



International Journal of Organizational Analysis

Demographic influences on employee trust towards managers

Joshua Chang Grant O'Neill Antonio Travaglione

Article information:

To cite this document:

Joshua Chang Grant O'Neill Antonio Travaglione , (2016), "Demographic influences on employee trust towards managers", International Journal of Organizational Analysis, Vol. 24 Iss 2 pp. 246 - 260

Permanent link to this document:

<http://dx.doi.org/10.1108/IJOA-06-2014-0774>

Downloaded on: 10 November 2016, At: 02:28 (PT)

References: this document contains references to 94 other documents.

To copy this document: permissions@emeraldinsight.com

The fulltext of this document has been downloaded 210 times since 2016*

Users who downloaded this article also downloaded:

(2016), "Examining the impact of leadership style and coaching on employees' commitment and trust: Mediation effect of bullying and job alienation", International Journal of Organizational Analysis, Vol. 24 Iss 2 pp. 291-314 <http://dx.doi.org/10.1108/IJOA-03-2014-0749>

(2014), "Determinants of employee engagement and their impact on employee performance", International Journal of Productivity and Performance Management, Vol. 63 Iss 3 pp. 308-323 <http://dx.doi.org/10.1108/IJPPM-01-2013-0008>

Access to this document was granted through an Emerald subscription provided by emerald-srm:563821 []

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

Demographic influences on employee trust towards managers

Joshua Chang, Grant O'Neill and Antonio Travaglione
Curtin Business School, Curtin University, Perth, Australia

Abstract

Purpose – The purpose of this study is to explain demographic influences on employee trust towards managers.

Design/methodology/approach – Drawing upon a data set of over 5,000 responses from the Australian workforce, this paper examines demographic influences on employee trust in their managers.

Findings – The findings show that demographic influences have an effect on employee trust towards managers. Employees who are male, older, public sector, permanent, longer tenured and unionised were found to be less likely to trust managers.

Practical implications – Relevant to human resource practice, the findings offer potential for the development of trust by identifying employees who are less likely to trust managers. The expected outcome is that such employees can be selected for programmes and practices aimed at improving trust, such as increased managerial contact, consultation and support.

Originality/value – There has been a general decline of employee trust in managers over the past two decades. Research on the antecedents of trust has been reported to lag behind theory, with a paucity of research relating to demographic influences on employee trust towards managers. This study fills this research gap and offers potential for the targeted development of trust towards managers among employees.

Keywords Employment, Management, Trust, Organizational behaviour

Paper type Research paper

Introduction

Employee trust in managers is widely recognised as an important factor influencing organisational performance (Kramer and Tyler, 1996; Lewicki *et al.*, 1998; Mayer and Davis, 1999; Dirks and Ferrin, 2002; Gould-Williams, 2003; Tzafrir *et al.*, 2004; Thomas *et al.*, 2009; Yang and Mossholder, 2010). Despite its importance, over the past two decades, organisations have been reported to be experiencing a decline in employee trust in managers (Sheppard *et al.*, 1992; Rogers, 1995; Tyler and Kramer, 1996; Davis and Landa, 1999; Massey and Pyper, 2005; Pate *et al.*, 2007; Schoorman *et al.*, 2007). Rogers (1995) attributed the decline of trust in the 1970s, 1980s and 1990s to perceptions of greed, short-term focus and unethical leadership behaviour contributing to a growing cynicism in the workplace. Albrecht and Travaglione (2003) noted that the increasing academic and practitioner interest in trust emerged against a backdrop of a general decline in the extent to which senior executives were perceived as trustworthy. The decline of trust in managers is a problem for organisations because it is happening at a time when trust is of growing importance for contemporary co-operation-based models of management as opposed to older “command and control”-based models of



management, and where employees are less loyal and job turnover is more frequent (Tyler, 2003).

In the current climate of continuing economic uncertainty caused by major developed nations struggling with high debt and sub-par growth (Schneider, 2013), employee goodwill, motivation and cooperation are fragile yet critical for organisational success (Tyler, 2003). These attitudes and behaviours can be powerfully influenced by employee trust. While trust in managers has been widely studied, there is a paucity of research relating to demographic influences on trust towards managers. In light of these observations, this article presents information that can be used to help predict employee trust towards managers, based on an empirical analysis of demographic factors that influence employee trust in managers. Although trust is often conceptualised as a multidimensional construct, this study measures trust as a unidimensional construct (Dirks and Ferrin, 2002; McEvily and Tortoriello, 2011) to avoid problems concerning the lack of validated multidimensional measures available (Lyon *et al.*, 2012). Trust in managers has been reported to centre around communication. For example, Dasgupta (1998) identified two attributes that affect employee's trust in managers, (1) telling the truth and (2) keeping promises, while Whitener *et al.* (1998) point out that employees see managers as trustworthy when their communication is accurate and forthcoming. In more traditional definitions, Rotter (1971) refers to the reliability of a word, promise, verbal or written statement in defining trust, and Cook and Wall (1980) refer to confidence in words and actions of others. Therefore, this study measures employee trust defined as the extent to which managers are perceived to be accurate and forthcoming in their communication. The analysis uses data from the "Australia at Work" survey, which surveys over 5,000 respondents in the Australian workforce. The next sections will contextualise the study by a review of literature, state the hypotheses, address the methodology and discuss the findings.

Literature review

The constructs of trust are based on exchange, which is considered to be the most basic form of social interaction (Blau, 1964) and described as a transfer of something in return for something else (Roloff, 1981). There are primarily two types of exchange, economic and social. Economic exchange typically involves legal obligations, exact specification of the reward and costs of both parties and often a short time frame for the exchange to occur (Blau, 1964). Social exchange differs in that it is based on the norm of reciprocity (Gouldner, 1960), relies on trust, is voluntary, is more flexible, rarely involves explicit bargaining and is more likely to be individualised (Stafford, 2008). According to Blau (1964), social exchange involves unspecified obligations where one party needs to trust the other that the benefits received will be reciprocated, and involve "feelings of personal obligations, gratitude and trust" (p. 94). As Tzafirir *et al.* (2004, p. 2) noted, the norm of reciprocity in social exchange establishes expectations that recognition, empowerment, investment in human assets and other favours will be reciprocated, and that this norm of reciprocity can take the negative form as well, such as the reciprocation of hostility, fear, insincerity and distrust.

