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Trust within organisations

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Abstract It has been recognised that there is importance of trust within organisations. There is also a recognised theme that trust must move beyond rational or calculative trust to various forms of social trust. This paper makes clear the potential importance of social trust, and its value to emerging organisations. In the new era of faster, looser, more rapidly changing connections between people and groups, trust based on inferences about the motives, character and intentions of others is becoming more central to the ability of organisations to manage their dynamics efficiently and effectively and ensure their growth and survival.

It is clear that in the last several years issues of trust have become increasingly central to the study of organisations. For someone who participated in early efforts to draw attention to the importance of trust (Kramer and Tyler, 1996), this growing centrality is exciting. The emerging role of trust makes sense given that trust is a perfect focus for those interested in the dynamics of organisations because trust sits at the boundary of psychology and sociology. For this reason, the study of trust has become important in political science, policy studies, law, organisational psychology, organisational behaviour and behavioural economics. In this paper I want to address several key questions that have emerged as central to the study of trust.

The first question is why trust has emerged as such an important issue in the study of organisations. I believe that trust is important because of the strong desire to understand how to create effective co-operation within organisations. Trust is a key because it enables co-operation. While co-operation has always been important in organisations, new trends in the nature of organisational dynamics have had to consequences. First, they have led to changes in the nature of work that make old styles of securing co-operation increasingly difficult to maintain. Second, they have changed the nature of the co-operation that is needed by organisations, putting greater emphasis on more voluntary forms of co-operation which are more difficult to motivate.

Old models of management focused on command and control strategies of motivation. These strategies encouraged authorities to direct the activities of people in the organisation using surveillance linked to incentives and sanctions. This model has been labelled the deterrence model in law, "command and control" in management, "low trust" forms of governance in sociology and rational choice in economics. These strategies allow authorities to secure one type and level of co-operation. However, the world is changing,



Personnel Review Vol. 32 No. 5, 2003 pp. 556-568 © MCB UP Limited 0048-3486 DOI 10.1108/00483480310488333 and organisations increasingly need a new type of co-operation from their members.

These are several ways in which the world is changing. First, it is becoming increasingly difficult to implement command and control styles of management effectively. More and more people work in widely dispersed groups, with increases in the number of people who work at home; who work with varying schedules; and who work in different branches of multinational companies.

In addition, the multilevel hierarchies that have facilitated traditional command and control are increasingly being flattened. It is more and more likely that people will be working in teams of equals, without a designated leader whose responsibility is to monitor and respond to the behaviour of others. Instead, responsibilities are shared across group members, and "leadership" may be different for varying tasks. In addition, judgements about pay and promotion are made more collaboratively, and involve discussion and consensus building.

In addition, traditional social control mechanisms are being lost. One important source of social control are the informal networks of family and friends that embed people in their social groups. The web of extended families and long-term work associates is becoming weaker, since people are more separate from others, and do not view their relationships as necessarily enduring over time. This is partially true because people are more mobile, and often move away from family and friends.

These is also a greater willingness to break ties with others, with job turnover becoming more frequent. On many levels, people feel freer to break social ties and change long-term social arrangements. For example, people increasingly think of their relationship with their employer as contingent and changeable when opportunities arise. Instead of expecting to work for one company throughout their career, people anticipate shifting companies and even careers. They are less loyal to any one employer. This is not the only such contingent arrangement — as heightened divorce rates make clear. But, it is a salient one and one with consequences for trust.

This trend is connected to the general alienation and disengagement of people from social institutions – church, government – that leads to declining deference to authority (Lipset and Schneider, 1983). This judgement that people's engagement in society is declining has led to a recent focus on the need for "civic engagement" in neighborhoods, communities and society (Putnam, 1995). Civic engagement can take a variety of forms, ranging from voting to cleaning up one's sidewalk.

