

**A CLOSER LOOK AT TRUST BETWEEN MANAGERS AND SUBORDINATES:
UNDERSTANDING THE EFFECTS OF BOTH TRUSTING AND BEING TRUSTED ON
SUBORDINATE OUTCOMES**

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ABSTRACT

Despite previous calls to examine trust from the perspectives of both the manager and subordinate, most studies have focused exclusively on trust in the manager. We propose that trust in the subordinate has unique consequences beyond trust in the manager. Furthermore, we propose joint effects of trust such that subordinate behavior and intentions are most favorable when there is high mutual trust. Findings revealed unique relationships of trust in manager and trust in subordinate to performance, organizational citizenship behavior, and intentions to quit. Further, the interaction of trust in manager and trust in subordinate predicted individual-directed OCB in the hypothesized direction.

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“Every kind of peaceful cooperation among men is primarily based on mutual trust and only secondarily on institutions such as courts of justice and police.”

~ Albert Einstein

Trust between parties is an important element of cooperative relationships. In organizational settings, trust can be an important determinant of productivity in individuals, groups, and the organization (Dirks & Ferrin, 2001, 2002; Kramer & Tyler, 1996; Rousseau, Sitkin, Burt, & Camerer, 1998). For example, two recent meta-analyses found that trust in the manager is positively related to job performance and organizational citizenship behavior (OCB) and negatively related to counter-productive outcomes, such as the intention to quit the organization (Colquitt, Scott & LePine, 2007; Dirks & Ferrin, 2002).

The above quote also emphasizes the importance of mutuality wherein each party trusts the other. Indeed, Brower, Schoorman and Tan (2000) argue for the importance of examining trust in manager-subordinate dyads from the perspective of both parties. However, most of the empirical research to date has focused on only one of these perspectives – subordinates' trust in their managers (Dirks & Ferrin, 2001). That is, among studies seeking to examine the consequences of trust on subordinate behavior and intentions, the majority have focused exclusively on the trust the subordinate has in his or her manager. Thus, we know little about the potential influence of *being trusted* on subordinates' behavior and intentions. Further, we have

little understanding of the combined effects of each party's trust on subordinate behavior and intentions.

The focus of this article, then, is interpersonal trust in the context of the manager-subordinate dyad. In particular, we examine the role of trust in the dyadic context by simultaneously examining the relationships of the subordinate's trust in the manager and the manager's trust in the subordinate with subordinate job performance, OCB, and intention to quit. In doing so, we seek to demonstrate the unique relationships that trust in the manager and being trusted by the manager have with the subordinate's behavior and intentions, as well as the potential joint effect of trusting and being trusted. Therefore, we advance the understanding of trust in two important ways. First, we investigate multiple perspectives of trust, including perceptions of both the subordinate and the manager. This study demonstrates the importance of being trusted by one's manager as a significant predictor of subordinate outcomes in addition to trusting one's manager. Second, we examine the interactive effects of these perspectives of trust on subordinate behavior and intentions.

We propose a model of trust that starts with the subordinates' trust in the manager predicting behavioral outcomes and intentions. These relationships are relatively well-established (Dirks & Ferrin, 2002). However, we examine these relationships in the context of the manager's trust in the subordinate, which we propose will also independently predict subordinate outcomes. Finally, we examine the joint relationships of subordinate trust in the manager and being trusted by the manager on subordinate outcomes.

PROPOSED RELATIONSHIPS

Much of previous trust research draws upon social exchange theory (Blau, 1964). This theory suggests that the trust of both parties may be an important influence on the behavior and

intentions of the subordinate. When subordinates trust their managers, they should be more willing to provide benefits in the form of extra effort toward job performance and OCB, and should have more favorable attitudes toward the exchange relationship and be more willing to maintain it (Dirks & Ferrin, 2002; Konovsky & Pugh, 1994; Mayer & Gavin, 2005). From a different perspective, when managers trust their subordinates, the subordinates are likely to be the recipient of more favorable benefits and to experience feelings of self esteem (Pierce & Gardner, 2004). As a result, subordinates should be motivated to perform well and should be more committed to the exchange relationship (Brower et al., 2000; Pierce & Gardner, 2004). Indeed, it is possible that the effects of these forms of trust are not independent of one another. In the following section, we develop hypotheses that address the unique as well as joint relationships involving each form of trust (trust in manager and trust in subordinate) with employee behavior and intentions. Like much of the research on trust in work dyads, we use the commonly accepted definition of trust as the “intention to accept vulnerability based on positive expectations of the intentions or behavior of another” (Rousseau, et al., 1998: 395).

The Relationship Between Trust in the Manager and Subordinate Behavior and Intentions

In a recent meta-analysis, Colquitt et al. (2007) examined the impact of trust on three broad categories of job performance (Rotundo & Sackett, 2002): task performance, citizenship behavior and counterproductive behavior (including intentions to quit). They found that trust in managers had moderately strong relationships with all three facets of job performance such that individuals who trusted their managers tended to engage in better task performance, more citizenship behaviors, and less counterproductive behavior, including intentions to quit. We believe that Rotundo and Sackett's (2002) three-facet model of job performance is useful and we

employ it throughout this paper. Similarly, Dirks and Ferrin's (2002) meta-analysis indicated a small but significant relationship between trust and job performance ($p = .16$).

As noted above, social exchange theory is a useful framework for understanding these relationships. Social exchange theory suggests that, when subordinates trust their managers, they are likely to have a history of successful exchanges (Blau, 1964). These exchanges create in the subordinate a feeling of obligation to reciprocate as well as high expectations of reciprocation (Cropanzano & Mitchell, 2005). That is, because of the benefits that they have received from their manager in the past, trusting subordinates should feel obligated to "do right" by the relationship. As well, trusting subordinates should be motivated by expectations of future benefits to engage in actions that preserve the relationship and benefit the manager, either directly or indirectly. Thus, subordinates should be committed to remaining in the relationship and be motivated to put forth greater effort – both in terms of in-role and extra-role behavior (Dirks & Ferrin, 2002). In contrast, subordinates who do not trust their managers should be less likely to put forth extra effort or even remain in the relationship due to the lack of positive expectations and no sense of obligation. Further, their in-role performance may be compromised in that they may be distracted from job performance by concerns about being taken advantage of by their untrustworthy managers (Mayer & Gavin, 2005) and they should be less motivated to perform beyond minimum requirements. By way of replication, then, we propose the following:

Hypothesis 1a: Trust in the manager will be positively related to subordinate organizational citizenship behavior.