Trust is a social construct that is central to relationships and contracts, influencing each party's behaviour towards the other (Deutsch, 1958; Blau, 1964; Zand, 1972). Doney *et al.* (1998) identified five processes as antecedents of trust, being calculus, prediction, intentionality, capability and transference. The definition of trust can be ambiguous

because of a lack of consensus regarding its specification (Kramer, 1999). Notwithstanding, a well-established definition of trust is “an expectation held by an individual or a group that the word, promise, verbal or written statement of another individual or group can be relied upon” (Rotter, 1971, p. 651). Another definition of trust is “the extent to which one is willing to ascribe good intentions to and have confidence in the words and actions of other people” (Cook and Wall, 1980, p. 39). Rousseau *et al.* (1998, p. 395) takes the practitioner view in defining trust as “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another”. Turning to the managerial aspect of trust, Dasgupta (1998) identified two attributes that affect employee’s trust in managers:

- (1) telling the truth; and
- (2) keeping promises (c.f. Butler, 1991; Mayer *et al.*, 1995; Ring and Van de Ven, 1992).

Similarly, Whitener *et al.* (1998) point out that employees see managers as trustworthy when their communication is accurate and forthcoming.

Trust is important in social exchanges such as employee–employer relationships (Argyle, 1972; Blau, 1964; Kanter, 1977) and is seen as a crucial component of what makes an organisation succeed or fail (Elangovan *et al.*, 2007). For example, trust enhances social interaction between workers (Gibb, 1964) and willingness to take a chance on behalf of the organisation without fearing exploitation (Eddy, 1981). Bennis and Nanus (1985) and Spreitzer and Mishra (1999) describe trust as a “lubricant” that allows for organisations to function. Tyler (2003) points out that employee trust is important because in times of crisis, organisations need to rely on the goodwill and co-operation of their employees. High levels of employee trust in managers have been found to increase an organisation’s ability to gain a competitive advantage (Horton and Reid, 1991; Reynolds, 1997; Shaw, 1997; Williams, 2001). Such an advantage is assumed to accrue from reduced transaction costs, more effective communication, increased co-operation among organisational members and diminished resistance to change (Kramer, 1999). Employee trust has also been found to increase efficiency and effectiveness (Zand, 1972; Golembiewski and McConkie, 1975; Culbert and McDonough, 1986; Daley and Vasu, 1998; Davis *et al.*, 2000), organisational performance (Kramer and Tyler, 1996; Lewicki *et al.*, 1998; Mayer and Davis, 1999; Dirks and Ferrin, 2002; Gould-Williams, 2003; Tzafrir *et al.*, 2004; Thomas *et al.*, 2009; Yang and Mossholder, 2010), affective commitment to managers and supervisors (Simons *et al.*, 2007) and individual performance (Condrey, 1995; Becker *et al.*, 1996; Mayer and Gavin, 2005). Such trust can be built by employee perceptions of ability, benevolence and integrity from management (Schoorman *et al.*, 2007).

While high levels of employee trust lead to a range of organisational benefits, a lack of trust can lead to dysfunctional outcomes such as cynicism, low motivation, low commitment and a lack of confidence in the organisation (Diffie-Couch, 1984; Kanter and Mirvis, 1989; Carnevale and Wechsler, 1992). In a climate of declining trust, people seek greater protection against the possibility of betrayal (Tyler and Kramer, 1996; McCune, 1998), leading to a cycle of diminishing trust. Zeffane and Connell (2003) point out that once trust is violated, a “vicious cycle” can ensue whereby trust becomes doubly difficult to establish. Young and Daniel (2003, p. 149) describe a “cycle of escalating distrust”,

where employee distrust can lead to negative emotional responses in a self-reinforcing cycle.

Some demographic influences relevant to trust have been reported. In gender research, men have been reported to be more self-directed, while women tend to seek affiliation from others (Meyers-Levy and Sternthal, 1991; Iacobucci and Ostrom, 1993; Karatepe *et al.*, 2006). Wrightsman (1974) found that women consistently had more trust in authority figures than men because they experience a socialisation process that trains them to assume the best in people, be less cynical and less competitive. Eagly and Johnson (1990) found that the managerial style of women is more democratic, such as distribution of responsibility and empowerment which are trust-based. Bass and Avolio (1994) found that female managers are also more trusted by employees. However, some authors found no differences between men and women in relation to trust (Rotter, 1971; Sawyer *et al.*, 1973; Scott, 1983). There is a lack of research studying employee age and trust towards managers. In terms of interpersonal trust, research by Clark and Eisenstein (2013) and Robinson and Jackson (2001) found that there is a net increase of trust with age until middle age, where trust then stabilises for the remaining years. Research in this area can provide a better understanding between trust between the interpersonal and managerial contexts. Based on the foregoing factors expected to influence employee trust in managers, the first set of hypotheses are enunciated:

H1. Male employees have lower trust in managers than female employees.

H2. Younger employees have lower trust in managers than older employees.

