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Searching for panacea to management ills: Trust models revisited

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Abstract

This is a literature-based paper addressing a few trust models and studies. Trust is a multi-disciplinary subject occupying a pivotal position in the academic and corporate worlds. Many researchers have examined its impacts on various organisational issues. The impact of trust is much context specific. Some researchers have identified the factors of perceived trustworthiness as capability, benevolence and integrity. It reveals that competence, openness, concern and reliability are the dimensions of trust. Availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfilment and receptivity are the ten conditions of trust, identified by the researchers. Some trust models find that high trust reduces competitive behaviour among the individuals and the organisations. Trust failure involves huge penalties to the organisations. Researchers agree that trust is a strong monitoring tool and it reduces expenditures, and leads to higher productivity. Future researchers may empirically examine various trust dimensions and models in various contexts.

Keywords: Trust, trust models/studies, fairness

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1. Introduction

Trust is a subject for many social science studies (Boubker & Belamhitou, 2017; Fukuyama, 1996; Gutteling, Hanssen, van der Veer & Seydel, 2006; Hardy, Philips & Lawrence, 1998; Ko, 2010; Lucas, 2005). The impact of trust on different issues is investigated by many researchers (Kramer, 1996; 1999). Trust helps in smooth functioning of leaders (Bennis & Nanus, 1985). It helps in the production and supply of quality goods and services (Peterson, 1998). It works as a lubricant in the organisational process (Bennis & Nanus, 1985; Bijlsma & Koopman, 2003) and helps to avoid unnecessary interactions (Pyoria, 2007), ensures less control and reduces expenditure (Creed & Miles, 1996). Trust helps in team building (Pyoria, 2007). The usefulness of trust is non-exhaustive. This article describes a few important studies on trust undertaken by the researchers.

2. The models/studies on trust

Many scholars (Hasnain, 2017; Holste, 2003; McAllister, 1995; Singh & Premarajan, 2007; Tyler & Kramer, 1996) have contributed to the area of trust in various ways. Some of the studies focus on the trust dimensions (Castaldo, 2003a; 2003b). There are models which illustrate the impacts of trust. The impact of trust is context specific. Some researchers have identified the factors of perceived trustworthiness as capability, benevolence and integrity. It reveals that competence, openness, concern and reliability are the dimensions of trust. Availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfilment and receptivity are the 10 conditions of trust, revealed by the researchers. Trust is very context specific. Some trust models find that high trust reduces competitive behaviour. Trust failure involves huge penalties in the organisations, researchers find. Researchers agree that trust is a strong monitoring tool and it reduces expenditures. It may be noted that there is no studies and model which describe the disadvantages of trust. Couple of important studies are appended below.

2.1. Mayer, Davis and Schoorman (1995)

Mayer et al. (1995) developed a model on the antecedents and outcomes of trust proposing ability, benevolence and integrity as the factors of perceived trustworthiness.

Mayer et al. (1995, p. 717) argue, 'each contributes a unique perceptual perspective from which to consider the trustee, while the set provides a solid and parsimonious foundation for empirical study of trust for another party'. These are the determinants for the trustor to trust the trustee:

2.1.1. Ability

Ability is a set of skills, competencies and characteristics that permit a party to have authority within some specific field. Mayer et al. (1995, p. 717) argued, 'the domain of the ability is specific because the trustee may be highly competent in some technical area, affording that person trust on tasks related to that area. However, the trustee may have little aptitude, training and experience in another area ...'. Ability is kept under a broader dimension, beneath which almost similar dimensions are bracketed. For example, perceived expertise, expertness (Giffin, 1967) and the bases of trust (mainly, functional/specific competence, interpersonal competence, business sense and judgement, as suggested by Gabarro (1978) are put under the ability of the trustee. At the NGO level, the ability may be the overall capabilities of the particular operating NGO in the area, its projects and the fieldworkers, in fulfilling the needs of the beneficiaries.

