provided consulting, coaching and training services. In the autumn of 2000 the organization had over 200 employees of which 72 were part of the Dutch office, the unit studied. They were structured in 3 business units; each had an old and usually larger office and some new, smaller offices. The organization had a presence in 12 countries worldwide. A Group Management Committee (GMC) consisting of the CEO, the three business unit managers and two business development directors ran the international group. Three of these were French, three were Dutch. The head office was just south of Brussels.

Within the Dutch office the organization was led by a 3-man Management Team (MT). The 16 partners met roughly once a month to discuss business operational matters. The six team leaders met regularly amongst each other and once a month with the country manager and the manager of the commercial assistants to discuss operational and policy matters. The six coaching teams, made up of consultants and commercial assistants, met once a month to discuss and exchange operational matters. Once a month the department heads of the support departments met to discuss operational matters, together with the MT member responsible for business support. The usual departments could be distinguished such as, finance, personnel, IT, Reception. For the business development activities, teams were formed for activities such as marketing, product development, business solutions and research. These were supervised by the MT member responsible for business development. Through the structure of the work, there was a large risk of fragmentation: the consultants carried out the work for clients on their own and most of the acquisition and sales was done alone. They often only visited the office once a month during the Monthly Report. This risk of fragmentation appeared to be illustrated by the regular spin-offs of groups of consultants. To counteract this risk, they had introduced that the coaching teams were rotated every year to avoid that separate 'kingdoms' were created. This resulted in a situation that as a consultant - or commercial assistant (CA) – had been with the firm for several years, s/he had had a functional relationship with most of his/her colleagues within that office.

Trust and trouble

Krauthammer's history

Two Swiss people, one with a training background and the other running the back office, founded Krauthammer in the early 70s. They had a clear vision about being number one in their field (management and sales training) and about the high quality standards they wanted to adhere to. The vision at the start was: selling successful behaviour. The Dutch organization started in the early 80s. Both internationally and in Holland the organization went through some crises as groups of people split off from the core to start their own firm. The last time this happened in Holland was in 1993. The ownership of the organization had also undergone some changes. In the early 80s the Dutch office was sold, but bought back several years later. In 1994 the founder suddenly announced that he had sold the whole group to a large organization. The way he handled that did not go down very well with the partnergroup. In October 2000, an Employee Buy-out (EBO) was formalized after almost 2 years of negotiations and preparations.

Krauthammer's typology according to Mintzberg

How did Krauthammer coordinate its activities? Which of the coordination mechanisms play an important role? As in most contemporary organizations there were situations which had not been dealt with *ex ante* by a coordination mechanism, hence informal communication leading to mutual adjustment was present. There was little to no direct supervision, apart from specific and temporary situations where an employee was trained for a particular task. Krauthammer appeared to have standardized whatever it could: work processes, outputs, skills and norms. It was difficult to say which was strongest, although skills and norms were somewhat stronger than outputs and work processes. For all the business operations and business support processes, rules and procedures were compiled in manuals which were explicitly trained to newcomers and regularly referred to in daily interactions. All business units, coaching teams and individual consultants had commercial targets (orders sold in Euros) and consultants were appraised on these sales results plus training results (days trained and scores for quality obtained). The skills needed to perform the roles of consultant and commercial assistant were formulated in great detail and the steps in skill development were clearly defined. Because this was specific to Krauthammer and not part of a widely accepted professional standard, all training was done in-house at the Corporate University. Finally, Krauthammer had explicitly formulated its values and related principles (= norms) which were often referred to in daily interactions. These were so strong that Krauthammer appeared to have what is called a 'strong culture' (Kunda, 1992). In the past the standardization of norms appeared to have been weaker and the direct supervision of work processes and quality appeared to have been stronger than today.

Which configuration best described Krauthammer? For a start, the 'operating core' was the strongest element. The shape of Krauthammer's configuration was very similar to that drawn for the professional organization (Mintzberg, 1989): minimal technostructure and

middle line, and substantial support staff. The organization was decentralized, both horizontally and vertically, in many ways, but the critical characteristics that were considered typical Krauthammer were centralized. These strongly concerned and reflected the Krauthammer ideology and hence the missionary configuration was also present (Mintzberg, 1989). Political forces appeared to be very minimal to nonexistent. Despite the near absence of a separate technostructure there were strong rationalization forces present leading to high standardization of processes. Krauthammer appeared to be very efficient in its current product/market combinations (PMCs) which is seen as strong exploitation (Levinthal and March, 1993). Some evidence existed of its difficulty in exploration: developing new PMCs. The short term financial results in these new PMCs were so much lower than the financial results from the highly profitable current PMCs that they did not really get a good chance to develop, given the high pressures on financial performance. Anyway, there appeared to be sufficient market share to be gained in the current PMCs, which also took pressure away from the need to develop new PMCs.
In sum, Krauthammer appeared to be a professional organization with a strong missionary flavour to it.

Deerns

The second organization, Deerns, was in the business of consulting, designing and engineering technical installations in buildings (for example, heating, cooling, lighting, elevators, IT cabling). It was one of the top players in this segment in the Netherlands and also one of the larger firms. It dealt especially with large and complex projects. Its reputation and focus of work was in health care buildings (especially, hospitals), airports, laboratories and clean rooms; it also helped build offices, IT data centres and the like.

In the spring of 2002 the organization had almost 280 employees of which 62 were part of the two operational units under investigation (health care and laboratories & industry). The organization was structured in a total of 11 units with support staff at the head office. There were four units in field offices in other parts of the country. The company was owned by two of the directors, one other – young - director had no shares (yet). A deputy director - close to retirement - completed the board. Each unit was headed by a unit manager. The largest unit - health care - had a assistant unit manager as well. Within a unit there was a group of consultants and project leaders who had operational responsibilities for projects. The unit manager also headed projects. The project teams furthermore consisted of project engineers. Each unit had a secretary who dealt with the mail (incoming and outgoing) and with telephone calls for those not present or available and who supported the unit manager. The unit health care consisted of 37 people in total; the unit laboratories & industry of 25. I also included in the research the board, personnel, finance and business development. The head office furthermore had departments such as reception, mail room, restaurant, IT, facility management, documentation (library) and marketing. A board meeting – the four directors and heads of personnel and finance – took place every

fortnight for some 3-4 hours. The management team – board, unit managers and heads of personnel and finance – met every 6 weeks for some 3 - 4 hours and twice a year for a conference of one and a half days. Units were supposed to meet four times a year for usually 2 hours. Not all units did this with this frequency. Within the unit health care the unit managers, consultants and project leaders met every Monday morning to discuss operational matters. No such meetings were held within the unit laboratories & industry.

Deerns' history

Celebrating its 75th anniversary in 2003, Deerns had been a family-owned firm until 1988. During the last years of family ownership the family influence was decreasing with the family representative only participating in board meetings. All directors were on the pay roll and the profits generated 'went to Veere where the family lived.' When in 1988 the directors gained ownership, more attention was paid to cost control. Some said the company became cut back to the bare bone, with the directors mainly focusing on their own short term income to the detriment of the longer term technical know-how, others said that the up-and-down profit swings stabilized and profits improved. Only recently, with the arrival of a new chairman of the board from the outside, had things started to change more substantially. Historically, the firm had always operated in a very comfortable market in which acquisition and commercial relations could remain in the hands of the *pater familias* and later the directors who owned the company. During the early 70s Deerns had some 400 employees, but the oil crisis hit Deerns hard and the head count was reduced to some 240.

Many people characterized the culture that prevailed until recently as patriarchic, feudal and hierarchical. The unit managers were barely more than the best project leaders of their group; they had few financial or commercial responsibilities. During the era from 1988 to approximately 1999/2000 with the reign of the financially focused directors, the personnel department was regularly overruled by individual decisions of the directors who often paid personal favours. With the arrival of a new director from outside Deerns in 1999, the organization acknowledged the need for changing its course. In 2001 he took over as chairman of the board. One director, who had joined Deerns in 1983, remained the other director/co-owner, thus creating a good mix between new and old in the board. In November 2000 a cross-section of 40 Deerns employees spent three days in a 'strategic search conference' to reflect on the roots and history of Deerns and to formulate its ambition, mission and future course. Most people recognized that since then the organization was changing, although some felt it was going too quickly and some not quickly enough. A very visible change was the abolition of the time clock for all personnel.

Deerns' typology according to Mintzberg

How did Deerns coordinate its activities? Again, informal communication leading to mutual adjustment was inevitably present. Historically, the main coordination mechanisms appeared to be standardization of skills (the engineering profession) and direct supervision by the directors, but the latter had largely disappeared. Technical skills were standardized through the external technical training and education system. Non-technical skills, that is consulting skills such as communication and negotiation skills, were not standardized. Also, work processes, outputs and norms were only slightly standardized.

Which configuration best described Deerns? First, the 'operating core' was generally considered strongest, but the history of a strong 'strategic apex'[22] could still be felt. The shape of Deerns' configuration was also similar to that drawn for the professional organization with minimal technostructure and middle line, but the support staff was not substantial. The organization was decentralized, although the vertical decentralization was relatively recent. Missionary and political forces were not strong.
In sum, Deerns appeared to be a professional organization with some remnants of the autocratic entrepreneurial era still present.

[22] Mintzberg's term for the top of the organization is 'strategic apex', but in the context of Deerns' past leadership the term 'strategic' appears less appropriate.

5. CREATING A TRUST-ENHANCING ORGANIZATIONAL CONTEXT

Chapter 2 argued that interest alignment arrangements and institutional arrangements that stimulate normative frame resonance are contextual conditions that enable and enhance interpersonal trust building. This chapter develops the theory from chapter 2 into hypotheses that are subsequently tested. The dependent variable is the ease of trust building and explanatory variables are specific organizational level characteristics. The dependent variable is measured and analysed with the trust and trouble event analysis while the explanatory variables are predominantly examined with qualitative analyses. Trust is especially important in contemporary organizations, as defined to be the focus of this study, and in the relational signalling approach they are called weak solidarity organizations (Lindenberg, 2003; Wittek, 1999).

In the first section hypotheses are formulated for each of the five institutional arrangements identified in chapter 2 and these hypotheses are tested in the second section.

Institutional arrangements

Chapter 2 identified five institutional arrangements that are discussed in this section, norms and values, socialization, control, interdependencies and human resource practices.

Norms and values

Norms are about what is considered right and wrong; about how one should behave as the price for staying a member of the group (Trompenaars Hampden-Turner, 2000; Krackhardt, 1999). Values are what is considered good and bad. Values tend to be more internal than norms (Trompenaars Hampden-Turner, 2000). We have few means of controlling their enforcement: 'a value is only a value when it is voluntarily chosen' (Senge *et al*., 1999: 13). Several authors (for example, Schein, 1992; Schneider *et al*., 1998) argued that the founder's values drive the organization's values. And these, in turn, strongly influence the organizational members' practices or norms. Members' values enter an organization via the hiring and selection process. The subsequent socialization of new hires in the organization is then a matter of learning the norms. This argument is supported by Schneider (1987) who has proposed the Attraction-Selection-Attrition theory (ASA), which deals with the relationships between a member's personality and the 'organization's personality'. Part of the ASA theory is the homogeneity of personality hypothesis which, loosely stated, is that organizations tend toward homogeneity of personality. Schneider *et al.* (1998) have tested this hypothesis and found it to hold empirically. Homogeneity emerges from a process that includes: (1) decisions by individuals about the attractiveness to them in joining a particular organization; (2) decisions in the hiring and selection process by that organization about who is attractive as an employee; (3) socialization tactics by the organization to imbue newcomers with the values, perspectives and practices

of the organization; and (4) decisions, by both the individual and the organization, to part ways when a fit is not achieved.

In analysing organizational values or norms it is important to discriminate carefully between those that are congruent with underlying assumptions and those that are, in effect, either rationalizations or aspirations for the future (Schein, 1992). The former are part of the theories-in-use; the latter are part of the espoused theories (Argyris, 1990). Since our theories-in-use drive our behaviour and actions, they directly impact on the dynamics of trust and trouble. For example, a norm of 'no gossip' that is actively enforced will make it less likely that the trouble strategy 'gossip' will be observed. An underlying assumption of 'opportunism when you can' – in other words a pure gain frame - will make trouble more likely and trust less likely.

In general, an organization can increase the chances of its people experiencing trust through the explicit definition and constant implementation of those norms and values relevant for operating within it. This facilitates congruence to occur on those dimensions. This is also likely to enhance the resolution of trouble when it inevitably occurs and help contain a negative impact of a trouble event on trust in the relationship[23]. There can be a snag here. Just the strength of an organization's norms and values may not be enough as one can imagine an organization whose context is based on a gain frame and opportunistic behaviour is part of the accepted norms and values. Such an organization would in all likelihood not survive for long as the centrifugal forces are probably too strong to hold it together, and also, when the gain frame is dominant and the normative frame weak then trust cannot be built. From a relational signalling perspective trust can only be built when both individuals have their actions guided by a stable normative frame. And in a normative frame the goal is to act appropriately and to show 'other regard' (Lindenberg, 2000). This implies that the norms and values would have to identify what appropriate behaviour is within the organization and they need to stress 'other regard'.

Hypothesis 5.1 The more strongly the organization's values and norms stress 'other regard', the easier interpersonal trust is built.

However, the presence of norms and values stressing 'other regard' may not be enough. Making sure one's actions convey unambiguously positive relational signals requires interpersonal skills such as communication skills. Hirschman (1970) called this 'the art of voice' and Helper (1993) referred to the importance of the availability of problem solving

[23] Trouble *per se* is not something to be avoided at all cost, since contemporary organizations need creative conflict for innovation. However, not all trouble facilitates innovation and for efficiency reasons it is best that 'unnecessary trouble' is reduced. Unfortunately, it is not always clear *ex ante* what type of trouble is 'creative' and what 'unnecessary'.

tools. Thus this study predicts that the more the organization stimulates and supports the individual employee to develop his or her interpersonal skills[24] the easier trust will be built.

Hypothesis 5.2 The more strongly the organization stimulates and supports the individual to develop his interpersonal skills, the easier interpersonal trust is built.

Socialization

However experienced and good they are and irrespective of the possibly brilliant track record that they have built up outside of the organization, when newcomers enter the organization trust has to be built. One has to get to know one another. What exactly does he mean when he says 'we will have to do this in a professional manner', or 'I will have it finished in time'? For most tasks there is more than one way to do it, but it helps if people within one organization do it the same way. How is trust built with newcomers? The socialization of new people joining an organization is a process during which the novices are told 'the way we do things around here'. This may vary from no formal process whatsoever to an intense and explicit process lasting forever. Socialization is an important process for building trust with newcomers entering the organization.

Hypothesis 5.3 The more explicit and intensive the socialization process for newcomers, the easier interpersonal trust is built (between newcomers and tenured colleagues).

Control

The ways in which people are controlled is important to interpersonal trust building. In general, control is about answering the question: how do you generate and keep the commitment of your people to tasks that call for heavy investments of time and efforts and yet are difficult to prescribe, program and monitor. This study makes a distinction between bureaucratic control and normative control, where bureaucratic control is the enforced obedience to the company rules, and normative control is directed more to an internalisation of the rules and an identification with the company. 'Normative control is conceptualised as an appeal to the potential existing in people. To the extent that they are shaped, that shaping is framed as a process of education, personal development, growth, and maturity' (Kunda, 1992: 14). Normative control is a concept that was first introduced by Etzioni (1961): it is the attempt to elicit and direct the required efforts of members by controlling the underlying experiences, thoughts and feelings that guide their actions. Members are driven by internal commitment, strong identification with company goals and intrinsic satisfaction from work. '[U]nder normative control, it is the employee's *self* - that

[24] In this hypothesis interpersonal skills are seen to include also awareness of one's true attitude toward the other, self-confidence and self-discipline. This was mentioned in Chapter 2 (proposition 2.7) as important for avoiding ambiguity of the relational signal.

ineffable source of subjective experience – that is claimed in the name of the corporate interest' (Kunda, 1992: 11). Ghoshal and Bartlett used the term control for bureaucratic control and the term discipline for more normative control. They argued that in many 'traditional' organizations the monitoring activity became 'an excuse for an increasingly powerful corporate staff to intervene in the operations of frontline managers. [The] impact on the frontline managers' behaviour was to make them defensive and risk-averse' (Ghoshal and Bartlett, 1997: 147). Hardly the behaviour that encourages and supports making yourself vulnerable to the actions of the other party. Instead, they proposed to emphasize, among others, discipline rather than the above pathological form of control. '*Discipline* is more than compliance to directives or conformity to policies; it is an embedded norm that makes people live by their promises and commitments' (Ghoshal and Bartlett, 1997: 154; italics in original). Living by your promises and commitments – in other words being dedicated - is a very important dimension of being trustworthy (Coleman, 1990).

In the trust literature apparently contradictory evidence is found about the relationship between control and trust (among others, *Organization Studies*, 22/2, Special Issue on Trust and Control in Organizational Relations, 2001; Sitkin and Stickel, 1996). This study explores whether this apparent contradiction can be related to the distinction between bureaucratic control on the one hand and normative control on the other. When control is enforced obedience to the company rules, aimed at punishing disobedience and is driven by the distrust that the controlling party has for the controlled party, then the controlling action will most likely be perceived as a negative relational signal and will probably lead to distrust (or at least low trust). If however, the control is more like normative control, where individuals are driven by internal commitment, strong identification with company goals and intrinsic satisfaction from work, then acting appropriately becomes the goal and a normative frame becomes salient[25]. Thus, strong normative control will then be related to high trust and strong bureaucratic control will be related to low trust and possibly even high distrust.

Hypothesis 5.4a The stronger the normative controls within the organization, the easier interpersonal trust is built.

Hypothesis 5.4b The stronger the bureaucratic controls within the organization, the more difficult interpersonal trust is built (and possibly also the higher the distrust).

Interdependencies

In the introduction organizations were defined as groups of people who come together because they are dependent on each other to achieve what they aspire and need for

[25]Within contemporary organizations, with the presence of the gain frame, monetary incentives may play a role as well.

survival; together they can achieve more than alone. It was also proposed that the presence of interdependencies does not automatically imply durable cooperation. Interdependencies between individuals are important when studying trust building. Several classifications of interdependencies have been proposed in the literature and in this research a distinction is made between functional interdependencies and personal interdependencies. 'Functional interdependence' is a term borrowed from Lindenberg (1997); it captures the idea that groups exhibit some division of labour (and hence also role specialization). In a functionally interdependent relationship, you are mutually dependent on the actions of the other for reaching your own goals. Through it, you also get to know the other people. Atkinson and Butler (2003) found that in those relationships where relatively high levels of functional interdependence were present, a pure task-orientation to the relationship was not sufficient and more personal relationships, such as friendship or emotional bonds, were needed. Similar results were also found by Wittek (1999) and Costa (2000).

Hypothesis 5.5 The higher the levels of functional interdependence, the easier interpersonal trust is built.

Furthermore, third party effects are relevant. Burt and Knez (1995, 1996) studied the impact of third party effects on trust. In general, they claimed that ego-alter (trustor-trustee) cooperation and trust are more likely with third parties (passively) watching the two interact. They furthermore claimed that, if the third parties become active players, relating stories about alter (trustee) to ego (trustor) and vice versa, these indirect connections will affect trust intensity, not direction. The direction of the trust (or distrust) depended on the conditions between the trustor and the trustee. Third-party gossip affected the intensity as it amplified both the positive and the negative in a relationship, making both parties directly involved more certain of their trust (or distrust) in one another. I disagree with that claim. Their claim is based on the assumption that 'third parties, to sustain and strengthen their relation with ego, are more likely to disclose ego experiences with alter that are consistent with ego's opinion of alter.' (Burt and Knez, 1995: 285) They phrased it more carefully than they applied it as is shown later. This study disputes the general validity of the application of that assumption. There will be people who will act based on that assumption, but (fortunately) there are also people who care enough about ego to help him get the full and balanced picture, even if that requires showing ego that the opposite of what he believes is (also) true. If individual A cares about individual B, he wants B to have as complete a picture as possible of individual C or of a particular situation. A will not withhold 'evidence' or information that A considers useful or even vital. At the same time, if A, as the third party, has information to give to B about C that contradicts B's first impressions, A has to deal with B's inclination to reduce his cognitive dissonance. Therefore, the way in which A presents the contradictory information will require communication skills. After all, A wants B to be able to hear and receive his information, since only then will A actually be helping him. I believe that there is a significant group of people who expect their friends and those they trust to keep them honest and 'fully informed' (or rather, as fully informed as possible). Or at least, a

significant enough group of people to question the general validity of Burt and Knez's claim that third-party gossip affects only the intensity of the (dis)trust within the relationship, not the direction[26]. Finally, Burt and Knez claimed that third parties have a positive effect on trust within strong relations and a negative effect on trust within weak relations. When looking at the strength of the third party, or indirect, connection, they found that mutual third parties increased trust, whereas exclusive third parties (parties close to the trustor and distant to the trustee) decreased trust. They concluded that between distant people, mutual third parties can substitute for a strong relation and facilitate trust; while exclusive third parties increase the probability of distrust sufficiently to erode the trust potential of otherwise strong relationships. The second part of this claim – about exclusive third parties – is based on the same disputed underlying assumption as criticized above: 'friends close to one manager and not the other are free to choose between blaming the event or the other manager. By the gossip argument, they will choose as ego chooses, thus reinforcing ego's choice' (Burt and Knez, 1995: 276).

Thus this study agrees with Burt and Knez' conclusion that, in general, trustor-trustee cooperation and trust are more likely with third parties (passively) watching the two interact. Reputation plays an important role here. However, it is expected that in a substantial number of situations third parties can affect not only trust intensity but also trust direction. Within an organization there will always be third parties watching two people interact, thus a hypothesis along these lines becomes difficult to disprove when studying interactions within organizations. This study explores how third parties affect trust intensity and direction.

Hypothesis 5.6 If third parties become active players, relating stories about the trustee to the trustor and vice versa, these indirect connections can affect both trust intensity and trust direction.

In his analysis of triadic relations, Krackhardt (1999) analysed the behaviour of people who bridge several groups and the impact these groups have on the individual's behaviour. His conclusion centred on the distinction between public and private behaviours:

> *If* the behaviors being constrained by the norms of the group are *private behaviors*, known only to ego and the local group members, then ego is free to engage in different behaviors in different groups, changing her colors as she moves from group to group. […] *If* the behaviors being constrained by the norms are *public behaviors*, then the Simmelian argument [..] prevails: engaging in such behaviors while maintaining embedded ties to different groups is more constraining (Krackhardt, 1999: 207) [italics in original].

[26] Burt and Knez did their research with a group of managers within US high-technology firms operating just below vice-president; these people thus appear to be relatively calculative, opportunistic and maybe even cynical about their relationships with colleagues.

This dynamic will probably only be problematic for the trust building process when there are groups within the organization with norms that are different to an important degree. The stronger the culture and thus the more homogenous the relevant norms, the less likely individuals bridging different groups will feel constrained in their public (or private) behaviours and the easier interpersonal trust is built.

Hypothesis 5.7 The more homogenous the important norms are throughout the organization, the easier interpersonal trust is built.

'Personal interdependence' is about 'getting to know one another personally'. Most organizations have instituted mechanisms for people to get to know one another outside of direct functional dependencies. This is useful for at least the following reasons: it enables third party effects to be more effective; it enables relationships to be built *before* functional dependencies may occur, thus facilitating the creation of the functional relationship whenever fruitful; and it facilitates the development and maintenance of the organizational culture (Coleman, 1990). One of Lindenberg's guidelines for effective governance arrangements (2003) stresses the importance of being able to meet informally to exchange informal relational signals free of ambiguity. This is important both for building trust as well as for dealing with trouble.

Hypothesis 5.8 The more people are able to meet easily informally, the easier interpersonal trust is built.

Ring and Van de Ven (1994: 96) showed that it is important to distinguish between role relationships and interpersonal relationships: '… the ways in which individuals make attributions about others' intentions and behaviours will vary significantly if the other is viewed as acting within a 'role' as opposed to 'qua persona''. They assume that, therefore, individuals may trust the other in their 'qua persona' relationships, while they may not be able to do so when performing a role for their organization.

> The personal bonds that we argue flow from congruent sense making and congruent psychological contracts may produce trust in the other party's goodwill, or if the goodwill preexists, it will give the parties greater flexibility to transcend their organizationally specified roles in adapting to changing circumstances. Although this embedding of friendship ties in addition to formal role relationships may create some awkward entanglements, it provides dual bases – personal and professional – for the resolution of conflicts (Ring and Van de Ven, 1994: 104).

Thus:

Hypothesis 5.9 Within relationships that have both personal and professional bases trust can be built more easily and trouble can be resolved more easily.

Human resource practices

Especially hierarchical functional interdependencies between subordinate and superior are relevant for the execution of Lindenberg's guideline for effective governance arrangements 'there must be opportunities for improving one's resources' (2003). Human resource practices play a crucial role (Mühlau, 2000) since the resources to be improved could come in the form of money earned or competencies acquired. Opportunities for earning more money can come through promotions or bonuses and opportunities for acquiring new competencies can come through attention to continuous professional development, through education, training, coaching and exposure to diverse and challenging experiences. In most contemporary organizations bonuses and promotions will be intended as rewards contingent on individual performance by the subordinate (or team performance) and not on favouritism or on strategic behaviour of the superior[27]. However, the quality of the formulation of the performance contingent rewards system and the quality of the execution by the superior may vary and therefore create room for ambiguous, if not negative, relational signals. And since there will nearly always be a subjective element left in the assessment and evaluation of an individual's performance, it is possible that the perceptions of the subordinate's performance may differ between superior and subordinate. The subordinate may then be tempted to see the whole system of performance contingent rewards as unfair and perceive the superior's actions as signalling favouritism or strategic behaviour rather than the intended 'other regard'. This will be more likely when the formulation and execution of the system in general is seen as unclear or unfair (Mühlau, 2000). Thus, the more people consider performance contingent rewards (such as bonuses and promotions) to be clearly and fairly formulated and executed, the more likely that they consider these rewards to convey positive relational signals. And thus the easier trust is built.

Hypothesis 5.10 The more people consider performance contingent rewards (such as bonuses and promotions) to be clearly and fairly formulated and executed, the easier interpersonal trust is built (between leader and subordinate).

A similar argument holds for the opportunities for continuous professional development. An organization's leadership (at all levels) must show that it is serious in implementing its intentions in this regard. It can be painful in the short term for a project leader or unit manager to let go of a promising and very productive team member because it is necessary for the team member's development to move to another team or unit in order to be exposed to new challenges and experiences, or to attend that two week training session. Also, the first thing many companies cut back on when 'the going gets tough' financially is external training and education. Depending on the way it is positioned and fits in the larger picture

[27] Favouritism would be behaviour consistent with the hedonic frame and strategic behaviour consistent with the gain frame.

this may be perceived by subordinates as 'faking other regard' and thus as strategic behaviour. Thus, the more the organization provides its people with opportunities for continuous professional development (through education, training, coaching and exposure to diverse challenging experiences), the more likely actions by the leadership of the organization are perceived by subordinates as conveying positive relational signals (Mühlau, 2000). And thus the easier trust is built.

Hypothesis 5.11 The more the organization provides its people with opportunities for continuous professional development, the more likely that trust can be built (between leader and subordinate).

Empirical results

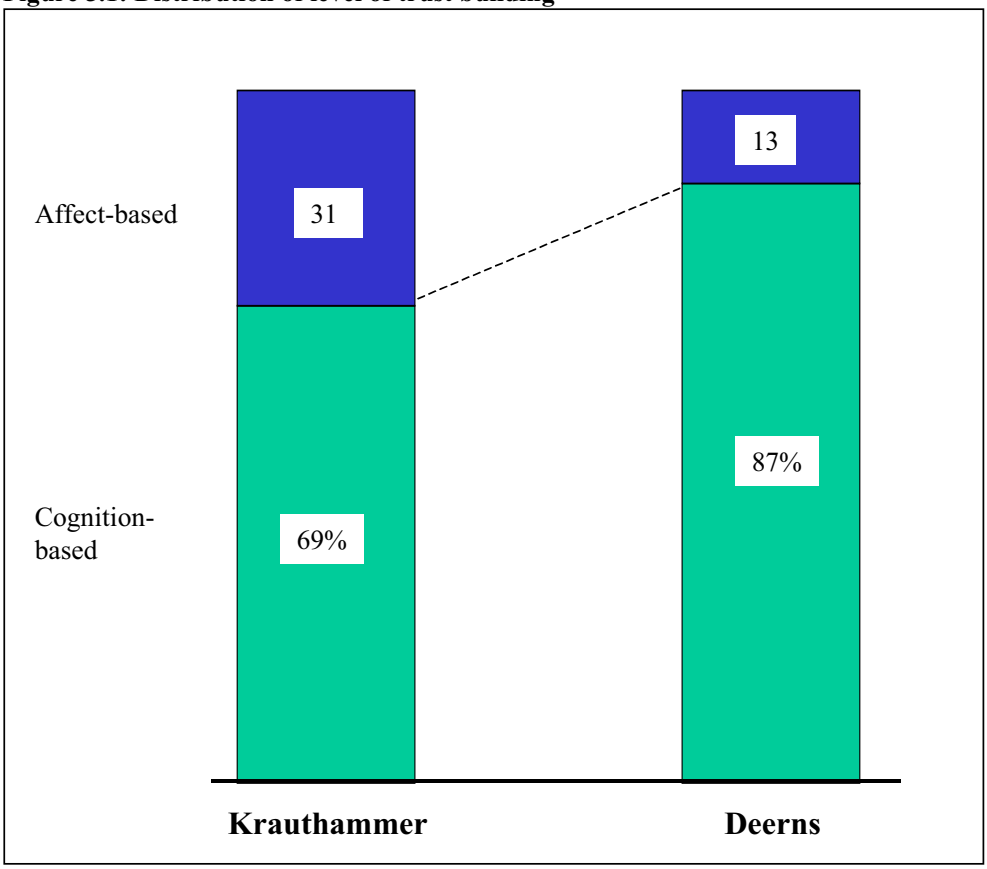
This section presents and discusses the empirical evidence related to the eleven hypotheses formulated. The evidence presented in this section was predominantly based on qualitative data and analyses.

Trust building measure

The dependent variable to be explained is the ease of trust building, which is operationalized using McAllister's (1995) model of trust development, distinguishing between cognition-based and affect-based trust. Cognition-based trust is trust 'grounded in an individual beliefs about another's dependability, reliability, and professionalism' (1997: 89; typo in original text). Affect-based trust is trust 'grounded in the emotional bonds connecting interdependent individuals to one another in a relationship' (1997: 89). McAllister proposed that affect-based trust could only develop after a certain amount of cognition-based trust has been built. This distinction can be relevant in organizations when we acknowledge that in any interaction both cognition and affect are always present, but that the most important base can usually be identified.

In the trust and trouble event analysis the interviewee was asked for each event to indicate the main basis for trust (affect-based or cognition-based). The distribution of all events within each organization showed that within Krauthammer in 31% of the events affect was considered to be the main basis for trust, while within Deerns this was only 13% (Figure 5.1). This difference was significant, $\chi^2 = 17.23$, $df = 1$, $p < .001$, suggesting that trust was built to higher levels within Krauthammer than within Deerns. The analysis was performed on events which is not the same as relationships, because more events can occur in one relationship. Transforming the results from number of events to number of relationships only led to a change of one percentage point, thus strengthening the conclusion drawn above.

Figure 5.1: Distribution of level of trust building



Note: Percentage of total events. $\chi^2 = 17.23$, df = 1, $p < .001$. Krauthammer: n = 196, Deerns: n = 192, based on interviews and observations.

Norms and values

Krauthammer had explicitly formulated its vision, values and related principles (or norms). Krauthammer's vision was 'bringing out the best in people' and its values were: Passion for People, Enrichment, InnovAction, One Team, and Impact! (Table 5.1). These values and principles appeared in many different physical forms such as the strategy binder that was handed out to newcomers, a memo card, a special brochure with visual illustrations of the values, and 5 coloured balls each with a value printed on them. In plenary meetings attention was regularly paid to the values and principles. Furthermore, people were stimulated to live by the three Ps when interacting, for example, in meetings: Punctuality, Preparation and Purpose. Another principle that was mentioned regularly during the research was: we talk *with* people not *about* people, or no gossip. These were espoused values and norms. The research activities were geared to looking for the degree to which

these values and norms were also part of the theories-in-use. Four analyses were carried out for this purpose. First, the interviewees in the in-depth interviews were asked three questions: (1) what attracts you to Krauthammer?; (2) what is the shadow side to Krauthammer?; and (3) what is the key to success within Krauthammer? When asked what attracted them, most referred to the challenging and learning environment and the pleasant and caring people to work with. This appeared to indicate that the values 'passion for people', and 'enrichment', and less explicitly 'impact!' were part of the theories-in-use. When asked about the shadow side, most answers revolved around pressures of work and balance between work and home. This may have been because it was at the time a hot topic within the organization (and in fact Dutch society as a whole). It indicated that one element of 'enrichment' was not put into practice as much as espoused. When asked about the key to success, recurring themes appeared to be: willingness to learn and grow, passion, entrepreneurial abilities. These indicated that the values 'passion for people', 'enrichment', and 'impact!' were part of the theories-in-use.

Table 5.1: Krauthammer's values and related principles

Values	Related principles
Passion for People	We always look for the positive in others
	We consider the individual behind his or her behavior
Enrichment	We seize every opportunity to grow
	We give constructive feedback
	We constantly look for balance between work life and private life
InnovAction	We constantly challenge success
	We translate ideas into KISS and concrete actions
One Team	Each takes full responsibility for the team result
	Each contributes the best he or she has to offer
Impact!	We do things with purpose
	We practice what we preach

Second, the answers to these questions were fed back first to a management team meeting and later to a meeting with the Dutch office and both meetings were asked to formulate the 4-8 underlying assumptions that they felt typified Krauthammer. The results gave interesting clues as to which values were firmly rooted in underlying assumptions and which were less so. When looking at these assumptions, the values 'passion for people' and 'enrichment'(possibly without the balance work-private), and 'impact!' appeared firmly rooted in assumptions. The action-orientation that is part of InnovAction also

appeared to be firmly rooted in assumptions. However, 'innovation' in broader terms of developing new products and services, taking risks, breaking rules and being open to influence from outside appeared less rooted in the assumptions. One could even argue that the belief in their own success might restrict their innovative ability. Also, very little was said about the value 'One Team'. If anything, an emphasis on individual development and personal responsibility appeared to dominate, together with a focus on one-on-one human interactions. Nothing was said about teams or the organization as a whole. It should be stressed, however, that opportunism was not deemed acceptable.

Third, the results from the 'thermometer 2000' meetings have been used (Table 5.2). During these meetings each employee met individually with one of the MT-members to discuss how s/he felt about the organization. All employees were asked three questions – What are you satisfied about?, What can be improved? and What must be improved? - and the results (all the items mentioned) were clustered into the five values by four people. What was striking was that the value 'passion for people' was the only value with far more items in the 'satisfied' column than in the other two combined; it also had the lowest number of items in the column 'must be improved'. The value 'innovaction' had fewest items in the 'satisfied' column and was the only one where more items appeared in the 'must be improved' column than in the 'satisfied' column. Relative to the other analyses presented above, the value 'One Team' scored high. 15 of the 38 items in the 'satisfied' column were directly related to the EBO (the Employee Buy Out that took place in 2000), which was a hot topic when these 'thermometer' meetings took place (Summer 2000), and had clearly become less important when the interviews took place (Fall 2000) or when the exercise with the underlying assumptions was done (Spring 2001). The number of items in the 'must be improved' column for 'one team' were the highest of all the values.