Employees in the public sector were reported to have lower trust in managers than those in the private sector (Nachmias, 1985; Carnevale and Wechsler, 1992; Morehead *et al.*, 1997; Laschinger *et al.*, 2000; Albrecht and Travaglione, 2003; Pate *et al.*, 2007). Some have argued that lower trust in managers in the public sector may in part be explained by a more bureaucratic and less-consultative management style (Massey and Pyper, 2005), or even the growing pressure to be more efficient and cost-effective (Pate *et al.*, 2007). Employment status can be expected to influence trust in managers, and there is a paucity of extant research in this area. In a study by De Gilder (2003), contingent (e.g. casual) employees were found to show less organisational commitment than core (e.g. permanent) employees, and the difference in trust was found to be not significant. Because casual employees have less secure employment than permanent employees in terms of the employment contract and are less likely to have built a rapport with managers, they can be expected to have lower trust in managers. Identifying the influence of employment status on managerial trust can help shape an organisation's employment structure, such as placing permanent employees in more trust-dependent positions. The foregoing factors lead to the second set of hypotheses:

H3. Public sector employees have lower trust in managers than private sector employees.

H4. Casual employees have lower trust in managers than permanent employees.

There has been no prior research comparing trust in managers with tenure. Employees who have longer tenures are more likely to have observed or experienced breaches of managerial trust and may become more emotionally hardened or "disenchanted" as a result, leading to lower trust in managers. On the other hand, they may also have built

a rapport with managers, which is expected to increase trust. Identifying the impact of tenure on managerial trust can help human resource managers allocate support to the right employee groups. Employee personal characteristics, such as attitudes and ideologies, play a substantial role in union formation and participation (Kochan, 1980; Deshpande and Fiorito, 1989; Summers *et al.*, 1986; Zalesny, 1985). Employees are often motivated to act collectively based on perceptions of distributive and procedural injustice, with support for unions increasing where employees perceive injustice (Blader, 2007). As such, union influence can be expected to affect trust in managers. The foregoing factors lead to the final set of hypotheses:

- H5. Employees with longer tenures have lower trust in managers than employees with shorter tenures.
- H6. Employees who are union members have lower trust in managers than employees who are not union members.

Data and methodology

The data used for this study are part of the 2009 “Australia at Work” survey. Conducted by the Australian Workplace Research Centre at the University of Sydney, this is part of a longitudinal study that tracked the experiences of the Australian labour force. The research was funded by the Australian Research Council and Unions NSW, and was advised by a board comprising five labour market and industrial relations academics from around Australia. The 2009 survey generated the findings of a total of 6,801 respondents via telephone interviews of up to 20 minutes with participation being anonymous and voluntary. The sample is weighted using population estimates from the Australian Bureau of Statistics Labour Force Survey according to age, sex, location, labour force status and union membership. The respondents are distributed as follows: 50.3 per cent male and 49.7 per cent female; 14.9 per cent aged 16-24, 43.8 per cent aged 25-43 and 41.3 per cent aged 45 and above; 59.3 per cent employed in the private sector, 32.1 per cent in the public sector and 8.6 per cent in the not-for-profit sector; 16.8 per cent in permanent part-time positions, 65.8 per cent permanent full-time, 13.9 per cent casual part-time and 3.5 per cent casual full-time; 33.1 per cent with tenure of one year or less, 18.9 per cent two to four years, 23.7 per cent five to ten years and 24.3 per cent more than ten years; 31.2 per cent current union members, 27.4 per cent previously union members and 41.4 per cent never been in a union.

Data from selected survey questions are utilised for this study. These include *Sex*, *Age*, *Employment sector*, *Employment status*, *Tenure*, *Union membership* and *Trust in managers*. To measure employee trust in managers, defined in this study as the extent to which managers are perceived to be accurate and forthcoming in their communication, a single item asking respondents to rate the statement “Managers at my workplace can be trusted to tell things the way they are” on a five-point Likert scale from *Strongly Agree* (1 point), *Agree* (2 points), *Neither Agree or Disagree* (3 points), *Disagree* (4 points), to *Strongly Disagree* (5 points) was used. The adequacy of single-item measures is supported by Drolet and Morrison (2001) and Rossiter (2002). Specifically, Rossiter (2002) argues that single-item measures provide valid measurement of “doubly concrete” constructs, where both the object of measurement and the attribute of measurement are clear and unambiguous, which is the case for the survey question used in this study. Given the nonparametric distribution of data, inferential analysis using

the Kruskal–Wallis H test and Mann–Whitney U test was carried out to compare the mean differences for the variables of *Sex*, *Age*, *Employment sector*, *Employment status*, *Tenure* and *Union membership*. The analysis was repeated with a split between male and female respondents to control for sex and it was found that sex did not have a confounding effect on the findings. Analysis of variance confirms statistical significances at the widely accepted $p < 0.05$ level in all tables tested. The analysis of variance tests the association between two categorical variables for the likelihood that the distribution is due to chance. This establishes that the results are statistically conclusive. Mann–Whitney U tests were conducted post hoc to confirm statistical significance between relevant group pairs, and effect sizes are reported using Pearson's r .

Results

Significant differences between the variables tested in all hypotheses were found (minimum $p < 0.005$ with statistical significance accepted at the $p < 0.05$ level), which can be expected from the large sample size. This indicates statistical significance for all the hypotheses, of which were accepted except *H2* and *H4*. The findings between males and females were directionally consistent among all hypotheses tested, which shows that sex did not have a significant impact in accounting for variance in the findings.

The data in [Table I](#) show that male respondents reported a higher mean rank (2628.27) than female respondents (2520.05), indicating that the male respondents have lower trust in managers than female respondents ($r = 0.040$), supporting hypothesis 1. [Table II](#) shows that respondents aged 45 and above reported a higher mean rank (2715.79) than respondents aged 25–44 (2575.63) and respondents aged 16–24 (2179.91). Post hoc Mann–Whitney U tests show statistical significance between consecutive age group pairs (between 16–24 and 25–44, $p < 0.001$, $r = 0.128$) and (between 25–44 and 45+, $p < 0.001$, $r = 0.052$). This indicates that respondents became less trusting towards managers as they advanced in age, rejecting *H2*.