2.1.2. Benevolence

Mayer et al. (1995, p. 718) find the basic idea of benevolence as, 'the extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive'. It is an affection or

attachment of the trustee to the trustor. It is a positive feeling and the relationship of the trustee for the trustor. To clarify they brought the example of the relationship between a mentor or trustee and a protege or trustor, arguing that the mentor wants to be helpful to a protege, though they may not be, and there is no extrinsic reward for the mentor either. They also put various dimensions of trust formulated by different authors under benevolence. For example, intentions or motives (Cook & Wall, 1980; Deutsch, 1960; Giffin, 1967; Kee & Knox, 1970). For the NGO scenario, it is caring, support, concern, helpful, cooperation and loving, among the following stakeholders, donors, NGOs and their employees and projects and donors, and beneficiaries.

2.1.3. Integrity

Mayer et al. (1995, p. 719) described integrity as, 'the trustor's perception that the trustee adheres to a set of principles that the trustor finds acceptable'. At the NGO level, integrity may be truthfulness, correct feedback, correct reflection at all levels and true works for the best causes of the beneficiaries.

2.2. Mishra (1996)

Mishra (1996) identifies four dimensions of trust. These were competence, openness, concern and reliability. Through trust literature review and the analysis of 33 managers' interview transcripts, he found that these dimensions directly or indirectly exist in trust.

2.2.1. Competence

Trust is based on the competence of the individual or the organisation.

2.2.2. Openness

Openness is the honesty between superiors and subordinates. A manager during the interview with Mishra (1996, p. 267) said:

'If they [employees] don't believe what I'm telling them, if they think it's all a bunch of bull, don't expect them to go out there and work little harder or work a little different. They're not going to be as receptive to change unless they understand and trust that the things that we're talking about are in fact true'.

2.2.3. Concern

Concern addresses that parties involved in the trusting relationships will not take unfair advantage of each other, that is, parties will not be opportunistic. The trustee will not only avoid taking unfair advantage of the trustor, but will also be concerned about the interests of each other. Mishra (1996, p. 267) also stated, 'this does not mean that the other party lacks any self-interest. Rather, trust in terms of concern means that such self-interest is balanced by interest in the welfare of others'.

2.2.4. Reliability

Reliability means the consistencies between words and deeds. Reliability, dependability or consistencies are the central issues between the actors of the trusting relationship.

Mishra's (1996) trust dimensions are an extension to the trust constructs of Mayer et al. (1995). The constructs of both the studies mirror (Usoro, Sharratt, Tsui & Shekhar, 2007) each other and are almost parallel. More so, Mayer et al. (1995, p. 722) argue, 'competence and ability are clearly similar, where as caring parallels benevolence. A lack of trustee's reliability, as Mishra conceptualised it would clearly damage the perception of integrity in the model'. They continued by repeatedly arguing,

'Mishra's openness is measured through questions about both the trustee's general openness with others and openness with others and openness with the trustor, which could be expected to be related to either integrity or benevolence, respectively' (p. 722).

2.3. Butler (1991)

Butler (1991) identifies ten conditions of trust. The uniqueness of the study is that it focuses not only on the conditions of managerial trust, but also on other types of trust among the people. The basis of the study was suggestions from interviews with 84 managers (mostly mid-level). The 10 conditions were availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfilment and receptivity. Butler (1991) showed accessibility as being mentally open and receptive to the giving and accepting ideas, availability as being physically present when needed, predictability as acting and making decisions consistently, in such a way as to prevent others' anxiety caused by the unexpected, integrity as honesty and moral character, motives as intention, consistency of behaviour as reliability, openness as levelling and expressing ideas freely, discreetness, and keeping confidences, competence in skills related to a specific task and judgement as ability to make decisions.