Finally, within work organisations the nature of work itself is changing in ways that make command and control approaches to motivation increasingly difficult. Work is increasingly centred around intellectual labour, rather than simple and repetitive tasks. Intellectual labour is difficult to monitor and depends heavily on willing engagement in work. We must trust that people are

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making an effort to work well, since it is harder to monitor their behaviour. In work organisations, this shift in focus has led to increasing attention to extra-role behaviour – the voluntary behaviours that people perform in work settings (Tyler and Blader, 2000).

To understand these changes, we need a typology of the types of co-operative behaviour that are desired in organisations. Such a typology is presented in Table I. It highlights the importance of voluntary co-operation, both in terms of following rules and in terms of performing desirable behaviours. While both types of behaviour can be motivated by incentives and sanctions, the voluntary forms of these behaviours are especially valuable to organisations. That value comes because people are internally motivated to engage in these behaviours.

Internal motivations facilitate co-operation in organisations because the organisation does not need to create rules and authorities whose task is to monitor and react to people's behaviour. Further, the organisation does not need to use its resources to provide incentives for desirable behaviour nor to create and maintain a credible system of deterrence. Instead, people act co-operatively because they are motivated to do so for personal reasons. For these reasons, internally motivated co-operation is a value-added for organisations.

To the degree that the members of organisations are internally motivated to engage in actions that aid the group, management needs to make efforts to ensure that such actions occur. In addition, people can more effectively manage their own behaviour, bringing it into line with rules and policies irrespective of whether leaders are present and paying attention to the actions of their followers. The desire of followers to follow rules and help the group is a more reliable way to secure desirable co-operation than is the provision of incentives or sanctions.

Social motives

The increasing importance of internally motivated behaviour to organisations makes clear why issues of trust and procedural justice are becoming more central to organisational studies. Both trust and procedural justice are social motives, i.e. motives that are internal or socially generated. They flow from within the person, rather than being linked to incentives or sanctions. There is already a large literature on procedural justice (Lind and Tyler, 1988; Tyler et al., 1997; Tyler and Smith, 1997), while the literature on trust is rapidly expanding (Kramer and Tyler, 1996; Kramer, 1999).

Table I.Typology of types of co-operative behaviour desired in organisations

	Mandated	Voluntary
Limiting undesirable behaviour	Deterrence	Deference
Promoting desirable behaviour	In-role behaviour	Extra-role behaviour

What is trust?

From my perspective one interesting issue is what the nature of trust can best be characterised as being. In addressing the issue of trust many researchers have immediately adopted an instrumental or rational choice approach to trust. For example, they have viewed trust as an issue of predictability in which people behave based on their expectations concerning the likely future behaviour of others. Trust can also be treated as an issue of competence, with people trusting those that they believe can solve problems and deliver desired outcomes.

I think that this view of trust is inadequate to deal with the issues of trust that are confronted by organisations. A good example of those issues is reflected in the idea of fiduciary trust. This is the type of trust that people have for a doctor or a lawyer or an accountant. What is striking about situations of fiduciary trust is that, because people are relying on someone with specialised training and knowledge, they lack the expertise and information to understand their actions. So, their ability to anticipate the actions of others is very low. When the ability to predict is low, there must be some other basis for trust if co-operation is to occur (Tyler and Huo, 2002).

To address this question I want to distinguish instrumental trust from what I will refer to as social trust. Social trust is not based on judgements about the predictability or competence of others. Instead it is based on attributions about the motives of others. People infer whether they trust that others have the intention to do what is good for them, whether they are motivated to be ethical and fair. With a doctor, for example, I cannot evaluate his or her competence, but I can make an inference about whether they are sincerely trying to do what is in my best interest.