[Table III](#) shows that respondents employed in the public sector reported a higher mean rank (2727.69), indicating lower trust in managers, than those in the private sector (2470.68) and not-for-profit sector (2493.37). Post hoc Mann–Whitney U tests show statistical significance between respondents in the private and public sector ($p < 0.001$, $r = 0.090$), and between respondents in the public and not-for-profit sector ($p < 0.001$, $r = 0.071$), but not between respondents in the private and not-for-profit sector ($p = 0.742$). This shows that respondents in the public sector have lower trust in managers

Sex	<i>N</i>	Mean rank
Male	2,590	2,628.27
Female	2,558	2,520.05
Total	5,148	
Mann–Whitney U statistic	3,173,337.000	$Z = -2.834$
p	<0.005	χ^2 approximation

Notes: At the $p < 0.05$ level, the small p value (<0.005) indicates significant differences in the respondents' level of trust in managers. Males had the highest mean rank (2628.27), indicating lower trust in managers

Table I.
Respondents
classified by sex and
trust in managers

than those in the private sector, supporting *H3*. The data in [Table IV](#) show that respondents employed in permanent positions reported a higher mean rank (2624.36) than those in casual positions (2333.63) and contract positions (2491.39). Post hoc Mann–Whitney U tests show statistical significance between respondents in permanent and casual positions ($p < 0.001$, $r = 0.078$), but not between respondents in permanent and contract positions ($p = 0.86$). This indicates that respondents in permanent positions have lower trust in managers compared to respondents in casual positions, rejecting *H4*.

The data in [Table V](#) show that the mean ranks increased along with respondents' length of tenure, with respondents employed for more than 10 years recording the highest mean rank of 2,854.96, as opposed to the lowest mean rank of 2,368.34 for those employed for one year or less. Post hoc Mann–Whitney U tests show statistical significance between all consecutive age group pairs with the exception between respondents employed for one year or less and respondents employed from two to four years ($p = 0.52$). Given the statistical significance between consecutive age group pairs for respondents employed between two to four years and between five to ten years ($p = 0.002$, $r = 0.066$), and between five to ten years and more than ten years ($p < 0.001$, $r = 0.072$), the findings are sufficient to indicate that the longer the respondents stayed in a company, the lower their trust in managers, supporting *H5*. [Table VI](#) shows that respondents who are currently union members reported a higher mean rank (2911.54)

Age	<i>N</i>	Mean rank
16-24	767	2,179.91
25-44	2,257	2,575.63
45+	2,124	2,715.79
Total	5,148	
Kruskal–Wallis <i>H</i> statistic	86.226	Degrees of freedom = 2
<i>p</i>	<0.0001	χ^2 approximation

Table II. Respondents classified by age and trust in managers

Notes: At the $p < 0.05$ level, the small p value (<0.0001) indicates significant differences in the respondents' level of trust in managers. The older group (45+) had the highest mean rank (2715.79), indicating lower trust in managers. Additional analysis distinguishing males and females was carried out and it was found that sex did not have a confounding effect on the findings

Employment sector	<i>N</i>	Mean rank
Private	3,029	2,470.68
Public	1,637	2,727.69
Not for profit	443	2,493.37
Total	5,109	
Kruskal–Wallis <i>H</i> statistic	38.944	Degrees of freedom = 2
<i>p</i>	<0.0001	χ^2 approximation

Table III. Respondents classified by employment sector and trust in managers

Notes: At the $p < 0.05$ level, the small p value (<0.0001) indicates significant differences in the respondents' level of trust in managers. Respondents in the Public sector had the highest mean rank (2727.69), indicating lower trust in managers. Additional analysis distinguishing males and females was carried out and it was found that sex did not have a confounding effect on the findings

than those who are no longer in a union (2520.95), followed by those who were never in a union (2292.60). Post hoc Mann–Whitney U tests show statistical significance between respondents who are current union members and respondents who are no longer in a union ($p < 0.001$, $r = 0.143$), and between respondents who are current union members

Employment status	<i>N</i>	Mean rank
Permanent	4,043	2,624.36
Casual	763	2,333.63
Contract	338	2,491.39
Total	5,144	
Kruskal-Wallis H statistic	30.232	Degrees of freedom = 2
<i>p</i>	<0.0001	χ^2 approximation

Notes: At the $p < 0.05$ level, the small p value (<0.0001) indicates significant differences in the respondents' level of trust in managers. Respondents in Permanent positions had the highest mean rank (2624.36), indicating lower trust in managers. Additional analysis distinguishing males and females was carried out and it was found that sex did not have a confounding effect on the findings

Table IV.
Respondents classified by employment status and trust in managers

Tenure	<i>N</i>	Mean rank
One year or less	1,704	2,368.34
Two to four years	973	2,474.91
Five to ten years	1,217	2,655.67
More than ten years	1,255	2,854.96
Total	5,149	
Kruskal-Wallis statistic	100.584	Degrees of freedom = 3
<i>p</i>	<0.0001	χ^2 approximation

Notes: At the $p < 0.05$ level, the small p value (<0.0001) indicates significant differences in the respondents' level of trust in managers. Respondents with the longest tenure had the highest mean rank (2854.96), indicating lower trust in managers. Additional analysis distinguishing males and females was carried out and it was found that sex did not have a confounding effect on the findings

Table V.
Respondents classified by tenure and trust in managers

Union membership	<i>N</i>	Mean rank
Currently a union member	1587	2,911.54
No longer a union member	1,397	2,520.95
Never a member a union member	2,111	2,292.60
Total	5095	
Kruskal-Wallis <i>H</i> statistic	189.333	Degrees of freedom = 2
<i>p</i>	<0.0001	χ^2 approximation

Notes: At the $p < 0.05$ level, the small p value (<0.0001) indicates significant differences in the respondents' level of trust in managers. Respondents who are union members had the highest mean rank (2911.54), indicating lower trust in managers. Additional analysis distinguishing males and females was carried out and it was found that sex did not have a confounding effect on the findings

Table VI.
Respondents classified by union membership and trust in managers

and respondents who were never union members ($p < 0.001$, $r = 0.224$). This indicates that respondents who are union members have lower trust in managers than those who are not union members, supporting *H6*.