Table 5.2: Number of items mentioned during Thermometer meetings 2000

	What are you satisfied about?	What can be improved?	What must be improved?
Passion for people	42	10	6
Enrichment	24	21	11
InnovAction	10	23	14
One Team	38	23	16
Impact!	13	28	11

Finally, the observations also yielded some indication of the degree to which the espoused values were also values-in-use. 'Passion for people', being positive and considering the other individual permeated most interactions observed. The will and drive for personal growth was strong ('enrichment'). The drive to make the company grow was strong in terms of sales targets and days trained, but not necessarily widely shared. Constructive

feedback appeared to be given most of the time; and when destructive/non constructive feedback was occasionally given, in a flash of frustration or otherwise, the trouble was usually (eventually) resolved. The balance between work life and private life was an issue. When looking at the principles formulated under 'innovaction', the observations appeared positive: success was regularly challenged in terms of 'how can you develop further?'; and the action-orientation of the organization was very high. However, when considering innovation in more general terms, there was room for improvement. Only some 10-15% of the days billed to clients were consulting days; the rest were open and internal trainings, products that had been around for some time (new training products were added). The strict rules and procedures and the highly efficient processes could be obstacles to innovation (exploitation versus exploration). Clients in the client satisfaction survey indicated that proposals were not always sufficiently tailored to their needs and that consultants were too difficult to reach (see also later on, in section on control). The value 'One Team' showed a varied picture. People were expected to take into consideration actual or potential losses of their colleagues and other transacting partners (clients and others) in their interaction with them. They were expected to contribute to the common goal and make personal sacrifices when necessary in achieving that common goal. At the same time, the individual development of one's talents was held highly, and whenever that development could not be best served within Krauthammer, the individual concerned was helped to find a new workplace where his/her talents could flourish. The trouble around the Employee Buy-Out, with several senior consultants not joining the joint ownership, was an example where a high degree of solidarity was clearly expected; 'One Team' was very much at stake. The 'One Team' idea also appeared to work well within departments and within coaching teams. However, during the debate about the performance related pay (PPS), office people indicated that it was apparently 'not done' to claim an afternoon or morning to work on your PPS-targets; that was considered to be working for yourself rather than for the team. Furthermore, several consultants indicated that they felt little solidarity and 'brotherly spirit' where prospects were concerned. Non-collegial behaviour was cited and these trouble incidents had not always been resolved. The value 'impact!' was clearly observable in the strong desire to know the purpose of every activity and meeting and the expectation that people came prepared. Krauthammer appeared relatively strong on 'practicing what you preach'.

The results from these four analyses have been summarized in Table 5.3. The conclusion from these analyses was that the values 'passion for people', 'enrichment' and 'impact!' appeared to be sufficiently rooted in the theories-in-use; the value 'one team' showed a more varied picture and the value 'innovaction' appeared to be weakly rooted in the theories-in-use.

Table 5.3: Congruence of espoused values with theories-in-use in Krauthammer

	Three questions	Assumptions (Theme Day)	Thermometer 2000	Observations
Passion for people	++	++	++	++
Enrichment	+	++	+	+(+)
Innovaction	-	-	-	+/-
One team	-	+/-	+/-	+/-
Impact!	++	++	+/-	++

An interesting observation was that Krauthammer appeared to be strong on both feminine and masculine characteristics, but the masculine characteristics were especially strong in group behaviour, or public behaviour, and the feminine characteristics thrived in one-on-one interactions, or private behaviour. The masculine characteristics included, among others, a strong action orientation, witty humour, showing your strength and your success. The feminine characteristics included, among others, care and concern for others, receptivity, and being vulnerable. In other words, feminine characteristics showing in actions are more likely to convey positive relational signals. The relevance of making the distinction between public and private behaviour centred around the notion that individuals who are part of 3-person (or more) informal groups are less free, less independent, more constrained than persons who are only part of a dyad (one-on-one relationship). The formation of a group 'fundamentally restricts an individual's options in terms of their public behaviour vis-à-vis the other members of the group' (Krackhardt, 1999: 187). This study assumes that within an organization (almost) all individuals find themselves part of at least one – usually more – 3-person, or larger, groups. Apparently, within Krauthammer, the constraint in moving from private, one-on-one, behaviour to public behaviour lay in not being as vulnerable anymore. Since many of the trouble events studied appeared to be dealt with in one-on-one situations, the feminine characteristics appeared to be important for the resolution of trouble. This observation, of feminine as well as masculine characteristics but at different levels, was supported explicitly by some interviewees and was also reflected more indirectly by other comments made:

- Several interviewees said spontaneously: 'In the group we are very masculine, individually we are very feminine.' Several others confirmed this image when asked.

- 'During the […] meeting I noticed that there were limits to vulnerability. I asked a question about how others dealt with a particular element of the training. I got some brief reactions in the group. Afterwards, two colleagues came to me and said "I don't want to say this in the group, but I will say it to you individually." That was to me a clear illustration that the vulnerability is preached but not always practiced. They both said "this was my experience and that was not a success and I solved it in this way." Both also admitted they did not dare show that vulnerability in the group.'

Deerns had explicitly formulated its mission, which was presented to clients and new employees: 'Deerns contributes to a safe, comfortable and sustainable work environment. In pursuit of this, Deerns is a leading consultant in the field of technical installations for buildings. In so doing, it develops and inspires highly qualified engineers, project managers and consultants'. It had, however, not yet explicitly formulated its values and related principles. This was done after the research was conducted (during Summer and Fall 2002) and five espoused values with principles were formulated: Expert knowledge, Entrepreneurship, Reputation, Integrity and Atmosphere (Table 5.4). Before that several initiatives had been taken that had not been implemented properly. During the Strategic Search Conference held in the Fall of 2000 with a cross section of the organization the 40 participants had characterized the espoused qualities of Deerns as: progressive, independent, client focused, results oriented, delivering outstanding quality, innovative and controlling the total realization process. These had been communicated to the whole organization, but were largely unknown during the period of research. During the introduction days for newcomers the chairman presented as leading principles: take initiative, cooperate and share knowledge, serve your client: add value, and develop yourself and the firm. Many newcomers gave the chairman feedback that they agreed with what he had told them, but that their project leaders were regularly too set in their old ways to live by these principles. Also, these espoused values and principles were hardly ever mentioned or referred to in the interviews and the meetings that were observed. The only reference was to 'say what you do and do what you say', a 'mantra' that the chairman had started using to instil a sense for the importance of clear communication and professional self-discipline. So there were many indications that insofar as there were espoused values and principles, these had not been explicitly and consistently communicated throughout the organization.

Three analyses were used to investigate the degree to which the espoused values[28] were part of the theories-in-use: first the results of the three questions asked to all interviewees (same as within Krauthammer). The second analysis also came from the interviews, combined with observations and document analysis, and looked at other descriptions and

[28] I used the values and principles as formulated in the Summer/Fall of 2002 as the 'espoused' values and principles (see Table 5.4).

indications of the norms and values. Thirdly, the results of the personnel satisfaction survey conducted in January 2002 were analysed.

Table 5.4: Deerns' values and related principles

Values	Related principles
Expert Knowledge	We are continuously learning
	We use Deerns' knowledge, each other's knowledge
	We develop our technical knowledge and our consulting skills
	We also discuss difficult issues and contribute to their resolution
Entrepreneurship	We take risks – at least once a day
	We take signals from the market to the appropriate place within Deerns
	We embrace new partnerships, techniques and solutions – and thus secure our own responsibility
	We dare to tread outside the beaten track
Reputation	We put our reputation before short-term gains
	We speak positively and with respect about ourselves
Integrity	We can always be held accountable for our actions
	We work in the client's interest
	We take action to ensure that others' actions are incorruptible
Atmosphere	We keep our agreements and confront each other with our responsibilities
	We take the other's questions serious
	We show respect: listen, give full play, motivate and give compliments

When asked what attracted them, most respondents (15 out of the 24) mentioned the technical content of their work, the quality of the work, that Deerns was involved in high-profile projects and the diversity of the work. Related to the actual content of the work were answers concerning the size of the firm and therefore that Deerns did large projects in a variety of sectors (4 respondents). Next most frequent were answers referring to the fact that it was simply a nice firm to work for, with nice people and a nice work climate (12 out of 24 respondents). Five of the respondents mentioned the possibilities to continue to develop yourself through new challenges, study or training. Five responses concerned the

fact that you get a lot of freedom to do the work in the way you see fit and that you quickly get to work relatively independently. Four respondents appreciated the independent position that Deerns had in the market and the high standing it enjoyed. Four respondents simply replied along the lines of: well, it is my job and I enjoy doing it. When asked about the shadow side of Deerns, two main categories of responses could be distinguished. The first was about the professionalism of management, the strategic capacities and the innovative abilities (16 out of 25 respondents). Most of the more senior people answered in this category. They indicated that there was too little structure and too few procedures, that few people had a middle or longer term view or looked beyond technical issues, that work methods were inflexible and that people hid behind the excuse of too much work. The second category of responses was about communication and the way people interacted (12 respondents). People responding in this category came from all the ranks within a unit. People experienced insufficient readiness to help each other, lack of informing the other person, insufficient interconnectedness between units and insufficient coaching from more experienced people. Four respondents simply stated that the workload was too high. Finally, when asked about the key to success, four main categories of answers could be distinguished. The first referred to people and communication skills. You had to be good with people, clear in your communication, stick to your promises and be able to get people to put trust in you (15 out of 25 respondents). The second category referred to taking the initiative, showing courage and being an entrepreneur (9 respondents). Related to this category were the responses about good commercial skills (3). In the third category nine respondents referred to the need for at least an affinity for engineering and the need for continuous study (usually technical). In the fourth category, five respondents stated: work very hard! And three responses were about the need to score good results with your projects. In summary, people within Deerns appeared to be proud of the technical standing of their firm and enjoy the nice, pleasant interaction with their colleagues. They appeared to be quite satisfied with the good opportunities for further technical training and the large degree of freedom that the organization provided. Using this freedom by taking initiatives and showing courage were identified as key for success within the firm. They appeared to see the need for good communication and people skills, but saw their organization lacking in this field. They also appeared to see a lack of professionalism in their organization in terms of organizational structure and procedures, strategic and innovative capabilities. Thus Expert Knowledge appeared strongly part of the theories-in-use insofar as the technical development of the knowledge within individuals and the expertise within the firm. However, in terms of the communication and interpersonal skills there was substantial room for improvement. The value Entrepreneurship showed a similarly mixed picture in that a large degree of freedom for own initiative was experienced by some, but at the same time too many people lacked the necessary innovative capabilities and attitude. The value Reputation appeared reasonably grounded in the theories-in-use. The value Integrity was hardly ever mentioned explicitly but implicitly it was probably part of the theories-in-use. The value Atmosphere appeared well grounded given the many comments

about the nice and pleasant work environment. However, the complaint of people hiding behind the excuse of having too much work was a negative element.

In the second analysis documents, interviews and observations were studied qualitatively. At the end of 1999, the then prospective new chairman (who became chairman in 2001) had summarized his first impressions about the culture as 'friendly, vague and noncommittal'. He referred to (1) the weaknesses in the internal communication: messages often did not come across; (2) inconsistencies in keeping your promises and the lack of following rules; (3) too limited self-consciousness and self-confidence; and (4) a relatively strict hierarchy and control. This general impression was confirmed when analysing the interviews. In general, people appeared to experience the culture and the working environment as pleasant. People were prepared to help one another and one got opportunities for (technical) development. People were friendly and open. At the same time there was an attitude that one person called the 'production culture', if an activity was not directly productive, it would not naturally happen; even though the new strategy was supportive of that action. Given the history of a family-owned firm, some of the paternalistic tendencies that had grown in the past could still be observed within the culture. Also, throughout the interviews the theme of problematic communication came up. Especially newcomers found the informal part of the culture difficult to grasp. The formal part appeared to be very formal in the sense of addressing each other with mister and the formal form of you ('thou'). Many things got organised informally which you got to know about through informal contacts only. As shown in the section on socialization, there appeared to be very little in terms of formal processes in the socialization process. This may be a strength of a company when the internal communication and contacts between employees were plentiful and effective. However, many people appeared to believe that that left a lot to be desired for. People within Deerns had chosen a technical, engineering profession. They appeared to be in general relatively introvert enjoying pleasant interactions with colleagues. Most of these interactions would be either about specific technical issues and other issues directly related to projects, or about general pleasantries (for example the latest soccer matches). People appeared to be relatively unaware of the impact and influence of their actions on others, both in a positive and negative sense. They usually did not think of giving feedback or compliments: 'if you do not hear anything, you are doing fine; we will tell you when you make a mistake'. And when trouble occurred, they were hesitant to address the other person about it and when they did address the other person it was often not in a constructive manner sending unambiguously positive relational signals. In that sense the level of interpersonal skills appeared to be low. Thus, the value Expert Knowledge was again well-grounded in terms of technical expertise, but not in terms of the interpersonal skills. Also, sharing knowledge and expertise was found to be weak. From the interviews a picture emerged that Entrepreneurship in terms of taking risks, using signals from the market for new opportunities and other entrepreneurial behaviours were confined to a very limited number of senior people within the organization. Reputation appeared sufficiently grounded as was Integrity. The value

Atmosphere scored high on pleasant people as colleagues and helping each other with, particularly technical, questions, but scored low on giving compliments and delivering on commitments.

Thirdly, the personnel satisfaction survey which was conducted in January 2002 was analysed. The company-wide response rate of the survey was 53%. The overall conclusion appeared to be that employees were positive about their work and work experience. Despite the large amount of work available, the work conditions appeared good resulting in a low experience of work overload. Attention should be paid to regular work meetings and better communication. Employees furthermore appeared to be satisfied with the content of their work. Respondents also appeared to rate the work climate in their units as good. Attention should be paid to better coaching and feedback from the unit manager to the people in his unit. The involvement with the unit appeared to be good and greater than with Deerns as a whole. The involvement with other units appeared low. Employees appeared satisfied with the challenges and opportunities offered to them by Deerns. Attention should be paid to career path development. The picture emerging from the personnel satisfaction survey appeared to support the other two analyses. The results for the three analyses have been summarized in Table 5.5.

Table 5.5: Congruence of espoused values with theories-in-use in Deerns

	Three questions	Interviews, observations, documentation	Personnel satisfaction survey
Expert knowledge	+/-	++/-	++/-
Entrepreneurship	+/-	-	-
Reputation	+	+	+
Integrity	+/-	+	+
Atmosphere	++/-	++/--	++/-

The conclusion from these analyses was that large parts of the values Expert Knowledge and Atmosphere appeared sufficiently grounded in the theories-in-use, but in both values some elements were not. The values Reputation and Integrity appeared reasonably grounded, but people seemed not to be very aware of and proactive about them. The value Entrepreneurship appeared weakly rooted in the theories-in-use throughout the organization; only a few people appeared to live this value.

In summary, Krauthammer appeared to have explicitly formulated and largely implemented its norms and values, whereas Deerns had not. Furthermore, the actual content of Krauthammer's values and norms also enhanced trust building. The value Passion for people in particular stressed the importance of relationships. Within Deerns the

value 'Atmosphere' will be enhancing trust building together with the value 'Integrity' but the degree to which these values were also part of the theories-in-use was not as strong. Thus support for hypothesis 5.1 was found. Krauthammer was very keen on developing its employees' interpersonal and communication skills, which is not surprising since this was in many ways very directly related to the success in their work with clients. This appeared to be less so for Deerns; during the period of research the key emphasis was on the development of technical skills and less so on interpersonal and communication skills. Thus there appeared clear support for hypothesis 5.2. Another analysis in support of the first hypothesis was performed using the trust and trouble events. In almost two-thirds of the events in which trouble occurred within Krauthammer, a reference was made to Krauthammer's values, principles, rules or procedures, by either the person experiencing the trouble, the other player or both. Within Deerns a reference to the values or principles was hardly ever made (maybe twice and not related to particular trust or trouble events).

Socialization process

The socialization of new people joining *Krauthammer* was a relatively intensive and explicit process. This socialization process was aimed at familiarizing them with the strong culture of Krauthammer. The initial training and socialization started during the first weeks and months of a new employee. For the two main constituencies of Krauthammer, commercial assistants and consultants, special introductory training programs had been developed. For the recently hired consultants, their first working day was at the corporate university in a remote village high in the Alps. There they received an extremely intensive fortnight of socialization, described by some in terms of an 'emotional boot camp'. It started and ended with initiation rituals, welcoming them into the whole organization. During this internal training, the Krauthammer philosophy of training and successful corporate behaviour was passed on to the novices. The new consultants invariably experienced their initial socialization and the whole first year as incredibly intense; not only the intense learning, but also some of the special cultural aspects such as the many compliments, celebrating successes, the strict discipline, the style of coaching and the high quality standards. When someone entered as a new commercial assistant, an intensive and structured program awaited her. During her first week she was kept offline from the daily work. She was given the handbook for commercial assistants to read and study and each day she was trained in a particular task. After this first week, she was put into her team, but did not get her own consultants yet; she worked with her more experienced, close colleague. After another two weeks she got her own consultants, but her close colleague helped her every day. As time went by, the intensity of this daily guidance got less and less, as she gained more and more experience.

Thus, during the socialization process within Krauthammer, newcomers were explicitly told about the vision, mission, values and principles of Krauthammer. This gave them many clues as to how to interact within the organization. The socialization process also gave them an intensive training for the tasks they were expected to perform; they were

taught explicitly what was expected of them. Thus they could build the confidence that they could do their job in the way that Krauthammer expected of them. And, finally, they were taught the common Krauthammer language and conceptual categories. Krauthammer was quite explicit about words that were relevant to its operations and interpersonal behaviour. The meaning of many words had strong cultural aspects. Principles such as confrontation - saying 'yes' to the person, and 'no' to the behaviour -, and no gossip – we talk with people, not about them – helped build the confidence to ask and inquire into behaviour and motives in situations where trust was necessary or trouble occurred. Another crucial step in building trust was the fact that everyone had a coach with whom he could discuss anything. If for whatever reason the coach-coachee relationship was troubled, the coachee always had other people who had helped him socialize and who usually could be trusted enough to discuss sensitive issues. So far, the focus was on how newcomers to the organization could build trust in the organization and their colleagues. How do people learn to trust newcomers? Again, the socialization process was crucial. You could trust the socialization process to deliver people who know the basics of what they were expected to do. If newcomers weren't up to it, they would not be 'released' into the organization. Also, after the initial introduction, newcomers received close coaching and training-on-the-job to continue practicing what they had been taught and to develop new skills and experience. Basically, you could trust that a person would not be allowed to perform a particular task alone, unless someone more experienced had checked that that person was able and ready to perform that task alone. In general, every opportunity to celebrate success was taken within Krauthammer, but this was especially the case with newcomers. This helped to build the trust others could have in the newcomer and helped to build the self-confidence of the newcomer. For example:

> During a team meeting, the coach of a newcomer asks him to tell the team his first commercial experience. After he has done so, the coach gives him a big public compliment. Later in the day, the coach tells this first success of the newcomer to the management team meeting, again giving him a big compliment (in his absence).

Organizations with 'strong cultures' often have intensive initial training processes and/or corporate universities where employees are regularly (re)trained for new tasks, new roles or new procedures and receive a refreshment dose of the norms and values (van Maanen and Kunda, 1989). A corporate university can thus be a crucial vehicle for the socialization, the sharing, shaping, reinforcing and changing of the organizational context. This was clearly the case for Krauthammer. The role of a corporate university for trust building has not received explicit attention, but becomes clear from the empirical evidence collected in Krauthammer. The explicit and formalized training for new tasks and roles, and the retraining when procedures change, help a trustor form more accurate expectations about a trustee's ability to perform the particular action in question. The sharing, shaping, reinforcing and changing of norms, values and other relevant elements of the

organizational context help a trustor form more accurate expectations about a trustee's benevolence, dedication and norm-acceptability in the particular situation.

The socialization of new people joining *Deerns* was a largely informal process. The one formalized part of the socialization of newcomers was the introduction programme set up by the new chairman. Once the newcomer started his first day of work within his unit, the formal part ended and the way in which the newcomer was introduced to Deerns' way of working, his colleagues in the unit and the rest of the organization, depended entirely on the unit and the individual appointed as his mentor (if one was explicitly appointed at all). The introductory programme for newcomers consisted, among others, of a session with the chairman in which he told about Deerns' values, norms and expectations; and a day when the newcomers visited a building site. Most people that were asked about their first days at work with Deerns commented on how chaotic it was. Most people also used the term 'you are thrown in at the deep end'. One of the directors commented

> 'I do not have many objections to a newcomer being thrown in at the deep end, that is quite normal. But implicitly we expect him to swim the way we do, yet we do not tell him how we do it. The risk for the organization is that we miss out on good people who just happen to swim in another way.'

This risk was especially high when recruiting experienced senior people, which had been happening more regularly in recent years and had not always been successful.

In summary, the analysis suggests that the two organizations showed very different approaches to the socialization of newcomers and with the effects predicted in hypothesis 5.3, that is, that the more explicit and intensive the socialization process for newcomers, the more quickly trust can be built between newcomers and tenured colleagues. A corporate university was also found to help build trust. There is probably a relationship between a 'strong culture', in the sense of explicitly formulating and implementing the organization's norms and values, on the one hand, and having an explicit socialization process in which newcomers are told about these norms and values on the other hand.

Control

Regarding control, *Krauthammer* could be characterized by a high degree of explicit procedures that were written down in handbooks and other documents, detailing the desired behaviour. The intention was 'to deliver the highest quality to the customer'. Sometimes the interpretation of that 'highest quality' came under pressure. For example, a consultant told

> 'Clients [in the client satisfaction survey] have indicated that consultants are difficult to reach, yet the quality handbook states that all (written) correspondence between a consultant and a client should go via a commercial assistant. Consultants are not supposed to fax or email directly with a client. We believe that quality check is necessary for

> delivering the highest quality. Is quality doing things the way we have defined it or is quality about meeting the expectations of the client?'

The organization was also very strong on monitoring whatever seems possible and relevant. Some examples: training participants gave their evaluation of the trainer each training day; client satisfaction was regularly measured; personal performance evaluations were quantified where possible using for the consultants, among others, the average training scores and the sales generated; specific surveys for projects and activities were common. Training quality was checked several times a year through audits by either the training quality manager or the coach. These characteristics at first appeared to suggest a strong bureaucratic control dimension. Yet, at the same time, the intention of the monitoring was also strongly to 'control in order to be able to compliment' and to 'support, stimulate and measure talent development'. This was against the background of the value 'passion for people', coupled with the culture of confrontation: confront the other person if anything bothers you. But always with the intention: say 'yes' to the person, 'no' to the behaviour; and: we talk 'with' people, not 'about' people. Therefore, Krauthammer did not appear to be caught up in a pathological form of control. They actually appeared to 'score' quite high on the dimension of discipline and the closely related concept of normative control: the people within Krauthammer appeared strongly driven by internal commitment, strong identification and intrinsic satisfaction from work. The descriptions given by people about the personalities of the founders and Krauthammer's history, created a picture of a strictly controlled organization. Over time those strict bureaucratic controls had decreased, yet strict discipline was a topic for discussion within the firm. Some examples:

> 'It is a continuous battle against the reflex to prescribe everything in rules and procedures. We are in a phase where we are improving the quality of the rules and are reducing the number. That is not easy, as we are ultimately perfectionists. And at the same time entrepreneurs. That is a nasty combination! I believe that we are the most structured professional services firm in the Netherlands. By far!'

> 'What happened on the Theme Day [a day with the whole office] was very interesting. Advice was given, suggestions for improvement were made and what are we going to do with that? Are we going to formulate new rules or does everyone take his own responsibility? The latter approach is the right one; and yet you see that people do not take enough initiative.'

Many people within Krauthammer saw the explicit style and basic design of the organization with all the rules and procedures as a source of stability and predictability.

The way in which people described *Deerns'* history, strongly suggested that Deerns came from a situation with strong bureaucratic controls. For example:

> 'We have been for a very long time an incredibly paternalistic firm. We have had a time-clock and we have had a time where every copy that you made on the copying machine had to be accounted for. It was almost that there was no trust in the people to let them do their work independently. You were taken along and you just had to do what they said above [the directors]. And unhappy you if you did not obey!'

Most of the things referred to had disappeared in the structural sense. They were, however, still affecting the way people reacted. A director observed

> 'I still think that we have a lot to offer to anyone in terms of challenge and entrepreneurship. Only I have never experienced that we were flooded by investment proposals. I wish it would come! But that is the dilemma. Within the organization the perceptions are very different. I have the feeling that very many people think that very few things are possible. That we punish mistakes and failures harshly and that the directors want to stay in full control.'

The new board clearly wanted to move towards a situation of normative control. Members of Deerns appeared largely driven by an intrinsic satisfaction from their work in terms of their engineering consulting, and many appeared to identify with the company and its goals. The internal commitment and discipline, however, appeared to be weak. The discipline that Ghoshal and Bartlett (1997) referred to was weak. Deerns was ISO certified and had therefore written a quality handbook in which many procedures had been laid down. However, in practice many things did not happen that had been laid down in the handbook. Most notably team meetings hardly ever happened. Also attendance to internal meetings was low and a source of irritation.

When examining the observations within both organizations and relating it to the hypotheses, it appeared possible to use the findings within Krauthammer as support for hypothesis 5.4a: that strong normative control within an organization appeared to be related to high trust between the people within that organization. Support for hypothesis 5.4b was less strong, but the stories told about the bureaucratic ways in which Deerns worked in the past offer some support. In the literature monitoring and control are often seen as bad for trust, but Krauthammer showed that monitoring and normative control can support trust building and maintenance. The important issue appeared to be the intention with which the monitoring and control was done. If the intention was 'I want to make sure you do as you are told' and to 'punish mistakes and failures', it signalled low trust and possibly even the presence of distrust, which was likely to be reciprocated by low trust and high distrust. If, however, the intention was, as seen within Krauthammer, one of 'control in order to compliment' and to 'support, stimulate and measure talent development' then monitoring could be supportive of trust building. If monitoring is left out for fear of showing distrust then one does not know how well the other is doing and the organization as a whole cannot learn from the experience. It can also be seen as not showing interest in the other person's performance, as being distant, rather than involved. Another observation

that is worth noting is related to Deerns. As noted earlier, Deerns was in transition and appeared to be in an in-between phase between bureaucratic control and normative control and that in-between phase created more ambiguity and differences in expectations and hence more room for trouble with a downward pressure on trust. When an organization is clearly of the type where management tells its subordinates what to do with a system of bureaucratic control to ensure compliance, there is relatively little ambiguity and it is clear what is expected of each person. When an organization is clearly of the type where people are driven by internal commitment, strong identification with the company goals and their intrinsic satisfaction from work and responsibility is delegated to subordinates, there is also relatively little ambiguity and it is also clear what is expected of each person. However, in an in-between phase it may not always be clear where the responsibility lies and who is expected to take the initiative. Therefore, misunderstandings and disagreements, and maybe even distrust as a result, may be more likely to occur as expectations can easily be different and actions and their related relational signals can more often be perceived as ambiguous or even negative. For several of the trouble events that occurred within Deerns the key trigger for the trouble appeared to be differences in expectations and ambiguity related to this phase in between bureaucratic and normative control.

When monitoring and control are not necessarily signs of low trust or distrust and can even help build trust, depending on the intention with which the monitoring and control is done, then the trust definition (Chapter 2) can be simplified by deleting 'irrespective of the ability to monitor and control'. Whether rules set to monitor and control are experienced as showing lack of trust or even distrust versus showing trust depends to a large degree on who sets the rules. If 'management' sets the rules and then enforces obedience to these rules onto the employees, the employees are unlikely to feel strongly committed to them. If, on the other hand, as was the case in Krauthammer, people can influence which rules are set and how they are enforced, they are more likely to feel committed to them. In Mintzberg's terminology in the former situation the strategic apex or technostructure sets the rules while in the latter situation the operating core has a high degree of influence in setting the rules.

Interdependencies

For each event in the trust and trouble event analysis the researcher coded the type of relationship based on the description given[29]. The possible codes were generated as the events were analysed and underwent several iterations. Next, each type of functional interdependency was assigned a code for the strength of interdependence (high, medium, low). These codes were company-specific.

[29] Only the events obtained through the interviews were used for this analysis, because in the observations the relevant functional interdependence was usually the fact that the two players were in that particular meeting and team.

Trust and trouble

Within professional services firms functional interdependencies fall into three categories: (1) functional interdependencies related to managing commercial relationships with clients and prospects, (2) functional interdependencies directly related to the actual execution of client projects; and (3) functional interdependencies related to the support processes not directly concerned with (1) or (2). The third category was further split up into hierarchical relationships, that is the interdependencies between subordinate and superior, including the management and reporting interdependencies between unit managers and board, and other support interdependencies, such as, interdependencies between support units such as IT, personnel, finance and the core commercial process, interdependencies between units and interdependencies within special projects. The company-specific types of relationships were assigned to the categories described above, which made the companies comparable (Table 5.6). Cross-tabulations of the strength of functional interdependence and the McAllister's levels of trust development for Krauthammer and Deerns respectively, as shown in Figure 5.1, showed no significant differences. Thus, no support for hypothesis 5.5 was found.

Table 5.6: Categories of functional interdependencies and strength of interdependence

	Krauthammer		Deerns	
Category	Relationship	Strength of interdependence	Relationship	Strength of interdependence
Project execution	Account manager – training manager	High	Project leader - engineer	High
	Consultant – commercial assistant	High	Engineers on team	High
	Consultant – planning	Medium	Project leader - specialist	Medium
	Consultants for taking over when sick	High		

Table 5.6: Categories of functional interdependencies and levels of interdependencies (continued)

	Krauthammer		Deerns	
Category	Relationship	Strength of interdependence	Relationship	Strength of interdependence
Commercial relationships*	Consultants about commerce	Low		
	Within coaching team	Medium		
Hierarchical relationships	Coach-coachee	High	Director – unit mgr/dept head	High
	Consultant – internal trainer	High	Director - subordinate	Medium
	General hierarchical	Medium	Unit mgr – subordinate	High
			Engineer – secretary	High/medium
			Coach – coachee	Medium
Other support	Members of team	Medium	Co-leaders	High
	Among business support units	Low	Members of team	Medium
	General functional	Low	secretary – secretary	Low
			General functional	Low

Note: * These relationships were not explicitly referred to in Deerns.

Trust and trouble

Evidence in support of proposition 5.6 was not collected systematically[30]. Within both organizations trouble events occurred where a third party affected both intensity and direction of the trust between two colleagues. An example within Deerns:

> 'At some point Pete[31] felt he had been used by his boss Adam to talk about a colleague and he felt very bad about that, because he feels strongly about trusting both upwards and downwards; he is very open and honest about that. He came to me with this problem because we have a high trust relationship. I know Adam is not like this and does not intentionally operate like this. It took me a lot of effort to heal the wound as best I could. I did not want any bad feelings to remain between them.'

In this example both Pete and Adam acknowledged that this trouble event had been a critical incidence in their relationship and Pete said his trust in Adam has been restored. An example within Krauthammer:

> 'I had just joined and was about to start my first commercial actions. I had heard how important the brotherly spirit among colleagues was. I started making my list of commercial prospects and had checked with the Krauthammer commercial database which (prospective) clients had already been claimed by colleagues. Those that were not already claimed I put on my list which I submitted. The way in which some consultants reacted shocked me: That is my prospect! It felt like How dare you! Get off my turf! It did not feel very much like the brotherly spirit among colleagues I had been told about. Of course sales targets and commissions are involved, but I intended no harm, and I felt no acknowledgement of my good intentions. Some people really did not respond in the Krauthammer spirit. I asked my coach for advice and he said I should confront them which I did; and we resolved the issue and trust has been built.'

Within Krauthammer a situation had occurred that also provided support for the criticism I have on Burt and Knez's claim that third parties tend to be somewhat opportunistic in their behaviour toward the trustor. A partner told this story:

> 'A consultant is not happy and has health problems (partly as a consequence), and is busy with his coach to deal with it. When this happens to someone within Krauthammer there are always many other people who also get involved because they want to help. And this consultant also gets help and advice from others. The coach decides that this is not a good idea: the consultant needs to have only one point of contact for a while to have an optimal process of recovery. So he contacts one colleague who has a lot of contact with the consultant and asks him to leave the coaching and attention to him. "If he calls you fine, but try not to influence this process from the sideline." The colleague calls the consultant

[30] This was because the arguments against Burt and Knez' claim were not formulated properly until after the research design was made and data collection was well advanced.
[31] In this study all names have been changed to protect the identity of the persons(s) involved.

> anyway and tells him he can no longer call him with the added message "you are a problem for this coach that he wants to be rid of as soon as possible." This creates the image with the consultant: "they want to get rid of me". When the consultant asks the colleague what he should do with this information, he is told not to do anything with it. This creates a problem for the consultant as he cannot discuss it with his coach out of loyalty to the other colleague. So here we have a consultant with a problem that should not be with him in the first place; and on top of that a consultant who is having trouble anyway.
> I have this consultant on the phone and he says: "Arthur, you really cannot tell this to anyone, but it really bothers me and I am glad you will listen." He tells me the whole story and I listen. He has totally lost his trust in his coach. I see it getting completely out of hand. I say: "listen, there is only one solution. Either you go and talk to your coach about this and if you don't, even though you asked me not to, I will. Because this is a problem between your coach and that other colleague and not a problem that should be on your shoulders; with the risk that you will never look at me again, that you will never trust me again. Either you do it tonight, or I do it tonight." The consultant chose to do it himself and discuss it with his coach. Eventually he was glad that I had only presented him with these options. I have been very open and honest. Of course I was also thinking, how will the coach respond and how will that colleague respond; but at the same time, they are experienced people and we will resolve it eventually. So I had the self-confidence that I could explain my actions and would not get into trouble with these colleagues.'

Thus support for hypothesis 5.6 was found and more systematic research to test the hypothesis properly appears to be worthwhile.

The second hypothesis regarding third party effects was hypothesis 5.7 that deals with Krackhardt's argument about the constraints imposed when persons bridge different groups. To what extent were there different groups within *Krauthammer* and if so did their norms differ strongly? Within Krauthammer worldwide different country offices could be distinguished and national cultures may have had some impact. However, given Krauthammer's strong corporate culture the important norms were strongly aligned across the whole organization. Everyone received the same training and the annual 4-5 weeks together in Corporate University for all consultants provided continuous alignment. Another potential distinction between groups was the one between consultants on the one hand and office staff on the other. The educational background, job preferences and job content differed and in the Dutch office all but three of the consultants were male and all but two of the office staff was female. Again the strong corporate culture appeared to ensure sufficient alignment to avoid subcultures to the extent as indicated by Krackhardt. There were no indications that people felt constrained, publicly or privately, because of different group norms.
The different business units within *Deerns* had their own subculture to a rather limited degree, and the differences could largely be explained by the type of projects and clients. For example, the unit 'healthcare' did large projects for especially hospitals that lasted for

many years and the clients operated in the public sector and in a rather formal and bureaucratic way compared to many clients of the unit 'laboratories and industry' that came from much more dynamic business sectors, such as ICT, and were used to short, dynamic and intensive projects. The similarities, however, were greater than the differences. Any differences in norms related to these slight subcultures did not appear to constrain the behaviour of the people bridging these groups. Another potential distinction in subcultures was the presence of a relatively large cohort of employees who were 50 years of age or older (25% of all employees) and 46% of these had been with the firm for 30 years or more. Many of the people in this group appeared to be more stuck in the old ways of doing things within Deerns than the younger generation. The younger generation (52% was 39 years of age or younger) appeared overall to be more welcoming to the changes announced in the new strategy. Because there appeared to be a difference in the readiness for change, the directors and unit managers appeared on some occasions to feel somewhat constrained in their behaviour in terms of the speed with which to introduce the changes. This appears to be a common feature in many change programmes across organizations: finding the appropriate speed for change to keep the 'early adaptors' happy while not losing too many of the 'laggards'. In fact, to a much lesser degree a similar phenomenon could be seen within Krauthammer. Even strong cultures need to move with the times to remain relevant in a changing society. Some of the more 'extreme' elements in the culture were under pressure to change from younger consultants which was resisted by some older, more tenured consultants. In a way this appeared to be a healthy phenomenon as an organization's culture needs to adapt to changes in the wider society, but not too easily and with some resistance to continue to provide the necessary stability for easy cooperation. In summary, within both Krauthammer and Deerns the important norms appeared homogenous enough not to observe substantial constraints in the behaviour of people bridging different groups. It was therefore not possible to test hypothesis 5.7 properly.