Hypothesis 1b: Trust in the manager will be positively related to subordinate task performance.

Hypothesis 1c: Trust in the manager will be negatively related to subordinate intentions to quit.

The Relationship Between Trust in the Subordinate and Subordinate Behavior and Intentions

Brower and her colleagues (2000) argue the importance of examining interpersonal trust from both the manager's and subordinate's perspectives and note that, to this point, little empirical research has examined the role of the manager's trust in the subordinate. In fact, we were unable to locate any published studies that examined the effects of managers' trust in subordinates on subordinate outcomes. Furthermore, in two meta-analyses of trust research, no studies of manager trust in subordinate were included (Colquitt et al., 2007; Dirks & Ferrin, 2002). The authors of these meta-analyses located studies of trust in the manager and trust in fellow colleagues, but did not include studies of managers' trust in subordinates. We argue that trust in the subordinate (being trusted) will be related to Rotundo and Sackett's (2002) three dimensions of subordinate job performance (task performance, OCB, and counter productive behavior, as indicated by intentions to quit, Colquitt et al., 2007). Note that we propose that the relationships involving managers' trust in their subordinates exist above and beyond the effect of subordinates' trust in their managers. Thus, we do not discount the power of trusting one's manager to influence job performance, but we examine the otherwise overlooked impact of being trusted on job performance. Our assumption is that levels of subordinate trust in the manager as well as being trusted by the manager have independent and significant influences on subordinate performance, and organizations may be remiss when they attend to only one side of the relationship. Furthermore, we believe that being trusted operates on performance through different mechanisms than does trust.

A manager's trust in the subordinate is likely to influence the way the manager treats the subordinate, which in turn is likely to affect the subordinate's behavior. For example, managers

may be more empowering with subordinates they trust, which should be intrinsically motivating for subordinates (Seibert, Silver, & Randolph, 2004; Spreitzer, 1996). In addition, research indicates that managers are more willing to take risks with subordinates whom they trust (Mayer, Davis, & Schoorman, 1995). Also, a manager is more likely to delegate an important task to a trusted subordinate than to one who is not trusted because the manager has greater confidence that the task will be competently and conscientiously completed. In fact, belief in the subordinate's ability to successfully perform a task has been shown to be a precursor of trust (Mayer & Davis, 1999; Mayer, Davis, & Schoorman, 1995). Using this same line of reasoning, managers should have lower expectations for the competence and integrity of subordinates whom they do not trust. To guard against incompetence or shirking, managers are likely to closely monitor and give limited decision latitude to subordinates who are not trusted. Thus, the empowerment granted to trusted subordinates should enrich their experience and motivate more productive and prosocial behavior. In addition, research has found that empowered employees are more attached to the organization (Kraimer, Siebert & Liden, 1999; Spreitzer & Mishra, 2002) and less likely to voluntarily turnover (Koberg, Boss, Senjem & Goodman, 1999; Spreitzer & Mishra, 2002).

A manager's trust in the subordinate may also affect subordinate behavior and intentions through the Pygmalion effect (Eden, 1990). This effect is a type of self-fulfilling prophecy where subordinates act in accordance with manager expectations (Kierein & Gold, 2000), and has yet to be integrated into the trust literature. Several studies have found positive effects for manager expectations on subordinate performance (see Kierein & Gold, 2000 and McNatt, 2000 for meta-analyses). This effect has been explained through subconscious leadership behaviors such that when leaders have higher expectations of subordinates, they are usually better leaders to them by

providing more encouragement, coaching and supportive behavior (Eden & Shani, 1982; Kierein & Gold, 2000). Since, by definition, managers who trust their subordinates have positive expectations of their future behavior based on positive perceptions of subordinate competence and character (Mayer et al., 1995), the manager's trust in the subordinate may similarly lead to a self-fulfilling prophecy. Alternatively, a depressing cycle of events follows when managers have low expectations that may, even unintentionally, lead employees to leave the organization (Livingston, 1969).

In short, a manager's trust in the subordinate should lead to high quality interactions that convey a sense of empowerment and confidence to the subordinate. Consequently, subordinates should be motivated to exert greater effort within and beyond their prescribed roles. Moreover, these exchanges should instill a sense of loyalty to the relationship, motivating the subordinate to remain in the organization. In summary, we hypothesize:

Hypothesis 2a: Manager's trust in the subordinate will be positively related to subordinate organizational citizenship behavior.

Hypothesis 2b: Manager's trust in the subordinate will be positively related to subordinate task performance.

Hypothesis 2c: Manager's trust in the subordinate will be negatively related to subordinate intentions to quit.

Joint Effects of Trust in the Manager and Being Trusted

The preceding hypotheses specified unique relationships involving trust from each side of the manager-subordinate dyad. We also posit that the trust each party has for the other has a joint effect such that high, mutual trust produces more favorable outcomes than the additive trust of both parties or the trust of each party alone. Serva, Fuller and Mayer (2005) specify that mutual trust is complementary trust in which each member of the dyad has roughly the same level of trust for the other at a given point in time.