Discussion

Research on the antecedents of trust has been noted to lag behind theory (Ferrin and Dirks, 2003), with limited research on demographic influences on trust in managers. This study examined some demographic factors that were found to influence employee trust in managers, and the findings can be used to guide human resource management by identifying employees who are more or less likely to trust managers. The results suggest that male, older, public sector, permanent and unionised employees are inherently less likely to trust managers.

The finding that men have lower trust in managers than women corresponds to that of Wrightsman (1974), who reported that women consistently had more trust in authority figures than men. Employee trust in managers was found to fall with the advancement of age, with the fall in trust tapering down in older employees. This is in contrast to Clark and Eisenstein's (2013) and Robinson and Jackson's (2001) finding that trust increases with age until middle age where it stabilises for the remaining years. However, those studies measured interpersonal trust in general, while this study specifically measured trust towards managers. Hence, the difference is revealed between the two. Employees in the public sector were found to have lower trust in managers than those in the private sector and the not-for-profit sector. However, the difference between employees in the public and not-for-profit sector was insignificant. The finding that employees in the public sector have lower trust in managers than those in the private sector corresponds with previous research (Nachmias, 1985; Carnevale and Wechsler, 1992; Morehead *et al.*, 1997; Laschinger *et al.*, 2000; Albrecht and Travaglione, 2003; Pate *et al.*, 2007). This is concerning given the acknowledged importance of trust to public sector leadership effectiveness (PSMO, 1998).

Permanent employees were found to have lower trust in managers than those in casual positions. However, the difference between employees in permanent and contract positions was not significant. Tenure was found to progressively diminish employee trust in managers. A logical explanation for this is that because permanent and longer tenured employees have been in the organisation for a longer period of time than their counterparts, they are more likely to have observed or experienced breaches of managerial trust. However, permanent and longer tenured employees may have also built a rapport with managers over time and trust managers to look out for their interests, but this is not necessarily measured by the single item asking if managers can be trusted to tell things the way they are, given that employees may recognise bureaucratic limitations imposed on what managers say. Employees who are union members were found to have lower trust in managers than those who were previously union members, and employees who were previously union members were found to have lower trust in managers than those who were never union members. This can be explained by the attitudes and ideologies in union participation, which is historically known to be adversarial to management (Engels and Marx, 2004), with negative perceptions such as lack of autonomy, job security, pay adequacy and safety at work (Hills, 1985).

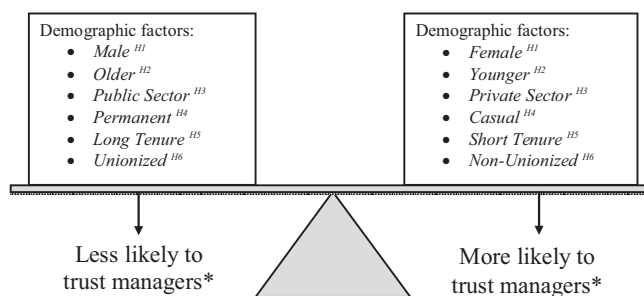
According to the hypotheses tested, Figure 1 illustrates how understanding employee characteristics can be used to help predict the likelihood of employee trust towards managers. The level of trust is argued to hinge on a balance of factors, with the

likelihood of trust in managers predicted to increase as the weighted sum of factors on the right side of the scale outweighs those on the left, *vice versa*. For example, a male, older, public sector employee (left-side) who works in the private sector (right-side) is predicted to have lower trust in managers, *ceteris paribus*.

Implications and conclusion

Employee trust is strongly linked to organisational performance (Kramer and Tyler, 1996; Lewicki *et al.*, 1998; Mayer and Davis, 1999; Dirks and Ferrin, 2002; Gould-Williams, 2003; Tzafrir *et al.*, 2004; Tzafrir, 2005; Thomas *et al.*, 2009; Yang and Mossholder, 2010). The reported decline of trust in managers (Sheppard *et al.*, 1992; Rogers, 1995; Tyler and Kramer, 1996; Davis and Landa, 1999; Massey and Pyper, 2005; Pate *et al.*, 2007) was addressed as the impetus for this study and the authors recommend an emphasis in the management of employee trust to arrest its decline. The management of employee trust appears to be overlooked in many organisations. Relevant to human resource practice, the findings offer potential for the development of trust by identifying employees who are less likely to trust managers. The outcome is that such employees can be selected for programmes and practices aimed at improving trust, such as increased managerial contact, consultation and support. The findings can also be useful for workforce planning, such that employees who have lower managerial trust are assigned to positions or projects that are less dependent on managerial communication and trust as a success factor. Given that trust has been reported to be central to the formation and performance of psychological contracts (Guest and Conway, 1998; Rousseau, 1989; Rousseau and McLean Parks, 1994; Morrison and Robinson, 1997; Rousseau, 2004; Atkinson, 2007), the improvement of employee trust towards managers can help reduce the likelihood of psychological contract breach (Robinson, 1996) and the undesirable consequences that come with it. The identification of employees with lower managerial trust can help managers tailor individual psychological contracts to minimise the likelihood of breach.

This study, which measured employee trust according to how accurate and forthcoming managers are in their communication, highlights the importance of communication from managers to subordinates as a mechanism for fostering trust in the workplace. This can be influenced by factors such as the communication skills of the manager and the organisational structure and culture. For example, bureaucratic organisations are likely to limit what managers can tell employees both in terms of structure and permission, while



Note: * Based on the net weighted sum of demographic factors on both sides

Figure 1.
Balance of demographic factors predicting employee trust towards managers

adhocratic organisations are more conducive to open communication. A few limitations should be noted in our study. First, the attributes identified are by no means exhaustive. Secondly, the findings are based on demographic factors that, inevitably, do not cover the complex and diverse attitudes, personalities and behaviours of individuals in predicting employee trust. Finally, the research sample only includes Australian employees, which may limit the context of the findings. In terms of research implications, three directions for further research are identified. The first is to gain an insight into why employees in certain demographic groups have lower trust in managers, guided by the profiles identified in this study. The second is to examine differences between trust in managers and the more widely studied area of interpersonal trust to reveal attitudinal differences between work and personal contexts. The third is to study employee trust in managers among different national and cultural contexts, given that this study is Australian based and trust is influenced by national culture (Doney *et al.*, 1998).