Within Krauthammer many mechanisms were in place to facilitate the building of personal relationships. Within several regular functional interdependencies explicit activities for informal exchanges were organized such as team activities, usually with spouses/partners, and University, where the evenings were usually spent at the bar. The monthly meetings for the whole Dutch office, which lasted a full day, were a balance between functional and informal exchanges, although many commented that it was usually too busy to really sit down and look each other in the eye and resolve a trouble that had occurred. In many of the especially more serious trouble events that were not resolved immediately, the interviewee remarked that the trouble was resolved later during the Corporate University when they took the time to sit down and really talk it through. This often resulted in a deeper trust as they had learned more about the other person. Daily opportunities for those in the office to get together informally were the coffee break and lunch break in the canteen. Another noteworthy observation is the attention that is paid to birthdays as it may serve as an illustration of the importance of personal relationships. Birthdays were always

celebrated: every monthly meeting all those whose birthdays had passed since the previous meeting were called to the front of the group and everyone joined in to sing 'Happy Birthday' to them. Also everyone had a list of all the birthdays of not only the employees, but also their spouses and children.

In comparison, Deerns appeared to have instituted fewer mechanisms. There was no corporate university with its evenings at the bar or regular team activities outside of work. Going for drinks after work with the unit happened a couple of times a year and within one unit one could sign up for an evening of snooker and dinner; this was up to individual initiative. Only recently ago the new chairman had instituted quarterly Deerns-wide meetings in the afternoon and evening during which the board gave an update of the business and people met for drinks and dinner. Birthdays were celebrated within the unit: the birthday-boy or – girl treated his/her colleagues to cake and they all gathered to eat that and drink some coffee. One interviewee who felt that there were too few opportunities to meet informally across the units told

> 'There was an interesting experiment the other day when the restaurant was renovated. We temporarily had a few long tables which meant that people suddenly found themselves sitting next to a person they had never met before and they appeared to like it. And they talked about each other's work and learned. I jokingly said that the board had done that on purpose!'
>
> 'When you work late in the evening, security comes to kick you out at 10 pm. And when you get kicked out you meet other victims whom you would otherwise never meet and you get talking. I have already had it happen to me twice that I heard something which was exactly what I needed at the time and was looking for. These informal meetings are so important!'

Thus support for hypothesis 5.8 appears to have been gathered across the two organizations with suggestions of how these opportunities for meeting informally can be created.

Hypothesis 5.9 was operationalized by assuming that when the main basis for trust in a trouble event was affect, then both professional and personal bases were present. A χ^2- test within each organization on cross tabulations of 'main basis for trust' versus 'impact on the relationship' showed no significant differences. The main explanation appeared to be the low number of events in which affect was the main basis for trust. The qualitative data provided some further insight as several events within Krauthammer could serve as indications in support of hypothesis 5.9. One example has already been given when a managing partner helped a consultant in trouble with a problem with his coach (see page 58/59).

Within Krauthammer the distinction between role behaviour and *qua persona* behaviour was found to be relevant in two other ways. First, a tension between the role and the *qua*

Trust and trouble

persona could occur when making jokes or other frivolous remarks or gestures. Given the amount of humour present within Krauthammer, this was likely to happen occasionally. An example:

> 'During the Management Team meeting we [the management team] all went upstairs to help with the mailing for the buy-out. That was a very good gesture. And it has been put on a video. So Bill [an MT-member] makes a joke about that: "well, it is on tape, we can go now!". Nice joke, but he had better not made it. It was interpreted as "he is not here of his own free will."'

Second, trouble, in fact, occasionally appeared to be created or augmented when the professional basis was perceived to dominate the personal basis too much. An example:

> 'I sometimes see a colleague address another colleague on the form of his remark. And that can be perceived as technical. For example, someone says "yes, but…"[32]. There are moments as a coach that you should say nothing about that. It can be very frustrating for the other person who has something important to say to you.'

Within Deerns the distinction was relevant in several situations when subordinates looked at their superiors. For example, a project leader who had been with the firm for 25 years told of his relationship with his unit manager:

> 'Theo is interested in people if he gives himself the time. He is one of the people whom I coached for more than a year when he joined the firm. I have a very good relationship with him. But recently things are not well. And then I wonder how much longer I should try to maintain this good relationship with him. Because I sometimes am convinced that what he does is simply not right. An example, once I had a conversation with him and he was constantly making notes in some other assignment. I got annoyed because I did not get the attention I wanted. I said "Theo, this meeting is probably over" and I left his room.'

Human resource practices

Evidence related to hypothesis 5.10 showed that within Krauthammer overall people appeared to consider the way promotions were awarded and performance assessments were performed to be fair and based on clear criteria. Those few examples where it was not considered fair or trouble occurred for other reasons, were very emotional and without exception rated as very high trouble. The one trouble event collected in which the interviewee did not agree with his performance assessment and could not resolve it with his direct supervisor, who had assessed him, it had had serious consequences. The interviewee had ruptured the functional relationship with his superior and had seriously considered leaving the organization. Fortunately his relationship with his new direct supervisor allowed him to regain his trust in the system and the organization, thus

[32] Saying "Yes, but…" is considered inappropriate as it implies you actually disagree and only fake agreement; you should say "Yes. And….", or "No, I disagree…".

containing his distrust to the individual in question. Concerning the system for bonuses within Krauthammer, there was more trouble. In the fall of 2000 the complaints about the system, which had been introduced for all personnel some two years earlier, had reached such levels that the whole office spent a full half-day discussing it and formulating proposals for improvement. Part of the complaints could be addressed by explaining more clearly what the system was about and how it should be implemented properly. Another part of the complaints arose more indirectly from this confusion which had led to different applications of the system and thus to (perceived) inequalities in the relation between effort and reward; and this in turn had led to feelings of favouritism and strategic behaviour which had undermined the trust. As a follow-up from this session the system was thoroughly reviewed and some changes were made together with more attention to communicating the way the system was supposed to work.

Within Deerns complaints about the quality of the performance assessments were more frequently observed. This could possibly be explained by the fact that a new system of job description, functions, performance assessment and bonuses had been introduced only recently and people still had not gotten used to it. Another possible explanation could be the lower level of interpersonal skills present to hold these sensitive conversations (see earlier section 'norms and values'). A third possible explanation could be that in the past favouritism had been part of the culture as one interviewee described

> '[in those days the director] was someone who had his own preferences and showed them. Some people were excessively praised and others ignored or told off, while their qualities may have been the other way around. Everyone saw that and talked about it.'

Another piece of evidence came from the survey in which one of the trouble vignettes was about a disagreement over a promotion not being granted. In both organizations this trouble event was rated as clearly the highest trouble of the four vignettes: within Krauthammer 82% of the respondents rated the vignette as trouble severity 4 or 5 (on a 5 point scale) and within Deerns 86% rated it trouble severity 4 or 5. In summary, most employees appeared to be very sensitive to the fairness of the system of performance contingent rewards such as promotions and bonuses. And when question marks were raised the rewards were quickly seen as ambiguous if not negative relational signals. Bijlsma and van de Bunt (2003) also found that the major risk for subordinates in their relation with their superior was a negative evaluation based on an unfair assessment of performance.

Regarding hypothesis 5.11, interviewees within Krauthammer all agreed that the intense and sustained attention to continuous professional development was what attracted them to Krauthammer and some said how that was a source of trust. The strength of the value Passion for people meant that any possible suspicion of strategic behaviour in this regard could be dismissed. Within Deerns continuous professional development in terms of technical training was strong, but attention to coaching from more experienced colleagues,

especially regarding the non-technical skills was found wanting by many junior interviewees. The personnel director also expressed his frustration that it was extremely difficult to get unit managers to let go of promising young people so they could be moved to other units and exposed to new challenges. Neither organization cut back on training when the financial results were under pressure[33]. Krauthammer continued its time-intensive Corporate University and Deerns even invested heavily in a management training programme for its top 60 people. This was generally perceived as conveying positive relational signals. Overall there appeared to be support for hypothesis 5.11.

Summary

The purpose of this chapter was to examine how the organizational context affects interpersonal trust building, in other words, what institutional arrangements enhance trust. These arrangements need to, on the one hand, suspend opportunistic behaviour sufficiently so that the normative frame can guide individuals' behaviour and, on the other hand, stimulate frame resonance to stabilize normative frames. This is especially important in the contemporary organizations that are the focus of this study, in other words, organizations that require organizational forms with an emphasis on mutual dependence and individual initiative. Lindenberg (2003) argued that these organizations need a weak solidarity frame in which both normative goals and gain goals are present, each constraining the other.

Using McAllister's model of trust development, distinguishing a first phase of cognition-based trust and a second of affect-based trust, Krauthammer was found to have built trust to the second phase more often than Deerns ($\chi^2 = 17.23$, df=1, $p < .001$). This was taken to indicate that within Krauthammer trust was built more easily than within Deerns and it was therefore predicted that institutional arrangements that enhance interpersonal trust building are stronger in Krauthammer than in Deerns. Five institutional arrangements were identified and eleven hypotheses were formulated and tested using predominantly qualitative analyses based on data collected from interviews, observations, documents and verification meetings. Empirical support was found – in varying strength – for all but two of the hypotheses, suggesting that a strong culture with an emphasis on the importance of relations (hypothesis 5.1), stimulation of the development of interpersonal skills (hypothesis 5.2), an explicit socialization process (proposition 5.3) and normative rather than bureaucratic control (hypothesis 5.4) helped build and maintain trust. Furthermore, third parties appeared to affect both trust intensity and direction, contrary to Burt and Knez' findings (hypothesis 5.6) and many opportunities for meeting informally (hypothesis 5.8) appeared to contribute to trust building. A distinction between role behaviour and *qua persona* behaviour was found to be relevant on some occasions, providing both extra opportunities for trouble resolution, but also possibly extra triggers

[33] This happened in both cases after the research period, when I stayed in touch but at some distance.

for trouble (hypothesis 5.9). Also, fair and clear performance contingent reward systems (bonuses and promotions) (hypothesis 5.10) and dedication to continuous professional development (hypothesis 5.11) were shown to contribute to trust building. No support was found for hypothesis 5.5 predicting that high levels of functional interdependence more often led to affect based-trust, that is, the second phase of trust. Hypothesis 5.7 could not be properly tested because in both organizations the important norms appeared sufficiently homogenous for individuals bridging different groups not to feel constrained in their behaviours regarding trust building.

The empirical research also showed how a corporate university can facilitate interpersonal trust building, not only for and with newcomers, but also because it enhanced continued frame resonance within the organization as a whole. In Krauthammer it played an important role in the way in which control was experienced, as normative rather than bureaucratic, because at the corporate university the norms and rules were regularly discussed, reinforced or adapted. Given the busy lives Krauthammer consultants lived, corporate university also provided important opportunities to meet informally and resolve lingering trouble experiences properly, often leading to stronger trust.

Krauthammer furthermore appeared strong on both feminine and masculine characteristics, but the masculine characteristics were especially strong in the group behaviour, or public behaviour, and the feminine characteristics thrived in the one-on-one interactions, or private behaviour. The masculine characteristics included, among others, a strong action orientation, witty humour, showing your strength and your success. The feminine characteristics included, among others, care and concern for others, receptivity, and being vulnerable. Apparently, within Krauthammer, the constraint in moving from private, one-on-one, behaviour to public behaviour lay in not being as vulnerable anymore, which is important in trust building. Since many of the trouble events studied were dealt with in one-on-one situations (see Chapter 7), the feminine characteristics appeared to be important for the resolution of trouble. In relational signalling terms, feminine characteristics showing in actions are more likely to convey other regard and therefore are more likely to be perceived as positive relational signals.

6. BUILDING INTERPERSONAL TRUST

The previous chapter showed that interpersonal trust was built to significantly higher levels in Krauthammer than in Deerns and that Krauthammer had created an organizational context that was better at enhancing trust building than Deerns. This chapter examines whether actual behaviour as performed by individuals within Krauthammer is more conducive to trust building than within Deerns. Acting in ways that help build interpersonal trust implies acting in ways that send (unambiguously) positive relational signals, which was the third strategy for stabilizing normative frames.
The first section examines which actions tend to be considered as trust building actions and why and the second section examines empirical results from the survey analysis.

Trust building actions

The actual behaviour of the two individuals involved in a relationship is crucial to whether trust can be built within that relationship or not. A trust-enhancing organizational context stimulates and guides behaviour that will help build trust, but cannot guarantee such behaviour. The precarious nature of the normative frame implies that positive relational signals need to be sent regularly. Trust needs regular nurturing and will become depleted if not (the second characteristic of trust). Several authors have discussed actions that have been shown to help build interpersonal trust[34] and this section examines these actions for their positive relational signal (Table 6.1). A positive relational signal is behaviour that contributes to the well-being of the other individual who perceives it as an indication of the stability of the first individual's normative frame. It is perceived to signal 'other regard' and will usually entail a sacrifice on the part of the first individual (Wittek, 1999). A powerful way to show your own trustworthiness is by you trusting the other, and thus making yourself vulnerable to the other's actions (the third characteristic of trust).

Zand (1997) distinguished three types of trusting behaviour: how you disclose information, how you share influence and how you exercise control[35]. An individual increases his vulnerability to another individual when he reveals information about his goals, alternatives and intentions and when he discusses problems, because information is power. The other individual may use this information to block or undermine the first individual's plans. For example, giving feedback to the other individual implies discussing your assessment of the other with him. Positive feedback increases the well-being of the other individual and 'critical' feedback given constructively is also aimed at helping the other, but is more difficult to execute properly. Giving negative feedback constructively implies

[34] These actions have been shown to help build trust provided they are properly executed.
[35] In his book he focused on the leader showing trusting behaviour toward his followers, but it holds for all relations.

you show respect and regard for the other person and truly intend to help him while expressing displeasure about a particular behaviour that the other individual can influence (Anderson, 1978). By being open in these ways the first individual increases the well-being of the other individual while increasing his own vulnerability toward the other individual. Hence actions that fall into this category send positive relational signals provided they are properly executed and assuming they are honestly intended. When this is the case these actions will usually be perceived by the receiver as conveying positive relational signals.
Influence refers to sources of information and how that information alters the first individual's behaviour (Zand, 1997). When an individual seeks and accepts the counsel of others, initiates and accepts changes to his decisions or receives help and assistance, he increases his vulnerability in several ways. He may be seen as weak because he consulted others, he may be misled by his counsellors who may be misinformed or have poor ideas or who may be deliberately misdirecting him (Zand, 1997). Recognizing the legitimacy of each other's interests also implies that you let the other person's interests influence your behaviour which may ask for a sacrifice on your part and increases the well-being of the other person (Deutsch, 1973). Finally, showing a bias to see the other person's actions as well intended and showing care and concern for the other person both show regard for the other person and imply accepting influence on your behaviour. Thus, actions falling into this category also send positive relational signals provided they are properly executed and well-intended.
An individual increases his vulnerability when he delegates and chooses not to control the other's behaviour in protection of his own interests. He can do this by making himself dependent on the other person's actions, for example, by delegating tasks to him or when he gives responsibility to the other person. When something goes wrong and you take responsibility for it, rather than blame the other individual, your action is likely to be perceived as a positive relational signal as you get hurt while at the same time showing regard for the other individual (Ryan and Oestreich, 1998).
Gabarro (1978) and Johnson and Johnson (1995) suggested a fourth category of trust building actions which can be called 'manage mutual expectations' and the actions imply that the behaviours of both the individuals involved may be influenced. Actions in this category are clarify general expectations early on and explore specific expectations in detail, surface and negotiate differences in expectations and process and evaluate how effectively you are working together. These actions imply both the disclosure of information and the sharing of influence and thus make the first individual vulnerable while increasing the well-being of the second individual.

Table 6.1: Trust building actions

Be open	-	Disclose information in an accurate and timely fashion (Zand 1972, 1997; Deutsch 1973; Ellinor and Gerard 1998; Ryan and Oestreich 1998)
	-	Give both positive and negative feedback (Zand 1972, 1997; Johnson and Johnson 1995; Ryan and Oestreich 1998)
	-	Be open and direct about task problems (Deutsch 1973; Gabarro 1978; Ghoshal and Bartlett 1997)
	-	Be honest and open about your motives (Deering and Murphy 1998)
Share influence	-	Initiate and accept changes to your decisions (Zand 1972, 1997; Johnson and Johnson 1995; Ryan and Oestreich 1998)
	-	Seek and accept the counsel of other people (Zand 1972, 1997; Gabarro 1978; Ryan and Oestreich 1998)
	-	Give and receive help and assistance (Deutsch 1973; Johnson and Johnson 1995; Ryan and Oestreich 1998)
	-	Recognize the legitimacy of each other's interests (Deutsch 1973)
	-	Show a bias to see the other's actions as benevolently intended (Deutsch 1973)
	-	Show care and concern for the other (Deutsch 1973)
Delegate	-	Make yourself dependent on the other person's action (Zand 1972, 1997)
	-	Delegate tasks (Zand, 1972, 1997)
	-	Give responsibility to other people (Zand 1972, 1997; Deutsch 1973)
	-	Take responsibility rather than make excuses (Ryan and Oestreich 1998)
Manage mutual expectations	-	Clarify general expectations early on and explore specific expectations in detail (Gabarro 1978; Johnson and Johnson 1995)
	-	Surface and negotiate differences in expectations (Gabarro 1978)
	-	Process and evaluate how effectively you are working together (Johnson and Johnson 1995)

Since these actions are all likely to be perceived as sending positive relational signals, it is predicted that the more frequently people perform each of these trust building actions, the higher the trust levels become. Thus,

Hypothesis 6. 1 The more frequently people perform each of the actions from table 6.1, the higher the trust levels become.

This hypothesis may suggest a unidirectional relationship, but the theory developed in this study predicts that trust and trust building actions reinforce each other, as shown in Figure 2.1 with the reinforcing loop in the interactive trust building model.

Empirical results

In this section the quantitative results from the questionnaire survey on effective trust building actions are presented and analysed. First hypothesis 6.1 is tested, followed by a test for effects of function, gender, age and tenure and a social desirability check. Lastly the categorization (internal structure) of the set of actions is analysed.

Occurrence of trust building actions

In the questionnaire survey each respondent was asked to rate each of 20 trust building actions according to how frequently he observed this action within the organization (on a 5-point scale). The actions were taken from the list of trust building actions found in the literature (Table 6.1). The action ‘give compliment in public meeting’ was added, as it had been observed within Krauthammer and was considered to be relevant. Within Krauthammer the mean scores ranged from 4.19 to 2.70 and within Deerns they ranged from 3.83 to 2.83 (Table 6.2). Ten out of twenty actions scored significantly higher within Krauthammer than within Deerns and none scored significantly lower, indicating that within Krauthammer many trust building actions occurred significantly more frequently than within Deerns. The previous chapter showed that trust had reached the second phase of McAllister’s trust development model (that is, affect-based trust) in significantly more events within Krauthammer than within Deerns (Figure 5.1). Combining these two results, hypothesis 6.1 was supported since people within Krauthammer performed many trust building actions significantly more often than people within Deerns and within Krauthammer trust was built to significantly higher levels than within Deerns.

Table 6.2 : Occurrence of trust building actions

Type of action	Krauthammer		Deerns		T-test
	mean	SD	Mean	SD	t-value
Give positive feedback (=compliment) in a private meeting	4.19	(0.62)	3.29	(0.84)	5.01**
Give responsibility to the other person	4.11	(0.58)	3.60	(0.77)	3.18**
Show care and concern for the other person	4.07	(0.62)	3.32	(1.06)	3.72**
Give compliment in a public meeting	4.00	(0.55)	3.12	(0.70)	5.17**
Show a bias to see the other person's actions as well intended	4.00	(0.55)	3.83	(0.70)	1.05
Clarify general expectations early on in a new relationship	3.96	(0.59)	3.03	(0.96)	4.52**
Give negative feedback in a constructive manner	3.92	(0.56)	2.90	(0.77)	5.85**
Seek the counsel of others	3.89	(0.51)	3.61	(0.86)	1.68
Be open and direct about task problems	3.85	(0.61)	3.51	(0.71)	2.04*
Give help and assistance	3.81	(0.56)	3.83	(0.73)	-0.11
Take responsibility (don't pass the blame)	3.81	(0.62)	3.59	(1.02)	1.15
Receive help and assistance	3.70	(0.67)	3.52	(0.83)	0.94
Explore specific expectations in detail as the relationship develops	3.70	(0.82)	3.12	(0.93)	2.64*
Be honest and open about your motives	3.67	(0.68)	3.33	(0.98)	1.67
Process and evaluate how effectively you are working together at regular intervals	3.67	(0.73)	2.83	(0.93)	3.92**
Surface and settle differences in expectations	3.65	(0.63)	2.98	(0.82)	3.59**
Disclose information in an accurate and timely fashion	3.56	(0.58)	3.48	(0.80)	0.44
Recognize the legitimacy of each other's interests	3.48	(0.64)	3.37	(0.70)	0.69
Initiate and accept changes to your decisions	3.37	(0.49)	3.29	(0.84)	0.48
Make yourself dependent on the other person's actions	2.70	(0.67)	2.85	(0.91)	-0.74

Notes: * p <.05, ** p<.01. Means, standard deviations in brackets. 5-point scale with 1= never occurs, 5= always occurs.

Trust and trouble

When analysing the actions that score significantly lower within Deerns than Krauthammer, several findings were remarkable. First, all the three actions related to giving feedback – 'give positive feedback (=compliment) in a private meeting', 'give compliment in a public meeting' and 'give negative feedback in a constructive manner'- scored significantly lower within Deerns than within Krauthammer. This picture was confirmed in the interviews and observations. Krauthammer had an organizational context that strongly encouraged giving feedback to each other, both positive and negative. For example, two consultants described the development of their relationship in detail. George had just joined the organization and Charles was his coach. During the first team meeting Charles had given George a big compliment about his first commercial experience and George reflected on this to the researcher

> 'Fantastic, isn't it, how Charles does that. He exaggerates, I couldn't have done it without him. He totally ignores his own contribution and gives me a big fat plus. He does it for a reason as it provides him with the basis to confront me when I have done something wrong. And I will then accept it from him.'

When starting the research in Deerns I did not observe similar behaviour or a similar organizational context in this respect. When asked explicitly whether feedback was given or received, interviewees answered that compliments were rare, one expected you to perform; and when you made a mistake you would be told. The fact that the action about negative feedback still scored so low within Deerns could be explained by two reasons. First, the negative feedback, when given, was not always (perceived to have been) given in a constructive manner and second, despite the above statement, negative feedback was not actually given that often. This was also confirmed in some of the interviews when people told about a trouble event and, when asked about how they had responded to the other person, had said they had done nothing, quickly adding 'I guess I should have'.

Second, all the actions about managing mutual expectations – 'clarify general expectations early on in a new relationship', 'explore specific expectations in detail as the relationship develops', 'surface and settle differences in expectations' and 'process and evaluate how effectively you are working together at regular intervals'- scored significantly lower within Deerns than within Krauthammer. All these actions require the actors to step back from the directly task-related interactions and consider the overall relationship. In the interviews this picture was confirmed in that people within Krauthammer tended to talk more about relationships within which cooperation took place, while within Deerns people tended to talk more about their tasks and how they needed other people to get those tasks done. An example of how expectations are addressed in a new relationship is given within Krauthammer by Sarah when she described how she always asked a new coach in their first meeting

> 'What are our mutual expectations? What kind of relationship are we going to build? My first coach wanted to build a friendship-based, close relationship, while the second was not that explicit, but it grew that way.'

And even though the actions occurred significantly less frequently within Deerns, Suzanne, secretary to the board, described how she managed expectations when starting to work with a new director:

> 'I consider the individual and study him; what does he want? Much of this is done implicitly, but in the beginning some key issues are addressed explicitly: how do you want this? What do you expect from me? After a month I ask, How is it going? Do you want any changes? Every person is different, one wants to keep full control over his calendar, the other is happy to delegate that to me. And they have to get to know me of course. It simply grows from both sides.'

The action 'show care and concern for the other person' scored significantly higher within Krauthammer than within Deerns. As shown in Chapter 5, the value Passion for People was the strongest value-in-use within Krauthammer, and this action was often observed within Krauthammer, both by its people (as shown in the survey) as well as by the researcher. Deerns did not have such a strong value as part of its organizational context, neither espoused nor in-use.

Finally, the action 'give responsibility to the other person' scored significantly lower in Deerns than in Krauthammer. Krauthammer's organizational context facilitated this action is several ways. Firstly through the intensive socialization process: for example, a consultant who had just joined Krauthammer reflected on his first months:

> 'My first months with Krauthammer are a story of high trust; both that I give it and that I notice that I get it. The honeymoon is over, I don't see everything through rose-coloured spectacles, it is becoming realistic, and I am still surprised about the trust I get. Less than three weeks after joining I gave my first day of training to clients, all alone, and everyone trusts that it will go well. That is truly exceptional. That first day of training is very scary and to get it over and done with so soon is very good for your self-confidence.'

Secondly, through the way in which people receive coaching: for example, Charles, George's coach from an earlier example about compliments, gave his perspective on coaching:

> 'We had to do a follow-up on George's first commercial experience. He was to call this prospect, but I asked some questions beforehand, such as, how are you going to tackle the conversation? He has been with us for three months so he will not spontaneously think of asking the question, How do you feel about our meeting? So I suggested it to him. And then I trusted him that he would ask this question. So I let him go and the result was fine: he has a next appointment. And if the result had not been fine, that would have been OK

> too. Then we would have discussed it: what did you do? What can you learn for the next time?'

Within Deerns the socialization process did not support the action in the same way. For example, an experienced person joining Deerns at a senior level, Alexander, described how he overcame the initial lack of trust to give him responsibility for a task:

> 'My unit manager suggested I'd compile the book of reference projects we produce annually as it would give me the opportunity to get a good overview of the type of work we do. He then went to Adrian – who had done this previously – to ask if he could give me all the files. Adrian's (nonverbal) reaction was very clear to me: can we trust this new person with this task? Then I realized how others in the unit looked at me. After I had been on this project for a week he realized I was up to it, because I had gone to him to ask him questions about the project and these made him realize that it was in good hands with me.'

However, examples of high trust and giving responsibility to the other person do exist within Deerns, such as between the two director/owners of Deerns when one of them described their relationship as high-trust and close:

> 'We both know that we can trust each other and that we confront each other when we disagree; and it works perfectly. When one acts without having been able to inform the other beforehand, the other can trust that it will be done in such a way that he will agree after the fact; or at least can accept it. And that is of course essential for the success of this firm.'

Another noteworthy observation refers to the relationship between trust and distrust, which I did not set out to test empirically. Proposition 2.3 refers to lack of distrust as a necessary but not sufficient condition for building trust. In the survey one of the trust building actions studied was 'show a bias to see the other person's action as well intended' and I claim that action can be interpreted as showing lack of distrust. In both organizations this action scored high (on a 5-point scale): a mean of 4.00 (SD 0.55) within Krauthammer and 3.83 (SD 0.70) within Deerns. This suggests that lack of distrust as a necessary condition for building trust was often met in each organization. The overall impressions from the interviews and observations appeared to confirm this result and the following example illustrates how initial distrust when present can be overcome.

> In 1999 Samuel entered Deerns as a new director from the outside and as chairman-designate. The other owner-director commented that Samuel had shown his worth in no time, despite the fact that some people had shown resistance to his arrival because of Deerns' culture of appointing directors from inside the organization. A management team member confirmed the initial hesitation, but also acknowledged that many realised that someone with Samuel's qualities was badly needed and that he got recognition for what he did. Another management team member commented that after his first meeting with Samuel he had been 'very, very positive', but later on some (minor) reservations had crept

in. Samuel himself reflected that he was very pleased with the trust he had managed to build with the management team members (and the rest of the organization), as he had been very aware of the initial hesitation and lack of trust. It was not until later that he had found out that there had even been distrust about his true motives as some people thought he had been parachuted in by his former employer – a large international publicly quoted engineering firm - to prepare Deerns for a takeover.

> 'It wasn't until I had gained the trust that they dared tell me it had not been there in the beginning. And only then someone told me of the takeover story.'

When asked how he had dealt with the initial hesitation and lack of trust, he commented that he had not raised the issue explicitly, but had focussed on showing trust and trustworthiness in his actions. He had done this by making sure that he followed through on his commitments and he had made the effort to go and talk to all management team members personally, visiting those in the region rather than asking them to come to him at headquarters.

What was striking in the scores shown for Krauthammer in Table 6.2 was that 'make yourself dependent on the other person's actions' scored lowest of all, even with a gap from the next lowest action, while 'give responsibility to the other person' scored a second place. In the correlation matrix (Table B.1 in Appendix B) the correlation coefficient between these two actions was -.509 ($p < .001$, two-tailed). Theoretically it may be possible to give responsibility to the other person while not making oneself dependent on the other person's actions, but in day-to-day working life we make ourselves dependent nearly all the time. Within Krauthammer account managers made themselves dependent on the training managers, consultants made themselves dependent on their commercial assistants and vice versa, and commercial assistants made themselves dependent on their colleagues when they were not at their desk to answer client phone calls, just to mention a few examples. So the explanation appeared to be in the perception of the person giving responsibility and making himself dependent. We like to give responsibility while we don't like to make ourselves dependent. The action 'make yourself dependent' was probably interpreted as 'make yourself vulnerable', while the action 'give responsibility' did not imply such a vulnerability. This explanation was confirmed when presenting the results to a group of people from Krauthammer. The difference was also found within Deerns but not in a statistically significant way. This finding appears to support the importance of acknowledging 'non-rational' psychological processes as part of the trust building process.

Effects of function, gender, age and tenure

Tests were performed to check whether variables such as function, gender, age and tenure had an impact on the score for each trust building action. χ^2–tests were performed to test the impact of function and no significant effects were measured. Correlation analyses were performed to test the effect of gender, age and tenure (Table 6.3). Within Krauthammer

only the action 'give compliment in a public meeting' was negatively correlated with gender (Pearson correlation -.564, $p < .001$), indicating that women found this action occurring less frequently within Krauthammer than did men. One explanation could be that women tended to be more critical whether enough credit was given when it was due. Also, most women were part of the office staff and most attention was possibly paid to the consulting staff and their work with clients. Within Deerns eight actions produced significant correlations with tenure, age or both. The action 'initiate and accept changes to your decisions' (Pearson correlation coefficient .376, $p < .005$) was positively correlated with 'year that respondent joined the company', indicating that those who joined more recently observed the action more frequently. A possible explanation could be that those who had been with Deerns longer had less experience with people letting them influence decisions, given Deerns' paternalistic past. In contrast, those who had joined more recently had not experienced this paternalism and only experienced the greater openness and receptiveness that management showed over the past few years. Actions 'show care and concern for the other person' (Pearson correlation -.347, $p <.005$) and 'disclose information in an accurate and timely fashion' (Pearson correlation -.357, $p <.005$) were negatively correlated with 'year that respondent joined the company', indicating that the more recently the person joined the company the less frequently he observed the action. A possible explanation could be that people who had joined more recently expected more of others than those who had been with Deerns longer who had become more cynical. Actions 'disclose information in an accurate and timely fashion' (Pearson correlation -.414, $p <.001$), 'show care and concern for the other person'(Pearson correlation -.422, $p <.001$), 'take responsibility (don't pass the blame)' (Pearson correlation -.321, $p <.005$), 'be open and direct about task problems' (Pearson correlation -.333, $p <.005$), 'recognize the legitimacy of each other's interests'(Pearson correlation -.346, $p <.005$), 'give responsibility to the other person' (Pearson correlation -.342, $p <.005$) and 'surface and settle differences in expectations' (Pearson correlation -.383, $p <.005$) were negatively correlated with 'year of birth of respondent', indicating that the younger the respondent the less frequently the action was seen to occur. These actions cover all four categories from Table 6.1. An explanation may be that younger employees tended to be in lower ranks and attached more importance to openness, sharing influence, delegation and management of expectations than older, generally more senior, employees. Another explanation may be that younger employees had higher expectations regarding these actions than older employees, who may have become cynical.

Overall, the conclusion appears to be that Krauthammer showed high homogeneity across function, gender, age and tenure with only one action being significantly correlated with gender, while Deerns showed high homogeneity across function and gender, but lower homogeneity across age and tenure with eight actions correlating significantly with age, tenure or both. This result provides support for the existence of the different age/tenure groups within Deerns that were described in Chapter 5.

Table 6.3: Effects of gender, age and tenure on trust building actions

	Krauthammer		
	gender	age	tenure
Give positive feedback (=compliment) in a private meeting	-.270	-.332	-.109
Give responsibility to the other person	.015	-.103	.135
Show care and concern for the other person	.094	-.112	.049
Give compliment in a public meeting	-.564**	-.264	-.197
Show a bias to see the other person's actions as well intended	-.141	-.150	-.208
Clarify general expectations early on in a new relationship	-.316	-.274	-.248
Give negative feedback in a constructive manner	.033	-.056	-.002
Seek the counsel of others	-.326	-.007	.133
Be open and direct about task problems	-.334	-.142	.009
Give help and assistance	-.119	-.146	-.292
Take responsibility (don't pass the blame)	-.107	-.224	.070
Receive help and assistance	-.229	.063	.102
Explore specific expectations in detail as the relationship develops	-.186	-.245	-.101
Be honest and open about your motives	.077	-.067	-.131
Process and evaluate how effectively you are working together at regular intervals	-.036	-.248	-.030
Surface and settle differences in expectations	-.059	-.198	-.028
Disclose information in an accurate and timely fashion	.075	.151	.257
Recognize the legitimacy of each other's interests	-.144	-.121	-.184
Initiate and accept changes to your decisions	.112	.082	.267
Make yourself dependent on the other person's actions	-.229	.136	-.015

Note: Pearson's correlations.* $p < .005$, ** $p < .001$.

Table 6.3: Effects of gender, age and tenure on trust building actions (continued)

	Deerns		
	gender	age	tenure
Give positive feedback (=compliment) in a private meeting	.137	-.311	-.123
Give responsibility to the other person	-.141	-.342**	-.262
Show care and concern for the other person	-.060	-.422**	-.347*
Give compliment in a public meeting	-.137	-.174	-.019
Show a bias to see the other person's actions as well intended	.000	-.095	-.058
Clarify general expectations early on in a new relationship	.259	-.213	-.055
Give negative feedback in a constructive manner	.048	-.117	-.065
Seek the counsel of others	.190	.195	.242
Be open and direct about task problems	.091	-.333*	-.302
Give help and assistance	-.094	-.164	-.109
Take responsibility (don't pass the blame)	-.103	-.321*	-.304
Receive help and assistance	-.094	.145	.227
Explore specific expectations in detail as the relationship develops	.171	-.175	.002
Be honest and open about your motives	.000	-.249	-.258
Process and evaluate how effectively you are working together at regular intervals	.221	-.222	-.048
Surface and settle differences in expectations	.012	-.383*	-.261
Disclose information in an accurate and timely fashion	.012	-.414**	-.357*
Recognize the legitimacy of each other's interests	.081	-.346*	-.236
Initiate and accept changes to your decisions	.103	.206	.376*
Make yourself dependent on the other person's actions	.061	.164	.160

Note: Pearson's correlations.* $p < .005$, ** $p < .001$.