Given that definition, trust does not necessarily translate into *mutual* in that one party can trust the other without being trusted in return (Schoorman, Mayer, & Davis, 2007). In fact, Serva, et al. (2005) found that both parties do not necessarily reach the same level of trust (mutual trust). Indeed, there are numerous reasons to expect that trust levels of the manager and subordinate may not be shared. In the exchange relationship, managers and subordinates face different levels and types of risk (Korsgaard & Sapienza, 2002). Depending on the culture, reward systems, and organizational policies, the risk faced by one party or the other may be substantially greater. Managers and subordinates may also interpret the same events differently, leading to diverse assessments of the fairness of exchanges and consequently, of each other's trustworthiness (Cole & Flint, 2005; Lind, Kray & Thompson, 1998; Roberson, 2006). Moreover, individual differences in the propensity to trust (Gill, Boies, Finegan, & McNally, 2005; Mayer et al., 1995) can lead the two parties to develop different levels of trust in each other. Finally, the manager and subordinate may differ in personal attributes associated with being trustworthy, such as conscientiousness (e.g., Becker, 1998; Konovsky & Organ, 1996), values (Mayer et al., 1995), or ability to follow through (Mayer et al., 1995). In short, trust levels of managers and subordinates are relatively independent (Brower et al., 2000; Mayer, et al., 1995).

Still, organizational researchers have asserted that mutual trust is necessary for stable, ongoing cooperative relationships (e.g. Anderson & Weitz, 1989; Whitener, Brodt, Korsgaard, & Werner, 1998); however, there is little direct evidence of the impact of mutual trust. In a study of downsizing experiences, Mishra and Mishra (1994) found that perceptions of mutual trust were related to macro-level outcomes such as redesign strategy and organizational performance. However, this study examined perceptions of trust from one member of the dyad rather than

actual levels of trust from the trustor. In a different study, Smith and Barclay (1997) demonstrated that perceptions of mutual trustworthiness and trusting behaviors were positively related to task performance and mutual satisfaction. However, this study looked at behavior such as open communication and then the authors deduced that there was trust, but actual reports of mutual trust were not measured.

In this investigation, we approach mutual trust by assessing the trust of the manager and the subordinate independently. A critical implication of mutual trust approached from this perspective is that it must have consequences beyond the unique impact of each party's trust in the other. That is, when both parties share high levels of trust in each other, there should be a positive effect on subordinate outcomes above and beyond the effects of trusting and being trusted on these same outcomes. That is, outcomes are more favorable when high levels of trust are shared than when only one party exhibits high trust or both parties lack trust. Empirically, this means that mutual trust should manifest itself in a synergistic interaction (Neter, Kutner, Nachtsheim, & Wasserman, 1996) between the manager's trust and the subordinate's trust. Put another way, we posit that the relationship between trust in the manager and subordinate outcomes will be strengthened when manager trust in the subordinate is higher and attenuated when manager trust in the subordinate is lower.

In the present study, we expect an interaction effect rather than a purely additive effect because mutual high trust is reinforcing and escalates exchanges between the parties (Blau, 1964). In a work relationship where both parties trust each other, there is an environment that builds the self esteem of employees and enables performance and extra-role behaviors as well as intentions to stay (Pierce & Gardner, 2004). On the other hand, when neither party trusts the other, each will be reluctant to initiate exchanges, effectively stalling the processes of

reciprocity, empowerment, and self-fulfilling prophecy that lead to performance. Subordinates then may lack investment in the relationship and be unwilling to exert effort beyond minimum requirements.

Moreover, the positive impact of trust in the manager is likely to be mitigated by the level of trust the manager has in the subordinate. When managers do not trust their subordinates, they are less empowering (Spreitzer & Quinn, 2001), thereby limiting the extent to which employees can make extraordinary contributions at work. Thus, even when subordinates are motivated to exert high effort and take initiative, the restriction imposed by untrusting managers may limit the extent to which these efforts influence subordinate performance and OCB. In addition, an untrusting manager may create an environment that is less fulfilling (Pierce & Gardner, 2004), and even stifling, driving a subordinate to investigate options to leave the organization in spite of the positive effects of trusting the manager. This logic leads us to predict:

Hypothesis 3a: Trust in the manager and trust in the subordinate will interact such that the positive relationship between trust in the manager and OCB will be stronger when manager trust in the subordinate is higher.

Hypothesis 3b: Trust in the manager and trust in the subordinate will interact such that the positive relationship between trust in the manager and subordinate task performance will be stronger when manager trust in the subordinate is higher.

Hypothesis 3c: Trust in the manager and trust in the subordinate will interact such that the negative relationship between trust in the manager and subordinate intentions to quit will be stronger when manager trust in the subordinate is higher.

METHOD

Sample

The data reported in this study are part of a larger study of employee perceptions and attitudes. Participants were employees of a company in the hotel and resort industry. This company owns and operates six separate resort properties, a travel planning center, and a corporate headquarters. We obtained data from two sources - the employees and their managers from these eight centers. Employees completed a survey assessing their trust in their managers and intention to quit. The employee survey was distributed to 197 employees, 172 of whom completed it, yielding a response rate of 87%.

The majority of participants was female (69%) and spoke English as a first language (70%). Remaining employees identified Spanish as their native language. Most participants identified themselves as Caucasian (64%), 32% indicated they were of Hispanic origin, and the remainder did not indicate their ethnicity. On average, participants were 39 years old and had been employed by this organization for 2.5 years. Eighty-nine percent of the respondents were high school graduates.

Managers completed a survey in which they assessed the level of in-role performance and OCB of each of their subordinates, along with their trust in the subordinate. Of the 41 managers supervising these employees, all but two responded (response rate = 95%). These two managers supervised a total of seven respondents. In addition, one manager did not provide an evaluation of one of her subordinates. Thus, in total, we obtained manager ratings for 164 of the 172 employees who responded to our survey (95%). List-wise, our final sample consisted of 155 paired cases (where we had complete data from both manager and subordinate). The number of direct reports in this final sample ranged from two to eight with a mean of three employees

reporting to each. Fifty-five percent of responding managers were female and 92% spoke English as a first language, while remaining managers identified Spanish as their native language. Most managers identified themselves as Caucasian (92%), 8% were Hispanic. On average, managers were 42 years old and had been employed by this organization for 3.9 years.