This distinction between instrumental and social trust parallels a key distinction within the literature on procedural justice. In that literature the fairness of procedures is distinguished from instrumental judgements about the favourability or fairness of one's outcomes. As in the case of trust, we become interested in procedural fairness judgements primarily when we find that they have a distinct influence on reactions to experience beyond the influence of outcome-based judgements. As with the literature on trust, studies suggest that outcome-based judgements are inadequate to explain people's reactions to their experiences. There is typically an addition, non-outcome-based, element to reactions. This element is linked to judgements about the fairness of the procedures involved. Hence, procedural justice can also be viewed as a social motive.

In both cases the potential value-added for social motives lies in their ability to encourage levels of co-operation beyond those than can be sustained by instrumental motivations. If we only trust those people whose behaviour we can effectively predict, for example, we will have trouble benefiting from the expertise of others. Trusting those that we think have well-intentioned

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motivations extends our willingness to co-operate with others. As noted, the needs of organisations encourage such trust-based co-operation.

Procedural justice and motive-based trust

Given that there are two social motives – procedural justice and motive-based trust – we can ask how these two motives are distinguished. In particular, since there is already a large literature on procedural justice, what is gained by adding studies of motive-based trust to this mix.

Addressing this question involves addressing several issues. First, whether motive-based trust is important. Second, whether motive-based trust has an impact that is distinct from the impact of procedural justice. Third, whether the social aspects of motive-based trust have an impact that is distinct from the influence of instrumental trust-related judgements.

Let me first explore these issues by drawing on a study of trust in the police (Tyler and Huo, 2002). The key concern in this study is gaining voluntary deference with the decisions of the police and the courts. This is the first type of co-operative behaviour discussed earlier in the paper.

In this study 1,656 residents of two US cities had personal contact with the police or the courts. The issue was whether they would willingly accept these third-party efforts to resolve problems. As the percentages shown in Table II indicate, acceptance was by no means automatic. For example, 23 per cent of those who deal with a legal authority considered going to someone else to overturn the decisions made, while 49 per cent felt that the situation could have been handled in a better way.

Our first concern is whether issues of motive-based trust shape decision acceptance. The items used to measure motive-based trust are shown in Table III. The results of regression analyses using motive-based trust, shown in Table IV, suggest that they do. The extent to which people indicated that

	Percent agreeing	
Acceptance		
I willingly accepted the decision In a similar situation in the future, I would like to	87	Yes
see the situation handled in the same way I considered going to someone else to try to	59	Yes
change the situation The situation could have been handled better	23 49	Yes Yes
Satisfaction The person generally did a good job dealing with		
my situation I was generally satisfied with the way he/she	72	Yes
handled the situation	68	Yes
Source: Tyler and Huo (2002)		

Table II.Percentage accepting the decisions of legal authorities

they trusted the motives of the authorities with whom they were dealing was linked to their willingness to accept the decisions reached (beta = 0.47, p < 0.001).

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Further, the influence of motive-based trust is distinct from the influence of instrumental issues. Two instrumental issues are included in this analysis. One is whether the person indicates that the authority behaved as expected; the second whether they say that they think they can predict the authorities' future behaviour. These instrumental assessments had only a minor influence on the willingness to accept decisions (beta = 0.04, p < 0.01, for the degree to which people felt they could predict the future actions of the authorities; beta = -0.02, n.s., for the degree to which their actions during the encounter were as expected).

Finally, the influence of motive-based trust is distinct from the influence of procedural justice. The equation shown in Table IV indicates that both motive-based trust and procedural justice judgements have distinct influences on people's decisions about whether or not to accept the decisions made by third-party authorities.

Motive-based trust	%	
The authority Considered my views Tried hard to do the right thing by me Tried to take my needs into account Cared about my concerns I trust him/her	67 69 62 62 69	Yes Yes Yes Yes Yes

Table III.

Measuring
motive-based trust

Beta weights	n
Social motives	
Motive-based trust	0.47**
Procedural justice	0.38**
Instrumental judgements	****
Distributive justice	0.08**
Outcome favourability	0.08**
Predictability	0.04*
Expectations	-0.02
Adjusted R -sq. (%)	81
Notes:	

Factors shaping decision acceptance/ satisfaction with the decision maker

Table IV.