Social desirability check

To check for social desirability effects, Wittek (1999) was followed and a short version of the Crown and Marlowe social desirability scale was applied. Four items were presented to which respondents were supposed to answer with 'yes' or 'no'. The items were 'I always say what I think', 'I am sometimes annoyed if I don't get what I want', 'I am always willing to admit it if I made a mistake' and 'I sometimes deliberately said something that could hurt the feelings of others'. An answer was taken to be socially desirable if the respondent answered it with 'yes' on the first and third item, and with 'no' on the second and fourth item. A new variable was constructed, which contained the sum of socially desirable answers on all four items. The variable ranged from '0' to '4', where a value of '4' represented respondents with a strong tendency to give socially desirable answers. The mean value for this social desirability scale was 2.11 (SD 0.70) in Krauthammer and 2.53 (SD 0.93) in Deerns, indicating a moderate level of socially desirable answers. Cronbach's α for this scale was -.40 in Krauthammer and .23 in Deerns, indicating low reliability for this scale and the results must therefore be interpreted with care. A closer look at the means for each item shows a wide range, especially within Krauthammer (Table 6.4). In both organizations hardly anyone 'sometimes deliberately said something that could hurt the feelings of others' given the high mean for item 4. This appeared to fit with the organizational context, as in neither organization was this considered acceptable behaviour and Krauthammer even had a strong value-in-use 'Passion for People'. Especially within Krauthammer, but also to a degree within Deerns, most people 'were sometimes annoyed if they didn't get what they wanted', given the low mean for item 2.

A correlation analysis of the social desirability scale and the four items of which it is composed with the 20 trust building actions yielded some significant results (Table 6.4). Within Krauthammer seven actions showed significant results with six positive correlations between .432 and .638; and one negative correlation of -.421. A positive correlation indicates socially desirable answers. The one negative correlation is with 'making yourself dependent on the other person's action' and this action was also found to be negative correlated to most other trust building actions (See Table B.1 in Appendix B), suggesting a strong dislike for making yourself dependent (see earlier discussion). Two of the actions that are part of the category 'manage mutual expectations' are positively correlated with item 2 'I am sometimes annoyed if I don't get what I want', suggesting that the more often you are explicit about your expectations and how things are going as far as you are concerned, the less often you are annoyed to not get what you want. This makes sense because you are less likely to not get what you want and if you don't get it you probably blame yourself for not being explicit enough. If you usually or always show a bias to see the other person's actions as well intended, you are less likely to be annoyed if you don't get what you want, because you are less likely to blame the other and more likely to see it as a mishap or maybe misunderstanding. In an organizational context such

as Krauthammer's, in which negative feedback is regularly given and in a constructive manner, it is easier to admit to making mistakes. Krauthammer's context allows mistakes without punishing the person too harshly. People within Krauthammer are quite honest and open about their motives, but their 'passion for people' would stop them from *deliberately* saying something that could hurt the feelings of others. Thus, it appears that most results could be explained given the specific context of Krauthammer.

Within Deerns seven actions showed significant results with two positive correlations between .344 and .404; and five negative correlations between -.394 and -.311. Two actions, 'seek the counsel of others' and 'receive help and assistance', were negatively correlated to item 1, suggesting that the more often they occurred, the more often people responded 'honestly', rather than socially desirably. Both actions occurred quite frequently within Deerns. Similarly to Krauthammer, the action 'clarify general expectations early on in a new relationship' was positively correlated with item 2, suggesting that the more explicit you are about your expectations the less often you get annoyed if you don't get what you want. The action was also positively correlated with item 3, suggesting that the more explicit you are about your expectations the more willing you are to admit a mistake. The action 'give negative feedback in a constructive manner' was negatively correlated with item 3, which is the reverse from Krauthammer where they were positively correlated. The general impressions from the interviews suggested that many people within Deerns experienced a context that discouraged admitting to mistakes[36] and a context in which negative feedback was not given regularly and when given often not given constructively. The action 'initiate and accept changes to your decisions' was positively correlated with item 3, suggesting that the more you initiated and accepted changes to your decisions, the more willing you were to admit mistakes. Three actions correlated negatively with item 4, suggesting that the less often these actions occur the less often the person sometimes deliberately said something that could hurt the feelings of others. Given that the mean score for item 4 suggests that people hardly ever deliberately said something to hurt someone else's feelings, these actions would be expected to occur less frequently. This is the case for two of the actions, but the action 'show a bias to see the other person's action as well intended' occurred most frequently within Deerns. Thus only this last result cannot easily be explained given Deerns' context and the only explanation left is that the result shows an inverse socially desirable answer.

Overall, the results from the social desirability check show high context-dependency in the answers to the four items and low reliability for the scale. The conclusion appears to be that these checks do not reliably test for the presence or absence of social desirability.

[36] See also the section on Control in Chapter 5.

Table 6.4: Social desirability check for trust building actions

	Krauthammer				
	Item 1	Item 2	Item 3	Item 4	Scale
Disclose information in an accurate and timely fashion	.118	.277	.075	.192	.318
Give help and assistance	.281	.335	.021	-.066	.352
Take responsibility (don't pass the blame)	.128	.300	-.233	.262	.138
Show care and concern for the other person	.023	.347	.094	.349	.338
Be open and direct about task problems	.202	.092	.083	[a]	.253
Make yourself dependent on the other person's actions	-.430*	-.379	.121	-.089	-.421*
Seek the counsel of others	.034	-.158	-.326	-.044	-.290
Give positive feedback (=compliment) in a private meeting	.119	.279	-.144	.381	.216
Give compliment in a public meeting	.277	-.217	-.141	.360	.099
Recognize the legitimacy of each other's interests	.204	.291	-.023	.150	.305
Clarify general expectations early on in a new relationship	-.208	.432*	-.049	.328	.104
Process and evaluate how effectively you are working together at regular intervals	-.140	.491**	.178	.182	.300
Surface and settle differences in expectations	.228	.162	.197	-.112	.341
Give negative feedback in a constructive manner	.111	.270	.465*	.336	.638**
Give responsibility to the other person	.370	.139	.015	.038	.350
Show a bias to see the other person's actions as well intended	.277	.433*	-.141	.000	.298
Be honest and open about your motives	.188	.354	.192	.490**	.568**
Explore specific expectations in detail as the relationship develops	.117	.130	.098	.171	.260
Receive help and assistance	.259	-.020	.238	.509**	.485*
Initiate and accept changes to your decisions	.145	.217	.112	.150	.323
Mean	0.41	0.11	0.63	0.96	2.11
SD	0.50	0.32	0.49	0.19	0.70

Note: Pearson correlations. * $p < .005$, ** $p < .001$. [a] cannot be computed because at least one of the variables is constant. Item 1: 'I always say what I think'; Item 2: 'I am sometimes annoyed if I don't get what I want'; Item 3: 'I am always willing to admit it if I made a mistake' and Item 4: 'I sometimes deliberately said something that could hurt the feelings of others'. Items 2 and 4 are reverse coded so that for all items a high score and a positive correlation indicate a socially desirable answer. The scale contains the sum of socially desirable answers on the four items.

Table 6.4: Social desirability check for trust building actions (continued)

	Deerns				
	Item 1	Item 2	Item 3	Item 4	Scale
Disclose information in an accurate and timely fashion	-.089	.053	-.017	-.299	-.112
Give help and assistance	-.088	.083	.103	-.192	-.012
Take responsibility (don't pass the blame)	-.207	.176	.104	-.208	-.033
Show care and concern for the other person	-.092	.144	.118	-.183	.025
Be open and direct about task problems	.017	.025	-.117	-.195	-.084
Make yourself dependent on the other person's actions	.012	-.193	-.092	-.150	-.171
Seek the counsel of others	-.311*	.106	.073	-.129	-.116
Give positive feedback (=compliment) in a private meeting	.109	.160	.063	-.126	.133
Give compliment in a public meeting	.133	-.094	-.185	-.179	-.109
Recognize the legitimacy of each other's interests	-.048	.246	.110	-.394*	.036
Clarify general expectations early on in a new relationship	-.028	.344*	.388*	-.094	.307
Process and evaluate how effectively you are working together at regular intervals	-.069	.177	.202	-.150	.101
Surface and settle differences in expectations	-.270	.150	.193	-.355*	-.080
Give negative feedback in a constructive manner	-.055	-.200	-.372*	-.160	-.340*
Give responsibility to the other person	-.195	.222	.144	-.270	-.003
Show a bias to see the other person's actions as well intended	-.301	-.137	.108	-.336*	-.273
Be honest and open about your motives	-.115	-.018	.019	-.287	-.141
Explore specific expectations in detail as the relationship develops	-.243	.081	.262	-.167	-.016
Receive help and assistance	-.320*	.074	.288	-.160	-.047
Initiate and accept changes to your decisions	-.301	.075	.404**	-.126	.027
Mean	0.53	0.30	0.77	0.93	2.53
SD	0.50	0.46	0.43	0.26	0.93

Note: Pearson correlations. * $p < .005$, ** $p < .001$. [a] cannot be computed because at least one of the variables is constant. Item 1: 'I always say what I think'; Item 2: 'I am sometimes annoyed if I don't get what I want'; Item 3: 'I am always willing to admit it if I made a mistake' and Item 4: 'I sometimes deliberately said something that could hurt the feelings of others'. Items 2 and 4 are reverse coded so that for all items a high score and a positive correlation indicate a socially desirable answer. The scale contains the sum of socially desirable answers on the four items.

Structural analysis of the actions

The internal structure of the trust building actions as shown in Table 6.1 was examined, that is, what latent variables can be identified as categories for these 20 actions. Based on the type of positive relational signal present in the action, the 20 trust building actions were grouped into four categories as hypothesised earlier. Cronbach's α-values were calculated for each of the categories in each organization to test how reliable these categories were (Table 6.5) and the results show acceptable to good reliability (α values between 0.61 and 0.75) for three factors, but not for the factor 'delegate'. When the action 'make yourself dependent on the other person's action' is deleted from that category[37], the values improve to $\alpha_{Krauthammer} = 0.55$ and $\alpha_{Deerns} = 0.59$, which are considered acceptable. This suggests support for the theoretical categories. When all 20 actions were assumed to be part of one scale this scale was highly reliable, $\alpha_{Krauthammer} = 0.83$ and $\alpha_{Deerns} = 0.85$.

Table 6.5: Reliability of theoretically derived categories for trust building actions

	Number of variables	Krauthammer	Deerns
Be open	6	0.61	0.73
Share influence	7	0.66	0.74
Delegate	3	-1.69	-0.45
Manage expectations in relationships	4	0.62	0.75

Note: Cronbach's α.

Next to testing the *a priori* categories from Table 6.1, I also tried to see, more inductively, to what factors the 20 variables would group themselves. With 20 variables to analyse an absolute minimum sample size of a factor 2 larger is required for an exploratory factor analysis (EFA) and the response of 27 within Krauthammer implied that no EFA was possible. The response within Deerns (n=43) was just sufficient, but the Kayser-Meyer-Olkin (KMO) measure of sampling adequacy was .45 which is below the value (> .7) advised for data to be suitable for factor analyses (Kim and Mueller, 1978) and Bartlett's test of sphericity showed that the KMO value was significant ($p < .001$). When the 20 actions were reduced to the four categories from Table 6.1 plus the action 'make yourself dependent', EFA was possible in both organizations given the sample sizes[38] and the KMO values, Krauthammer = .75 ($p < .001$) and Deerns = .72 ($p < .001$). A principal component analysis with no constraints in factors was performed and one factor with eigenvalue larger than 1 was extracted in each organization, explaining 65% (Krauthammer), respectively

[37] This action was taken out because it correlated negatively to most other actions.

[38] Although care should still be taken because sample sizes of at least 100 are generally advised (for example, Bentler and Chou, 1987).

60% (Deerns) of variance. High positive loadings were obtained on the four composite items and high negative loadings were obtained on the single item (Table 6.6).

Table 6.6: Exploratory factor analyses of theoretically derived categories plus one action

	Krauthammer	Deerns
Be open	0.92	0.83
Share influence	0.88	0.82
Reduce control*	0.78	0.86
Manage expectations in relationships	0.75	0.85
Make yourself dependent on the other's action	-0.67	-0.41

Note: factor loadings. * Category as shown in Table 6.1 minus action 'Make yourself dependent on the other's action'. One component was extracted in each organization.

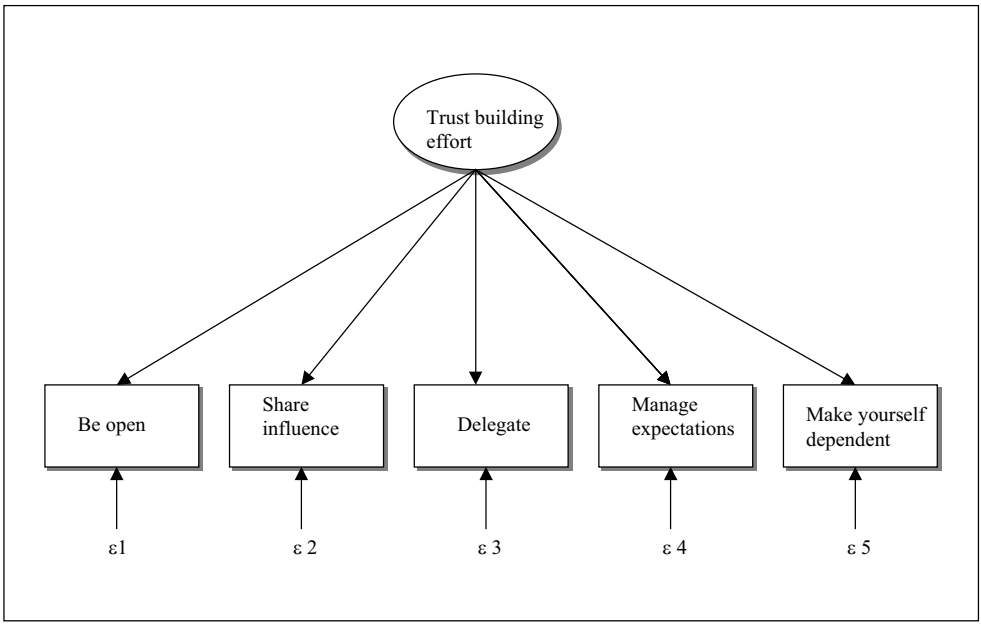
A confirmatory factor analysis (CFA) was performed, based on the covariance matrix and using maximum likelihood estimation as implemented in LISREL8 (Jöreskog and Sörbom, 1996), to test whether the results from Table 6.6 could be confirmed. The minimum sample size requirement for performing confirmatory factor analyses found in the literature was that the ratio of sample size to number of parameters to be estimated is at least 5:1 (Bentler and Chou, 1987). When the model depicted in Figure 6.1 was tested the number of parameters to be estimated was 10 and the minimum sample size was therefore 50. Other sources of literature suggested that a sample size greater than 100 was the minimum (Kelloway, 1998). So with a total sample size of 68, when the data for both organizations is taken together, the analysis can be performed but care should be taken. Descriptive statistics and intercorrelations for all five variables are presented in Table 6.7.

Table 6.7: Descriptive statistics and intercorrelations of theoretically derived categories for trust building actions

	mean	SD	1	2	3	4
1. Be open	3.50	0.55	1.000			
2. Share influence	3.63	0.46	.676**	1.000		
3. Delegate	3.74	0.69	.601**	.663**	1.000	
4. Manage expectations	3.30	0.73	.778**	.640**	.597**	1.000
5. Make yourself dependent	2.79	0.82	-.268**	-.178	-.504**	-.254**

Note: n=68. ** $p < .001$.

Figure 6.1: Hypothesised structure of theoretically derived categories for trust building actions



The results are shown in Figure 6.2 and all of the parameters were significant (p> .05) and for the four categories between 55% and 77% of the variance was explained. The single action had only 12% of the variance explained and was the only variable that was negatively related to the latent variable 'trust building effort'. However, the model showed only a poor fit with a highly significant $\chi^2 = 18.99$ (p= 0.00) with 5 degrees of freedom. The CFI, GFI and AGFI were 0.90, 0.90 and 0.69 respectively, which showed at best a marginal fit to the data[39]. The large difference between the values for GFI and AGFI suggested furthermore that trivial and non-significant parameters were included. The parsimony indices reported 0.30 for PGFI and 0.44 for PNFI[40]. The standardized RMR was 0.04 and the RMSEA was 0.20 which provided a mixed picture as the standardized RMR

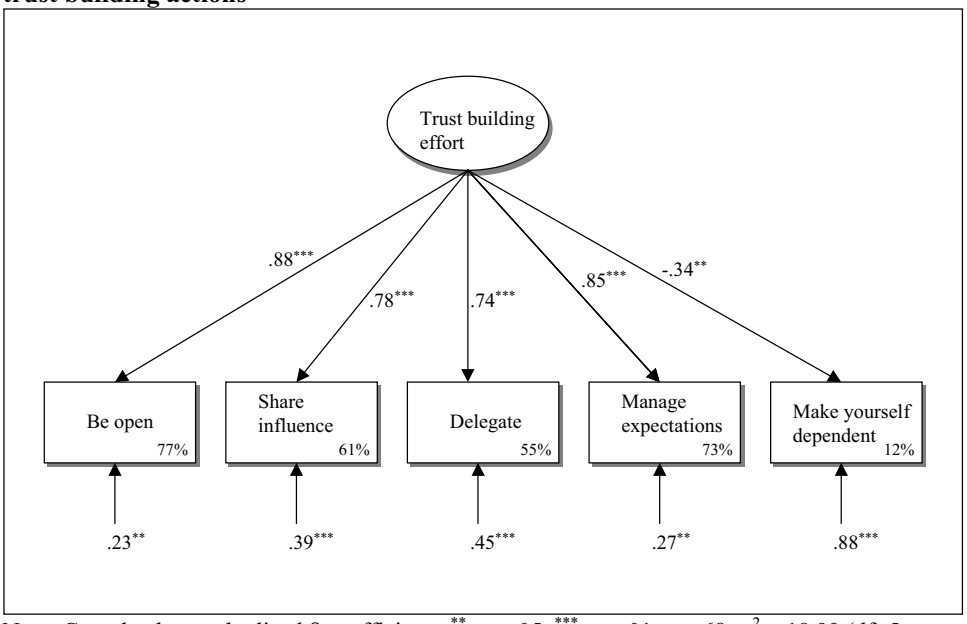
[39] CFI, GFI and AGFI fit indices indicate a good model fit for values above 0.90 (Kelloway, 1998).

[40] PGFI and PNFI take into account the complexity of the model in the assessment of goodness of fit. There is no standard for how high parsimonious fit indices should be to indicate parsimonious fit and they are best used to compare competing models. The higher the index the better the parsimonious fit (Kelloway, 1998).

showed good fit, but the RMSEA showed poor fit[41]. Hence only marginal support could be found for the categorization shown in Table 6.1.

Two alternative models were also tested. One was called the 'four factor model' as the variable 'make yourself dependent' was dropped. All the eight estimated parameters were significant and the model showed improved fit (Table 6.8). In the second alternative model the five variables were maintained, but, as suggested by LISREL, the error variances of variables 'share influence' and 'delegate' were correlated as were the error variances of variables 'delegate' and 'make yourself dependent'. All 12 estimated parameters were significant (Figure 6.3) and the model showed the best fit of the three. For the four categories between 45% and 81% of the variance was explained, while this was only 8% for the action 'make yourself dependent'. This third, modified, model showed good fit on all fit indices, although the parsimonious fit indices for this model were lower than for the first, hypothesized, model.

Figure 6.2: Results for hypothesized structure of theoretically derived categories for trust building actions



Note: Completely standardized β coefficients. ** $p < .05$, *** $p < .01$. n = 68; $\chi^2 = 18.99$ (df=5, p=0.00); CFI=0.90; GFI=0.90; AGFI= 0.69; PGFI=0.30; PNFI= 0.44; standardized RMR=0.076; RMSEA= 0.20. Percentages in boxes are variance explained of variable.

[41] Standardized RMR values are generally taken to indicate good fit with values above 0.05. RMSEA values are generally taken to indicate good fit when smaller than 0.10, very good fit when below 0.05 and values below 0.01 indicate outstanding fit (Kelloway, 1998).

Table 6.8: Comparison of fit indices between CFA models of theoretically derived categories

Models	χ^2	df	p	CFI	GFI	AGFI	PGFI	PNFI	Standar-dized RMR	RMSEA
1. hypothesised	18.99	5	.00	0.90	0.90	0.69	0.30	0.44	0.08	0.20
2. four factor	5.81	2	.05	0.98	0.96	0.79	0.19	0.32	0.04	0.17
3. modified	0.54	3	.91	1.00	1.00	0.98	0.20	0.30	0.01	0.00

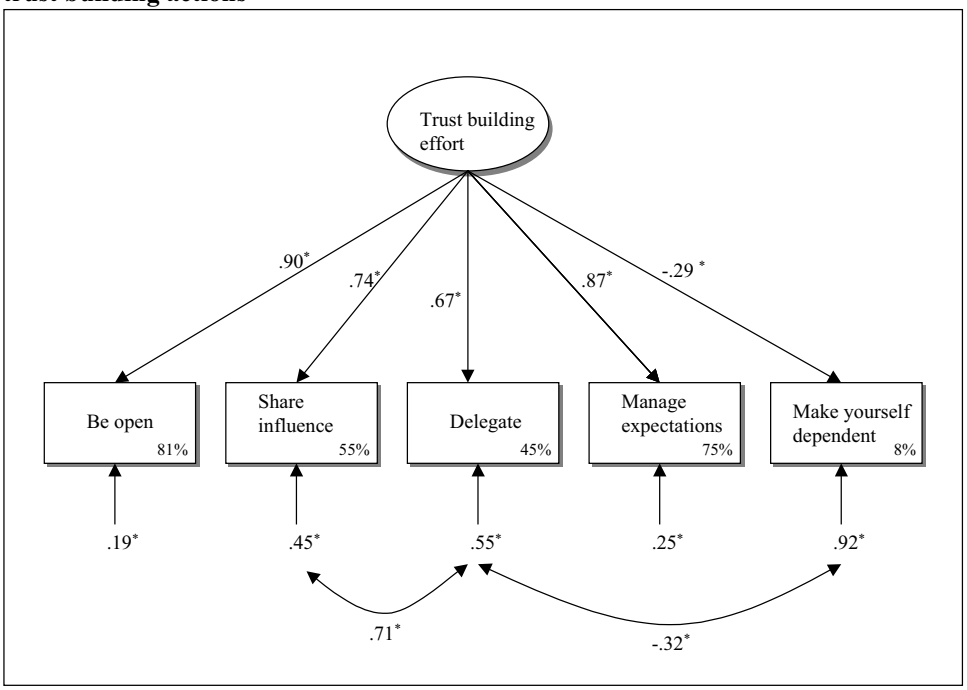
Adding the two correlations to the model can be explained theoretically. First of all, the correlation between 'delegate' and 'make yourself dependent' was suggested in the theory, but the negative relationship of 'make yourself dependent' with the other actions was not and led to low reliability of the total category. A relationship between 'share influence' and 'delegate' also makes sense because as you delegate, that is, you reduce the limitations on the other individual's behaviour, you thereby implicitly allow greater influence of his behaviour on your behaviour.

A note of caution is needed in drawing conclusions from this analysis, because the data from Krauthammer and Deerns had to be combined in order to have sufficient data when using the most lenient criterion for sample size, while most sources in the literature advise a minimum sample size of 100, preferably 200. Confirmation of the results achieved in this study with larger sample sizes is therefore recommended.

When the original trust building actions were reduced in number using reliable categories, these composite items all loaded onto one component in an exploratory factor analysis, which is consistent with the finding that a scale with all 20 actions was highly reliable. It may suggest redundancy, but none of the correlations was high enough for that (see Tables B.1 and B.2 in appendix B). Within both organizations the highest correlation was found for the action 'giving positive feedback in a private meeting' with 'clarify general expectations early on'. Within Krauthammer this correlation coefficient was .651 and within Deerns it was .742.

In sum, the hypothesised model needed to be modified by adding two correlations between error variances and this modified model showed good to outstanding fit. The four categories were strongly and positively related to the latent variable, labelled trust building effort. The action 'make yourself dependent' was more weakly and negatively related.

Figure 6.3: Results for the modified structure of theoretically derived categories for trust building actions



Note: Completely standardized β coefficients. * p < .10, ** p < .05, *** p < .01. n = 68; χ^2 = 0.54 (df=3, p=0.91); CFI=1.00; GFI=1.00; AGFI= 0.98; PGFI=0.20; PNFI= 0.30; standardized RMR=0.012; RMSEA= 0.00. Percentages in boxes are variance explained of variable.

Summary

The purpose of this chapter was to examine how actual behaviour of individuals in a work relationship can help build trust. Building interpersonal trust requires action that sends (unambiguously) positive relational signals and in a previous chapter that had been identified as the third strategy for stabilizing normative frames. From the literature 20 trust building actions were identified that were grouped into four categories based on the type of positive relational signal sent. Using the quantitative survey analysis the occurrence of these actions in the two case study organizations was examined. Hypothesis 6.1, predicting that the more frequently people perform each of the actions, the higher the trust levels can become, was supported because people within Krauthammer performed ten actions significantly more frequently, and none significantly less frequently, than people within Deerns and within Krauthammer trust was built to significantly higher levels than within Deerns. All three actions about giving feedback and all four actions about managing mutual expectations occurred significantly more frequently in Krauthammer than in

Deerns and this could be explained by the impact of the organizational context. A new insight could be added with the action 'public compliment'. Previous research mentioned only the importance of giving positive feedback, without the distinction between a private compliment and a public compliment, but public compliments can play an important role in building interpersonal trust in work relations through the third party effects they have, as was shown in Krauthammer. Public compliments help build experience-based trust with people who have as yet little direct experience with the recipient of the compliment and who know and trust the giver of the compliment. It is a strong and effective way to use third parties in building trust within an organization.

Evidence was also found that a necessary condition for building trust – lack of distrust – was often met in each organization, because the action 'show a bias to see the other person's actions as well intended' scored high, mean (Krauthammer) = 4.00 (SD 0.55), mean (Deerns) = 3.83 (SD 0.70). Indications were also found for the importance of acknowledging 'non rational' psychological processes as part of the trust building process because of the negative correlation in Krauthammer between the actions 'give responsibility to the other person' and 'make yourself dependent on the other person's actions' even though in practice it is virtually impossible to truly give responsibility without making yourself dependent and in day-to-day working life people within Krauthammer made themselves dependent on others nearly all the time.

Tests for the effects of function, gender, age and tenure showed that Krauthammer was highly homogenous across all four variables with only one action significantly correlated to gender, whereas Deerns showed high homogeneity across function and gender, but lower homogeneity across age and tenure with eight actions correlating significantly with age, tenure or both. This result provides support for the existence of different age/tenure groups within Deerns as described in the previous chapter. The social desirability check performed using the shortened version of the Crown and Marlowe's social desirability scale was shown to be highly context dependent in the answers to the four items and produced low reliability of the scale.

Analysis of the internal structure of the 20 trust building actions was aimed at testing the four category model proposed in Table 6.1. When the action 'make yourself dependent' was kept separate, because it correlated negatively with most other actions, the categories were found to be reliable (α values between 0.55 and 0.75). Factor analyses were not possible on the 20 actions, but were possible on the four categories plus one action. Exploratory factor analysis extracted one factor in each organization and confirmatory factor analysis resulted in a slightly modified model shown in Figure 6.3. The model showed strong and positive relations for trust building effort to the four categories and a weak and negative relation to the action. The model showed good to outstanding fit and all parameters were significant. However, care should be taken because of the small sample size and further research with a larger data set is highly recommended. In conclusion, relational signalling theory helps to classify trust building actions and to understand how

they work, contributing to the theory of interpersonal trust building developed in this study.

7. DEALING WITH TROUBLE

In earlier chapters it was argued that trouble is inevitable in organizational life. When someone experiences trouble he is likely to question – at least temporarily – the stability of the trouble maker's normative frame, in other words, whether the trouble maker is still interested in maintaining a mutually rewarding relationship with him. Thus, how trouble is dealt with and what the impact of a trouble event is on the trust in the relationship are important when studying the trust building process. If, as proposed in proposition 2.8, both individuals involved in a trouble event act in ways that are not perceived as negative relational signals, the potentially negative impact of a trouble event on the trust in the relationship may be avoided. This is directly related to the fourth strategy for stabilizing normative frames: avoid sending negative relational signals. The purpose of this chapter is to investigate this fourth strategy by investigating trouble events, examining the impact of trouble on trust in the relationship as the dependent variable and identifying other explanatory variables. First the elements of the trouble process are sketched and the trouble model is formulated. Next, this model is tested empirically. The main analysis used is the quantitative trust and trouble event analysis and occasionally qualitative analyses are used to illustrate arguments, especially where quantitative data are not available. For a check on the representativeness of the results a comparison is made between results from the trust and trouble event analysis and the survey analysis.

Trouble process

Six variables are identified in the trouble process, the dependent variable - impact on relationship - and five explanatory variables - total action of lead player, total reaction of other player, evaluation of event, severity of trouble and strength of interdependence.

Impact on relationship

In Chapter 2 several possibilities for the impact of a trouble event on the trust in the relationship have already been mentioned: rupture, restoration or recalibration (Lewicki and Bunker, 1996). I argue that a fourth is also possible, because trouble can lead to a deepening of the trust when the individuals involved act in ways that are perceived as sending positive relational signals and the trouble is resolved. The discussion of the different dimensions of trustworthiness (ability, benevolence, dedication and norm-acceptability) showed that a trustee may be able and benevolent but showing lack of dedication or may be benevolent and dedicated, but incompetent in that particular situation. Hence the category of relationship recalibration is split up into, on the one hand, downward recalibration on the specific dimension of trustworthiness in question, and on the other hand, downward recalibration on all dimensions. This chapter considers 'impact on relationship' as the dependent variable and treats the categories as an escalation from

positive to negative impact: deepening, restoration (or no impact), recalibration on the specific dimension in question, recalibration on all dimensions, and rupture.

Total action by lead player

Wittek (1999) distinguished five main strategies for dealing with trouble based on whom the lead player talks to: the other player (private), both the other player and colleagues (public), colleagues (indirect), a formal boss (formal) or no one (passive). In the first two strategies the other player is addressed directly and relational signals can be conveyed directly. In the next two strategies third parties are addressed, either colleagues or a formal boss. However, the other player probably remains unaware of the trouble the lead player experiences, unless the third party acts toward the other player on behalf of the lead player. In the last strategy no interaction takes place and therefore no relational signals can be conveyed unless, somehow, the other player is aware of the trouble he has caused. Wittek argued that the choice of type of strategy in itself carries a relational signal, and this study argues that a more detailed examination is necessary. For example, within the passive strategy Wittek has the option of 'resignation' and 'retaliation', and in my opinion these carry very different relational signals, the latter option carrying strongly negative relational signals, and the former option possibly indicating that the trouble is not worth the hassle within the overall good relationship. Thus, this study aims to extend Wittek's distinction of whom the lead player talks to and proposes to use the concepts of exit and voice as introduced by Hirschman.

Hirschman (1970) introduced these concepts when examining the possible responses to random lapses in efficiency that result in the decline of quality. These random lapses in efficiency are inevitable as firms and organizations are 'conceived to be permanently and randomly subject to decline and decay, that is, to a gradual loss of rationality, efficiency and surplus-producing energy, no matter how well the institutional framework within which they function is designed' (Hirschman, 1970: 15). His argument is developed for consumers who experience a loss of quality in the product they buy from a firm and for members of an organization who experience loss of quality in the organization they belong to (such as political parties). What happens when Hirschman's arguments are applied to an individual and his work relationship with a colleague? This study proposes that quality deterioration entails malperformance by the colleague causing the individual to experience trouble and raising questions about the trustworthiness of the colleague. Exit implies breaking the relationship either by leaving the organization or by changing jobs within the organization so that he no longer needs to work with that colleague. In some instances the relationship can be severed without changing jobs, but usually the functional interdependence is such that the individual cannot achieve his goal without the input from the colleague. Hence there are considerable exit barriers. Voice would be addressing the other player directly about the trouble experienced. The intention with which this is done can vary in important ways. If it is done with a genuine 'let's work things out' attitude

(Helper, 1993) a positive relational signal is given. This type of voice is called 'constructive voice' and it may require a great deal of creativity and hard work to find effective ways for getting the message across. Once reciprocated, the key to the constructive voice strategy is an open and rich flow of communication. Maintaining this degree of information flow both requires and engenders a high degree of commitment to the relationship (Helper, 1993). When the intention behind voice is less clear it is called 'ambiguous voice' since the related relational signal is ambiguous. The way voice is expressed will be more aggressive, showing little suspension of judgment. In Hirschman's definition voice can be directed at third parties in the expectation that they will help influence the organization's management. When applying this to work relationships, third parties can play a role in two ways. First, the lead player may inquire with a colleague or a superior about the other player's behaviour. This is usually meant as asking for advice on how to interpret and deal with the situation and usually implies a strong intention to work things out. It will often be followed up by a 'constructive voice' action. The relational signal is intended to be positive. Second, the lead player may ask the colleague or superior to act on his behalf and talk to the other player. This will be the case when the lead player considers himself not able to use voice effectively and has at least some interest in continuing the relationship. The relational signal may be perceived as ambiguous as social escalation occurs with the active involvement of a third party. Applying Hirschman's concepts to supplier-customer relations, Helper (1993) found a third strategy, which she labelled 'do nothing'. This strategy is often applied in relations where strong interdependence prevents exit while little information is exchanged. There are too few tools for problem resolution available to lift the relationship to higher levels of effectiveness. I believe that this type of relationships also occurs within organizations. One or both of those involved finds himself unable to use voice effectively and has given up on it while the barriers to exit are (for the moment at least) too high. When this situation exists and the trouble experiences lead to silent resignation and avoidance, it is called 'resignation'. However, more vicious actions are possible in this situation, which are aimed at venting one's frustration or at getting even. Actions that involve malicious gossip or getting even may then occur. This is called 'retaliation' (which in Helper's terms could be viewed as 'do damage') (Table 7.1).

Table 7.1: Characteristics of different trouble strategies

	Constructive voice	**Ambiguous voice**	**Third party**	**Resignation**	**Retaliation**	**Exit**
Description	Express views carefully	Express views aggressively	Use third party to resolve trouble	Limit interaction to minimum	Endure unpleasant situation; do damage	Clear-cut decision to leave relationship
Attitude	'We can work things out'	'He'd better shape up' (or else?)	'I need help'	'I'd exit if I could' 'That's just the way it is'	'I'd exit if I could' 'I want to hurt him'	'I am getting out'
Relational signal	Positive	Ambiguous	Ambiguous	Negative/ambiguous	Negative	Negative
Actions	Private inquiry Private confrontation Public inquiry Public confrontation	Private compliant Public complaint	Indirect inquiry Lateral mediation Formal inquiry Vertical mediation	Do nothing Avoidance	Gossip Formal complaint Get even	Rupture

So far, the first action of the lead player has been considered. However, in some events one action by the lead player is not sufficient to achieve a satisfactory resolution of the trouble and a second action is taken. One reason may be that the first action led to a reaction by the other player that was sufficiently constructive to continue the dialogue and 'really get to the bottom of this'. Another reason for a second action may be that the first action led to an unsatisfactory reaction from the other player and the relationship with him is considered important enough by the lead player to invest in a second action. A third reason may be that the first action the lead player took was to ask a third party for advice and then address the other player directly in the second instance. The impact of the total action should therefore be considered. The variable total action of lead player is constructed as an escalation from constructive voice to exit as shown in Table 7.1.