Nature of the Dyadic Relationships

As mentioned above, employees worked at the corporate headquarters, a travel planning center, or one of six resorts that the company owned. Although participants worked in multiple facilities and performed a variety of jobs, the structure of the reporting relationships allowed for regular interaction between managers and their subordinates. Those individuals working in the corporate headquarters and the travel planning center worked a traditional 'business hours' schedule and were usually working during the same hours as their managers.

At the resort properties, employees worked in one of three areas: guest services, maintenance, or housekeeping. Each of these areas had one first line manager to whom the non-managerial staff reported. One resort had a fine-dining restaurant that also was staffed by a group of non-managerial employees and a first line manager. These groups of employees each had regular interactions with their managers for a variety of reasons. The housekeeping staff (and managers) worked mostly in the mornings and afternoons to ensure that the rooms were ready for the arrival of new guests. The maintenance crew at each resort was the smallest of the three subgroups and often worked alongside their manager to ensure that pressing tasks were completed in a timely fashion. The guest services area had both daytime and evening shifts and the manager at each resort was required to work a varying schedule to allow for personal interaction with all direct reports.

The employees at each resort had an indirect line of reporting to corporate headquarters. First line managers reported to a general manager at each property who in turn reported to the Vice-President of Operations at the corporate headquarters. All the resorts were within short driving distance of each other and employees attended company wide training and development sessions. In summary, the structure of the organization and its reporting relationships enabled its employees to have similar opportunities to interact and establish a dyadic relationship with their immediate supervisors and an awareness of the larger organization.

Procedure

As noted above, data were obtained from two different surveys administered to employees and their managers. Surveys were administered on-site in conjunction with the company's Human Resource Director who coordinated survey sessions for all subordinates and managers. Respondents completed the surveys on company time and returned them directly to the researcher. Participants were assured that individual responses would remain confidential. To encourage open and honest responding, separate survey sessions were held for subordinates and their managers. For employees who did not speak English as a first language, surveys were translated into Spanish (by Spanish speaking employees of the organization) so that all employees could complete the survey in their primary language. Two employees were involved in the translation process to ensure agreement on the appropriate translation of both the instructions and scale items.

Measures

Employee Measures. Employees provided ratings of their *trust in the manager* using the four-item version of a scale published by Mayer and Davis (1999). The items remained largely the same as the original except that the referent was changed from "top management" to "my

supervisor”. A sample item is “I would be comfortable giving my supervisor a task or problem that was critical to me, even if I could not monitor his/her actions.” Responses were anchored on a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). Employees assessed their *intentions to quit* the organization using a three-item scale from Meyer and Allen (1993). A sample item is “I often think about quitting my job.” This scale also was anchored by a five-point Likert-type scale (1 = Strongly Disagree to 5 = Strongly Agree).

Supervisory Measures. We employed Williams and Anderson’s (1991) two scales of *individual-directed* and *organization-directed OCB*. Both scales were composed of seven items. A sample item from the individual-directed scale is “this employee often assists me with my work even when it is not requested.” A sample item from the organization-directed OCB scale is “this employee always tries to conserve and protect organizational property.” Supervisors also provided ratings of subordinates’ *in-role performance* using Williams and Anderson’s (1991) seven-item scale. A sample item is “this employee consistently fulfills all the aspects of his/her job that he/she is obligated to perform.” All items for these three supervisory measures were rated on a five-point, Likert-type scale (1 = Strongly Disagree to 5 = Strongly Agree). Supervisors used the same Mayer and Davis (1999) scale to provide their ratings of *trust* in each of their employees. The wording of these trust items was the same with the exception of the referent now being identified as “this employee”.

Control Variables. Consistent with prior research on trust (Butler, 1999; Robinson, 1996) and as a means to rule out the role of participant characteristics as an alternative explanation, we controlled for subordinate and manager demographics. Specifically, we controlled for gender (1 = female, 0 = male), tenure with the organization in years and first language (1 = English, 0 = other).

RESULTS

Preliminary Considerations

Means, standard deviations, correlations, and reliabilities for all measured variables are listed in Table 1. Because managers each made ratings of multiple subordinates, there was the potential for dependence in the data. Therefore, we first examined the data for higher level (i.e., manager) effects by assessing ICC and tau statistics for all primary study variables. The results, summarized in Table 2, indicated no significant between-manager differences in the dependent variables or in trust in the manager. However, there were significant between-manager differences in manager trust in subordinate, which further suggests that regression parameters could vary systematically by manager. Thus, because of the nested structure of the data and associated potential for non-independent observations, and because manager trust in subordinate was a core predictor and affected all hypotheses, we tested the hypotheses using hierarchical linear modeling (HLM). Unlike OLS regression, this approach allowed us to simultaneously model both individual- and manager-level residuals, thereby recognizing the partial interdependence of individuals who work for the same manager without having to disaggregate manager-level variables such as the demographic controls included in the current study (Hofmann, 1997). Specifically, hypotheses were tested as level 1 effects. However, whereas employee demographic control variables were entered as level 1 effects, manager demographic control variables were entered as level 2 effects. All predictors were standardized prior to hypotheses testing.

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Insert Tables 1 and 2 about here
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Hypotheses 1a-1c

Tables 3 and 4 report the effects of the control variables (Model 1), main effects (Model 2) and corresponding interaction terms (Model 3) on the four dependent variables. As indicated across the Model 2 tests, Hypotheses 1a-1c were supported in that subordinates' trust in the manager was related to each of the four dependent variables. Specifically, trust in the manager was positively related to organization-directed OCB ($\gamma = 0.11, t_{146} = 3.19, p < .01$) and in-role performance ($\gamma = 0.07, t_{146} = 2.05, p < .05$), and negatively related to intention to quit ($\gamma = -0.37, t_{146} = -5.26, p < .01$). Trust in the manager's relationship with individual-directed OCB reached a marginal level of significance ($\gamma = 0.06, t_{146} = 1.87, p < .07$).