* *p* < 0.01 ** *p* < 0.001

Source: Tyler and Huo (2002)

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So, what distinctly social factors influence motive-based trust? Two factors emerge as important in a separate analysis (see Table V). First, shared background and values. People indicate more trust in the motives of people with whom they share a social background.

Second, whether they feel that they have an understanding of why people are acting as they do. Interestingly, this influence of understanding is distinct from being able to predict what a person will do. People are focused on whether they feel they understand why a person is acting as they are, not just on whether they think that they can predict how a person will act in the future. This is an attributional influence that is linked to judgements about whether a person feels they understand the character and motivations of another.

All of these findings point to the value of a social conception of trust. First, motive-based trust influences deference to authorities. If a person trusts that the authorities with whom they are dealing are motivated by a concern for their welfare, they are more willing to go along with decisions made by that authority. In a situation such as social regulation, in which authorities are often telling people that they cannot do things that they want to do, this ability to gain deference is key to effectiveness.

Further, this influence of motive-based trust is not linked to the degree to which people think that they can make effective and accurate estimates of the future behaviour of others. Neither the degree to which the past behaviour of the authorities has been as expected, not the degree to which their future behaviour is believed to be predictable are the key issues shaping deference. It is interesting that it is the degree to which a person thinks that they understand why someone is acting (i.e. they understand their motivations) and not the ability to predict their actions that matters. We want to know the "character" of others — feeling that those others are, in fact, interested in our needs and concerns.

Work organisations

Source: Tyler and Huo (2002)

While legal authorities focus on preventing undesirable behaviours, the managers of work organisations are concerned with both limiting negative and undesirable behaviour and with promoting desirable behaviour. As was the

Beta weights	п
Shared social bonds Are actions understandable? Behaved as expected. Actions are predictable Adj. R-sq. (%)	0.33** 0.53** - 0.01 0.03 55
Note: * $p < 0.001$	

Table V. Antecedents of motive-based trust

What motivates voluntary co-operative behaviours? Tyler and Blader (2000) compare the role of two types of internal motivations to the motivating influence of the resource levels reflected by the pay and other benefits a person is receiving from their organisation. The two types of internal motivations are attitudes and values. Attitudes reflect the things that people are internally motivated to do. Two attitudes are measured in this study. The first is intrinsic enjoyment of one's job. The second is commitment to one's group. People might potentially be motivated either because of their enjoyment of their work and/or because of their lovalty to their group. The key value measured is a person's feelings of responsibility/obligation to follow rules, a motivation which we will refer to as legitimacy (Tyler, 1990).

The influence of attitudes and values on deference to rules and on extra-role behaviour can be compared with the influence of people's instrumental judgements. Two such instrumental judgements are examined. The first is the person's judgement about the level of resources they receive from the group. The second is their evaluation of the favourability of the resources they receive from their job, relative to available alternatives.

I will use regression analyses to examine the impact of attitudes, values and resource judgements on co-operative behaviour in the sample of employees studied by Tyler and Blader (2000). These analyses are shown in Table VI. They suggest that attitudes and values have an important influence on co-operative behaviours. Attitudes are the most important predictor of extra-role behaviours (beta = 0.54, p < 0.001), while values are the most important predictor of deference to rules (beta = 0.47, p < 0.001).

Our primary concern is with the potential importance of motive-based trust in shaping people's co-operative behaviour in a work organisation. We can

	Voluntary co-o		
Beta weights	Deference to rules	Extra-role behaviour	
Attitudes (commitment, intrinsic motivation) Values (legitimacy) Level of job benefits Dependence on job Adjusted <i>R</i> -sq. (%)	0.19** 0.47** 0.04 0.01	0.54** 0.04 0.12* 0.14* 26	
Notes: * $p < 0.05$ ** $p < 0.001$ Source: Tyler and Blader (2000)	33		Table VI. Attitudes, values and co-operative behaviour

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compare that influence of motive-based trust to the influence of judgements about the predictability of the decisions of managers and to judgements about managerial competence. The items used to index each construct are shown in Table VII.