Total reaction of other player

When the other player is addressed, how does he in turn react? The reaction of the other player will carry a relational signal for the lead player. The type of reaction is developed from Lewicki and Bunker's model (1996) and distinguishes three categories: constructive reactions (that is, conveying unambiguously positive relational signals), ambiguous reactions and reactions showing loss of interest. Constructive reactions in which the other player signals an intention to continue the relationship are 'makes repairs for past behaviour and changes future behaviour', 'changes future behaviour' and 'explains and is open to suggestions'. Ambiguous reactions in which the other player signals ambivalence towards the relationship are 'starts discussing' and 'continues behaviour'. Finally, reactions that appear to signal loss of interest in the relationship are 'reacts hostile' and 'no reaction'. The last reaction needs to be interpreted carefully, since only when the other player is addressed, either directly using voice or indirectly using third parties, can we be sure that the other player knows of the trouble he has caused. Only in those circumstances can 'no reaction' be interpreted as loss of interest. The action of the lead player and the reaction of the other player are related. At a basic level a reaction by the other player is more likely when the lead player uses voice, addressing the other player directly and no reaction is more likely when the other player is not addressed at all, either by the lead player or a third party. Again the total reaction of the other player is considered and not only the first reaction and it is expected that the more constructive total action of lead player is, the more constructive total reaction of other player. The variable is constructed to escalate from constructive reactions via ambiguous reactions to reactions showing loss of interest.

Hypothesis 7.1 The more constructive total action of lead player, the more constructive total reaction of other player.

Trust and trouble

The argument in this section, and the previous one, is built on the relational signals that the reaction, or action, is likely to convey, but it is stressed that the actual sign of the signal is in the eye of the beholder, who in the case of reaction is the lead player, and in the case of action is the other player. Many 'deformations' between the intended signal and the perceived signal may occur as shown in previous chapters.

Evaluation of event

Both parties involved, the lead player and the other player, evaluate the impact of the event on the relationship, provided the other player has been aware of the troubling experience he has caused the lead player (Figure 7.1). If both parties conclude that a mishap or misunderstanding has occurred which need not happen again, the relationship will most likely be restored, if not deepened. If one or both parties conclude that a disagreement has surfaced which has not been resolved and may therefore lead to similar trouble in the future, the relationship will most likely be recalibrated, provided the parties involved have both shown an interest in continuing the relationship (or an initial ambivalence that turned into an interest to continue). This recalibration may be limited to the specific dimension of trustworthiness involved, or for all dimensions. If one or both parties conclude that grounds for distrust have surfaced that have not been resolved satisfactorily, the relationship may well be ruptured. One possible ground for relationship rupture, apart from the trouble that triggered this process, is that one of the parties involved behaved in a way that signalled loss of interest in the relationship. Distrust, however, need not always lead to relationship rupture. It can very well lead to relationship recalibration. This will be the case, for example, if the party who is seen as behaving in a untrustworthy manner has shown lack of competence, but good benevolence, dedication and norm-acceptability. Also, a legitimate distrust situation may have occurred which can be contained and need not lead to distrust in other situations. Due to time and resource constraints, this study is limited to the lead player's evaluation of the trouble event. It is predicted that this evaluation will be based on total reaction of other player and that the more constructive the total reaction the more positive the evaluation will be, when the variable is constructed to escalate from mishap to distrust as shown in Figure 7.1.

Hypothesis 7.2 The more constructive total reaction of other player the more positive evaluation of event.

Furthermore, impact on relationship is predicted to be positively related to evaluation of event, in other words, the more positive the evaluation the more positive the impact on the relationship.

Hypothesis 7.3 The more positive evaluation of event the more positive impact on relationship.

Figure 7.1: Ex-post evaluation of event and impact on relationship

<table>
<tr><td colspan="2" rowspan="2"></td><td colspan="4">LEAD PLAYER</td></tr>
<tr><td>Mishap</td><td>Misunderstanding</td><td>Disagreement</td><td>Distrust</td></tr>
<tr><td rowspan="4">OTHER PLAYER</td><td>Mishap</td><td colspan="2" rowspan="2">RESTORE OR DEEPEN</td><td colspan="2" rowspan="2"></td></tr>
<tr><td>Mis-understanding</td></tr>
<tr><td>Disagreement</td><td colspan="4" rowspan="2">RECALIBRATE OR RUPTURE</td></tr>
<tr><td>Distrust</td></tr>
</table>

Severity of trouble

Another variable that is hypothesised to be part of the trouble model is the severity of the trouble. A first intuition would be to propose that the more severe a trouble event is for the person experiencing the trouble – the lead player – the less likely he is able to control his negative emotions and avoid negative relational signals, in other words, the more severe the trouble the less constructive the total action of the lead player.

Hypothesis 7.4 The higher severity of trouble the less constructive total action of lead player.

Also, irrespective of the interaction between the players, the more severe the trouble the more likely the impact on the relationship will be negative. Thus,

Hypothesis 7.5 The higher severity of trouble the more negative impact on relationship.

Strength of interdependence

The strength of the functional interdependence is also hypothesised to influence the variables in the trouble model. The higher the degree of functional interdependence, the more both players need each other and hence the greater the effort they will make to resolve the trouble. Thus,

Hypothesis 7.6a The higher strength of functional interdependence the more constructive total action of lead player.

Trust and trouble

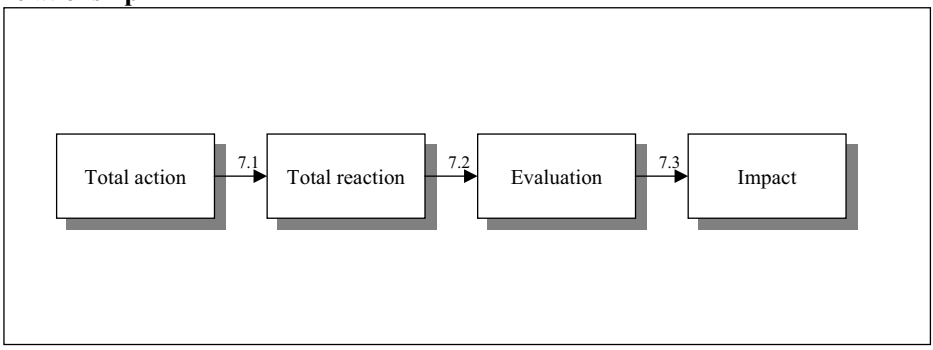
Hypothesis 7.6b The higher strength of functional interdependence the more constructive total reaction of other player.

The level of trust present in the relationship prior to the trouble event was not included in the model because it was argued earlier that 'the higher the trust' is not the relevant criterion, but rather 'the better each player knows under which conditions he can trust the other player to do what'. And as a consequence, the better our knowledge of the other, the more likely the trouble event has no impact, since it is less likely to provide new knowledge about the other player. Knowledge of the other's limit of trustworthiness is not predicted to correlate with impact on relationship, since the higher the knowledge, the more often no impact is predicted and not deepening. When the knowledge is very high it is unlikely the impact is to deepen the relationship as deepening would imply that the knowledge has increased yet further.

Trouble model

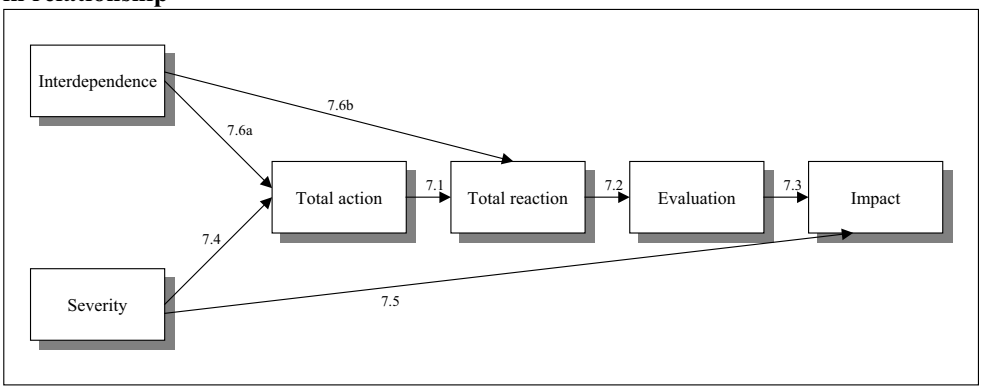
Based on the hypotheses formulated two models are hypothesised, the first - the core model - includes the first four variables and not the last two (Figure 7.2). The second model - the complete model - includes all six variables (Figure 7.3).

Figure 7.2: Hypothesised core model for the study of impact of trouble on trust in relationship



Note: numbers by arrows refer to hypotheses in the text.

Figure 7.3: Hypothesised complete model for the study of impact of trouble on trust in relationship



Note: numbers by arrows refer to hypotheses in the text.

Empirical results

This section presents and discusses the empirical evidence related to the impact of a trouble event on trust in the relationship. In the first two subsections the evidence is based on the quantitative trust and trouble event analysis. First, the six variables discussed in the theory are analysed. In section two the two alternative models are analysed and compared across the organizations. In the third subsection a selection of trouble events, those where the perceptions of both players were collected, is analysed qualitatively to show the importance of individual perceptions and attributions. Finally, a check is performed on the representativeness of the trust and trouble event analysis using the survey analysis.

Individual variables

One dependent variable, impact on relationship, and five explanatory variables, severity of trouble, strength of interdependence, total action of lead player, total reaction of other player and evaluation of event have been identified. For each trouble event, the person experiencing the trouble was asked to indicate his *perception* related to each variable[42]. This subsection compares the results for each variable across the organizations. Given the results from the previous chapters it is predicted that people within Krauthammer will be better at dealing with trouble than people within Deerns, because Krauthammer appears to be better at creating a trust-enhancing organizational context than Deerns and people within Krauthammer have built trust to higher levels more often than Deerns.

[42] With the exception of the variable 'strength of interdependence' which has been coded by the researcher as shown in Table 5.6 in chapter 5.

Impact on relationship

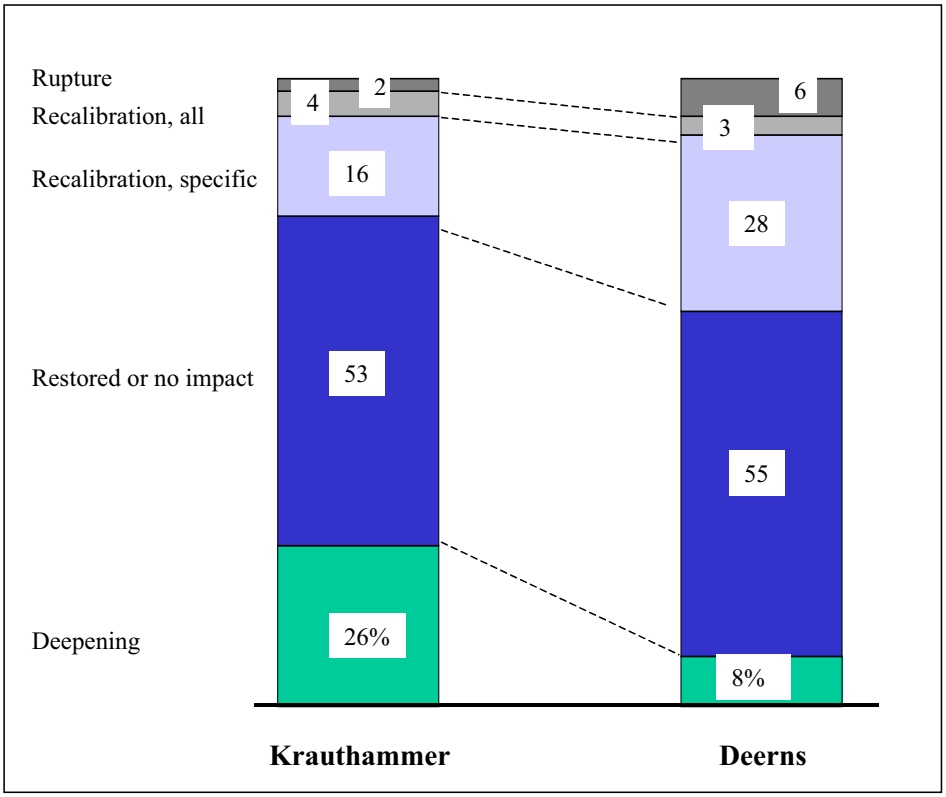
Five categories were distinguished for the dependent variable impact on relationship: deepening, restoration (or no impact), recalibration on the specific dimension in question, recalibration on all dimensions, and rupture. Within both organizations trouble had a neutral impact on the relationship in just over half of the events (Figure 7.4). The two organizations differed in the ability to use trouble to deepen the relationship: within Krauthammer the relationship was deepened in 26% of the events while within Deerns that only happened in 8% of the trouble events. A downward recalibration of the relationship only for the specific dimension of trustworthiness involved occurred in 16% of the events in Krauthammer, compared to 28% in Deerns. Full recalibration of the relationship along all dimensions and rupture of the relationship occurred only rarely in both organizations. The distributions differed significantly between the organizations, $\chi^2 = 7.12$, $p = .028$[43]. This result was confirmed by the qualitative analysis: people within Krauthammer appeared better at using trouble to get to know the other person better, thus deepening the relationship. For example, a consultant told this story:

> 'We were at an office retreat having a party and a colleague tells me "Johnny, you are making a mess of things". It was past midnight and we had both had quite a bit to drink. I asked him "what do you mean?". He responded with "no, no this is not the right moment, we must discuss that another time". I thought, this is not right. At that moment I had completely lost all my trust in the other person who has a senior position within Krauthammer. I had just joined Krauthammer so was quite sensitive to remarks like this. It took me several months to address him again about this trouble. I did it by telling him how I felt about the situation. I had the feeling he was sincerely pleased I raised the issue and responded in an open way showing his vulnerability. This helped resolve the trouble and has meant that my trust in him has deepened.'

This result was further illustrated by looking in more detail at those trouble events in which the relationship was deepened within Krauthammer. In just over two thirds of the events where the relationship deepened was the trouble rated with severity 7 or more, in other words severe trouble. In all but one of these events voice was used by the lead player and in four fifths did the other player react constructively. This showed how severe trouble can trigger a process that can lead to a deepening of trust provided that both players use voice and act in a constructive manner towards each other, signalling that they want to continue the relationship.

[43] The categories needed to be recoded from five to three (deepening/restoration, recalibration on specific dimension, full recalibration/rupture) to have sufficiently high expected cell frequencies.

Figure 7.4: Distribution of impact of trouble event on trust in relationship



Note: Percentage of trouble and trust & trouble events, based on interviews and observations. $\chi^2 = 7.12$, df = 2, p = .028. Krauthammer: n = 112, Deerns: n = 132. Categories needed recoding from five to three to meet the criteria.

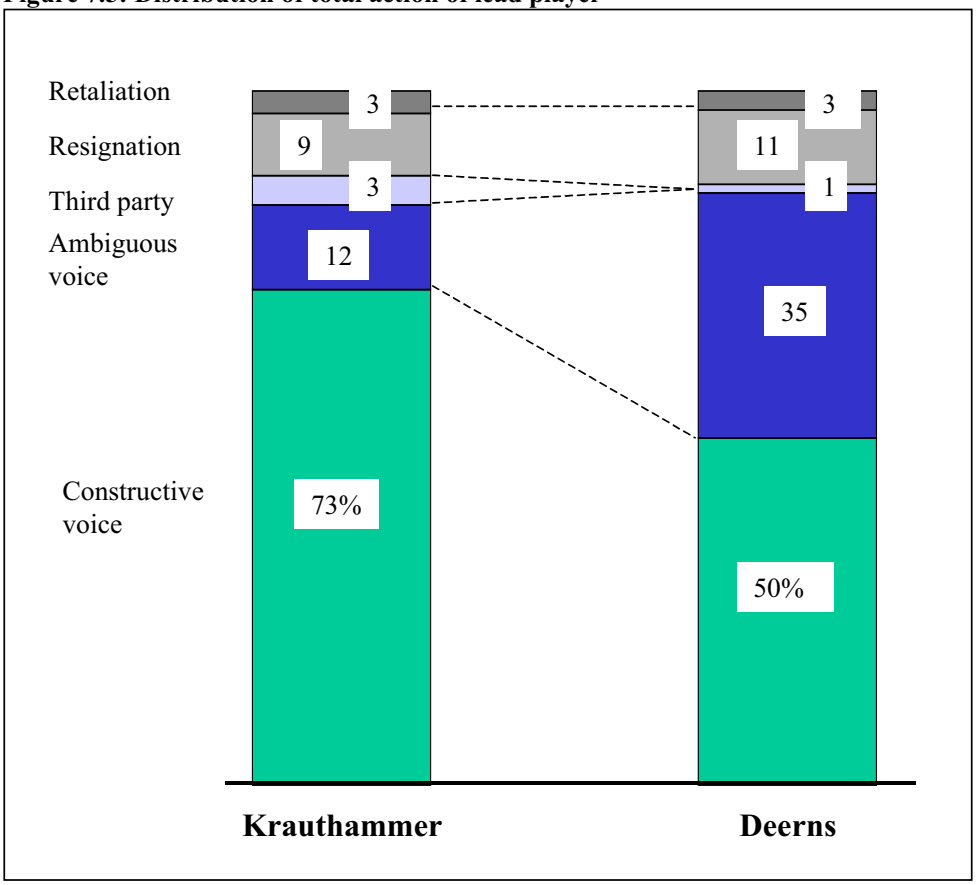
Total action of lead player

The variable total action of lead player consisted of the 16 actions from Table 7.1 escalating from constructive to retaliation and exit. The most constructive action of the total actions taken by the lead player was chosen. The distributions differed significantly between the two organizations when the categories were analysed, $\chi^2 = 20.97$, $p < .001$[44] (Figure 7.5). Within both organizations voice – constructive and ambiguous – was used in 85% of the events, but within Krauthammer 73% of these were constructive voice, while within Deerns this was only 50%. A possible explanation may be that within Krauthammer people were trained to be aware of how they addressed trouble and do it with an open mind, inquiring into the behaviour of the other player and not aggressively as a complaint. People within Deerns had not had that training and appeared to be not, or much less, aware

[44] The categories needed to be recoded from five to three (constructive voice, ambiguous voice, no voice) to have sufficiently high expected cell frequencies.

of the distinction (or its importance). Exit was never chosen and retaliation was rare. Resignation occurred only in about 10% of events and involving third parties as the only action also hardly ever occurred; it did occur, but was usually followed (or occasionally preceded) by a more constructive action.

Figure 7.5: Distribution of total action of lead player

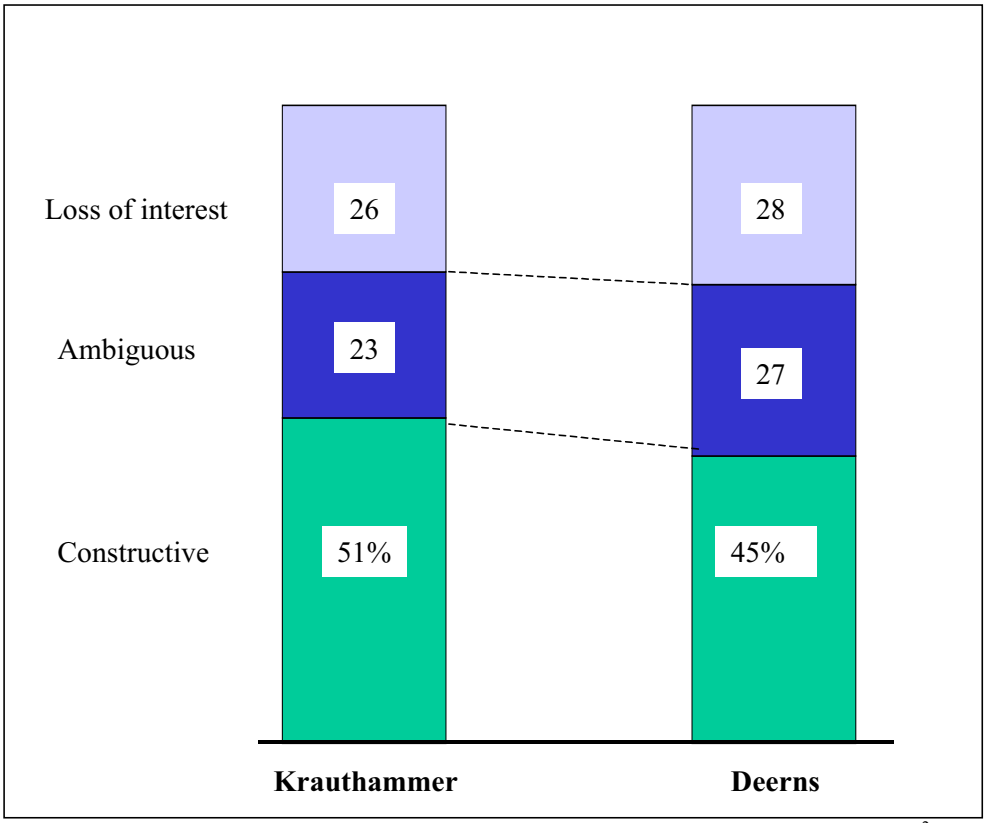


Note: Percentage of trouble and trust & trouble events, based on interviews and observations. $\chi^2 = 20.97$, df = 4, $p < .001$. Krauthammer: n = 122, Deerns: n = 142.

Total reaction of other player

The variable total reaction of other player consisted of the seven reactions identified earlier in this chapter, escalating from constructive through ambiguous to showing loss of interest. The most constructive reaction of the total reactions taken was chosen. Both organizations showed similar results with constructive reactions occurring in roughly half of the events and the other two categories in roughly one quarter of the events (Figure 7.6). Given the significant differences found for total action of lead player, it is surprising to find no significant differences for total reaction of other player.

Figure 7.6: Distribution of total reaction of other player



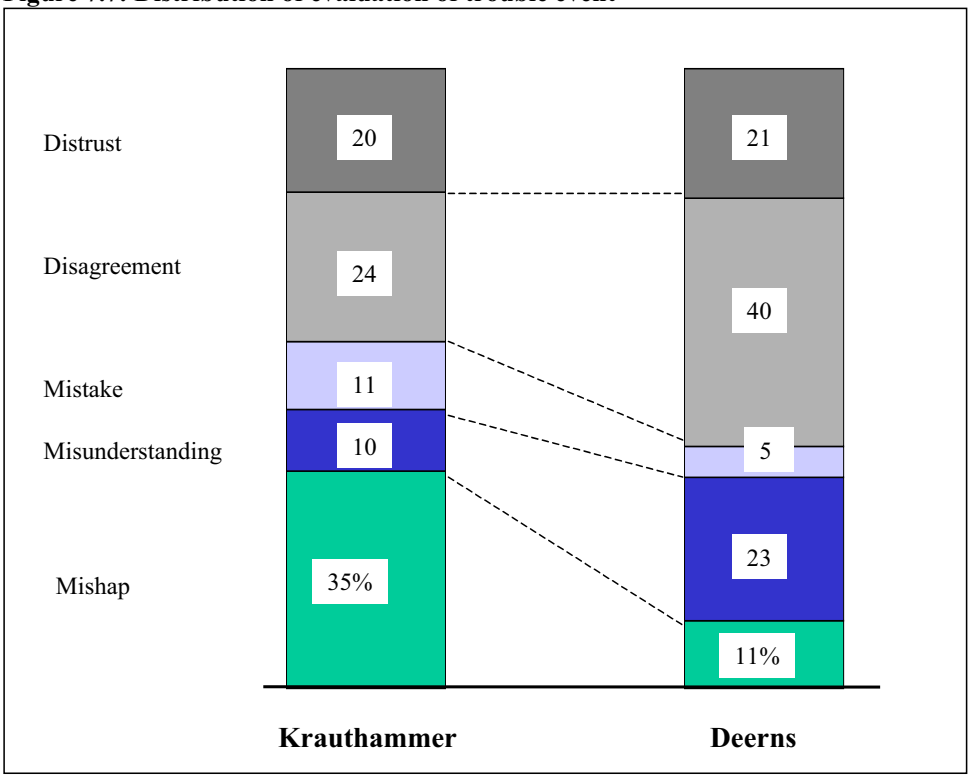
Note: Percentage of trouble and trust & trouble events, based on interviews and observations. $\chi^2 = 1.18$, df = 2, p =.554. Krauthammer: n = 123, Deerns: n = 142.

Evaluation of event

In the theory four categories were proposed: mishap, misunderstanding, disagreement and distrust. Within both organizations one other evaluation was observed 'the other person made a mistake and learned', which could be seen as to imply that the trouble was unlikely to happen again and this category was added in the escalation between misunderstanding and disagreement. Within Krauthammer the evaluation that there was a 'mishap which was unlikely to happen again' was the most frequent (35%) (Figure 7.7). Next came 'disagreement' (24%) and 'distrust' (20%). Within Deerns the evaluation that there was a 'disagreement which had to be taken into account in the future' was the most frequent (40%). Next came 'misunderstanding' (23%) and 'distrust' (21%.) The results differed significantly between the organizations, $\chi^2 = 28.72$, $p < .001$. An important explanation appears to lie in the impact of the organizational context. Krauthammer was very explicit about what it expects from the people working within it. This was evident in the explicit formulation of its values and principles and the active emphasis on 'living our values and

principles' (see Chapter 5). During the research within Krauthammer I was struck by how often reference was made to these values and principles: in almost two thirds of the trouble events. It clearly served as a means for helping to resolve trouble. When people are aware of what is expected of them, and agree to living by these principles, then they are more likely to evaluate a trouble event as something which is unlikely to happen again in the future. When the organization has not explicitly formulated what it expects from the people working within it, a disagreement over what should be done or what is right and a misunderstanding are more likely and this appears to be supported by the results for Deerns.

Figure 7.7: Distribution of evaluation of trouble event

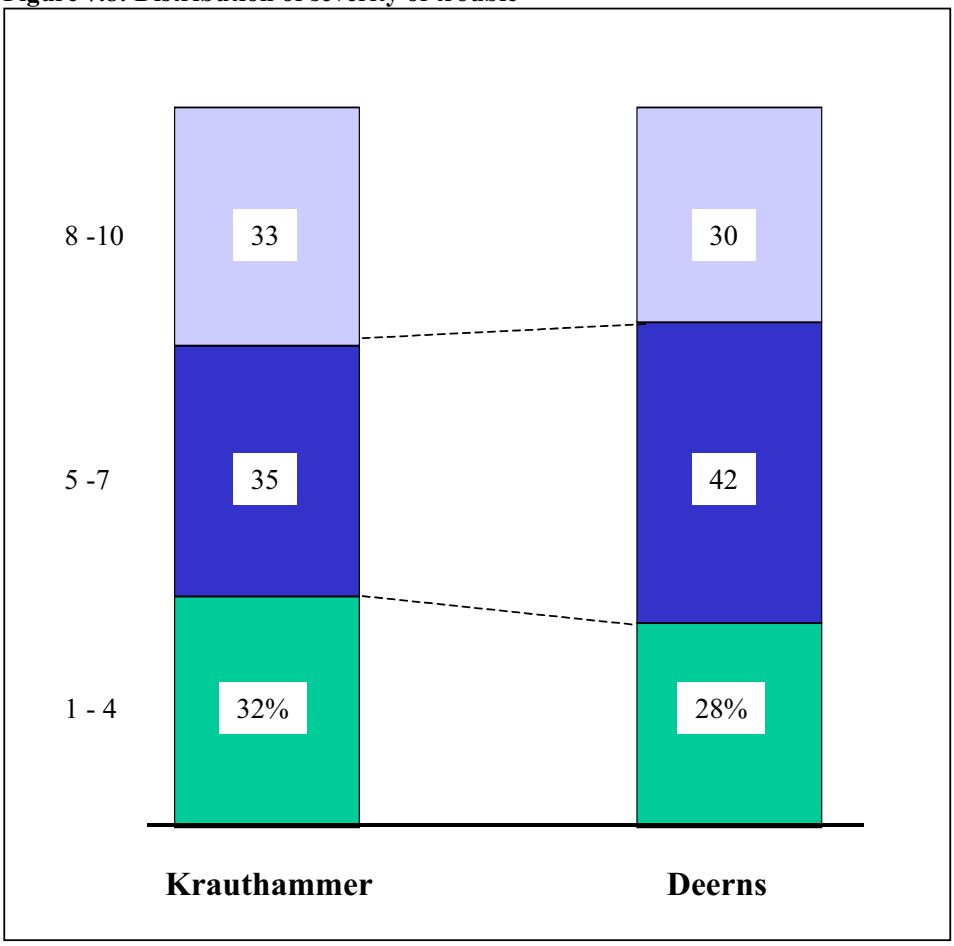


Note: Percentage of trouble and trust & trouble events, based on interviews and observations.
$\chi^2 = 28.72$, df = 4, $p < .001$. Krauthammer: n = 106, Deerns: n = 135.

Severity of trouble

Each respondent was asked to indicate the severity of the trouble event *at the moment* the trouble occurred on a scale from 1 to 10, with 1 indicating very light trouble and 10 indicating very severe trouble. Severity of trouble over all the trouble events was evenly distributed in each organization when three categories were created (light trouble: 1- 4, medium: 5-7 and severe: 8-10) and the results did not differ significantly across the two organizations (Figure 7.8).

Figure 7.8: Distribution of severity of trouble

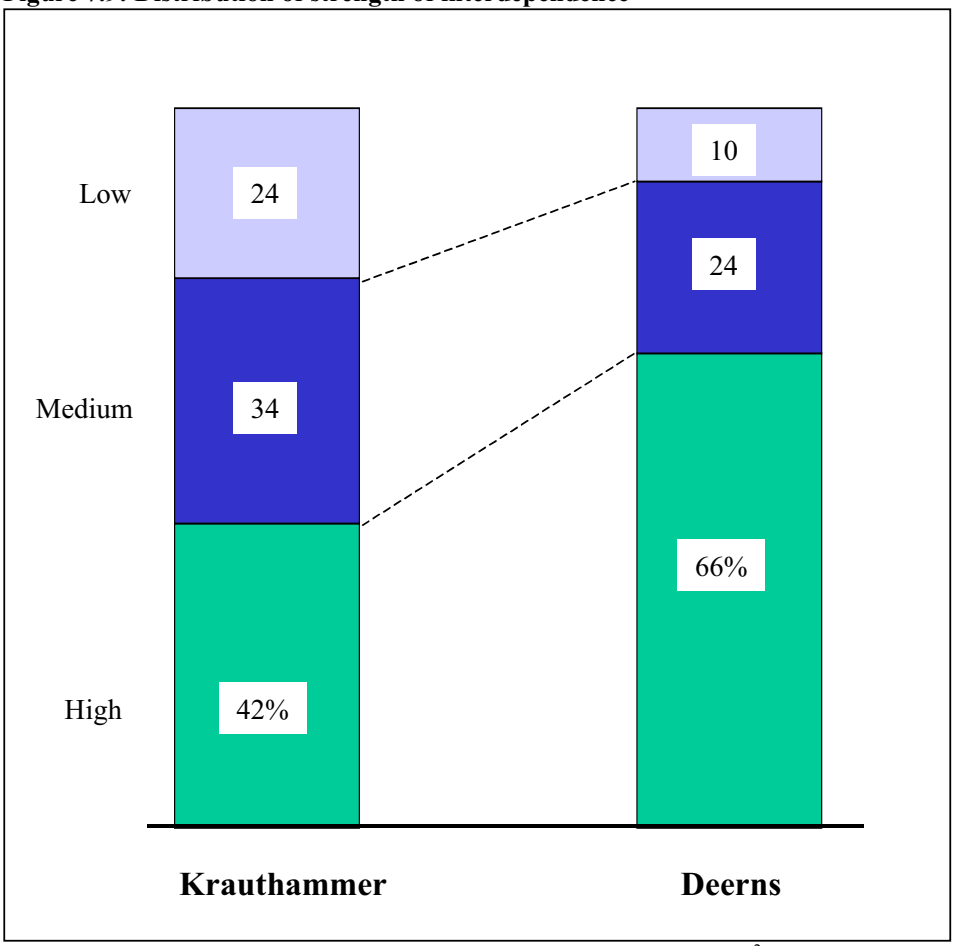


Note: Percentage of trouble and trust & trouble events, based on interviews and observations. $\chi^2 = 0.81$, df = 2, p = .666. Krauthammer: n = 103, Deerns: n = 67. 1 = very light trouble, 10 = very severe trouble.

Strength of interdependence

This variable was coded by the researcher and three categories were used (see Table 5.6): high, medium, low. The analysis for this variable was only performed on the events collected in the interviews, because in the observations the relevant functional interdependence was usually the fact that the two players were in that particular meeting and team. The distributions differed significantly between the two organizations, $\chi^2 =$ 11.95, p = .003, with Krauthammer showing a more even distribution and Deerns showing 66% of events as high level interdependence (Figure 7.9).

Figure 7.9: Distribution of strength of interdependence



Note: Percentage of trouble and trust & trouble events, based on interviews. $\chi^2 =$ 11.95, df = 2, p = .003. Krauthammer: n = 97, Deerns: n = 97.

Structural models

Structural equation modelling was used to test the models hypothesised – the core model and the complete model. All model tests were based on the covariance matrix and used maximum likelihood estimation as implemented in LISREL8 (Jöreskog and Sörbom, 1996).

All but one of the variables (severity) described in the previous section are ordinal variables and this study claims that they can all be treated as scale variables, because the ordinal categories can reasonably be seen as reflecting an underlying continuous scale. Table 7.2 shows the correlation matrix for all six variables in each organization.

Table 7.2: Correlation matrix of 'trouble' variables

Krauthammer	1	2	3	4	5
1– Impact on relationship	1.000				
2 – Total action of lead player	.334**	1.000			
3 – Total reaction of other player	.437**	.333**	1.000		
4 – Evaluation of event	.622**	.159	.279**	1.000	
5 – Severity of trouble	-.178	-.137	-.214*	.022	1.000
6 – Strength of interdependence	-.004	.252*	.186	.072	-.128
Deerns	1	2	3	4	5
1– Impact on relationship	1.000				
2 – Total action of lead player	.254**	1.000			
3 – Total reaction of other player	.447**	.417**	1.000		
4 – Evaluation of event	.592**	.289**	.449**	1.000	
5 – Severity of trouble	.206	.071	.290*	.226	1.000
6 – Strength of interdependence	.181	.015	.181	.055	-.178

Note: Spearman's ρ. ** Correlation is significant at the .001 level (two-tailed). * Correlation is significant at the .005 level (two-tailed).

The number of trouble events for which data was available for all four variables in the ***core model*** was 108 for Krauthammer and 132 for Deerns, while 10 parameters were to be estimated. This is considered to be sufficient for reliable results (Kelloway, 1998). The hypothesised model provided at best marginal fit in Krauthammer and reasonable fit in Deerns and modified models that showed good fit could be obtained in both organizations (Table 7.3). Standardized parameter estimates for the modified models are presented in

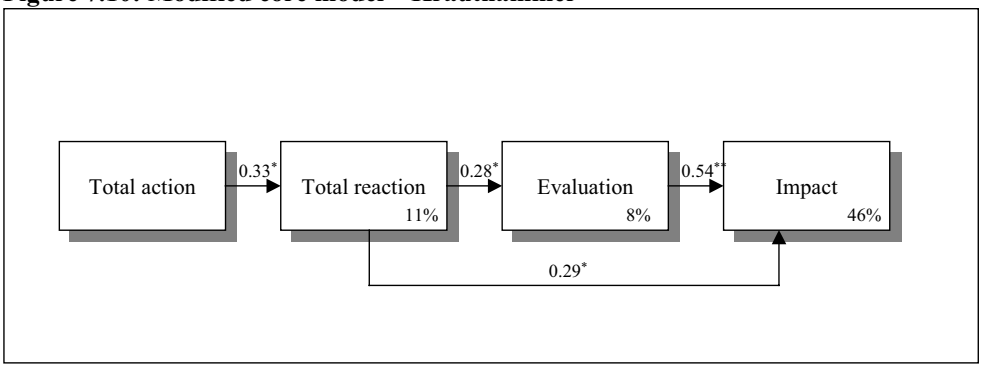
Figure 7.10 for Krauthammer and Figure 7.11 for Deerns. In both organizations impact on relationship was predicted by evaluation of event ($\beta_{Krauthammer} = 0.54$, $p < .05$; $\beta_{Deerns} = 0.49$, $p < .05$) and total reaction ($\beta_{Krauthammer} = 0.29$, $p < .10$; $\beta_{Deerns} = 0.23$, $p < .10$). The model predicted 46% of the variance in impact in Krauthammer and 39% in Deerns (Table 7.4). Evaluation of event was predicted by total reaction ($\beta_{Krauthammer} = 0.28$, $p < .10$; $\beta_{Deerns} = 0.45$, $p < .05$) and total reaction in turn was predicted by total action ($\beta_{Krauthammer} = 0.33$, $p < .10$; $\beta_{Deerns} = 0.42$, $p < .05$). The model in Krauthammer explained 8% of variance in evaluation and 11% of variance in total reaction, while in Deerns the model explained 20% of variance in evaluation and 17% of variance in total reaction. In both organizations all parameters are significant.