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Insert Tables 3 and 4 about here
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Hypotheses 2a-2c

Tables 3 and 4 (Model 2) also show the previously understudied relationships involving trust in the subordinate (Hypotheses 2a-2c). As these findings indicate, trust in the subordinate was positively related to organization-directed OCB ($\gamma = 0.32, t_{146} = 8.65, p < .01$), individual-directed OCB ($\gamma = 0.42, t_{146} = 11.84, p < .01$), and in-role performance ($\gamma = 0.42, t_{146} = 11.33, p < .01$), and negatively related to intention to quit ($\gamma = -0.17, t_{146} = 2.35, p < .05$). Thus each form of trust (i.e., trust in the manager and manager trust in the subordinate) exhibited independent effects on each of the outcome variables.

Hypotheses 3a-3c

Model 3 in Tables 3 and 4 reports the tests of interactions for each of the dependent variables. As indicated, the interaction of trust in the manager and trust in the subordinate was significant only for individual-directed OCB ($\gamma = 0.08, t_{145} = 2.59, p < .05$; see Figure 1). To interpret this interaction, we estimated the simple slopes for the relationship between trust in the manager and OCB one standard deviation above and below the mean on trust in the subordinate

(Cohen, Cohen, West, & Aiken, 2003). The pattern of findings was consistent with the hypothesis in that we found a significant positive relationship between trust in the manager and individual-directed OCB when manager trust in the subordinate was high ($t_{145} = 3.13, p < .01$). Conversely, the relationship between trust in manager and individual directed OCB was not significant when manager trust in the subordinate was low ($t_{145} = -.25, p > .10$). Moreover, as predicted, the highest level of individual-directed OCB was exhibited when both the manager and subordinate had high levels of trust in one another. Thus, Hypothesis 3a was partially supported in that the expected pattern of interaction was obtained for one dimension of OCB.

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Insert Figure 1 about here
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DISCUSSION

This study extends the trust literature and deepens our understanding of the importance of trust between a manager and subordinate by simultaneously examining the role of trust from both perspectives. Prior research has demonstrated the importance of trust in the manager on subordinate behavior and intentions (Dirks & Ferrin, 2002), but these relationships have been investigated without regard to the manager's trust in subordinate. The results replicate and extend prior research on trust in the manager by demonstrating the unique relationship between trust in the manager and subordinate behavior and intentions beyond the influence of the manager's trust in the subordinate.

More importantly, the results of this study add to our understanding of trust by demonstrating the power of being trusted (manager trust in the subordinate) on subordinate behavior and intentions. Specifically, we found strong support for the relationship of the manager's trust in subordinate to subordinate behavior and intentions, beyond the effect of trust

in the manager. These findings are an important extension to the trust literature as there have been calls to examine trust from both perspectives (e.g., Brower et al., 2000), but empirical examination of the effects of managers' trust has been lacking to date.

Furthermore, we investigated the joint effects of trust in the manager and trust in the subordinate in an effort to understand the nature and consequences of mutual trust. Organizational researchers have asserted that mutual trust is necessary for stable, ongoing cooperative relationships (e.g. Anderson & Weitz, 1989; Smith & Barclay, 1997). Our findings offer support for this assertion in that we obtained a significant interaction for individual-directed OCB. This result supported the hypothesized pattern, with the relationship between subordinate trust in the manager and subordinate individual-directed OCB being stronger when the manager's trust in the subordinate was higher, with the highest level of individual-directed OCB occurring when both parties' trust levels were high.

This pattern supports our arguments in that subordinates' trust had little impact on individual-directed OCB if the manager did not trust the subordinate, presumably because the manager did not provide sufficient discretion and resources to exhibit such behavior. This interaction is also indicative of the mitigating effect of subordinates' lack of trust on manager's trust in the subordinate. That is, managers may grant greater autonomy and resources to trusted subordinates, but if subordinates do not trust the manager, they may be less willing to utilize these benefits. Indeed, subordinates may interpret the manager's efforts toward empowerment as attempts to off load the manager's own work on them.

Mutual Trust and the Joint Effects of Trust in Manager and Trust in Subordinate

Overall, we obtained mixed findings regarding the interaction of trust measures. Although null results should be interpreted cautiously, these findings may call into question the

implicit assumption of the importance of mutual trust. That is, while the findings provide strong support for the independent effects of each party's trust, their trust levels may not interact in a synergistic fashion as suggested by the concept of mutual trust. In short, dyadic trust may be an additive rather than interactive phenomenon.

Alternatively, these findings may be explained in part by the relatively low instance of mutual trust, as indicated by the small correlation between trust in manager and trust in subordinate ($r = .16$). To further illustrate this issue, we created groups based on whether the manager-subordinate ratings were both above the median (high mutual trust), both below the median (low mutual trust), or mixed. Only 26% of the sample was classified as high mutual trust, 22% was classified as low mutual trust, and the remaining 51% was mixed, (trust in manager exceeded trust in subordinate in 22% of the cases, and the opposite occurred in 29% of the cases).¹ This finding suggests that mutual trust (or lack thereof), as indicated by shared high trust levels, may be a relatively uncommon phenomenon.

The relatively low occurrence of mutual trust obtained in this sample, coupled with the cross-sectional design, may have contributed to the null findings regarding the hypothesized interactions. Indeed, future work should seek to employ longitudinal designs over a period of several months or years to better assess the development (or derailment) of mutual trust through repeated exchanges. This approach might enable the effects of mutual trust to unfold over time.