References

- Albrecht, S. and Travaglione, A. (2003), "Trust in public-sector senior management", *International Journal of Human Resource Management*, Vol. 14 No. 1, pp. 76-92.
- Argyle, M. (1972), *The Social Psychology of Work*, Penguin, Harmondsworth.
- Atkinson, C. (2007), "Trust and the psychological contract", *Employee Relations*, Vol. 29 No. 3, pp. 227-246.
- Bass, B. and Avolio, B. (1994), *Improving Organizational Effectiveness Through Transformational Leadership*, Sage, Thousand Oaks, CA.
- Becker, T., Billings, R., Eveleth, D. and Gilbert, N. (1996), "Foci and bases of employee commitment: implications for job performance", *Academy of Management Journal*, Vol. 39 No. 4, pp. 779-801.
- Bennis, W. and Nanus, B. (1985), *Leaders: The Strategy for Taking Charge*, Harper and Row, New York, NY.
- Blader, S. (2007), "What leads organizational members to collectivize? Injustice and identification as precursors of union certification", *Organization Science*, Vol. 18 No. 1, pp. 108-126.
- Blau, P. (1964), *Exchange and Power in Social Life*, John Wiley and Sons, New York, NY.
- Butler, J. (1991), "Toward understanding and measuring conditions of trust: evolution of a conditions of trust inventory", *Journal of Management*, Vol. 17 No. 3, pp. 643-663.
- Carnevale, D. and Wechsler, B. (1992), "Trust in the public sector individual and organizational determinants", *Administration and Society*, Vol. 23 No. 4, pp. 471-494.
- Clark, A. and Eisenstein, M. (2013), "Interpersonal trust: an age-period-cohort analysis revisited", *Social Science Research*, Vol. 42 No. 2, pp. 361-375.
- Condrey, S. (1995), "Reforming human resource management systems: exploring the importance of organizational trust", *American Review of Public Administration*, Vol. 25 No. 4, pp. 341-354.
- Cook, J. and Wall, T. (1980), "New work attitude measures of trust, organizational commitment and personal need non-fulfilment", *Journal of Occupational Psychology*, Vol. 53 No. 1, pp. 39-52.
- Culbert, S. and McDonough, J. (1986), "The politics of trust and organizational empowerment", *Public Administration Quarterly*, Vol. 10, pp. 171-188.
- Daley, D. and Vasu, M. (1998), "Fostering organizational trust in North Carolina: the pivotal role of administrators and political leaders", *Administration and Society*, Vol. 30 No. 1, pp. 62-85.
- Dasgupta, P. (1998), "Trust as a commodity", in Gamberra, D. (Ed.), *Trust, Making and Breaking Cooperative Relations*, Basil Blackwell, Cambridge, MA, pp. 49-72.

- Davis, J., Schoorman, D., Mayer, R. and Tan, H. (2000), "The trusted general manager and business unit performance: empirical evidence of a competitive advantage", *Strategic Management Journal*, Vol. 21 No. 5, pp. 563-576.
- Davis, T. and Landa, M. (1999), "The trust deficit", *Canadian Manager*, Vol. 24 No. 1, pp. 10-27.
- De Gilder, D. (2003), "Commitment, trust and work behaviour: the case of contingent workers", *Personnel Review*, Vol. 32 No. 5, pp. 588-604.
- Deshpande, S. and Fiorito, J. (1989), "Specific and general beliefs in union voting models", *Academy of Management Journal*, Vol. 32 No. 4, pp. 883-897.
- Deutsch, M. (1958), "Trust and suspicion", *Journal of Conflict Resolution*, Vol. 2 No. 4, pp. 265-279.
- Diffie-Couch, P. (1984), "Building a feeling of trust in the company", *Supervisory Management*, Vol. 29, pp. 26-31.
- Dirks, K. and Ferrin, D. (2002), "Trust in leadership: meta-analytic findings and implications for research and practice", *Journal of Applied Psychology*, Vol. 87 No. 4, pp. 611-628.
- Doney, P., Cannon, J. and Mullen, M. (1998), "Understanding the influence of national culture on the development of trust", *Academy of Management Review*, Vol. 23 No. 3, pp. 601-620.
- Drolet, A. and Morrison, D. (2001), "Do we really need multiple-item measures in service research?", *Journal of Service Research*, Vol. 4 No. 2, pp. 155-158.
- Eagly, A. and Johnson, B. (1990), "Gender and leadership style: a meta-analysis", *Psychological Bulletin*, Vol. 108 No. 2, pp. 233-256.
- Eddy, W. (1981), *Public Organization Behavior and Development*, Winthrop Publishers, Cambridge, MA.
- Elangovan, A., Auer-Rizzi, W. and Szabo, E. (2007), "Why don't I trust you now? An attributional approach to erosion of trust", *Journal of Managerial Psychology*, Vol. 22 No. 1, pp. 4-24.
- Engels, F. and Marx, K. (2004), *The Communist Manifesto*, Penguin, London.
- Ferrin, D. and Dirks, K. (2003), "The use of rewards to increase and decrease trust: mediating processes and differential effects", *Organization Science*, Vol. 14 No. 1, pp. 18-31.
- Gibb, J. (1964), "Climate for trust formation", *T-group Theory and Laboratory Method*, Wiley, New York, NY, pp. 279-301.
- Golembiewski, R. and McConkie, M. (1975), "The centrality of interpersonal trust in group processes", in Cooper, C. (Ed.), *Theories of Group Processes*, Wiley, New York, NY.
- Gouldner, A. (1960), "The norm of reciprocity: a preliminary statement", *American Sociological Review*, Vol. 25, pp. 161-178.
- Gould-Williams, J. (2003), "The importance of HR practices and workplace trust in achieving superior performance: a study of public-sector organizations", *International Journal of Human Resource Management*, Vol. 14 No. 1, pp. 28-54.
- Guest, D. and Conway, N. (1998), *Fairness and Work and the Psychological Contract*, Institute of Personnel and Development, London.
- Hills, S. (1985), "The attitudes of union and nonunion male workers toward union representation", *Industrial and Labor Relations Review*, Vol. 38 No. 2, pp. 179-194.
- Horton, T. and Reid, P. (1991), *Beyond the Trust Gap: Forging a New Partnership Between Managers and their Employees*, Irwin, Homewood, IL.
- Iacobucci, D. and Ostrom, A. (1993), "Gender differences in the impact of core and relational aspects of services on the evaluation of service encounters", *Journal of Consumer Psychology*, Vol. 2 No. 3, pp. 257-286.
- Kanter, D. and Mirvis, P. (1989), *The Cynical Americans: Living and Working in an Age of Discontent and Disillusion*, Jossey-Bass, San Francisco, CA.
- Kanter, R. (1977), *Men and Women of the Corporation*, Basic Books, New York, NY.