Table 7.3: Comparison of goodness of fit indices between trouble models

Kraut-hammer	χ^2	df	p	CFI	GFI	AGFI	PGFI	PNFI	Stand. RMR	RMSEA	Sample size
Hypothesised core model	17.97	3	0.00	0.81	0.92	0.74	0.28	0.39	0.12	0.22	108
Modified core model	5.78	2	0.06	0.95	0.97	0.87	0.19	0.31	0.06	0.13	108
Hypothesised complete model	15.57	7	0.03	0.84	0.93	0.80	0.31	0.37	0.09	0.13	75
Modified complete model	7.59	5	0.18	0.96	0.96	0.88	0.32	0.45	0.06	0.08	75
Deerns	χ^2	df	p	CFI	GFI	AGFI	PGFI	PNFI	Stand. RMR	RMSEA	Sample size
Hypothesised core model	10.36	3	0.02	0.93	0.96	0.87	0.29	0.46	0.08	0.14	132
Modified core model	2.14	2	0.34	1.00	0.99	0.96	0.20	0.33	0.04	0.02	132
Hypothesised complete model	14.33	7	0.05	0.86	0.93	0.79	0.31	0.37	0.11	0.13	66

The percentage of variance explained in evaluation of event was considered low, especially in Krauthammer. In the evaluation of a trouble event the prior knowledge of the other person and his perceived limits to trustworthiness also play a role. Further research is needed to investigate this. Also, the way in which the total reaction of the other player is operationalized and measured may not be accurate enough. The percentage of variance explained in total reaction was also considered low and an explanation may be the way in which the total interaction was operationalized and measured in total reaction and total action - that is, taking the most constructive reaction and action -, as it assumed that negative relational signals sent could be undone when more positive relational signals were also sent. The interaction between the two players is probably more complex and needs further research.

Figure 7.10: Modified core model – Krauthammer

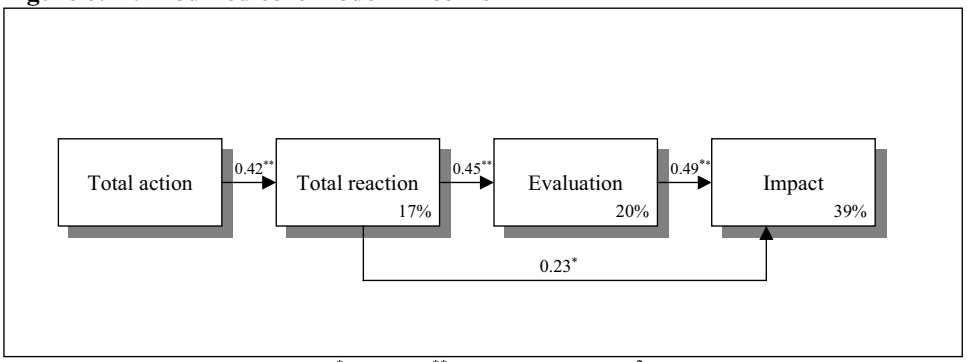


Note: Standardized β coefficients. * p < .10, ** p < .05. n = 108; χ^2 = 5.78 (df=2, p=0.06); CFI=0.95; GFI=0.97; AGFI= 0.87; PGFI=0.19; PNFI= 0.31; standardized RMR=0.06; RMSEA= 0.13. Percentages in boxes are variance explained of variable.

The number of trouble events for which data was available for all six variables in the ***complete model*** was 75 in Krauthammer and 66 in Deerns, while 14 parameters were to be estimated. This was only barely sufficient (Kelloway, 1998), so care should be taken when interpreting the results. The hypothesised model provided at best marginal fit in both organizations (Table 7.3). No significant effects of severity were found and in the modified models this variable could be deleted without worsening model fit or degree of variance explained and parsimonious fit improved. Within Krauthammer a modified model with good fit could be obtained for the complete model (Figure 7.12), which only differed with the modified core model (Figure 7.10) in one respect, the inclusion of an effect of strength of interdependence on total action ($\beta_{Krauthammer}$ = 0.25, p <.10). The standardised parameter estimates and the percentage of variance explained were the same as the modified core model, and all parameters are significant. With the inclusion of strength of interdependence predicting total action 6% of variance of the latter variable could be explained. Within Deerns no significant effects were found for either severity or

interdependence making the modified complete model the same as the modified core model (Figure 7.11). Because of the strongly similar results for the core models in the two organizations, the data of both organizations were combined and the complete model was analysed again (n = 141). No significant effects of the variables interdependence and severity were found.

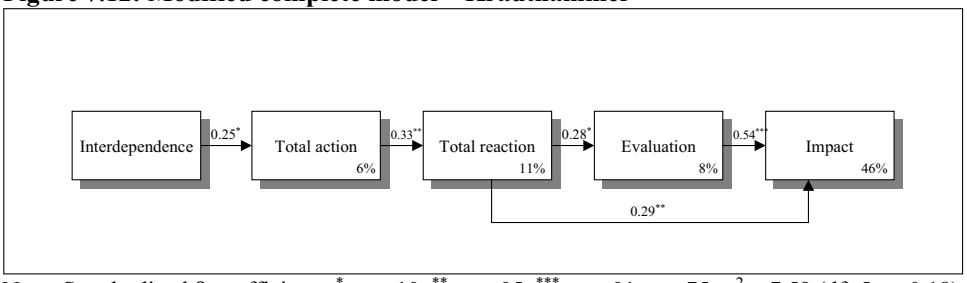
Figure 7.11: Modified core model – Deerns



Note: Standardized β coefficients. * p < .10, ** p < .05. n = 132; χ^2 = 2.14 (df=2, p=0.34); CFI=1.00; GFI=0.99; AGFI= 0.96; PGFI=0.20; PNFI= 0.33; standardized RMR=0.04; RMSEA= 0.02. Percentages in boxes are variance explained of variable.

In sum, within both organizations significant support was found for a trouble model including the four variables impact on relationship, evaluation of event, total reaction of other player and total action of lead player. Support for the inclusion of strength of interdependence predicting total action could only be found in Krauthammer and no support was found for the inclusion of severity of trouble in the trouble model. The five-factor model showed slightly better fit than the four-factor model. The amount of variance explained for the variables evaluation, total reaction and total action are low suggesting further research is needed to provide better operationalization of the total interaction between the two players and to test the effects of severity and strength of interdependence with a larger sample size. Overall, the results show support for the relational signalling approach to understanding how trouble impacts trust building.

Figure 7.12: Modified complete model – Krauthammer



Note: Standardized β coefficients. * p < .10, ** p < .05, *** p < .01. n = 75; χ^2 = 7.59 (df=5, p=0.18); CFI=0.96; GFI=0.96; AGFI= 0.88; PGFI=0.32; PNFI= 0.45; standardized RMR=0.06; RMSEA= 0.08. Percentages in boxes are variance explained of variable.

Different players, different perceptions

In the theory of trust building developed in this study perceptions and attributions are very important and one possible explanation for the low percentage of variance explained in the variable total action may be that I only asked the lead player's own perception of the relational signal in his own action, while the relational signal should be determined by the receiver and not the sender. Time and resource constraints prevented systematic collection of the other player's perception of the relational signal in the lead player's action. In several events I happened to get the perspective of more than one player involved: for three events collected in the interviews the detailed perspective of both the lead player and the other player was collected and for 13 observed public events in Krauthammer all players involved were asked to code the event. The three events were analysed for the attributions made in the descriptions. For each event the attributions made by each player were compared for the relevant elements of the event (trigger for trouble, behaviour of each player and so on). In the first event, George and Charles, Krauthammer consultants[45], had experienced trouble when George, a new consultant, had not prepared himself properly for an internal training with Charles as the internal trainer (Table 7.4).

[45] See also Chapter 5.

Table 7.4: Analysis of trouble event between George and Charles (Krauthammer)

	George's perspective	Charles' perspective
Trigger for trouble	I had not prepared myself. I had chosen to go for a long walk the previous evening rather than study.	He had not prepared the task in the way we expect. He should have known better.
Lead player's (= Charles) behaviour	He confronted me with my inadequate performance and sent me out of the room. He was right, I made a mess of it.	I told him this was not what we expect and told him to go to his room to study and return when he was ready to do it as we want it. I took a risk I was ready to take.
Other player's (= George) behaviour	I went out of the room and felt bad and humiliated. I briefly considered leaving the training altogether, but I realized he was right and prepared myself properly and went back in.	He went out and later returned to try again, ready to learn.
Evaluation of event	I have learned.	He has learned, he now fully understands what happened and why.
Severity of trouble	7	9
Impact on relationship	Restoration	Deepening

In this event the attributions made of both players' behaviour were similar in both perspectives and the coding of the event along the variables was also very similar. George indicated on his form that they had talked about this event and had evaluated it during a coaching meeting. In the other events, however, different attributions were present. For example, between two members of the same team in Krauthammer where the team leader (Mark) went on holiday and the other team members (one of which was Stephen) had to take over (Table 7.5).

Table 7.5: Analysis of trouble event between Mark and Stephen (Krauthammer)

	Mark's perspective	Stephen's perspective
Trigger for trouble	My absence caused them lots of stress and lots of work, because they were much less experienced than me.	During Mark's holiday a lot of things happened at the same time and we found several things Mark had done were incorrect. It caused us lots of stress and extra work and we cursed him. It had not all been his fault.
Lead player's (= Stephen) behaviour	This was the first time ever that I was reprimanded[46] after my holidays.	The first day Mark was back we sat down and confronted him with our stress and proposed solutions. We were not angry.
Other player's (= Mark) behaviour	I asked what we should do differently and they said we should have regular meetings, which I had always wanted but they had been too busy for that previously.	He could take it. To some things he said, yes I should have done that differently; other things he wanted to discuss.
Evaluation of event	Mishap	Mistake
Severity of trouble	6	6
Impact on relationship	Deepening	Restoration

Within Deerns a more complex trouble event provided a good illustration of how differences in attributions can continue to exist and not be resolved fundamentally. In 2002 one client, a typical 'new economy' company in the ICT sector, was making extremely high demands on Deerns regarding tight time schedules and last minute changes. The team had been putting in lots of overtime. They had just met a deadline, but the client had (again) changed the requirements and everything needed to be redone in a very short timeframe. The whole team got together to discuss what to do next. The trouble event was told by the unit manager, William, who was also in charge of this project, and one of the

[46] A reprimand is part of Krauthammer's typical terminology and implies being confronted by some one else who did not like your behaviour. In a reprimand the lead player intends to convey that he says 'yes to the person, but no to the behaviour'.

team members, Ray, who was one of the people speaking up at the team meeting (Table 7.6).

Table 7.6: Analysis of trouble event between William and Ray (Deerns)

	William's perspective	Ray's perspective
Trigger for trouble	The team was fed up, because the client had made new, different requirements	We were fed up when the client threw out our design which we had produced on time and under tremendous time pressure, simply because they changed the requirements. This was not the first time that happened.
Client's position	The client company operated in a very dynamic business environment. The client contact could not control or foresee the changes that had to be made.	The client could have prevented this, because they had two people contradicting each other.
Lead player's (= team with Ray as one of the spokesmen) behaviour	It was not that they were not willing to cooperate, they were just fed up. They wanted me to say 'no' to the client.	When we sat down with William he started dividing up the tasks and emotions ran high. We told him to say 'no' to the client, we won't do it anymore.
Other player's (= William) behaviour	We had no choice but to continue to help this client if we wanted to remain credible. We had control in the sense that we could mobilise the power to help, which I did.	He refused to say 'no' to the client, because he simply wants the turnover. He said we did not understand it, even though there were 10 of us and we were motivated. In the end we went ahead with the work, with overtime and with a little bit more resources.
Severity of trouble	7	8
Impact on relationship	Restoration	Restoration

What is remarkable in the last two examples is that, despite the clearly different perspectives and attributions, the impact of the trouble event on trust in the relationship is the same (both restoration) or almost the same (restoration versus deepening). A comparison of the coding for the 13 public trouble events observed in Krauthammer, for which I have the perspective of both, or more, players involved, showed a similar result (Table 7.7): the codes given to many variables often differed substantially, but differences in the perceived impact on the relationship, if differences were present at all, were small: restoration versus deepening or restoration versus recalibration on the specific dimension involved. The differences in severity of trouble could show large variations, up to 7 points difference on a 10-point scale, with the lead player – the one experiencing the trouble – giving the higher score and the other player – causing the trouble – giving the lower score. That differences would be in this direction is not surprising but the size of the differences was considered remarkable.

The analysis in this section was performed to investigate whether the lead player's perception of his own action was different from the other player's perception of the lead player's action. The analysis of the three events from the interviews showed no clear differences in the perception or the relational signal implied in the lead player's action toward the other player. That message appeared to have come across. However, attributions made about the situation and both parties' behaviour were found to be different. Further research into the differences of the attributions and perceptions of the players involved appears warranted.

Table 7.7: Analysis of differences in coding for public trouble events in Krauthammer with more coders

Event	Type of event	Severity of trouble	Evaluation of event	Impact on relationship
1	Yes	No	No	No
2	Yes	Yes: 0, 5	No	No
3	No	Yes: 1, 2	Yes: other, disagreement	Yes: restoration, recalibration on specific dimension
4	Yes	Yes: 1, 4	Yes: other (take more time to get the facts), disagreement	Yes: deepening, restoration
5	No	Yes: 3, 8	Yes: disagreement, distrust	Yes: restoration, recalibration on specific dimension
6	Yes	Yes: 3, 6, 7, 8	No	No
7	Yes	Yes: 2, 7	Yes: mishap, disagreement	No
8	Yes	Yes: 0, 7	Yes: misunderstanding, other (reveals weakness of system)	Yes: restoration, deepening
9	No	Yes: 3, 10	Yes: misunderstanding, disagreement	No
10	Yes	No	No	No
11	Yes	No	No	No
12	No	-	-	No
13	Yes	Yes: -, 8, 9	-	Yes: deepening, restoration

Note: 'yes' denotes that the coders gave different codes for this variable, while 'no' denotes that they did not and '–' denotes that data was missing for a comparison.

Representativeness of trouble event analysis

The data for the trust and trouble event analysis were collected using interviews and observations. A potential bias with the interviews was that interviewees only told events that they could recall and were prepared to tell the researcher. Interviewees might have been more likely to remember either events that happened recently or ones which had involved strong emotions (Wittek, 1999). The level of trust between interviewee and myself might have influenced what the interviewee was prepared to tell me. During the interviews within Krauthammer I hardly ever felt hesitation on the part of the interviewee; I did, in fact, sometimes hear the emotion in the interviewee's voice, suggesting high trust between interviewee and myself. Within Deerns I more often sensed some hesitation at the start of the interview, but often found that dissolving as the interview progressed and I gained the trust of the interviewee. Another potential bias in the trust and trouble event analysis was that with the observations only public trouble events were collected as I was not present in private (one-on-one) situations. Given these potential biases in the collection of events using interviews and observations, a questionnaire survey with four vignettes of trouble events was also conducted. Two were constructed to occur publicly and two privately; two were constructed to be about severe trouble, two about less severe trouble (Table 7.8). The respondents were asked to indicate how likely they were to apply the 16 possible actions in each vignette. A potential bias with the vignette analysis was that it only recorded the intentions of the respondent's own behaviour. Firstly, most of us do not always act according to our intentions all the time (for example, Weick 1995). Secondly, responses may have been influenced by what was considered socially desirable[47]. In a fifth question respondents were asked to indicate how often they observed each of the 16 actions in general within their organization. A potential bias of this question about general occurrence is that actions such as 'do nothing' and 'avoidance' may be underreported since they are difficult to observe and another potential bias is that, again, social desirability effects may be present. Another difference between the first two analyses was that the trust and trouble event analysis represented situations that were spread evenly in severity of trouble within both organizations (Figure 7.8), while the severity of the trouble in the four vignettes were rated as medium to severe trouble, ranging on a comparable scale from 6 to 8.5.

[47] As shown in Chapter 6 the check on social desirability effects carried out on the survey results showed strong context-dependency effects.

Table 7.8: Description of vignettes

Vignette	Description	Variables
A	You and your direct superior have discussed a promotion for the next round. Just before the promotion date this superior tells you unexpectedly that the promotion is off. You disagree.	Severe trouble, not public
B	A colleague repeatedly does not stick to what he agreed to do. Through this negligence you have to repeatedly do more work than necessary.	Medium trouble, not public
C	You find out that a colleague makes negative comments to other colleagues about you behind your back, which are also incorrect. Directly after this discovery you sit in a meeting with him (in the presence of others).	Severe trouble, public setting
D	You have thoroughly prepared an item on the agenda of a meeting and sent all the relevant materials to the others. One colleague has not done his homework and proposes to delay the decision making to the next meeting. Without decision you cannot proceed.	Medium trouble, public setting

Vignettes were used because in this way respondents were confronted with the same situation and the variation in response across the two organizations could be measured more precisely. Did respondents from Deerns respond significantly differently than respondents from Krauthammer? The mean score for each action across all four vignettes was computed and a T-test was performed to test for differences between the organizations (Table 7.9). The mean scores for each action for the 'general occurrence' question were also tested for significant differences. The results show that for 11 of the 16 actions significant differences were obtained in the vignettes, the general occurrence or both. Krauthammer scored significantly higher on the voice actions private inquiry, public inquiry, public confrontation and public complaint; on the third party actions indirect inquiry and formal inquiry, and on gossip. Deerns scored significantly higher on rupture, avoidance, vertical mediation and private confrontation. This is largely in line with the results obtained for the first action of the lead player in the trouble event analysis (Figure 7.13) where people within Krauthammer used more constructive voice and third party actions than people in Deerns; and people in Deerns used more resignation actions.

Table 7.9: Survey analysis of trouble strategies

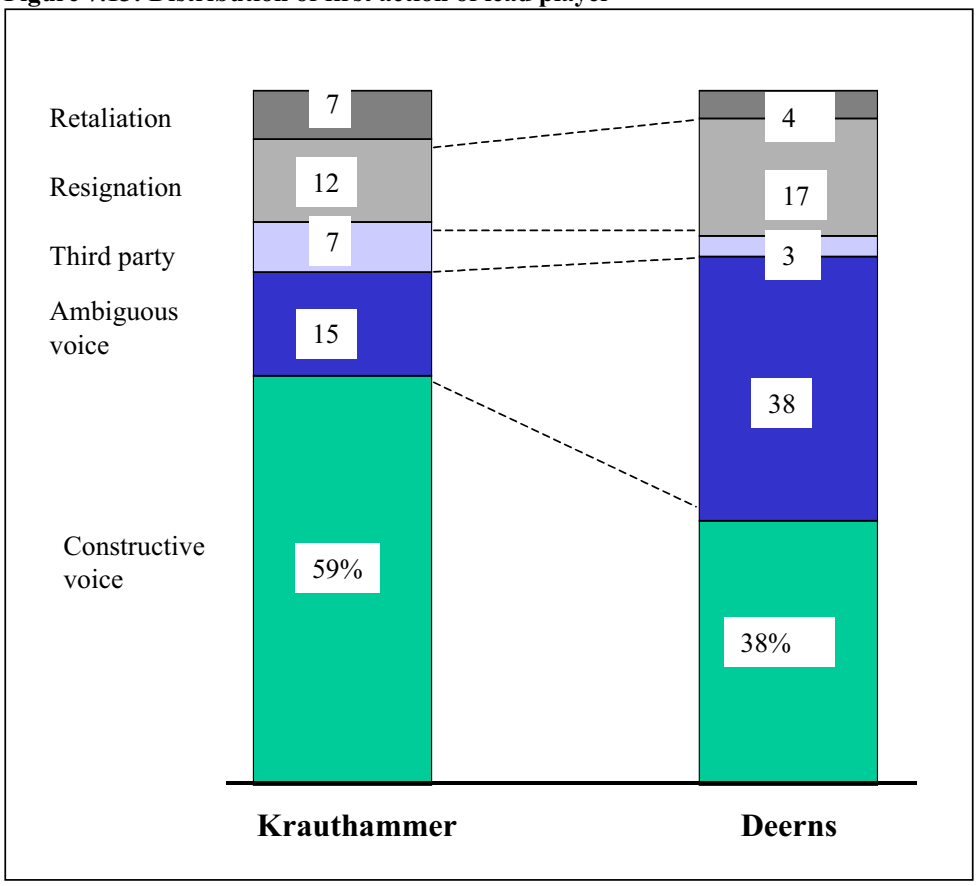
Action	Mean of four vignettes			General occurrence		
	Kraut-hammer	Deerns	t-value	Kraut-hammer	Deerns	t-value
Private inquiry	4.17	4.28	-0.74	4.04	3.56	2.86**
Private confrontation	4.06	4.39	-2.07**	3.81	3.51	1.44
Public inquiry	1.95	1.59	2.62**	2.70	2.44	1.24
Public confrontation	2.06	1.61	3.62**	2.59	2.26	1.74*
Private complaint	3.66	3.82	-0.73	3.52	3.35	0.74
Public complaint	1.49	1.29	1.74*	2.12	2.07	0.24
Indirect inquiry	2.66	2.38	1.54	3.59	2.79	3.73**
Lateral mediation	1.79	1.67	-0.66	2.48	2.17	1.41
Formal inquiry	2.49	2.32	0.97	3.30	2.76	2.75**
Vertical mediation	2.22	2.55	-1.71*	2.78	2.81	-0.16
Do nothing	1.87	2.04	-1.00	2.81	2.60	1.09
Avoidance	1.68	1.70	-0.17	1.93	2.29	-1.90*
Gossip	1.81	1.55	1.79*	2.74	2.67	0.32
Formal complaint	2.14	2.01	0.73	2.93	2.91	0.08
Get even	1.31	1.51	-1.25	1.78	1.83	-0.24
Rupture	1.30	1.54	-1.84*	1.59	1.83	-1.40

Note: * $p < .1$, ** $p < .05$. Means, 5-point scale with 1=never apply/occurs, 5 = always apply/occurs.

Another analysis to check the representativeness of the trouble event analysis was performed: a comparative analysis between the three types of analyses (Table 7.10) in which the outcomes of each type of analysis were ranked with a score of 1 indicating the highest occurrence and a score of 16 indicating the lowest occurrence. Across all three analyses and within both organizations the three private actions always ranked in the top 5, suggesting that trouble was preferably dealt with in private, directly addressing the other player with no one else present. The constructive voice private actions ranked higher than the ambiguous voice private action across all three analyses and within both organizations. The actions 'rupture' and 'get even' always scored in the bottom 4 across all three analyses and within both organizations, suggesting these actions were not preferred, probably because they were not considered appropriate and effective. The action 'do nothing' ranked higher in the trust and trouble event analysis than in both survey analyses in both organizations. Two factors may explain this difference: first, people could in actual fact more often do nothing than they intended to; and second, if the trouble was of light severity, people will more often do nothing than if the trouble was of high severity and the trouble in the vignettes was higher than the average trouble in the trust and trouble event analysis. Also, within Krauthammer the action ranked lower in the vignette analysis than in the other two analyses, which was remarkable as in Deerns it was the general occurrence analysis which ranked lowest. An explanation may be that within Krauthammer trouble of the kind presented in the vignettes was expected to be acted upon. Within both organizations third party inquiry actions – 'indirect inquiry' and 'formal inquiry'- ranked

higher in the two survey analyses than in the trust and trouble event analysis. A possible explanation may be that people often intended to ask a third party's opinion, but did not always get around to doing it. Also, within Krauthammer people did not often meet face-to-face, making it harder to inquire with a third party. Within Deerns people appeared less confident about their interpersonal skills and may not have felt comfortable enough to inquire with a colleague or a superior about the other person's behaviour without sending the wrong relational signals.

Figure 7.13: Distribution of first action of lead player



Note: Percentage of trouble and trust & trouble events, based on interviews and observations. $\chi^2 = 24.34$, df = 4, $p < .001$. Krauthammer: n = 121, Deerns: n = 141.

Within both organizations all the actions involving a superior ranked higher in the two survey analyses than in the trust and trouble event analysis. Within Krauthammer a possible explanation may be the role of the coach. Every employee within Krauthammer had a coach who was also formally a superior. The relationship – as indicated in all the interviews - was one of at least medium, but usually high trust. For most of the consultants

it was also the colleague they spoke with most frequently. Some of the events in the trust and trouble event analysis may have been coded as 'indirect inquiry' because the interviewee spoke of his coach as a (more experienced) colleague rather than as a superior, which would have warranted a code of 'formal inquiry'. Another possible explanation may be that trouble in the vignette survey was rated as more severe than many of the events in the trust and trouble case analysis and when trouble is severe, getting a superior involved may be more likely. Within Deerns, mediation by a superior ('vertical mediation') ranked fourth, which was much higher than in the trust and trouble event analysis (14th). This may be explained by the fact that severity of the trouble in the vignette analysis was more severe than the trouble in the trust and trouble event analysis. It may also be an indication – as within Krauthammer – that the relationship with the superior was good enough to approach him. From the interviews and observations the general impression was that within Deerns hierarchy was more strongly felt than within Krauthammer. Within Deerns the relatively high ranking for the action 'formal complaint' in the general occurrence analysis suggests that people tended to feel others made formal complaints more often than they would do themselves. The finding that all public actions ranked higher in the trust and trouble event analysis appeared to confirm the bias due to the fact that observations were always public. Particular attention deserved the action 'public complaint' in Deerns: in the trust and trouble event analysis it ranked first, while in the vignette analysis it ranked 16th. In the trust and trouble event analysis complaints were plentiful in the meetings observed, leading to this top rank. The results in the vignette analysis suggest the presence of a strong culture that you should not complain in public. This result would appear to confirm the bias present in the vignette analysis of social desirability. There were, however, also indications that the relative severity of the trouble was responsible for part of the explanation of the difference. Finally, the action 'gossip': in both organizations it was not considered an appropriate action, as suggested by the very low ranking of the action in the vignette analysis, but it was occasionally found in the trust and trouble event analysis and people observed it more often as shown by the higher ranking in the general occurrence analysis. Again, an indication that we don't always act as intended or along what is considered appropriate. Krauthammer even had a principle that 'we do not talk about people, but with people'. This implied that they did not gossip. As shown, gossip did occur, though rarely. Several events showed, however, that when someone gossiped to another person about a third person not present, the other person confronted him with the fact that he was gossiping.

Table 7.10: Comparison of analyses

		Krauthammer			**Deerns**		
Category	Action	Trust and trouble events[48]	Vignettes (survey)	General occurrence (survey)	Trust and trouble events	Vignettes (survey)	General occurrence (survey)
Constructive voice	Private inquiry	3	1	1	5	2	1
	Private confrontation	1	2	2	2	1	2
	Public inquiry	8.5	9	10	6	12	10
	Public confrontation	2	8	11	8.5	11	12
Ambiguous voice	Private complaint	5	3	4	4	3	3
	Public complaint	6	14	13	1	16	14
Third party	Indirect inquiry	7	4	3	9.5	5	6
	Lateral mediation	10.5	12	12	14	10	13
	Formal inquiry	13	5	5	9.5	6	7
	Vertical mediation	15.5	6	8	14	4	5
Resignation	Do nothing	4	10	7	3	7	9
	Avoidance	13	13	14	14	9	11
Retaliation	Gossip	8.5	11	9	7	13	8
	Formal complaint	10.5	7	6	9.5	8	4
	Get even	13	15	15	14	15	16
Exit	Rupture	15.5	16	16	14	14	15

Note: ranking scores with 1 = highest occurrence and 16 = lowest occurrence. Equal rankings are averaged.

The analyses suggest that overall the results obtained in the trust and trouble event analysis are representative of what actually occurred in both organizations. In Krauthammer strong voice and third party actions were used more often and less constructive actions, such as avoidance and rupture, were used less often than in Deerns. The order of preference for the actions was largely similar across the three types of analyses performed. The strongest bias found was for the fact that observations were always public.

[48] First action of lead player and not total action of lead player as used in the previous subsection.

Summary

The purpose of this chapter was to examine how trouble is dealt with and what the impact of a trouble event is on trust in the relationship. When trouble occurs the lead player is likely to question – at least temporarily – the stability of the trouble maker's normative frame. Dealing with trouble effectively requires that both players involved act in ways that are not perceived as negative relational signals[49] and avoidance of negative relational signals had been identified as the fourth strategy for stabilizing normative frames. Applying the theory of interpersonal trust building formulated in this study a trouble model was constructed. The empirical results show that people within Krauthammer were more effective in maintaining trust in the face of trouble than people within Deerns, which was in line with the results achieved in the previous chapters. People within Krauthammer could on many occasions even use trouble to deepen the relationship. It shows how a (severe) trouble event can provide an opportunity to get to know the other person better, and thus improve the knowledge base of the trust, provided the interaction between the two players is supportive of this learning process, that is, both use voice and focus on sending positive relational signals rather than ambiguous or negative ones. If the trouble turned out to be a mishap, misunderstanding or mistake, by talking about it explicitly one could exchange information so that it was likely that the trouble would not reoccur. If it was a disagreement, one might be able to negotiate a satisfactory arrangement. And if it turned out to be a matter of distrust, one had to consider how serious it was. Should trust be recalibrated downwards only on this dimension and in this particular situation, or should it be recalibrated downwards on all fronts, possibly even rupturing the relationship? This result suggested support for the argument in this study that it is important to be aware of the fact that trust is situation-specific and person-specific.

Also, although people in both organizations predominantly used voice (85% of events), people in Krauthammer used strong voice more often than people in Deerns (72% versus 50%). Evaluation of event was found to have five categories rather than the four hypothesised: mishap, misunderstanding, mistake, disagreement and distrust. The results differed significantly between the organizations with misunderstanding and disagreement occurring less often in Krauthammer than in Deerns, which was argued to be caused by the clear and explicitly formulated expectations set by Krauthammer's organizational context. In almost two thirds of the trouble events in Krauthammer a reference was made to either values and principles or procedures, while this happened only twice in Deerns (less than 2% of events).

The structural model obtained after modifications consisted of five variables – impact, evaluation, total reaction, total action and interdependence - in a sequential path as shown in Figure 7.12 and showed good fit. The amount of variance explained for the variable impact was 46% and 39% for Krauthammer respectively Deerns, which was considered satisfactory. The amount of variance explained for the variables evaluation, total reaction and total action was considered low, suggesting further research is needed to provide better

[49] Unless one or both have lost interest in maintaining the relationship.

operationalization of the total interaction between the two players and to test the effects of severity and strength of interdependence with a larger sample size. The importance of including the differences in the perceptions and attributions made by each of the players involved was illustrated by the events for which both perspectives were collected.

A check for the representativeness of the trust and trouble event analysis using the results of the survey analysis provided overall support for the results presented in earlier parts of this chapter and gave no cause for concern.

Overall, the results show support for the relational signalling approach to understanding how a trouble event impacts trust building and gave support to the theory of interpersonal trust building developed in this study.

8. CONCLUSIONS

The starting point of this study was the observation that trust is considered to be important by many – scholars and practitioners alike -, yet we do not see pre-dominantly high-trust work relationships. The proposed explanation was that, among others, trust is difficult to build and maintain, especially in the face of trouble. The motivation for the study was that it is worthwhile investigating trust and trouble within organizations because it can be assumed that the effectiveness of interpersonal trust building co-varies with the level of cooperation and the effectiveness of cooperation. The present study aims to contribute to existing research on trust by formulating a theory of interpersonal trust building. Three research questions were formulated: (1) How is interpersonal trust built in work relations within organizations?; (2) How does trouble influence this process?; and (3) How does the organizational context influence these trust and trouble processes?

The purpose of Chapter 2 was to lay the foundations for a theory of interpersonal trust building within work relations that started from relational signalling theory. Chapters 3 to 7 were devoted to further development of the foundations and to an empirical test of the theory. A case study research strategy within two organizations, Krauthammer and Deerns, was used with embedded a combination of qualitative and quantitative analyses. For the first two research questions the main unit of analysis was an event in which trust and/or trouble between two people of the organization played a role and the results for the two organizations were compared. For the third research question the organization was the unit of analysis. Both organizations were active in the professional services industry, Dutch and medium sized; and differed in the sense that individuals working within Krauthammer had chosen a profession working with people and organizational culture, whereas individuals working within Deerns had chosen a profession working with technology. Chapter 5 was devoted to the third research question as it investigated what institutional arrangements enhance trust building. In Chapter 6 the first research question was addressed and the actual behaviour of the individuals in a work relationship was examined for trust building actions. Chapter 7 examined the second research question by investigating how trouble was dealt with and what the impact is of a trouble event on the trust in the relationship.

This concluding chapter first takes inventory of the empirical insights and theoretical implications generated in this study. Then it reflects on strengths and limitations of the theoretical approach, methodological implications, practical implications and avenues for further research.

Insights and implications of the study

This study shows that interpersonal trust building is best conceptualised as an interactive process in which both individuals learn about each other's trustworthiness in different situations. The theory of interpersonal trust building developed in this study is based on two basic assumptions:

1. Human behaviour is goal directed and rationality is strongly bounded by the fact that the various potential goals are not equally in consideration.
2. Human behaviour is context dependent and guided by the normative embedding in which the individual operates.

Following relational signalling theory three master frames are identified: the hedonic frame (with the goal to feel good or better right now), the gain frame (with the goal to improve one's resources) and the normative frame (with the goal to act appropriately). Since trust is related to the positive expectation that it will not be taken advantage of, it requires the absence of opportunistic behaviour by the trustee so that the trustor can make himself vulnerable to the action(s) of the trustee. This requires a stable normative frame, since opportunistic behaviour is highly likely in the other two master frames. The key argument put forward in this study is, therefore, that for interpersonal trust to be built in work relations within organizations, both individuals in the relationship need to have their actions guided by a stable normative frame. Thus the stability of normative frames becomes a joint goal and likely to be jointly produced within the relationship itself with positive relational signals, as well as within the organization as a whole with the help of flanking arrangements that are part of the organizational context. The theory shows that for interpersonal trust to be built (1) legitimate distrust situations must be taken away through interest alignment arrangements, (2) institutional arrangements must be put in place that stimulate frame resonance, (3) both individuals must regularly perform actions conveying positive relational signals and (4) both individuals involved in a trouble situation must at least act in ways that are not perceived as negative relational signals.

The insights gained regarding the first research question, *how is interpersonal trust built in work relations within organizations?*, to a large extent confirm everyday experiences, but add to existing knowledge a comprehensive theory with which to explain these characteristics of trust. Zucker *et al.* (1996) argued that trust building can only occur when you are open to social influence from the other individual or a relevant third party and this is a precondition for learning about the other individual's trustworthiness. Zand's (1972, 1997) observation that by acting trustingly, the individual makes himself vulnerable to abuse *and* communicates his intention to trust as well as his own trustworthiness, can be directly related to the way in which relational signals work and the notion that each individual is simultaneously trustor and trustee. Because of the precarious nature of the normative frame, trust can be shown to need regular, if not constant, nurturing and tending and that the supply of trust increases with use rather than decreases with use (Pettit, 1995;

Powell, 1996). The notion of relational signals and especially the need for *unambiguously* positive relational signals for trust building help explain the differences in the positive feedbacks of trust and distrust: it is easier to break down trust, or at least slow down trust building, because ambiguous relational signals are more likely to be interpreted as negative overall. The theory is also able to explain that trust need not necessarily be blind (in contrast to Williamson, 1993), because frames can switch implying that there are limits to trust in every individual: no one is perfectly competent in all respects (ability); there are legitimate distrust situations as everyone has a price (benevolence); no one walks his talk all the time in all respects and we occasionally fall for short-term temptations (dedication); and it is rare for two individuals to have complete norm-congruence (norm-acceptability). Thus, the challenge in trust building is 'the better I know under which circumstances I can trust him to do what' rather than 'the higher the trust the better it is' (Gabarro, 1978). The task when building trust as a trustor is to learn as much as possible about the trustee, getting as realistic a picture as is possible of his likely behaviour under different conditions. This learning will largely be based on a combination of the actual outcomes achieved and the relational signals perceived. The trustor may have some influence on the trustee's behaviour in the sense that some parts of the trustee's behaviour can be negotiated (Gabarro, 1978). The trustee's task when building trust is to be as clear and unambiguous as possible about the conditions and actions he wants to be trusted in. And, even better, the trustee can help the trustor get the most realistic picture by indicating openly where some of the limits of his own trustworthiness are. And, last but not least, the concept of relational signals allows the incorporation of 'non rational' psychological processes (Nooteboom, 2002).