The pattern of significant and non-significant interactions may also reflect the substantive differences in the outcome variables. Our examination of dyadic trust implies an interpersonal phenomenon, making it more likely that mutual trust would affect interpersonal forms of OCB such as individual-directed OCB. This logic is consistent with a multi-foci view of social exchange relationships (Lavalle, Rupp & Brockner, in press) whereby the behavioral

consequences of trust in exchange relationships are stronger when the focus of the exchange is also the target of the behavioral response (see also Harrison, Newman, & Roth, 2006). For example, this principle would suggest that mutual trust between individuals likely maps more strongly onto individual-related discretionary outcomes (i.e. individual-directed OCB), whereas institutional trust, or an employee's trust in the organization, for example, might be related more strongly to organizational-directed OCB. In general, additional research on mutual trust is necessary, because, although there is theoretical appeal to its benefits, empirical support is scant.

Finally, these findings have resulted from our choice to assess mutual trust by examining convergence in actual trust levels. Measuring actual trust from each perspective allows for investigation into the effects of actual trust reported from the trustor, but there is not assurance that mutuality is perceived. Another option is to directly measure perceptions of mutual trust. We were able to locate three studies that have empirically investigated the effects of mutual trust. Zand (1972) manipulated high versus low mutual trust. Mishra and Mishra (1994) examined subordinates' perceptions of high versus low mutual trust. Smith and Barclay (1997) captured mutual trust as the aggregate of the two parties' trust levels. Although these operationalizations varied, all three studies essentially contrasted high mutual trust with low mutual trust, ignoring circumstances when trust levels did not converge. In light of our findings that convergence on trust was not common ($r = .16$) and that each party's trust had a unique relationship to behavior and intentions, we believe it is important to examine the effects of shared trust as well as unbalanced trust.

Implications

This study reinforces the importance of considering the trust perceptions of both dyadic members. Leaders and subordinates are partners in a social exchange. If either member of the

dyad has a lack of trust, it is difficult to maximize the potential outcomes evolving from this relationship. The literature is now full of recommendations to managers to establish trusting relationships with subordinates (e.g. Mayer & Gavin, 2005); however, these results demonstrate that effective leaders not only need to gain the trust of their subordinates but also learn to trust their subordinates. Specifically, this study demonstrates that when they trust their subordinates, managers get employees who are more productive, extend help beyond the requirements of their jobs, and remain longer. Consequently, we can conclude that it is in the best interest of managers to trust their subordinates and to behave accordingly.

Learning to trust poses particular problems because research suggests that the sorts of controls that would protect managers from subordinates who are not trusted also limit subordinates' opportunities to demonstrate their trustworthiness. For example, Strickland (1958) found that the monitoring of persons in a subordinate role (a mechanism used to reduce risk; Korsgaard & Sapienza, 2002), led to less trust in the person. In a study of a prisoner's dilemma-type game, Maholtra and Murnighan (2002) found that individuals who initially played under a binding agreement, which minimizes risk of non-reciprocation, were less likely to cooperate when that binding agreement was removed than individuals who had played without the control of a binding agreement. Therefore, managers may benefit from extending trust to subordinates even before they have gained enough experience with subordinates to assess their trustworthiness. An additional benefit may be that managers who learn to trust and act on that trust enhance their own perceived trustworthiness. That is, as Whitener and her colleagues (1998) argued, gaining the trust of subordinates may involve acting as a trusting manager.

This reasoning suggests that organizations need to take steps to increase both the trustworthiness of managers and the willingness of managers to act in a prudently trusting

manner. Scholars have suggested that certain management practices affect the development of trust in the manager (Robinson & Rousseau, 1994; Whitener, 1997). These trust-building practices involve exchange of information and the empowerment of employees (Cummings, 1983; Deluga, 1994; Folger & Konovsky, 1989; Whitener, 1997), which puts the manager in a more vulnerable position. Helping managers learn to use these procedures wisely may be one path to building mutual trust.

Limitations and Future Directions for Trust Research

Although the proposed relationships in this study were largely supported, the current investigation had some methodological limitations. One limitation was the small sample size. Because of the nature of this research and the difficulty of getting both members of a dyad to respond, large sample sizes are difficult to achieve. Nevertheless, these larger samples are necessary to verify the robustness of these findings.

A second concern is the possible role of common method variance on our results. Our strongest results occurred in situations where a single party assessed both the independent and dependent measures (e.g., the relationship between the subordinate's trust in manager and his/her assessments of intentions to quit). However, it is important to note that all but one of the hypothesized main effects of trust that involved multiple sources were significant. That is, manager's trust in the subordinate was significantly related to subordinate's self-reported intentions to quit, and subordinate's trust in the manager was related to the manager's ratings of OCB and performance. Furthermore, these relationships still held after controlling for the common method relationships (e.g., manager's trust in subordinate still related to intentions to quit, even after accounting for subordinate trust in manager).

A key contribution of the study is that it provides strong support for the importance of being trusted. The findings highlight the significant role that manager trust in the subordinate has in determining subordinate performance. An important next step in this stream of research would be to examine how this trust in subordinate works. While our findings provide a first look at these relationships, we did not directly examine these underlying processes. We encourage future researchers to examine explanatory mechanisms for these relationships.

Finally, as noted earlier, there are alternative approaches to examining mutual trust, such as perceived mutual trust. Given attempts to assess perceived mutual trust in the past have not included perception of lack of mutuality (Mishra & Misrha, 1994; Smith & Barclay, 1997; Zand, 1972), developing a direct measure of perceived mutual trust may prove useful in understanding the effects of mutual trust beyond actual trust levels. Another approach to mutual trust is to assess the individuals' trust in the other party and their perceptions of being trusted (felt trust). To some extent, this operationalization captures a different phenomenon. The subordinates' felt trust may not be consonant with the manager's actual trust in the subordinate and hence, its effects would not necessarily be communicated through the manager's trusting behavior. Thus, the combined effect of trusting and *feeling* trusted may be unique from the joint effects of each party's trust and thus represents a promising area for future research. In a similar research vein, Lester and Brower (2003) found that felt trustworthiness—perceiving that one's manager assesses one's trustworthiness highly—significantly predicted subordinate behavior and attitudes, even after accounting for perceived manager trustworthiness. Perceptions of trustworthiness and felt trustworthiness were distinct constructs with differential effects on subordinate behaviors and attitudes.