The influence of motive-based trust is shown in Table VIII. The findings suggest that motive-based trust has a strong influence on attitudes and on extra-role behaviours. It leads people to enjoy their jobs and to want to help their group and to do so in voluntary ways. Motive-based trust has less impact on values. People who trust the motives of management do not indicate that organisational rules are more legitimate. However, motive-based trust does influence deference to rules. Hence, there is a smaller influence of motive-based trust on people's willingness to limit their engagement in undesirable behaviours such as stealing, taking long lunch breaks, etc.

A replication of this analysis including a measure of procedural justice, shown in Table IX, indicates that motive-based trust and procedural justice have distinctive patterns of influence. Motive-based trust shapes attitudes and extra-role behaviour, while procedural justice shapes values and deference. This pattern is consistent with that already outlined and suggests that the influence of motive-based trust is that it encourages people to commit themselves to their work and work organisations, leading to extra-role behaviour.

	n
Motive-based trust (1 = agree strongly; 6 = disagree strongly) I am usually given an honest explanation for decisions My views are considered when decisions are made My needs are taken into account when decisions are made The authorities try hard to be fair to their employees My supervisor gives me honest explanations for decisions My supervisor considers my views when decisions are made My supervisor takes account of my needs	3.10 3.52 3.60 2.75 2.56 2.76 2.83
Predictability How much do you know about the formal rules? (1 = a lot; 6 = very little) How much do decisions about you depend on the formal rules? (1 = a lot; 6 = not at all) How often are rules applied consistently? (1 = always; 6 = rarely) How well do you know your supervisor? (1 = very well; 6 = not well) Are your supervisor's decisions consistent? (1 = always; 6 = rarely) Does your supervisor keep promises? (1 = always; 6 rarely)	2.69 2.69 3.06 2.35 2.97 2.45
Competence (1 = strongly agree; 6 = strongly disagree) I do not think I will be laid off in the future I have a secure job well into the future I worry that my organisation will not do well in the future (mean reversed) Source: Tyler and Blader (2000)	1.98 2.52 2.58

Table VII.
Measures of trust

Finally, we can ask how procedural elements shape motive-based trust. Procedural justice theories distinguish between two key procedural elements: the quality of decision-making and the quality of the interpersonal treatment that people receive (Tyler and Blader, 2000). These two elements can be used as antecedents of motive-based trust. The results of such a regression analysis are shown in Table X. They results indicate that both elements shape motive-based trust. However, the primary influence is in the quality of people's interpersonal treatment by group authorities and rules.

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Interestingly, once the influence of quality of decision making and quality of treatment is taken into account, there is no independent impact of either the

Beta weights	Attitudes	Values	Deference	Extra-role behaviour	
Motive-based trust Predictability Competence Adj. R-sq. (%)	0.54*** 0.08 0.17** 40	0.08 0.22** 0.05 7	0.18** 0.16* 0.09	0.26*** 0.05 0.11 10	Table VIII.
Notes: * $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$ Source: Tyler and Bl	ader (2000)				The influence of motive-based trust on attitudes, values and co-operative behaviours

Beta weights	Attitudes	Values	Deference	Extra-role behaviour	
Motive-based trust Procedural justice Predictability Competence Adj. R-sq. (%)	0.50** 0.06 0.06 0.17** 40	-0.19 0.45** 0.04 0.03 11	-0.03 0.36** 0.02 0.08 12	0.42** - 0.20 0.17* 0.12* 12	Table IX.
Notes: * $p < 0.05$ ** $p < 0.001$ Source: Tyler and Bl	ader (2000)				Influence of motive-based trust and procedural justice
Beta weights				n	
Quality of decision-ma Quality of treatment Predictability Competence Adj. R-sq.	aking			0.23* 0.65* - 0.03 0.06 67	Table X.
Note: * p < 0.001 Source: Tyler and Bl	ader (2000)				Antecedents of motive-based trust

expectedness of past treatment or the predictability of future treatment. Hence, the definition of motive-based trust is primarily "relational" in character (Tyler and Lind, 1992).