The third strategy for stabilizing normative frames operates at the individual level and states that both individuals must regularly perform actions conveying (unambiguously) positive relational signals. A list of 20 trust building actions was compiled based on research done by several authors on what actions build interpersonal trust. An examination of the positive relational signal in each created four categories: be open, share influence, delegate and manage mutual expectations. Using the results from the questionnaire survey, hypothesis 6.1, predicting that the more frequently people perform each of the 20 proposed actions the higher the trust levels can become, was supported because people within Krauthammer performed ten actions significantly more frequently than people within Deerns (and none significantly less frequently) and within Krauthammer trust was built to significantly higher levels than within Deerns. A new insight could be added with the action 'public compliment'. Previous research mentioned only the importance of giving positive feedback, without the distinction between a private compliment and a public compliment, but public compliments can play an important role in building interpersonal trust in work relations through the third party effects they have, as was shown in Krauthammer. Public compliments help build experience-based trust with people who have as yet little direct experience with the recipient of the compliment and who know and trust

the giver of the compliment. It is a strong and effective way to use third parties in building trust within an organization.

The results from the questionnaire survey were also used to test the four-category structure of the 20 trust building actions. The small sample size did not allow full tests using exploratory and confirmatory factor analysis, but the scale reliability was reasonably good (α-values between 0.55 and 0.75), when the action 'make yourself dependent' was kept separate because of the negative correlations with the other actions in its category. A confirmatory factor analysis on the four categories plus the action resulted in a slightly modified model with good to outstanding model fit and significant parameters (Figure 6.3). The model showed strong and positive relations for trust building effort to the four categories and a weak and negative relation to the action.

The insights gained regarding the second research question, *how does trouble influence trust building?*, built on the work of Lewicki and Bunker (1996), Wittek (1999) and Hirschman (1970). This study argued that trouble is inevitable, because of the occurrence of mishap situations, short-term temptations and the presence of radical uncertainty. The research investigated what happens at these critical moments when trouble occurs. When trouble occurs the lead player is likely to question – at least temporarily – the stability of the trouble maker's normative frame. Dealing with trouble effectively was shown to require that both players involved act in ways that are not perceived as negative relational signals[50] and avoidance of negative relational signals had been identified as the fourth strategy for stabilizing normative frames. The empirical results show that people within Krauthammer were more effective in maintaining trust in the face of trouble than people within Deerns, which was as predicted. People within Krauthammer could on many occasions even use trouble to deepen the relationship. It shows how a (severe) trouble event can provide an opportunity to get to know the other person better, and thus improve the knowledge base of the trust, provided the interaction between the two players is supportive of this learning process, that is, both use voice and focus on sending positive relational signals rather than ambiguous or negative ones. If the trouble turned out to be a mishap, misunderstanding or mistake, by talking about it explicitly one could exchange information so that it was likely that the trouble would not reoccur. If it was a disagreement, one might be able to negotiate a satisfactory arrangement. And if it turned out to be a matter of distrust, one had to consider how serious it was. Should the trust be recalibrated downwards only on this dimension and in this particular situation, or should it be recalibrated downwards on all fronts, possibly even rupturing the relationship? This result supported the argument in this study that it is important to be aware of the fact that trust is situation-specific and person-specific.

Also, although people in both organizations predominantly used voice (85% of events), people in Krauthammer used constructive voice more often than people in Deerns (73% versus 50%). Evaluation of event was found to have five categories: mishap, misunderstanding, mistake, disagreement and distrust. The results differed significantly

[50] Unless one or both have lost interest in maintaining the relationship.

between the organizations with misunderstanding and disagreement occurring less often in Krauthammer than in Deerns, which was argued to be caused by the clear and explicitly formulated expectations set by Krauthammer's organizational context. In almost two thirds of the trouble events in Krauthammer a reference was made to either values and principles or procedures, while this happened only twice in Deerns (less than 2% of events).

The trouble model obtained after modifications consisted of five variables – impact on relationship, evaluation of event, total reaction of other player, total action of lead player and strength of interdependence - in a sequential path as shown in Figure 7.12 and showed good fit. The amount of variance explained for the variable impact was 46% and 39% for Krauthammer respectively Deerns, which was considered satisfactorily. Impact on relationship was predicted by evaluation of event ($\beta = 0.54$, $p < .01$) and total reaction of other player ($\beta = 0.29$, $p < .05$). The amount of variance explained for the variables evaluation, total reaction and total action were considered low, suggesting further research is needed to provide better operationalization of the total interaction between the two players and to test the effects of severity and strength of interdependence with a larger sample size. The importance of including the differences in the perceptions and attributions made by each of the players involved was illustrated by the events for which both perspectives were collected.

The third research question, *how does the organizational context influence the trust and trouble processes?*, was addressed by examining what institutional arrangements enhance trust building. The first two strategies for stabilizing normative frames – take away distrust and create a trust-enhancing context - operate at the contextual level and relate to the third research question. No previous research had been found that addressed this problem systematically, even though it is widely accepted that an individual's behaviour is guided by the social context in which he operates (for example, Coleman, 1990; Archer, 1995). This study brings together separate pieces of previous research, each investigating one type of institutional arrangement, in a coherent theory. Contemporary organizations, that is, organizations that require organizational forms with an emphasis on mutual dependence and individual initiative, were shown to need a weak solidarity frame in which both normative goals and gain goals are present, each constraining the other.

Evidence was found that a necessary condition for building trust – lack of distrust – was often met in each organization, because in the questionnaire survey the action 'show a bias to see the other person's actions as well intended' scored high (on a 5-point scale), $mean_{Krauthammer} = 4.00$ (SD 0.55), $mean_{Deerns} = 3.83$ (SD 0.70). Five institutional arrangements were identified and eleven hypotheses were formulated and tested using predominantly qualitative analyses based on data collected from interviews, observations, documents and verification meetings. Empirical support was found – in varying strength – for all but two of the hypotheses, suggesting that a strong culture with an emphasis on the importance of relations (hypothesis 5.1), stimulation of the development of interpersonal skills (hypothesis 5.2), an explicit socialization process (proposition 5.3) and normative

rather than bureaucratic control (hypothesis 5.4) helped build and maintain trust. Furthermore, third parties appeared to affect both trust intensity and direction, contrary to Burt and Knez' findings (hypothesis 5.6) and many opportunities for meeting informally (hypothesis 5.8) appeared to contribute to trust building. A distinction between role behaviour and *qua persona* behaviour was found to be relevant on some occasions, providing both extra opportunities for trouble resolution, but also possibly extra triggers for trouble (hypothesis 5.9). Also, fair and clear performance contingent reward systems (bonuses and promotions) (hypothesis 5.10) and dedication to continuous professional development (hypothesis 5.11) were shown to contribute to trust building. No support was found for hypothesis 5.5 predicting that high levels of functional interdependence more often led to affect based-trust, that is, the second phase of trust. Hypothesis 5.7 could not be properly tested because in both organizations the important norms appeared sufficiently homogenous for individuals bridging different groups no to feel constrained in their behaviours regarding trust building.

The empirical research also showed how a corporate university can facilitate interpersonal trust building, not only for newcomers, but also because it enhanced continued frame resonance within the organization as a whole. In Krauthammer it played an important role in the way in which control was experienced, as normative rather than bureaucratic, because at the corporate university the norms and rules were regularly discussed, reinforced or adapted. Given the busy lives Krauthammer consultants lived, corporate university also provided important opportunities to meet informally and resolve lingering trouble experiences properly.

Krauthammer furthermore appeared strong on both feminine and masculine characteristics, but the masculine characteristics were especially strong in the group behaviour, or public behaviour, and the feminine characteristics thrived in the one-on-one interactions, or private behaviour. The masculine characteristics included, among others, a strong action orientation, witty humour, showing your strength and your success. The feminine characteristics included, among others, care and concern for others, receptivity, and being vulnerable. Apparently, within Krauthammer, the constraint in moving from private, one-on-one, behaviour to public behaviour lay in not being as vulnerable anymore. Since many of the trouble events studied were dealt with in one-on-one situations, the feminine characteristics appeared to be important for the resolution of trouble. In relational signalling terms, feminine characteristics showing in actions are more likely to convey other regard and therefore are more likely to be perceived as positive relational signals.

Many of the elements researched were related. Looking at the two organizations I argue that the key difference between these organizations appeared to be the degree to which the organization stimulated you to develop your awareness of the impact of your behaviour on others – and vice versa – and to develop your interpersonal skills. The notion of reflexivity is relevant here. Reflexivity for Greek philosophers, for example, Socrates, implied thinking about the self and the world dialectically. Schön (1983) saw reflexivity in the

context of learning, 'reflect in action', that is, become aware of what one is doing and learn. Organizations that score high on this are also more likely to explicitly formulate those norms and values relevant for operation within it, are more likely to stress the importance of relationships, are more likely to have an intense and explicit socialization process, and are more likely to stress normative rather than bureaucratic control. They are also more likely to have performance contingent rewards that are considered fair and clear and more likely to provide continuous professional development. Even though this pattern for organizational level characteristics appeared to be an effective way for stimulating trust building and trouble resolution, it was not necessarily the only way. Further research may uncover other 'high trust' organizations with other patterns.

Overall, the results support the theory of interpersonal trust building developed in this study.

Strengths and limitations

Based on a limited set of assumptions about social goals, a theory of interpersonal trust building was formulated linking different analytical perspectives into a single framework that takes into account both organizational context and individual behaviour. Another advantage of the relational signalling approach to interpersonal trust building is that it allowed the complex dynamic and interactive nature of trust – and trouble - to be studied. The precarious nature of interpersonal trust building could be explained with the precarious nature of the normative frame needed for trust to be built and the complexity of sending and, more importantly, receiving relational signals. Another strength of this study is that the empirical research was based on field work with an almost unlimited access to two organizations and that multiple research methods were applied to get ample triangulation.

Several limitations to the proposed theory should be recognized. First, the theory is limited to *interpersonal* trust and further research is needed to extend it to other forms of trust such as trust in organizations, institutions or social systems. A second limitation is that I focussed on work relations *within* organizations. I expect that the theory can (easily) be extended to all work relations since the need for stable normative frames guiding the behaviour of both involved holds for building trust in all work relations and the underlying dynamics are therefore expected to be very similar. The trust-enhancing context, however, may be more difficult to create when the individuals do not belong to the same organization. Also, the culture-dependency of the normative frame may also make it more difficult to achieve frame resonance since it is not merely the fact that both individuals want to act appropriately that achieves frame resonance, but rather the content of what acting appropriately entails. Further research is needed to investigate the consequences of the theory to inter-organizational work relations such as client relations, alliance relations and public-private partnership relations. A third limitation is that in places the theory was limited to contemporary organizations characterized more and more by a high degree of

ambiguity and uncertainty and a strong need for change, innovation, learning and risk-taking, in other words weak solidarity organizations. Further research is needed to investigate which types of organizations need weak solidarity, with the consequence that the theory would be applicable, and which types of organizations need other configurations and with what consequences to the theory of trust building. Related to this, the study followed Lindenberg and Wittek in assuming that in weak solidarity organizations it is possible to have strong normative goals and strong gain goals present at the same time, each constraining the other. However, their writings were not completely congruent in how this works exactly. More work is needed to explain this in more detail.

Several limitations to the empirical results are also relevant. The research was conducted in two case study organizations which is a limited sample size and further research is recommended in a larger number of organizations. In places the sample size of events was only just enough for reliable results – the factor analyses of trust building actions and the effects of the variables severity of trouble and strength of interdependence in the trouble model – and further research is recommended with larger sample sizes.

Methodological implications

This study used a case study research strategy with an embedded multi-method approach. I argued that a mix of qualitative and quantitative methods was required to study trust effectively. Using interviews, observations, a questionnaire survey, documents and verification meetings as sources of data, three main types of analysis were carried out: a quantitative trust and trouble event analysis, a quantitative survey analysis and qualitative analyses.

This study makes an important methodological contribution with the development of the trust and trouble event analysis methodology. The trouble case analysis as applied by Morrill (1995) and Wittek (1999) was extended in three directions: first by extending the type of events studied to include trust events; second, by extending the variables coded for each event to ones also measuring perceptions of the player(s) involved, which implied asking the person involved to do the coding. Third, statistical analyses were performed on the events collected. Extending the analysis to include trust events led to mixed results. The extension was successful in the qualitative sense of collecting valuable narratives of how people experienced the trust process and for collecting data about the basis for trust[51]. However, many interviewees found it difficult to recollect events in which they were aware of the trust they had to place in others. An explanation may be that a worker does it almost all the time during his work and, therefore, is no longer aware of it. And when the expectation of trustworthiness is confirmed, the event remains in his subsidiary awareness as part of his routines (Nooteboom, 2002). If, for whatever reason, the flow of expectations

[51] Data about the most important dimension of trustworthiness were also collected, but not used in this study.

is disrupted, causing the person to experience trouble, the event will most likely enter his focal awareness. Hence the difference in ease of recollection of trust versus trouble events in this methodology, as shown in the proportional distribution of trust events (24%) versus events where trouble played a role (76%) in the interviews. The second extension, asking for the perception of the player, proved very valuable. As shown in Chapter 7, the perceptions of both players can vary substantially, so a recommended extension in future research is to collect and analyse more systematically the perceptions of both players, for example using attribution analysis tools such as the Leeds Attributional Coding System (Munton *et al.*, 1999). The third extension, statistical analysis, also proved very valuable in testing the hypotheses.

In the research design stage we (the researcher and her supervisors) decided against measuring the level of trust in each of the work relationships quantitatively mainly for reasons of lack of time and resources, but also because at the time no concise yet precise set of validated survey items were found. Instead, perceived change in trust was measured without a base line. The base line level of trust, that is, whether trust was high or low prior to the event, is probably a relevant factor as is suggested in the narratives presented. Also, the occurrence of 'restored or no impact' responses to impact of trouble - even when the trouble was severe, the other player reacted hostile or the event was evaluated as disagreement or ground for distrust - suggests that the trust present prior to the trouble event is relevant. In future the trust present in the relationship can more easily and reliably be measured using the 10 items from the Behavioural Trust Inventory as developed and validated by Gillespie (2003).

Practical implications

The present study has some important implications for practitioners trying to build interpersonal trust in work relationships within their organizations. The implications for interpersonal behaviour apply to people at all levels in the organizations, while the implications at the contextual level apply in particular to those in leadership positions who are able to influence the organizational context more directly. The lists shown below are not complete, they only summarize the main findings in practical advice to practitioners.

Individual behaviour

- Take a learning approach to trust building: how well do I know under which circumstances I can trust the other person to do what?
- Acknowledge the limits to trust in everyone (including yourself)
    - Ability: no one is perfectly competent in all respects
    - Benevolence: everyone has a price and there are legitimate distrust situations
    - Dedication: we may occasionally fall for short-term temptations
    - Norm-acceptability: it is rare for two individuals to have complete norm-congruence.

Trust and trouble

- Be reflexive, among others, by training yourself to be more aware of what your affect toward the other person is, that is, whether you say 'yes' to the person or not.
- Perform trust building actions whenever possible (see Table 6.2).
- Be explicit in your trust building actions and when dealing with trouble.
- Approach trouble as an opportunity to get to know the other person better. Inquire into the background of the trouble as often as possible.
- Set the example.

Organizational context

- Identify and deal with legitimate distrust situations through interest alignment arrangements.
- Explicitly formulate those norms and values relevant for operating within your organization, and implement and make them alive within the organization. Make sure that the norms and values stress 'other regard'.
- Stimulate and support that employees develop their interpersonal skills, reflexivity, self-confidence and self-discipline, for example through training.
- Socialize newcomers systematically and explicitly.
- Reduce control measures based on enforced obedience to company rules and stimulate control measures based on internalisation of rules and identification with the company.
- Make sure that monitoring is done with the intention that you can learn from it and that you get compliments for your achievements; and not that you get punished for mistakes you made.
- Stimulate that third parties are used in trust building: asking for help or advice is a sign of strength.
- Create ample opportunities for people to meet easily informally.
- Create opportunities for public compliments.
- Introduce fair and clear performance contingent reward systems and check that they are also perceived as fair and clear.
- Provide employees with opportunities for continuous professional development, and be prepared to make sacrifices in this respect.

Avenues for further research

Avenues for further research into the trust process are numerous and some have already been mentioned. In this section a handful are highlighted. The results achieved within this research appear valid for work relations within professional services firms in the Netherlands. I expect that many of the mechanisms and underlying dynamics apply to most organizations in at least Western cultures, if not worldwide. Thus a first avenue to extend the present study would be to include more organizations to improve external reliability, both similar organizations, as well as other types of organizations, outside of the professional services industry, with different nationalities, of different size or facing different market challenges, such as a direct threat to survival.

As already argued the basic dynamics probably also apply to inter-organizational partnerships, be it alliances or joint ventures between business corporations, public-private partnerships or issue networks where organizations from the public, civic and business sectors come together to address social and environmental issues. Given the importance of the organizational context, these partnerships, however, face extra challenges in trust building, because fewer elements of the context can be taken for granted. A second avenue is thus the application of the framework developed in this study to other types of work relationships, such as client relationships, supplier relationships, relationships between joint venture business partners and relationships in public-private partnerships.

Third, this study assumed that trust was important for cooperation and organizational performance, while further research is warranted to study exactly how. Moran and Ghoshal (1999) showed that value is created and realized when new, novel resource deployments can be made and Lane and Maxfield (1995) showed that these innovations occur in 'generative relations'. Generative relations are relations in which some essential heterogeneity or distance between the participants exists while at the same time these participants have some shared directedness that makes them want to bridge the distance between them. Nooteboom (1999c:13) used the notion of 'cognitive distance' to describe the same phenomenon, 'if effectiveness of knowledge transfer is the product of novelty and intelligibility, this yields some optimal intermediate cognitive distance'. Further research is needed to test the hypothesis, the better a party's[52] ability to deal with trust and trouble, the better he is at building and maintaining the network of generative relationships out of which novel resource deployments can be made. Also, the better each party in the relationship is at building trust and voicing his side of the relationship in a constructive manner, the larger the cognitive distance that can be bridged productively.

Fourth, the relationship between trust and distrust warrants closer investigation. This study argued that they are different but related concepts and more research is needed to clarify exactly how and where they differ, how and where they are related and how they interact.

A final avenue for further research is to investigate how an organization can raise the level of trust present within it. Given the importance of interpersonal skills, awareness of how we influence our colleagues and reflexivity, empirical research is needed to measure the effect of training in these fields on the trust in work relations. Also, can the more explicit formulation of relevant norms and values, together with a program that ensures that these are not only espoused but also become part of the theories-in-use, help improve the trust in the work relations within an organization?

[52] This hypothesis can be tested at the individual, group or organizational level, and within intra-organizational relationships as well as inter-organizational relationships.

APPENDIX A: RESEARCH DESIGN

Appendix A.1: Gaining Access

The first contact with Krauthammer was made through a former colleague of the researcher who had hired Krauthammer's Dutch CEO as his coach. The first direct contact was made in June 2000 by phone in a conversation with this managing partner. He immediately indicated a serious interest to be a case study object in this research. In July they met face-to-face and agreed to meet again in August. He would check with some colleagues and the researcher would develop a plan. In August the Dutch organisation was in favour of this research. Early September the researcher introduced the research to the Dutch Management Team and later to some 10-15 people from the organization. On September 29th the real kick-off of the research was made. The researcher attended a full day with all the Dutch people present and made a brief presentation to them about the research and about herself. She furthermore started observing the meetings of a coaching team (8 persons), a plenary session with the whole organization and a meeting of the group of partners (BOT; 14 persons).

The search for the second organization was not immediately successful. Several organizations were approached but denied access and cooperation. The first contact with Deerns was made in August 2001 directly with the CEO whom the researcher knew from the past. The meeting was not arranged for the research, they just happened to meet. As the researcher told the CEO about the research he reacted enthusiastically. She sent him some materials and he discussed it with the other director. The researcher met with both of them in September and they agreed in principle to do this research within Deerns. In November 2001 the researcher had meetings with the business unit managers to get their support. In December 2001 the research was announced in Deerns' weekly in-house bulletin and the researcher attended one unit meeting to introduce the research and herself; in March 2002 the presentation to the second unit took place. The actual research was started in March 2002.

Appendix A.2: Sampling People for Interviews and Survey

Krauthammer	Total number of people (n=72)	Interviews (n=26; 36%)	Approached for survey (n=42)	Survey response (n=27; 64%)
By function				
Partner	17	5 (29%)	6	5 (83%)
Consultant	21	11 (52%)	13	6 (54%)
Commercial assistant	11	4 (36%)	11	7 (64%)
Other office	23	6 (26%)	12	8 (67%)
By gender				
Female	33	10 (30%)	25	17 (68%)
Male	39	16 (41%)	17	10 (59%)
By starting year				
-1990	16	5 (31%)	8	5 (63%)
1991-1999	45	18 (40%)	18	12 (67%)
2000-2001	11	3 (27%)	16	10 (63%)
By age				
>45	9	1 (11%)	6	4 (67%)
36-45	25	12 (48%)	8	4 (50%)
25-35	35	11 (31%)	26	17 (65%)
<25	3	2 (67%)	2	2 (100%)

Deerns	Total number of people (n=69)	Interviews (n=26; 38%)	Survey response (n=43; 62%)[53]
By function			
Management team member	8	6 (75%)	4 (50%)
Consultant/project leader	21	8 (38%)	16 (76%)
Engineer	35	10 (29%)	18 (51%)
Secretary	5	2 (40%)	4 (80%)
By gender			
Female	10	6 (60%)	6 (60%)
Male	59	20 (34%)	37 (63%)
Starting year			
- 1972	6	2 (33%)	5 (83%)
1973-1982	12	4 (33%)	7 (58%)
1983-1992	15	8 (53%)	8 (53%)
1993-2002	36	12 (33%)	21 (58%)
By age			
>45	12	5 (42%)	7 (58%)
36-45	25	10 (40%)	13 (52%)
25-35	19	7 (37%)	11 (58%)
<25	13	4 (31%)	9 (69%)

[53] Some data missing.

Appendix A.3: Overview of Observed Meetings

Observed meetings Krauthammer

Type of meeting/gathering	Number observed
Plenary sessions Dutch office	4
Partner meeting	4
Coaching team	3
Business Planning sessions	3
Management meetings	2
Department head meeting	1
Meeting of junior consultants	1
Theme Day	1
Christmas 'luner' (lunch/diner)	1

Observed meetings in Deerns

Type of meeting/gathering	Number observed
Unit meeting	3
Board meeting	3
Management team meeting	1
Management team conference (1,5 days)	1
HCD workshop (1 day)	1

Appendix A.4: Questionnaire Survey

Aan: Medewerkers van Labs & Industrie en Gezondheidszorg
Van: Frédérique Six
Datum: 25 november 2002

In het trust & trouble onderzoek is tot nu toe gewerkt met gebeurtenissen waarin trust en/of trouble (vertrouwen en/of 'narigheid') belangrijk zijn. Door de gehanteerde manier van verzamelen – gesprekken en observaties – is het mogelijk dat de geregistreerde gebeurtenissen geen volledig en representatief beeld geven van hoe mensen binnen …Deerns… met trust & trouble omgaan. Om na te gaan of het gevonden beeld representatief voor …Deerns… is wordt een enquête uitgevoerd bij alle medewerkers van de units die onderzocht zijn.
Wij vragen hiervoor je medewerking. Naar verwachting vergt het invullen van de vragen circa 20 – 30 minuten. Het eerste deel van de enquête concentreert zich op de omgang met trouble. Het tweede deel concentreert zich op acties die vertrouwen helpen bouwen. Het laatste deel vraagt enkele algemene gegevens die nodig zijn voor de statistische verwerking.
De gegevens worden vertrouwelijk behandeld. Strikt genomen zouden wij in de meeste gevallen de individu kunnen herleiden, maar daarin zijn wij niet geïnteresseerd; die algemene gegevens hebben we echter wel nodig voor de statistische verwerking. De individuele gegevens komen niet bij …Deerns… terecht.
Wij vragen je om het ingevulde formulier in de envelop aan Frédérique te geven als zij de komende weken regelmatig over de afdelingen loopt of bij Marian ….. (PZ) af te geven die de enveloppen verzamelt en aan Frédérique geeft.

De deadline voor het inleveren van de formulieren is maandag 16 december a.s.

Wij zullen later (januari/februari) per unit de belangrijkste resultaten van het trust &trouble onderzoek terugkoppelen.

ALVAST HEEL HARTELIJK BEDANKT VOOR JE MEDEWERKING!!

P.S. om het lezen makkelijk te houden hebben we het qua taalgebruik over 'hij', 'zijn', enzovoort, waar we mensen van alle geslachten bedoelen.

Omgaan met trouble
Hieronder worden vier situaties geschetst waarin de 'jij'-persoon als de hoofdrolspeler trouble ervaart oftewel zich ergert aan het gedrag van een collega. Verplaats je in de rol van deze hoofdrolspeler bij het beantwoorden van de vragen. Per situatie worden mogelijke acties van de hoofdrolspeler vermeld. Geef per actie aan hoe waarschijnlijk het is dat je deze actie in de specifieke situatie zal toepassen (door een kruisje te zetten in de relevante kolom). Het gaat hier om wat je feitelijk zou doen, niet wat je denkt dat je zou moeten doen.

A. Jij hebt afspraken gemaakt met je direct leidinggevende over een promotie komende periode. Vlak voor de promotiedatum vertelt deze leidinggevende je onverwachts dat de promotie niet door kan gaan. Jij bent het daar niet mee eens.

	Nooit toepassen	Heel soms	Soms	Vaak	Altijd toepassen
	1	2	3	4	5
1 Je ergernis voor je houden en niets doen					
2 De relatie met de persoon verbreken					
3 De persoon in het bijzijn van andere collega's naar zijn gedrag vragen					
4 De persoon onder vier ogen naar zijn gedrag vragen					
5 De persoon onder vier ogen over de trouble vertellen, waarbij je een reactie van hem verwacht					
6 De persoon in het bijzijn van andere collega's over de trouble vertellen, waarbij je een reactie van hem verwacht					
7 De persoon zoveel als mogelijk uit de weg gaan					
8 Een andere collega naar zijn mening over het voorval vragen					
9 Een meerdere naar zijn mening over het voorval vragen					
10 Je bij de persoon onder vier ogen beklagen over zijn gedrag					
11 Je bij een meerdere beklagen over het gedrag van de desbetreffende persoon					

A. Jij hebt afspraken gemaakt met je direct leidinggevende over een promotie komende periode. Vlak voor de promotiedatum vertelt deze leidinggevende je onverwachts dat de promotie niet door kan gaan. Jij bent het daar niet mee eens.

	Nooit toepassen	Heel soms	Soms	Vaak	Altijd toepassen
	1	2	3	4	5
12 Je bij de persoon in het bijzijn van andere collega's beklagen over zijn gedrag					
13 Je bij collega's beklagen over het gedrag van de desbetreffende persoon					
14 De persoon te zijner tijd met gelijke munt terugbetalen					
15 Een meerdere vragen met de desbetreffende persoon te praten					
16 Een collega vragen met de desbetreffende persoon te praten					

B. Een collega komt herhaaldelijk zijn afspraken niet na. Door deze nalatigheid moet jij herhaaldelijk meer werk doen dan nodig.					
	Nooit toepassen	Heel soms	Soms	Vaak	Altijd toepassen
	1	2	3	4	5
17 Je ergernis voor je houden en niets doen					
18 De relatie met de persoon verbreken					
19 De persoon in het bijzijn van andere collega's naar zijn gedrag vragen					
20 De persoon onder vier ogen naar zijn gedrag vragen					
21De persoon onder vier ogen over de trouble vertellen, waarbij je een reactie van hem verwacht					
22 De persoon in het bijzijn van andere collega's over de trouble vertellen, waarbij je een reactie van hem verwacht					
23 De persoon zoveel als mogelijk uit de weg gaan					
24 Een andere collega naar zijn mening over het voorval vragen					
25 Een meerdere naar zijn mening over het voorval vragen					
26 Je bij de persoon onder vier ogen beklagen over zijn gedrag					
27 Je bij een meerdere beklagen over het gedrag van de desbetreffende persoon					
28 Je bij de persoon in het bijzijn van andere collega's beklagen over zijn gedrag					
29 Je bij collega's beklagen over het gedrag van de desbetreffende persoon					
30 De persoon te zijner tijd met gelijke munt terugbetalen					
31 Een meerdere vragen met de desbetreffende persoon te praten					
32 Een collega vragen met de desbetreffende persoon te praten					

C. Jij komt te weten dat een collega achter jouw rug om negatieve opmerkingen naar andere collega's maakt over jou, die bovendien onjuist zijn. Even later zit je met die collega in een vergadering (met anderen erbij).					
	Nooit toepassen	Heel soms	Soms	Vaak	Altijd toepassen
	1	2	3	4	5
33 Je ergernis voor je houden en niets doen					
34 De relatie met de persoon verbreken					
35 De persoon in het bijzijn van andere collega's naar zijn gedrag vragen					
36 De persoon onder vier ogen naar zijn gedrag vragen					
37 De persoon onder vier ogen over de trouble vertellen, waarbij je een reactie van hem verwacht					
38 De persoon in het bijzijn van andere collega's over de trouble vertellen, waarbij je een reactie van hem verwacht					
39 De persoon zoveel als mogelijk uit de weg gaan					
40 Een andere collega naar zijn mening over het voorval vragen					
41 Een meerdere naar zijn mening over het voorval vragen					
42 Je bij de persoon onder vier ogen beklagen over zijn gedrag					
43 Je bij een meerdere beklagen over het gedrag van de desbetreffende persoon					
44 Je bij de persoon in het bijzijn van andere collega's beklagen over zijn gedrag					
45 Je bij collega's beklagen over het gedrag van de desbetreffende persoon					
46 De persoon te zijner tijd met gelijke munt terugbetalen					
47 Een meerdere vragen met de desbetreffende persoon te praten					
48 Een collega vragen met de desbetreffende persoon te praten					

D. Jij hebt een agendapunt voor een vergadering grondig voorbereid en tijdig de relevante stukken naar de anderen gestuurd. Een collega heeft zich niet voorbereid en stelt voor de besluitvorming naar de volgende bijeenkomst door te schuiven. Zonder besluitvorming kan jij niet verder.

	Nooit toepassen	Heel soms	Soms	Vaak	Altijd toepassen
	1	2	3	4	5
49 Je ergernis voor je houden en niets doen					
50 De relatie met de persoon verbreken					
51 De persoon in het bijzijn van andere collega's naar zijn gedrag vragen					
52 De persoon onder vier ogen naar zijn gedrag vragen					
53 De persoon onder vier ogen over de trouble vertellen, waarbij je een reactie van hem verwacht					
54 De persoon in het bijzijn van andere collega's over de trouble vertellen, waarbij je een reactie van hem verwacht					
55 De persoon zoveel als mogelijk uit de weg gaan					
56 Een andere collega naar zijn mening over het voorval vragen					
57 Een meerdere naar zijn mening over het voorval vragen					
58 Je bij de persoon onder vier ogen beklagen over zijn gedrag					
59 Je bij een meerdere beklagen over het gedrag van de desbetreffende persoon					
60 Je bij de persoon in het bijzijn van andere collega's beklagen over zijn gedrag					
61 Je bij collega's beklagen over het gedrag van de desbetreffende persoon					
62 De persoon te zijner tijd met gelijke munt terugbetalen					
63 Een meerdere vragen met de desbetreffende persoon te praten					
64 Een collega vragen met de desbetreffende persoon te praten					

Trust and trouble

2. Per situatie werden telkens dezelfde mogelijke acties vermeld. Geef hieronder per actie aan hoe vaak deze in zijn algemeenheid binnen …Deerns… voorkomt (in jouw beeld).

	Komt nooit voor	Heel soms	Soms	Vaak	Komt altijd voor
	1	2	3	4	5
65 Je ergernis voor je houden en niets doen					
66 De relatie met de persoon verbreken					
67 De persoon in het bijzijn van andere collega's naar zijn gedrag vragen					
68 De persoon onder vier ogen naar zijn gedrag vragen					
69 De persoon onder vier ogen over de trouble vertellen, waarbij je een reactie van hem verwacht					
70 De persoon in het bijzijn van andere collega's over de trouble vertellen, waarbij je een reactie van hem verwacht					
71 De persoon zoveel als mogelijk uit de weg gaan					
72 Een andere collega naar zijn mening over het voorval vragen					
73 Een meerdere naar zijn mening over het voorval vragen					
74 Je bij de persoon onder vier ogen beklagen over zijn gedrag					
75 Je bij een meerdere beklagen over het gedrag van de desbetreffende persoon					
76 Je bij de persoon in het bijzijn van andere collega's beklagen over zijn gedrag					
77 Je bij collega's beklagen over het gedrag van de desbetreffende persoon					
78 De persoon te zijner tijd met gelijke munt terugbetalen					
79 Een meerdere vragen met de desbetreffende persoon te praten					
80 Een collega vragen met de desbetreffende persoon te praten					

3. Kijk naar de vier situaties en geef voor elke situatie aan hoe zwaar je de trouble ervaart (door een kruisje te zetten in de relevante kolom).

	Hele lichte trouble	Lichte trouble	Gemiddelde trouble	Zware trouble	Hele zware trouble
	1	2	3	4	5
81 A. Jij hebt afspraken gemaakt met je direct leidinggevende over een promotie komende periode. Vlak voor de promotiedatum vertelt deze leidinggevende je onverwachts dat de promotie niet door kan gaan. Jij bent het daar niet mee eens.					
82 B. Een collega komt herhaaldelijk zijn afspraken niet na. Door deze nalatigheid moet jij herhaaldelijk meer werk doen dan nodig.					
83 C. Jij komt te weten dat een collega hen achter jouw rug om negatieve opmerkingen naar andere collega's maakt over jou, die bovendien onjuist zijn. Even later zit je met die collega in een vergadering (met anderen erbij).					
84 D. Jij hebt een agendapunt voor een vergadering grondig voorbereid en tijdig de relevante stukken naar de anderen gestuurd. Een collega's heeft zich niet voorbereid en stelt voor de besluitvorming naar de volgende bijeenkomst door te schuiven. Zonder besluitvorming kan jij niet verder.					

Vertrouwen bouwen
Hieronder volgt een lijst met acties die vertrouwen helpen bouwen. Geef per actie aan hoe vaak deze in zijn algemeenheid binnen …Deerns… voorkomt (in jouw beeld) (door een kruisje te zetten in de relevante kolom).