Another option is to directly measure perceptions of mutual trust. We were able to locate three studies that have empirically investigated the effects of mutual trust. Zand (1972) manipulated high versus low mutual trust. Mishra and Mishra (1994) examined subordinates' perceptions of high versus low mutual trust. Smith and Barclay (1997) captured mutual trust as the aggregate of the two parties' trust levels. Although these operationalizations varied, all three studies essentially contrasted high mutual trust with low mutual trust, ignoring circumstances when trust levels did not converge. In light of our findings that convergence on trust was not common ($r = .16$) and that each party's trust had a unique relationship to behavior and intentions, we believe it is important to examine the effects of shared trust as well as unbalanced trust.

Measuring the actual trust from both perspectives, as we have done, allows for investigation into the effects of actual trust reported from the trustor, but there is not assurance that mutuality is perceived. Perceived mutual trust, then, provides an interesting avenue for future research as investigators examine the mechanisms by which mutual trust influences performance.

In conclusion, this study highlighted the value of taking into account the trust perceptions of both dyadic members in the manager-subordinate relationship. Most prior research has measured trust from the subordinate's perspective alone. Our results demonstrate that being trusted is a significant predictor of subordinate work outcomes. Furthermore, our findings also suggest that the interaction of trust in the manager and being trusted by the manager has potential explanatory power. It is our hope that these findings will spark an increased interest in defining, measuring and examining the effects of trust in dyadic relationships.

FOOTNOTE

Comparisons of these groups provide an alternative approach to examining the effects of mutual trust. We therefore conducted pair-wise t-tests among these groups on subordinate OCB, in-role performance and intention to quit. With the exception of intention to quit, the results generally indicated that high mutual trust was significantly superior to mixed trust, which in turn was superior to low mutual trust. We also examined this trend by creating a continuum of high mutual trust to low mutual trust with mixed trust levels in the middle. This index was created by estimating the r_{wg} (within dyad agreement) for each dyad, and weighting it by the sum of the trust rating of both parties. This index was significantly related to all four subordinate outcomes (organization-directed OCB: $r = .25$; individual-directed OCB: $r = .30$; in-role performance: $r = .29$; intention to quit: $r = -.19$). It is also noteworthy that there was a wide range of agreement, with only 48% of the dyads having r_{wg} 's greater than .80. These findings provide further evidence of the importance – and potential scarcity – of mutual trust.

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TABLE 1

Means, Standard Deviations, Correlations and Reliabilities for Study Variables

Variable	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1. Manager gender	0.62	0.49												
2. Manager tenure	3.30	2.16	-.15											
3. Manager language	0.93	0.26	.25	-.09										
4. Employee gender	0.32	0.47	.08	-.07	.08									
5. Employee tenure	2.49	2.15	.10	-.02	-.07	-.16								
6. Employee language	0.68	0.47	.12	-.02	.35	.22	.02							
7. Trust in manager	3.52	0.88	.00	-.05	.07	.05	.14	.09	(.84)					
8. Trust in employee	3.40	0.71	.03	-.07	-.23	-.14	.07	-.15	.16	(.82)				
9. Organization-directed OCB	3.95	0.54	-.02	-.08	-.07	-.00	.02	-.05	.33	.60	(.85)			
10. Individual-directed OCB	3.86	0.58	-.04	.03	-.16	-.24	.05	-.12	.26	.68	.71	(.89)		
11. In-role performance	4.01	0.60	.04	-.12	-.08	-.20	.04	-.12	.28	.68	.70	.71	(.95)	
12. Intention to Quit	2.22	0.93	-.02	.08	.10	.09	-.18	.02	-.42	-.26	-.31	-.30	-.23	(.88)

Notes: Reliabilities are reported in parentheses. $n = 155$. Correlations greater than .15 are significant at $p < .05$. Correlations greater than .21 are significant at $p < .01$. Gender is coded 1 = female, 0 = male. Language is coded 1 = English, 0 = other.

TABLE 2

Intraclass Correlations for Study Variables

Variable	<i>ICCI</i>	τ_{00}	z
Trust in manager	0.09	0.07	1.15
Trust in employee	0.22	0.11	2.07*
Organization-directed OCB	0.07	0.02	0.98
Individual-directed OCB	0.06	0.02	1.04
In-role performance	0.10	0.04	1.37+
Intention to Quit	0.00	0.00	0.00

+ $p < .10$, * $p < .05$.

TABLE 3

HLM Results for the Relationships between Trust and Organizational Citizenship Behavior

Variable	Organization-Directed OCB			Individual-Directed OCB		
Level 2	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Manager gender	0.01 (0.06)	-0.02 (0.04)	-0.02 (0.04)	0.01 (0.06)	-0.02 (0.05)	-0.03 (0.05)
Manager tenure	-0.04 (0.06)	-0.01 (0.04)	-0.01 (0.04)	0.01 (0.05)	0.04 (0.05)	0.05 (0.05)
Manager language	-0.04 (0.06)	0.03 (0.04)	0.03 (0.04)	-0.08 (0.06)	0.01 (0.05)	0.01 (0.05)
Level 1						
Intercept	3.94 (0.05)**	3.95 (0.04)**	3.94 (0.04)**	3.85 (0.05)**	3.84 (0.05)**	3.83 (0.05)**
Subordinate gender	0.00 (0.05)	0.03 (0.04)	0.03 (0.04)	-0.13 (0.05)*	-0.08 (0.03)*	-0.08 (0.03)*
Subordinate tenure	0.01 (0.04)	-0.01 (0.04)	-0.01 (0.04)	0.00 (0.05)	-0.02 (0.03)	-0.02 (0.03)
Subordinate language	-0.03 (0.06)	-0.02 (0.04)	-0.02 (0.04)	-0.01 (0.06)	-0.00 (0.05)	-0.01 (0.05)
Trust in manager		0.11 (0.04)**	0.11 (0.04)**		0.06 (0.03)+	0.07 (0.03)*
Trust in subordinate		0.32 (0.04)**	0.32 (0.04)**		0.42 (0.04)**	0.43 (0.03)**
Trust x trust			0.01 (0.03)			0.08 (0.03)*
R^{2a}	.28	.55	.55	.30	.69	.71
Variance Components						
Between Groups	.03	.01	.01	.02	.04	.05
Within Groups	.27	.17	.17	.30	.13	.13

Note. Unstandardized parameter estimates are reported in the body of the table, with standard errors reported in parentheses.