- Karatepe, O., Yavas, U., Babakus, E. and Turgay, A. (2006), "Does gender moderate the effects of role stress in frontline service jobs?", *Journal of Business Research*, Vol. 59 Nos 10/11, pp. 1087-1093.
- Kochan, T. (1980), *Collective Bargaining and Industrial Relations: From Theory to Policy and Practice*, Irwin, Homewood, IL.
- Kramer, R. (1999), "Trust and distrust in organizations: emerging perspectives, enduring questions", *Annual Review of Psychology*, Vol. 50 No. 1, pp. 569-598.
- Kramer, R. and Tyler, T. (1996), *Trust in Organizations: Frontiers of Theory and Research*, Sage, Thousand Oaks, CA.
- Laschinger, H., Finegan, J., Shamian, J. and Casier, S. (2000), "Organizational trust and empowerment in restructured healthcare settings", *Journal of Nursing Administration*, Vol. 30 No. 9, pp. 413-425.
- Lewicki, R., McAllister, D. and Bies, R. (1998), "Trust and distrust: new relationship and realities", *Academy of Management Review*, Vol. 23 No. 3, pp. 438-458.
- Lyon, F., Mollering, G. and Saunders, M. (2012), *Handbook of Research Methods on Trust*, Edward Elgar, Cheltenham, UK and Brookfield, USA.
- McCune, J. (1998), "The elusive thing called trust: trust in the workplace", *Management Review*, Vol. 87 No. 7, pp. 10-17.
- McEvily, B. and Tortoriello, M. (2011), "Measuring trust in organisational research: review and recommendations", *Journal of Trust Research*, Vol. 1 No. 1, pp. 23-63.
- Massey, A. and Pyper, R. (2005), *Public Management and Modernisation in Britain*, Palgrave Macmillan, London.
- Mayer, R. and Davis, J. (1999), "The effect of the performance appraisal system on trust for management: a field quasi-experiment", *Journal of Applied Psychology*, Vol. 84 No. 1, pp. 123-136.
- Mayer, R., Davis, J. and Schoorman, F. (1995), "An integrative model of organizational trust", *Academy of Management Review*, Vol. 20 No. 3, pp. 709-734.
- Mayer, R. and Gavin, M. (2005), "Trust in management and performance: who minds the shop while the employees watch the boss?", *Academy of Management Journal*, Vol. 48 No. 5, pp. 874-888.
- Meyers-Levy, J. and Sternthal, B. (1991), "Gender differences in the use of message cues and judgments", *Journal of Marketing Research*, Vol. 28 No. 1, pp. 84-96.
- Morehead, A., Steele, M., Alexander, M., Stephen, K. and Duffin, L. (1997), *Changes at Work: The 1995 Australian Workplace Industrial Relations Survey*, Longman, Melbourne.
- Morrison, E. and Robinson, S. (1997), "When employees feel betrayed: a model of how psychological contract violation develops", *Academy of Management Review*, Vol. 22 No. 1, pp. 226-256.
- Nachmias, D. (1985), "Determinants of trust within the federal bureaucracy", in Rosenbloom, D. (Ed.), *Public Personnel Policy: The Politics of Civil Service*, Associated Faculty Press, Port Washington, NY.
- Pate, J., Beaumont, P. and Stewart, S. (2007), "Trust in senior management in the public sector", *Employee Relations*, Vol. 29 No. 5, pp. 458-468.
- PSMO (1998), *Executive Competency Framework*, Western Australian Government Printers, Western Australia.
- Reynolds, L. (1997), *The Trust Effect: Creating the High Trust High Performance Organization*, Nicholas Brealey, London.