	Komt nooit voor	Heel soms	Soms	Vaak	Komt altijd voor
	1	2	3	4	5
85 Verschillen in verwachtingen boven water halen en oplossen					
86 Op een constructieve wijze negatieve feedback geven					
87 Naarmate de relatie zich ontwikkelt specifieke verwachtingen in detail verkennen					
88 Open en eerlijk over je motieven praten					
89 Je verantwoordelijkheid nemen (de schuld niet afschuiven)					
90 Zorg en aandacht voor de andere persoon ten toon spreiden					
91 De andere persoon verantwoordelijkheid geven					
92 Onder vier ogen positieve feedback (= compliment) geven					
93 Algemene verwachtingen aan het begin van een nieuwe werkrelatie verduidelijken					
94 Advies van anderen zoeken					
95 Jezelf afhankelijk maken van de andere persoon zijn handelen					
96 De legitimiteit van elkaar's belangen onderkennen					
97 Hulp en ondersteuning bieden					
98 Tijdig accurate informatie verstrekken					
99 Op een open en directe wijze taakgerelateerde problemen aan de orde stellen					
100 Hulp en ondersteuning ontvangen					
101 Aanpassingen op je beslissingen vragen en accepteren					
102 Regelmatig de effectiviteit van de samenwerking bekijken en evalueren					
103 Er van uitgaan dat de ander zijn acties goedbedoeld zijn					
104 In het bijzijn van anderen een compliment geven					

105 Welke andere belangrijke vertrouwen-bouwende acties zie jij regelmatig binnen …DEERNS… voorkomen?

-
-

Algemene gegevens

Tot slot hebben wij nog enkele algemene gegevens nodig. Zet alsjeblieft een kruisje in het vakje bij het antwoord dat van toepassing is of vul de gevraagde gegevens in.

106 Ben jij:
- ❑ Man
- ❑ Vrouw?

107 Wat is jouw functie binnen …Deerns…
- ❑ Projecttechnicus
- ❑ Projectleider
- ❑ (Senior) adviseur
- ❑ (Plaatsvervangend) unit manager/afdelingshoofd
- ❑ Directeur
- ❑ Secretaresse

108 Jaar van in dienst treden: …..

109 Geboortejaar: ……

114 In welke unit werk je:
- ❑ Gezondheidszorg
- ❑ Labs & industrie
- ❑ Staf/directie

Geef alsjeblieft voor elke stelling aan of hij op jou van toepassing is of niet (door een kruisje te zetten in de relevante kolom).

	Van toepassing	Niet van toepassing
110 Ik zeg altijd wat ik denk		
111 Ik ben soms geïrriteerd als ik niet krijg wat ik wil		
112 Ik ben altijd bereid om een fout, als ik die gemaakt heb, toe te geven		
113 Ik heb soms bewust iets gezegd dat anderen zou kunnen kwetsen		

Appendix A.5: Overview of Documents Used

Krauthammer

E-mails that are sent to the whole Dutch office and the whole international Krauthammer group. E-mails sent to the BOT, the BST and the team that was observed. E-mail exchanges with people from Krauthammer.

Documentation: the Krauthammer internet site; a statement of the vision, mission, values, principles, responsibilities and core competencies; the organizational structure; the strategic clock (or annual strategic process); business plan 2000-2004 and 2001-2005; SWOT analysis; other internal documents.

Deerns

The Deerns internet site; work satisfaction survey results; commercial brochures; new year's speech 2002 by CEO; presentation of new CEO to board with his first impressions (September 1999); reports on the strategic search conference in 2000, both the minutes of the meeting and the internal magazine sent to all employees; sheets of presentation to new employees about mission and guiding principles; proposal from Krauthammer about partnership; report on organizational study by a student in 1992; several issues of the internal bulletin; documentation for the observed meetings (reports, proposals and background materials). List of values and principles coming out of HCD workshop (July 2003).

Appendix A.6: List of Codes Used for Trust and Trouble Event Analysis

Event number
1-999

Organization
- TLC = Krauthammer
- SEC = Deerns

Source: date
Date of collection: day-month-year (last two digits)

Source: initials
Initials of person interviewed or code for meeting

Type of event:
- TU = trust event
- TO = trouble event
- TT = trust & trouble event

Date of occurrence
Approximate or exact date at which the event occurred

Lead player:
Whose expectations are disrupted (lead player)? Who is irritated? Who faces a question about trust?

Other player:
Whose trustworthiness is relevant? Who causes the disruption of expectations (other player)?

Third Party:
Are other, third, parties involved?

Action by lead player:
Which action is taken to deal with the trouble event?

Possible action	**Description of label**
Private inquiry	Ask the person about his behaviour in a private meeting
Private confrontation	Tell the person about the trouble in a private meeting, expecting a reaction
Public inquiry	Ask the person about his behaviour in a public meeting
Public confrontation	Tell the person about the trouble in a public meeting, expecting a reaction
Private complaint	Complain to the person about his behaviour in a private meeting
Public complaint	Complain to the person about his behaviour in a public meeting
Indirect inquiry	Ask another colleague's opinion about the person's behaviour
Lateral mediation	Ask a colleague to talk to the person
Formal inquiry	Ask a superior's opinion about the person's behaviour
Vertical mediation	Ask a superior to talk to the person
Do nothing	Keep irritation to yourself and do nothing
Avoidance	Avoid meeting the person
Gossip	Complain to colleagues about the behaviour of the person
Formal complaint	Complain to a superior about the person
Get even	Retaliate in kind if the opportunity arises
Rupture	Rupture the relationship with the person

Second action by lead player:
See possibilities above

Reaction of other player:
How does the other player respond?

- NOR = no reaction
- MAR = makes repairs
- CHB = changes behavior
- WDS = wants to discuss solution
- COB = continues behavior
- REH = reacts hostile
- EXP = explains and is open to suggestions
- SUP = supports
- ACC = accepts compliment
- OTH = other, fill out

Source of trust:
What is the basis of the trust involved?

- COG = Cognition-based
- AFF = Affect-based
- OTH = other, fill out

Dimension of trustworthiness:
Which dimension of trustworthiness is involved?

- ABI = ability or competence of other person
- BEN = benevolence of other person towards trustor
- ETH = Ethics: acceptability of principles
- COM = dedication/commitment of other person
- OTH = other, fill out

Reference made to values (Krauthammer only):
Is a reference made to values, principles, rules and procedures?

RVP = reference made to values and principles
RRP = references made to rules and procedures
NRE = no reference made

Reference made by whom (Krauthammer only):
Who makes the reference to values etc?

ILE = in the interaction by the lead player
IOT = in the interaction by the other player
IBO = in the interaction by both
TEL = when telling the event to the researcher
NO = no reference made

Severity of trouble (1-10):

- 1 = very light trouble
- 10 = very severe trouble

Evaluation by lead player

How does the lead player evaluate the event?

- MIH = it was a mishap and won't happen again
- MIS = it was a misunderstanding and won't happen again
- DIA = we disagree on this and I have to take it into account in the future
- DIT = I distrust the other in this respect and I have to take that into account in the future
- SWL = source was wrong and has learned (mistake)
- THO = trust honoured (trust events)
- OTH = other, fill out

Impact on relationship as seen by lead player:

What is the impact of the event on the quality of the relationship?

- RUP = relationship is ruptured
- RCS = relationship is recalibrated downwards, only for specific dimension of trustworthiness involved
- RCA = relationship is recalibrated downwards, for all dimensions of trustworthiness involved
- RES = relationship is restored to previous level
- DEE = relationship is deepened
- UNK = unknown

APPENDIX B: DEALING WITH TROUBLE

Table B.1: Correlations trust building actions - Krauthammer

Action	1	2	3	4	5	6	7	8	9	10
Give positive feedback in a private meeting	1.0									
Give responsibility to the other person	.262	1.0								
Show care and concern for the other person	.465*	.301	1.0							
Give compliment in a public meeting	.557**	.000	.225	1.0						
Show bias to see good intentions	.557**	.360	.451*	.375	1.0					
Clarify general expectations early on	.651**	.013	.327	.354	.354	1.0				
Give negative feedback constructively	.056	.392*	.359	.126	.252	.126	1.0			
Seek the counsel of others	.312	-.351	-.219	.274	.000	.374	-.318	1.0		
Be open and direct about task problems	-.009	.273	.384	.143	.346	.000	.476*	-.058	1.0	
Give help and assistance	.546**	.306	.490*	.249	.498**	.566**	.222	.061	.142	1.0
Take responsibility (don't pass the blame)	.290	.381	.539*	.334	.557**	.086	.407*	-.190	.574**	.119
Receive help and assistance	.414*	.089	.522**	.415*	.311	.167	.356	-.101	.453*	.260
Explore expectations as relationship develops	.336	-.090	.273	.337	.253	.295	.471*	.195	.310	.379
Be honest and open about your motives	.424*	.294	.429*	.408*	.510*	.354	.446*	-.112	.100	.440*
Process and evaluate effectiveness regularly	.140	.363	.568**	.094	.378	.149	.604**	-.207	.601**	.125
Surface and settle differences in expectations	-.064	.192	.249	.112	.199	.035	.611**	-.091	.582**	.238
Disclose information accurately and timely	.024	.038	.592**	.000	.240	.176	.378	-.175	.487*	.213
Recognize the legitimacy of other's interests	.153	-.046	.392*	.324	.539**	.253	.433*	-.066	.504**	.366
Initiate and accept changes to your decisions	.019	.256	.287	.000	.282	-.084	.102	-.137	.334	-.161
Make yourself dependent on other's actions	-.417*	-.509**	-.318	-.207	-.518**	-.029	-.275	.240	-.214	-.256

* $p < .005$ (2-tailed), ** $p < .001$ (2-tailed)

Table B.1: Correlations trust building actions – Krauthammer (continued)

Action	11	12	13	14	15	16	17	18	19
Give positive feedback in a private meeting									
Give responsibility to the other person									
Show care and concern for the other person									
Give compliment in a public meeting									
Show bias to see good intentions									
Clarify general expectations early on									
Give negative feedback constructively									
Seek the counsel of others									
Be open and direct about task problems									
Give help and assistance									
Take responsibility (don't pass the blame)	1.0								
Receive help and assistance	.417*	1.0							
Explore expectations as relationship develops	.264	.323	1.0						
Be honest and open about your motives	.394*	.367	.298	1.0					
Process and evaluate effectiveness regularly	.617**	.261	.212	.154	1.0				
Surface and settle differences in expectations	.328	.022	.625**	.054	.505**	1.0			
Disclose information accurately and timely	.404*	.542**	.279	.196	.363	.311	1.0		
Recognize the legitimacy of other's interests	.520**	.345	.498**	.294	.435*	.605**	.599**	1.0	
Initiate and accept changes to your decisions	.358	-.004	.004	.268	.355	.187	.196	.144	1.0
Make yourself dependent on other's actions	-.599**	-.204	-.026	-.480*	-.278	-.136	-.155	-.282	-.472*

* p < .005 (2-tailed), ** p < .001 (2-tailed)

Table B.2: Correlations trust building actions - Deerns

Action	1	2	3	4	5	6	7	8	9	10
Give positive feedback in a private meeting	1.0									
Give responsibility to the other person	.344*	1.0								
Show care and concern for the other person	.546**	.645**	1.0							
Give compliment in a public meeting	.630**	.149	.228	1.0						
Show bias to see good intentions	.002	.465**	.376*	-.129	1.0					
Clarify general expectations early on	.742**	.364*	.528**	.272	.083	1.0				
Give negative feedback constructively	-.099	.141	.045	.093	.153	-.105	1.0			
Seek the counsel of others	-.110	.351*	.033	.032	.423*	-.113	.146	1.0		
Be open and direct about task problems	.462**	.491**	.718**	.406**	.086	.495**	.141	.144	1.0	
Give help and assistance	.471**	.574**	.711**	.226	.424**	.387**	-.074	.128	.487**	1.0
Take responsibility (don't pass the blame)	.363*	.440**	.630**	-.066	.212	.363*	-.150	-.051	.377*	.565**
Receive help and assistance	.267	.416**	.338*	.285	.323*	.304	-.304	.248	.156	.383*
Explore expectation as relationships develops	.062	.281	.302	.016	.339*	.148	.227	.313*	.225	.177
Be honest and open about your motives	.396*	.411**	.524**	.183	.334*	.429**	.108	-.045	.562**	.455**
Process and evaluate effectiveness regularly	.617**	.380*	.599**	.328*	.181	.601**	.148	.152	.608**	.429**
Surface and settle differences in expectations	.200	.555*	.563**	.003	.395*	.430**	.356*	.093	.397*	.205
Disclose information accurately and timely	.309*	.558**	.573**	.092	.407**	.286	.034	.351*	.630**	.555**
Recognize the legitimacy of other's interests	.482**	.426**	.480**	.397**	.102	-.397**	-.012	.026	.483**	.270
Initiate and accept changes to your decisions	.261	.218	.266	.188	.247*	.343*	-.031	.144	.155	.438**
Make yourself dependent on other's actions	-.365*	-.301	-.331*	.023	.194	-.415**	.158	.452**	-.154	-.299

* p < .005 (2-tailed), ** p < .001 (2-tailed)

Table B.2: Correlations trust building actions – Deerns (continued)

Action	11	12	13	14	15	16	17	18	19
Give positive feedback in a private meeting									
Give responsibility to the other person									
Show care and concern for the other person									
Give compliment in a public meeting									
Show bias to see good intentions									
Clarify general expectations early on									
Give negative feedback constructively									
Seek the counsel of others									
Be open and direct about task problems									
Give help and assistance									
Take responsibility (don't pass the blame)	1.0								
Receive help and assistance	.236	1.0							
Explore expectation as relationships develops	.397*	.299	1.0						
Be honest and open about your motives	.431*	.229	.367*	1.0					
Process and evaluate effectiveness regularly	.518**	.209	.551**	.488**	1.0				
Surface and settle differences in expectations	.345*	.169	.468**	.535**	.486**	1.0			
Disclose information accurately and timely	.600**	.274	.423*	.382*	.498**	.356*	1.0		
Recognize the legitimacy of other's interests	.192	.168	.166	.357*	.460**	.280	.268	1.0	
Initiate and accept changes to your decisions	.293	.478**	.253	.296	.346*	.206	.152	.064	1.0
Make yourself dependent on other's actions	-.445**	-.058	-.012	-.226	-.212	-.116	-.109	-.193	-.072

* p < .005 (2-tailed), ** p < .001 (2-tailed)

Dutch summary

VERTROUWEN EN VERSTORINGEN: INTERPERSOONLIJK VERTROUWEN BOUWEN BINNEN ORGANISATIES

Hoofdstuk 1: Inleiding

Doel van het onderzoek is het geven van een verklaring hoe interpersoonlijk vertrouwen gebouwd wordt in werkrelaties binnen organisaties. Daarbij wordt een dynamische en interactieve benadering gehanteerd waarin het proces van vertrouwen bouwen wordt bestudeerd, evenals de invloed van de onvermijdelijke verstoringen op het vertrouwen dat in de werkrelatie aanwezig is en de invloed van de organisatiecontext op het vertrouwensproces. Weinig bronnen in de literatuur bestuderen het *proces* van vertrouwen bouwen en het effect van verstoringen daarop, en nog minder hebben de reciprociteit van vertrouwen systematisch bestudeerd. Ook is behoefte aan een systematische en expliciete studie van de invloed van de organisatiecontext op interpersoonlijk vertrouwen.
Aanleiding voor het onderzoek is de breed gedragen opvatting dat vertrouwen belangrijk is voor succesvolle samenwerking, waardoor je zou verwachten dat in de meeste werkrelaties het vertrouwen hoog genoemd zou kunnen worden. Dit is echter niet het geval. Een belangrijke verklaring, volgens dit onderzoek, is dat vertrouwen niet eenvoudig te bouwen en in stand te houden is. Vier belangrijke karakteristieken van vertrouwen zijn geïdentificeerd die dit fenomeen helpen verklaren.
De onderzoeksvragen waren:

- Hoe wordt vertrouwen opgebouwd in werkrelaties?
- Hoe beïnvloeden de onvermijdelijke verstoringen (‘trouble’) dit proces van vertrouwen bouwen?
- Wat is de invloed van de organisatiecontext (cultuur, structuur) op deze processen van vertrouwen bouwen en omgaan met verstoringen?

De theoriebouw begint binnen Lindenberg’s relatiesignaaltheorie, omdat het concept van relatiesignalen vergaande implicaties heeft voor een theorie van interpersoonlijk vertrouwen bouwen. Gedurende het uitwerken van de vertrouwenstheorie worden de veronderstellingen expliciet aangepast waar dat nodig blijkt.

Hoofdstuk 2: Grondslagen voor een theorie voor interpersoonlijk vertrouwen bouwen

Doel van het hoofdstuk is het schetsen van een theoretisch kader ter beantwoording van de drie onderzoeksvragen. Het geeft eerst een algemene beschrijving van de grondslagen van Lindenberg’s relatiesignaaltheorie met de basisveronderstellingen en belangrijkste gevolgen. Daarna wordt de relatiesignaaltheorie toegepast op een theorie voor interpersoonlijk vertrouwen bouwen.
Iemand vertrouwen betekent ‘jezelf kwetsbaar maken voor het handelen van die ander, uitgaand van de verwachting dat hij bepaalde acties zal verrichten die voor jou belangrijk

zijn'. Vertrouwen is dus aan de orde als je afhankelijk bent van die ander om iets te realiseren dat belangrijk voor je is en je kan het handelen van die ander niet volledig controleren of met zekerheid voorspellen. Je kan dan schade oplopen als de ander misbruik van de situatie maakt of niet in staat blijkt om datgene te doen waar jij op vertrouwt.
De belangrijkste stelling van dit hoofdstuk is dat interpersoonlijk vertrouwen in werkrelaties alleen gebouwd kan worden als beide betrokken individuen hun handelen laten leiden door een stabiel normatief 'frame'. Derhalve wordt het stabiliseren van de normatieve 'frames' een gezamenlijk doel dat gezamenlijk geproduceerd wordt binnen de relatie met positieve relatiesignalen en binnen de organisatie als geheel met behulp van flankerend beleid dat onderdeel is van de organisatiecontext. De theorie voor vertrouwen bouwen die in deze studie wordt ontwikkeld is gebaseerd op twee basisveronderstellingen: (1) menselijk gedrag is doelgericht en de rationaliteit ervan is sterk beperkt door het feit dat niet alle doelen even zwaar worden meegewogen; (2) menselijk gedrag is context afhankelijk en wordt beïnvloed, maar niet volledig bepaald, door de normatieve inbedding waarbinnen het individu handelt. De theorie toont aan dat er aan vier voorwaarden moet worden voldaan voordat interpersoonlijk vertrouwen gebouwd kan worden: (1) legitieme wantrouwensituaties moeten weggenomen worden door beleid dat de belangen beter op één lijn brengt; (2) institutionele arrangementen die 'frame'-resonantie bevorderen moeten aangebracht worden; (3) beide individuen moeten regelmatig gedrag vertonen dat positieve relatiesignalen uitzendt; en (4) beide individuen in een 'trouble'-situatie (een situatie waarin één van beide een verstoring ervaart) moeten gedrag vertonen dat tenminste niet geïnterpreteerd wordt als negatief relatiesignaal.
Het theoretisch kader dat met de twee basisveronderstellingen is ontwikkeld, maakt het mogelijk om belangrijke karakteristieken van interpersoonlijk vertrouwen te verklaren zoals het interactieve karakter van vertrouwen, het leren dat nodig is voor vertrouwen bouwen, de rol van psychologische mechanismen in beslissingen omtrent vertrouwen, de grenzen aan vertrouwen, de onvermijdelijke onzekerheid die bij vertrouwen hoort, de asymmetrie tussen vertrouwen en wantrouwen en de contextafhankelijkheid van vertrouwen.
De rest van het boek is gewijd aan de nadere uitwerking en toetsing van dit theoretische kader.

Hoofdstuk 3: Methodologie

Er is gekozen voor een meervoudige 'case study' strategie waarbinnen verscheidene methoden voor gegevensverzameling en -analyse zijn toegepast. Twee organisaties zijn diepgaand bestudeerd met behulp van gesprekken, observaties, een enquête, documenten en verificatiebijeenkomsten. Drie typen analyses zijn toegepast op de verzamelde gegevens: een kwantitatieve analyse van 'trust & trouble' gebeurtenissen, een kwantitatieve analyse van de enquêteresultaten en kwalitatieve analyses. Tezamen boden de informatiebronnen en de analyses een zo breed en diep mogelijk inzicht in de organisaties en was goede triangulatie mogelijk.

Bij de selectie van de twee organisaties is bewust de interculturele dimensie constant gehouden en zijn alleen Nederlandse vestigingen en afdelingen bekeken. Verder is het onderzoek beperkt tot bedrijven in de professionele dienstverlening van vergelijkbare omvang en hadden beide organisaties een goede reputatie in hun sector en waren ze financieel gezond. Het belangrijkste verschil tussen de twee organisaties was dat de mensen die bij Krauthammer werkten een beroep hadden gekozen waarin ze met mensen werkten als gedragstrainers, coaches en adviseurs; terwijl de mensen die bij Deerns werkten een technisch beroep hadden gekozen bij een installatietechnisch ingenieursbureau.

Hoofdstuk 4: Beschrijving van de organisaties

In dit hoofdstuk wordt een eerste algemene beschrijving gegeven van de twee organisaties die onderzocht zijn, Krauthammer International en Deerns raadgevend ingenieurs. Beide organisaties behoren in Mintzberg's typologie tot de professionele organisatie met een duidelijke hiërarchie vanaf het niveau van unit manager en directie, in plaats van een maatschapstructuur die ook vaak voorkomt in professionele organisaties. Ze waren allebei klant- en resultaatgericht en werkten in projectteams voor specifieke klantopdrachten.

Hoofdstuk 5: Creëren van een vertrouwenwekkende organisatiecontext

Het gedrag van een persoon wordt in sterke mate beïnvloed, maar niet volledig bepaald, door de sociale context waarbinnen hij functioneert. Vandaar dat het onderzoek zich richtte op de vraag, welk beleid en welke omstandigheden leiden binnen een organisatie tot een context die het ontstaan van vertrouwen bevordert? Vijf verschillende elementen van de context werden onderscheiden en elf hypotheses werden getoetst.
Allereerst is onderzocht hoe hoog het vertrouwen in beide organisaties over het algemeen is. Hier werd een tweestappenmodel voor vertrouwensontwikkeling gebruikt. De eerste stap in het bouwen van vertrouwen is vooral cognitief, dat wil zeggen dat je kijkt naar de ander zijn professionaliteit en of hij zijn afspraken nakomt. Pas daarna komt vertrouwen aan de orde dat vooral affectief is, dat wil zeggen dat je een vriendschapsband opbouwt en anderszins meer een emotionele binding met de ander krijgt. Het bleek dat in Krauthammer de tweede stap van vertrouwen vaker voorkomt dan in Deerns, 31% versus 13%. Dit werd als indicatie gebruikt dat binnen Krauthammer vertrouwen makkelijker en tot grotere hoogte gebouwd werd dan binnen Deerns.
De empirische analyses gaven ondersteuning voor negen van de elf hypotheses. Ze suggereren dat een sterke cultuur met nadruk op het belang van relaties (hypothese 5.1), het stimuleren van de ontwikkeling van de interpersoonlijke vaardigheden van de medewerkers (hypothese 5.2) en een expliciet en intensief introductieprogramma (socialisatie; hypothese 5.3) vertrouwen helpen bouwen en onderhouden. Ook normatieve in plaats van bureaucratische controle (hypothese 5.4) werkt vertrouwenwekkend. Derden lijken zowel de intensiteit van het vertrouwen als de richting te beïnvloeden, in tegenstelling tot wat Burt en Knez concluderen (hypothese 5.6). Aangetoond werd verder

dat het creëren van veel gelegenheden om elkaar informeel te ontmoeten (hypothese 5.8) vertrouwen helpt bouwen en in beide organisaties werden voorbeelden gevonden van mogelijke gelegenheden. Het onderscheid tussen rolgedrag en *qua persona* gedrag blijkt in sommige situaties relevant, soms omdat het extra mogelijkheden biedt voor het oplossen van 'trouble', soms omdat het juist een extra aanleiding vormt voor 'trouble' (hypothese 5.9). Twee elementen van personeelsbeleid (HR-beleid) blijken vooral belangrijk, de beloningssystemen (promoties en bonussen) en het professionele ontwikkelingsbeleid. Eerlijke en duidelijke beloningssystemen, vooral waar ze prestatieafhankelijk zijn (hypothese 5.10), en toewijding aan het continu professioneel ontwikkelen van de medewerkers (hypothese 5.11) blijken bij te dragen aan het bouwen van interpersoonlijk vertrouwen in een organisatie. Geen steun werd gevonden voor hypothese 5.5, dat hoge functionele afhankelijkheden vaker tot vertrouwen op basis van affect leiden. Hypothese 5.7 kon niet goed getoetst worden, omdat in beide organisaties de relevante normen voldoende homogeen waren, zodat de personen die subculturen moesten overbruggen zich niet beperkt hoefden te voelen in hun vertrouwenwekkende gedrag.

Hoofdstuk 6: Vertrouwen bouwen

Vertrouwen bouwen in een werkrelatie vergt een inspanning van beide personen en het daadwerkelijke gedrag van elk is belangrijk. Een doeltreffende manier om je eigen betrouwbaarheid te tonen is door de andere persoon te vertrouwen en daar naar te handelen. Uit eerder onderzoek zijn 20 acties gedestilleerd die vertrouwen helpen bouwen. Via een enquête is in beide organisaties gekeken hoe vaak elk van deze acties in zijn algemeenheid voorkomt. Het blijkt dat tien van de twintig acties significant vaker in Krauthammer voorkomen dan in Deerns en geen enkele actie komt significant minder vaak voor. Het onderzoek levert dus onderbouwing voor de stelling dat hoe vaker de geïdentificeerde vertrouwenwekkende acties worden ondernomen, des te hoger het vertrouwen in de werkrelaties zal zijn.
De 20 acties zijn in vier categorieën onder te brengen op basis van het type positief relatiesignaal dat ze uitzenden. Een positief relatiesignaal verhoogt het welzijn van de ontvanger en zal meestal een offer vragen van de zender.

- *openheid van zaken geven*: iemand die aan een ander informatie verstrekt over zijn eigen doelstellingen en bedoelingen, of wanneer hij problemen bespreekbaar maakt, levert een offer, omdat informatie nu eenmaal macht met zich meebrengt; ook verhoogt het meestal het welzijn van de ander.
- *invloed delen*: een persoon verhoogt het welzijn van de ander en levert een offer wanneer hij macht deelt en anderen zijn gedrag laat beïnvloeden.
- *delegeren*: een persoon stelt zich kwetsbaar op, en levert aldus een offer, wanneer hij ernaar streeft om het gedrag van een ander niet aan banden te leggen, maar de ander de ruimte te geven. Dit verhoogt ook meestal het welzijn van de ander.

- *wederzijdse verwachtingen managen*: als de wederzijdse verwachtingen binnen een werkrelatie expliciet gemanaged worden, kan dat tot gevolg hebben dat het gedrag van beide betrokkenen verandert. Expliciet zijn en communiceren kan tot gevolg hebben dat je eigen handelen minder vrijblijvend kan zijn, wat voor de ander meestal prettig is.

Hoofdstuk 7: Omgaan met verstoringen

Het is onvermijdelijk dat verstoringen zich zullen voordoen, want verassingen zijn onvermijdelijk in organisaties, onder andere omdat het leven nu eenmaal niet volledig voorspelbaar te maken is. Gelukkig maar, want door prettige verassingen komen we tot de nieuwe inzichten die leiden tot vernieuwingen en innovaties. Maar verassingen kunnen ook vervelend zijn en als een verstoring ervaren worden. Wat gebeurt er als zo'n verstoring zich in een werkrelatie voordoet? Welk effect heeft de verstoring op het vertrouwen dat aanwezig is?
Op het moment dat iemand een verstoring ervaart, zal hij waarschijnlijk – tenminste tijdelijk – vraagtekens zetten bij de stabiliteit van de ander zijn goede intenties en dus vraagtekens bij de ander zijn betrouwbaarheid. Er zijn immers verscheidene aanleidingen en oorzaken van een verstoring en niet alle hoeven tot wantrouwen en een slechte relatie te leiden. Een verstoring kan komen door een ongelukkige samenloop van omstandigheden, een misverstand, een (éénmalige) fout, een meningsverschil, incompetentie of kwade wil. Het blijkt dat het effect van een verstoring op het vertrouwen in de relatie afhankelijk is van hoe beide betrokkenen zich gedragen en hoe de verstoring wordt geëvalueerd. Medewerkers van Krauthammer blijken beter in het in stand houden van vertrouwen als verstoringen optreden dan medewerkers van Deerns. In beide organisaties blijft een verstoring zonder effect op het vertrouwen in iets meer dan de helft van de onderzochte gebeurtenissen. Het verbreken van de relatie of het neerwaarts bijstellen van het vertrouwen komen in beide organisaties niet vaak voor. Het grote verschil zit in de mate waarin Krauthammer-mensen een verstoring weten te gebruiken om het vertrouwen in de relatie te verdiepen, 26%, terwijl Deerns-mensen daar in slechts 8% van de gebeurtenissen in slagen. Als we deze 26% van de gebeurtenissen in Krauthammer nader bekijken, blijkt dat in circa tweederde van de gebeurtenissen de trouble een zwaarte 7 of meer had op een schaal van 1 (heel licht) tot 10 (heel zwaar), oftewel vrij zware trouble. In op één na alle gebeurtenissen benaderde de hoofdpersoon de ander direct en in viervijfde van de gebeurtenissen reageerde de andere persoon constructief. Dit illustreert hoe een zware verstoring (trouble) een proces op gang kan brengen dat uiteindelijk tot een verdieping van het vertrouwen kan leiden, mits betrokkenen de ander direct en op een constructieve wijze aanspreken op het gedrag.
De actie die de hoofdpersoon, de persoon die de verstoring ervaart, onderneemt verschilt per organisatie. Hoewel in beide organisaties de hoofdpersoon de ander meestal direct aanspreekt (85% van de gebeurtenissen in elke organisatie), gebeurt dat in Krauthammer vaker op een constructieve manier dan in Deerns (73% versus 50%). Ook uit de enquête

blijkt dat degene die trouble ervaart binnen Krauthammer drie van de vier constructieve directe acties vaker gebruikt dan mensen binnen Deerns: ‘de andere persoon onder vier ogen naar zijn gedrag vragen’, ‘de persoon in het bijzijn van andere collega’s naar zijn gedrag vragen’ en ‘de persoon in het bijzijn van andere collega’s over de trouble vertellen, waarbij je een reactie van hem verwacht’.
Het ‘trouble’ model dat na modificaties werd verkregen bestond uit vijf variabelen in een sequentieel pad: effect op relatie, evaluatie van gebeurtenis, totale reactie van andere persoon, totale actie van hoofdpersoon en mate van (wederzijdse) afhankelijkheid. Ook kon het belang van verschillen in percepties en attributies tussen de betrokken personen worden geïllustreerd.

Hoofdstuk 8: Conclusies

Dit hoofdstuk vat de belangrijkste bevindigen en inzichten samen en reflecteert vervolgens op de sterke en zwakke factoren van de theoretische aanpak en de methodologische inzichten en gevolgen. Het onderzoek verschaft tevens belangrijke praktische inzichten in hoe vertrouwen wordt gebouwd tussen collega’s in werkrelaties binnen organisaties, die kort worden verwoord. Tot slot worden enkele suggesties gedaan voor vervolgonderzoek.
Het ontstaan van vertrouwen kan het beste gezien worden als een interactief proces waarbij beide betrokken personen in verschillende situaties leren in hoeverre de ander het vertrouwen waard is. Uiteindelijk is het nog altijd zo dat er bij iedereen nu eenmaal grenzen aan het vertrouwen zijn. Niemand kan in alle opzichten en onder alle omstandigheden vertrouwd worden. Gedurende het proces dat je de ander zijn betrouwbaarheid leert kennen, kan het zijn dat je gekwetst wordt, omdat verstoringen (trouble) nu eenmaal onvermijdelijk zijn. Een organisatiecontext die vertrouwen bevordert, zal een omgeving creëren waarin de risico’s die verbonden zijn aan het leerproces zo laag zijn dat mensen bereid zijn ‘de sprong in het ongewisse’ te nemen die nodig is bij vertrouwen. En als de onvermijdelijke verstoring optreedt, wordt het meestal gezien als een kans om de ander beter te leren kennen. Als de verstoring het gevolg blijkt te zijn van een ongelukkige samenloop van omstandigheden, een misverstand of een foutje, zal een gesprek daarover meestal inhouden dat informatie wordt uitgewisseld. Hierdoor vermindert de kans op herhaling. Als de verstoring voortvloeit uit een meningsverschil kan het zijn dat betrokkenen een compromis kunnen bereiken via onderhandeling. En als blijkt dat wantrouwen aan de orde is, moeten beide partijen nadenken over het belang van de relatie en het aspect waarop het wantrouwen betrekking heeft. Kan het vertrouwen in de ander naar beneden worden bijgesteld voor alleen dat aspect en in deze specifieke situatie, of moeten er meer drastische maatregelen worden genomen waarbij de relatie zelfs verbroken kan worden?

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CURRICULUM VITAE

After obtaining an International Baccalaureate at United World College of the Atlantic (Llantwit Major, Wales), Frédérique Six (1962) studied Environmental Engineering at Wageningen University. Upon graduation in 1987 she joined McKinsey & Company as a business analyst and obtained her MBA at INSEAD (Fontainebleau, France) in 1988. She rejoined McKinsey & Company as an associate and worked in the Amsterdam and London offices from 1989-1993 providing management consulting services to top management of large corporations and government institutions. From 1993 through 1999 she worked with KPMG Environmental Consulting as a senior management consultant and with KPMG Inspire Foundation as a senior researcher researching new ways of organizing. She has co-edited *The trust process, empirical studies of the determinants and the process of trust development* (with Bart Nooteboom, Edward Elgar, 2003). In 2004 she obtained her Ph.D. in management at Erasmus University Rotterdam and joined the department of Public Administration and Organization Science at Free University (Amsterdam). Her research focuses on integrity and trust within and between organizations in both public and private sector. Her research interests are integrity dilemmas; dynamics of trust processes in work relations; creating structures and processes that stimulate integrity and trust; creating conditions for learning, innovation and change in organizations; tackling social challenges with dialogue in issue networks, social entrepreneurship and social partnerships.

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Trust and trouble

Trust is considered to be important for successful cooperation by many people, so why do we not see predominantly high-trust work relationships? Part of the explanation, this book argues, is that trust is difficult to build and maintain in work relations. The purpose of this study is to find out more about how trust works as an interactive and asymmetrical process, how trust is built up against the inevitable occurrence of trouble and how organizational policies and settings affect the generation and maintenance of trust.

Following relational signalling theory three master frames are identified: the hedonic frame (with the goal to feel good or better right now), the gain frame (with the goal to improve one's resources) and the normative frame (with the goal to act appropriately). It is argued that trust requires the absence of opportunistic behaviour by the trustee so that the trustor can make himself vulnerable to the action(s) of the trustee. This requires a stable normative frame, since opportunistic behaviour is highly likely in the other two master frames. The key argument put forward in this study is, therefore, that for interpersonal trust to be built in work relations within organizations, both individuals in the relationship need to have their actions guided by a stable normative frame. Thus the stability of normative frames becomes a joint goal and likely to be jointly produced within the relationship. The theory shows that for interpersonal trust to be built (1) legitimate distrust situations must be taken away through interest alignment arrangements, (2) institutional arrangements must be put in place that stimulate frame resonance, (3) both individuals must regularly perform actions conveying positive relational signals and (4) both individuals involved in a trouble situation must at least act in ways that are not perceived as negative relational signals.

Given trust's complexity, testing the theory requires a multi-method approach, using several sources of data and several types of analysis. A multiple case study strategy was applied covering two organizations. Embedded within the case study strategy, a multi-method approach was used with interviews, observations, a questionnaire survey, documents and verification meetings as instruments for three types of analysis: a quantitative trust and trouble event analysis, a quantitative survey analysis and qualitative analyses.

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