^a Consistent with past research (Hofmann, Morgeson, & Gerrass, 2003), we report R^2 's estimated from ordinary least squares (OLS) regression that include a manager fixed effect. This approach provides an effect size comparable with moderator research.

+ $p < .10$, * $p < .05$, ** $p < .01$.

TABLE 4

HLM Results for the Relationships between Trust and Performance and Intention to Quit

Variable	In-Role Performance			Intention to Quit		
Level 2	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Manager gender	0.03 (0.06)	-0.01 (0.05)	-0.01 (0.05)	-0.02 (0.08)	-0.04 (0.09)	-0.04 (0.09)
Manager tenure	-0.07 (0.06)	-0.03 (0.05)	-0.04 (0.05)	0.08 (0.08)	0.04 (0.09)	0.04 (0.09)
Manager language	-0.04 (0.06)	0.05 (0.05)	0.05 (0.05)	0.09 (0.08)	0.08 (0.09)	0.08 (0.09)
Level 1						
Intercept	4.00 (0.06)**	4.00 (0.05)**	4.01 (0.05)**	2.22 (0.07)**	2.24 (0.08)**	2.23 (0.09)**
Subordinate gender	-0.11 (0.05)*	-0.07 (0.04)+	-0.07 (0.04)+	0.06 (0.08)	0.05 (0.07)	0.05 (0.07)
Subordinate tenure	-0.00 (0.05)	-0.03 (0.04)	-0.03 (0.04)	-0.15 (0.08)+	-0.08 (0.07)	-0.08 (0.07)
Subordinate language	-0.03 (0.06)	-0.02 (0.05)	-0.01 (0.05)	-0.02 (0.08)	0.02 (0.09)	0.01 (0.09)
Trust in manager		0.07 (0.04)*	0.07 (0.04)+		-0.37 (0.07)**	-0.36 (0.07)**
Trust in subordinate		0.42 (0.04)**	0.42 (0.04)**		-0.17 (0.07)*	-0.17 (0.07)*
Trust x trust			-0.04 (0.03)			0.02 (0.07)
R^{2a}	.28	.68	.68	.25	.45	.45
Variance Components						
Between Groups	.03	.04	.04	.00	.08	.08
Within Groups	.32	.15	.15	.84	.63	.63

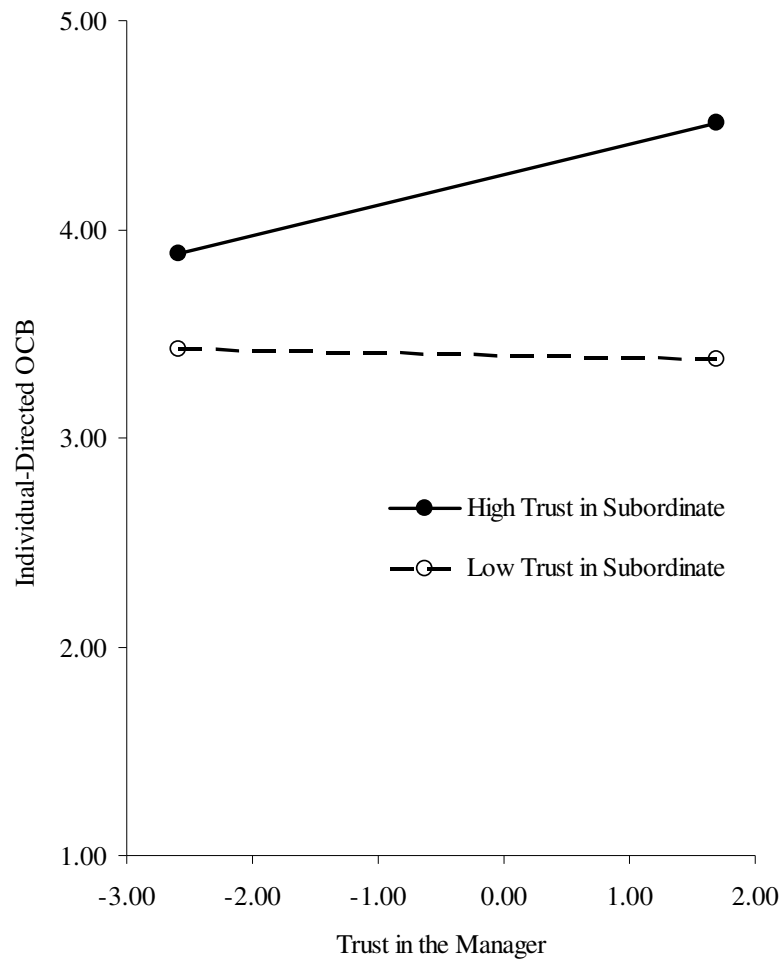
Note. Unstandardized parameter estimates are reported in the body of the table, with standard errors reported in parentheses.

^a Consistent with past research (Hofmann, Morgeson, & Gerrass, 2003), we report R^2 's estimated from ordinary least squares (OLS) regression that include a manager fixed effect. This approach provides an effect size comparable with moderator research.

+ $p < .10$, * $p < .05$, ** $p < .01$.

FIGURE 1

Interaction Results of Trust in Manager and Trust in Subordinate on Individual-Directed OCB



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