- Ring, P. and Van de Ven, A. (1992), "Structuring cooperative relationships between organizations", *Strategic Management Journal*, Vol. 13 No. 7, pp. 483-498.
- Robinson, R. and Jackson, E. (2001), "Is trust in others declining in America? An age-period-cohort analysis", *Social Science Research*, Vol. 30 No. 1, pp. 117-145.
- Robinson, S. (1996), "Trust and breach of the psychological contract", *Administrative Science Quarterly*, Vol. 41 No. 4, pp. 574-599.
- Rogers, R. (1995), "The psychological contract of trust: part 1", *Executive Development*, Vol. 8 No. 1, pp. 15-19.
- Roloff, M. (1981), *Interpersonal Communication: The Social Exchange Approach*, Sage, Beverly Hills, CA.
- Rossiter, J. (2002), "The C-OAR-SE procedure for scale development in marketing", *International Journal of Research in Marketing*, Vol. 19 No. 4, pp. 305-335.
- Rotter, J. (1971), "Generalized expectancies for interpersonal trust", *American Psychologist*, Vol. 26 No. 5, pp. 443-452.
- Rousseau, D. (1989), "Psychological and implied contracts in organizations", *Employee Responsibilities and Rights Journal*, Vol. 2 No. 2, pp. 121-139.
- Rousseau, D. (2004), "Psychological contracts in the workplace: understanding the ties that motivate", *Academy of Management Executive*, Vol. 18 No. 1, pp. 120-127.
- Rousseau, D. and McLean Parks, J. (1994), "The contracts of individuals and organizations", in Cummings, L. and Staw, B. (Eds), *Research in Organizational Behavior*, Jai Press, Greenwich, CT, Vol. 15, pp. 1-42.
- Rousseau, D., Sitkin, S., Burt, R. and Camerer, C. (1998), "Not so different after all: a cross discipline view of trust", *Academy of Management Review*, Vol. 23 No. 3, pp. 393-404.
- Sawyer, R., Davis, F., Pasework, R. and Fitzgerald, B. (1973), "Relationship of Rotter's interpersonal trust scale and social class", *Psychological Reports*, Vol. 32 No. 3, pp. 989-990.
- Schneider, H. (2013), "IMF: Pace of global economic growth is slowing", *The Washington Post*, 23 January.
- Schoorman, F., Mayer, R. and Davis, J. (2007), "An integrative model of organizational trust: past, present, and future", *Academy of Management Review* Vol. 32 No. 2, pp. 344-354.
- Scott, D. (1983), "Trust differences between men and women in superior-subordinate relationships", *Group and Organizational Management*, Vol. 8 No. 3, pp. 319-337.
- Shaw, R. (1997), *Trust in the Balance: Building Successful Organizations on Results, Integrity and Concern*, Jossey-Bass, San Francisco, CA.
- Sheppard, B., Lewicki, R. and Minton, J. (1992), *Organizational Justice: The Search for Fairness in the Workplace*, Lexington Books, Lexington, MA.
- Simons, T., Friedman, R., Liu, L. and Parks, J. (2007), "Racial differences in sensitivity to behavioral integrity: attitudinal consequences, in-groups effects, and 'trickle down' among black and non-black employees", *Journal of Applied Psychology*, Vol. 92 No. 3, pp. 650-665.
- Spreitzer, G. and Mishra, A. (1999), "Giving up control without losing control: trust and its substitute's effects on managers' involving employees in decision making", *Group and Organization Management*, Vol. 24 No. 2, pp. 155-187.
- Stafford, L. (2008), "Social exchange theories", in Baxter, L. and Braithwaite, D. (Eds), *Engaging Theories in Interpersonal Communication: Multiple Perspectives*, Sage, Thousand Oaks, CA, pp. 377-389.
- Summers, T., Betton, J. and Decotiis, T. (1986), "Voting for and against unions: a decision model", *Academy of Management Review*, Vol. 11 No. 3, pp. 643-655.

- Thomas, G., Zolin, R. and Hartman, J. (2009), "The central role of communication in developing trust and its effect on employee involvement", *Journal of Business Communication*, Vol. 46 No. 3, pp. 287-310.
- Tyler, T. (2003), "Trust within organizations", *Personnel Review*, Vol. 32 No. 5, pp. 556-568.
- Tyler, T. and Kramer, R. (1996), *Whither Trust?*, Sage, London.
- Tzafir, S. (2005), "The relationship between trust, HRM practices and firm performance", *The International Journal of Human Resource Management*, Vol. 16 No. 9, pp. 1600-1622.
- Tzafir, S., Harel, G., Baruch, Y. and Dolan, S. (2004), "The consequences of emerging HRM practices for employees' trust in their managers", *Personnel Review*, Vol. 33 Nos 5/6, pp. 628-647.
- Whitener, E., Brodt, S., Korsgaard, M. and Werner, J. (1998), "Managers as initiators of trust: an exchange relationship framework for understanding managerial trustworthy behavior", *Academy of Management Review*, Vol. 23 No. 3, pp. 513-530.
- Williams, M. (2001), "In whom we trust: group membership as an affective context for trust development", *Academy of Management Review*, Vol. 26 No. 3, pp. 377-396.
- Wrightsmann, L. (1974), *Assumptions About Human Nature: A social Psychological Approach*, Brooks/Cole, Monterey, CA.
- Yang, J. and Mossholder, K. (2010), "Examining the effects of trust in leaders: a bases and foci approach", *The Leadership Quarterly*, Vol. 21 No. 1, pp. 50-63.
- Young, L. and Daniel, K. (2003), "Affectual trust in the workplace", *International Journal of Human Resource Management*, Vol. 14 No. 1, pp. 139-155.
- Zalesny, M. (1985), "Comparison of economic and noneconomic factors in predicting faculty vote preference in a union representation election", *Journal of Applied Psychology*, Vol. 70 No. 2, pp. 243-256.
- Zand, D. (1972), "Trust and managerial problem solving", *Administrative Science Quarterly*, Vol. 17 No. 2, pp. 229-239.
- Zeffane, R. and Connell, J. (2003), "Trust and HRM in the new millennium", *International Journal of Human Resource Management*, Vol. 14 No. 1, pp. 3-11.

About the authors

Dr Joshua Chang is a research fellow at Curtin Business School specialising in employment studies. He obtained his Doctor of Business Administration degree from the University of Canberra, has an academic and management consulting background and has published over 30 academic articles.

Professor Grant O'Neill is Dean, International, Accreditation and Strategy at Curtin Business School. Grant was previously Associate Dean (Courses) at Charles Sturt University, and has also held academic positions at the University of New South Wales and the University of Western Sydney. Grant's research interests centre around organisational culture, values management and psychological contracts.

Professor Antonio Travaglione is Pro Vice Chancellor at Curtin Business School. He has published widely and taught at a number of universities including Stanford University. He is recognised internationally as an expert in the area of leadership research.

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgrouppublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com