Overview

As the findings of these two studies suggest, there is considerable value to thinking of trust as a distinct and social motivation. Further, the findings suggest that we should be considering two social motivations, motive-based trust and procedural justice. Each makes a distinct contribution to the understanding of co-operation in social groups.

As we enter into this new era of co-operation among people, organisations, and society, we need to focus on developing new consensual forms of co-operation. These new forms emphasise gaining "buy in" from people, rather than seeking to shape their behaviour by changing the contingencies of the situation via incentives or sanctions.

This desire for consensual relationships suggests that we need to better understand how to develop supportive attitudes and values. If people want to co-operate, and/or feel that they ought to co-operate, then their behaviour is motivated internally and the need for strategies linked to incentives and sanctions is minimised. This is equally true of social regulation and management.

The findings outlined further suggest that motive-based trust and procedural justice are similar, in that both are social motives, but have a distinct influence on co-operative behaviour. Trust is linked more directly to social relationships, while procedural justice involves evaluations of the manner in which decisions are being made.

When we compare the literatures on motive-based trust and procedural justice to each other it is clear that justice has the longer history. However, as the findings presented make clear, motive-based trust does not simply duplicate the ground already covered by procedural justice. It makes a distinct contribution to our efforts to understand co-operation in organisations. Trust is clearly central to understanding the dynamics of organisations. Furthermore, it seems to reflect different motivations than those already outlined in the justice literature. What we need is a clearer understanding of those distinct trust-based motivations.

We can look for better understanding of trust to the work of Heider (1958) on attribution theory. Heider (1958) suggests that an effort to focus on the motives and character of others is fundamental to people's interactions with others. This effort to infer motives as an antecedent to interaction fits easily into the framework outlined here. People's motive-based trust is linked to their inferences about the motives and character of others. Hence, in the future the trust literature make fruitfully link itself up to the literature on motive attributions as a way to better frame the discussion of trust issues.

The findings outlined also point to the literature on social relationships as a possible future direction for trust studies. It is found that people are more willing to trust those with whom they feel they share a social connection, for example a similar background. We need to better understand the nature of the bonds that people draw on to make inferences about trust.

Further, the findings outlined point to one especially important type of trust. Motive-based trust is one important type of social motive that acts beyond the operation of rational calculations or expectations to shape behaviour towards others.

Motive-based trust is central in situations in which the traditional mechanisms for motivating co-operation are problematic, and the development of productive interaction requires the existence of other, more social, motivations. in which traditional mechanisms may be inadequate to sustain co-operation. Motive-based trust may be especially important in particular settings because it is in such settings that rational forms of trust are least likely to be effective.

One such situation occurs when relationships are beginning. People with a limited history are unlikely to feel that they can predict each other's behaviour. They need to have a way to build trust swiftly. This requires the ability to infer the character of others based on inferences of their character and benevolence.

Further, motive-based trust may be needed in virtual situations in which traditional face-to-face interactions are limited in scope. In such situations, the mechanisms that led people to trust because they had a long history of personal experience are no longer possible. People must deal with relationships without social and physical elements, and must find new ways to trust in those settings.

Traditional mechanisms of trust may also be inadequate during times of crisis or change. It is when organisations are most in need of co-operation from their members that they are often least able to provide the incentives or sanctions that would motivate that co-operation. They need to be able to rely on the good will of their members. Here trust becomes crucial. Since people are unlikely to be able to know the future in a time of change, all that they can do is to evaluate whether they think that management will be motivated to make changes in ways that will take the welfare of group members into account.

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