2.4. Rousseau, Sitkin, Burt and Camerer (1998)

In their article, 'Not So Different After All: A Cross Discipline View of Trust' Rousseau et al. (1998) discuss certain vital issues on trust, and they tried to answer certain testing assumptions of trust such as, (i) do the scholars fundamentally agree or disagree on the meaning of trust? (ii) Do researchers view trust statistically? (iii) Does the status of trust as a cause, effect or interaction vary across disciplines? (iv) Do disciplinary differences exist in the levels of analysis in trust research? Finally they concluded by arguing that trust is contextual in nature.

2.5. McKnight, Cummings and Chervany (1998)

Trust is related to more than one branch of knowledge. McKnight et al. (1998) show an interdisciplinary model of trust. The model is based on concept, identifying disposition to trust, institution-based trust, trusting belief and trusting intention. Disposition trust is related to the personality of the individual and his general willingness to believe other people and institutions. Situational normality and structural assurances are the pillars of institutional trust. Situational normality means situation is favourable and possibility of success is there, while structural assurances means the trust of the trustors on the abilities of the organisational structure, rules and resources to safe guard their interests. Further, McKnight et al. (1998) find that competency, benevolence, honesty and predictability are the main roots of trust between the trustors and the trustees.

2.6. Parks, Henager and Scamahorn (1996)

Trust eradicates suspicion and ensures a cooperative environment. Parks et al. (1996, p. 148) investigation finds that high trust reduces competitive behaviour. They argue, 'the response to one's intentions is affected by the level of trust the opponent holds: high trusters respond to cooperative messages; low trusters response to competitive messages'. Trust is having huge influences on human relationships. Degree/scale of trust determines human response and relationship between each other.

2.7. Creed and Miles (1996)

Trust reduces expenditure in the organisations. Trust failure has huge adverse impacts on various issues of the organisations. Creed and Miles (1996) exhibit the cost factors associated with control mechanisms in organisations, and the costs of building trust to meet minimal requirements. Exhibiting

the consequences and the impacts of trust failure in different structures of organisations, they reveal '... in the functional forms, trust failures reduce efficiency; in divisional forms, they reduce effectiveness and raise costs; in matrix forms, they cause the form to fail; and in networks, they cause the firms to fail' (p. 26). So, in any context trust failure may impose heavy penalties for the organisations.

2.8. Bhattacharjee (2002)

Trust works as a strong monitor instrument in any context. Trust as an informal control mechanism helps to reduce friction, puts natural restrictions on opportunistic behaviour, shrinks bureaucratic roles, encourages potential dealings and sets up long-term relationships (Bhattacharjee, 2002). Thus, trust works as an extraordinary vehicle in the organisations. The study addresses the trust construct, dimensions, cause and effects, and scales. A special attention to trust-scale is noticed in the study. Using two field surveys of online retailing and online banking users, the study presents the seven scale appropriate levels of reliability, convergent validity, discriminant validity and nomological validity.

3. Conclusion and future studies

Trust is a multi-disciplinary subject occupying a pivotal position, specially in social science. Many researchers (Cheng, Yeh & Tu, 2008; Holste & Fields, 2010) have examined its impacts on various organisational issues. The impacts of trust are context specific. Mayer et al. (1995) have identified the factors of perceived trustworthiness as capability, benevolence and integrity. Competence, openness, concern and reliability are the dimensions of trust (Mishra, 1996), which are the extension to the model of Mayer et al. (1995). Availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfilment and receptivity are the 10 conditions of trust presented by Butler (1991). Rousseau et al. (1998) discuss certain vital issues of trust and show that trust is very context specific. McKnight et al. (1998) formulated trust model based on concept, identifying disposition to trust, institution based trust, trusting belief and trusting intention. Parks et al. (1996) reveal that high trust reduces competitive behaviour. In their study, Creed and Miles (1996) warn about the huge penalties of trust failure. Bhattacharjee (2002) reveals that trust as a strong monitoring tool in the organisations.

Future researchers may empirically examine the aforementioned studies/models on trust in various contexts.

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