AALTO UNIVERSITY
Department of Industrial Engineering and Management

Ville Kaskivirta

TRUST IN SUPERIOR AND SUBORDINATE RELATIONSHIP IN EXPERT ORGANIZATION AT TRANSFORMATIVE STATE

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Thesis supervisor:

Prof. Eila Jarvenpaa

Thesis instructor:

Master of Science (Economics) Jorma Sonninen

Author: Ville Kaskivirta

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Supervisor: Prof. Eila Jarvenpaa

Instructor: Master of Science (Economics) Jorma Sonninen

Being a successful leader requires building strong relationships with subordinates and colleagues, and trust is always a central figure of a functioning relationship. Trust is the glue that keeps relationships together through challenging times and it is the lubricant that gets rid of unnecessary transactional costs and the need for subordinates to protect themselves and their positions. Trust between superior and subordinate enables both parties to perform at their highest level and even overachieve on their tasks and goals. It is essential for organizations at transformative state to maintain the trust relationship between superiors and subordinates. This qualitative study was conducted in Finland in the winter of 2010 - 2011, the organization in question was a Finnish public sector organization, where 4 superiors and 7 subordinates were interviewed, both men and women were included. The research data was analyzed by phenomenographic research method and the perceptions of the transformation process and its effects on trust relationship were studied.

This research enforced the previous scientific knowledge about the nature of trust relationship between superior and subordinate. The integrity of the supervisor is the central factor of the perceived trustworthiness. In addition, at transformational situations the transparency and justice of the transformation and the possibility to influence the process are central factors of successful transformations. Equal and up to date information and a clear strategy are necessities for the subordinates to feel confident and satisfied with the transformation process.

To manage a successful transformation and to maintain high trust relationship with her subordinates the supervisor has to have strong moral and ethical basis behind her actions and she must be able to maintain integrity between her words and actions. The ability to support, create a clear strategy and the genuine will to want the best for her subordinates are a necessity.

Foreword

This whole process of writing my master's thesis has been an excellent chance of learning and understanding more about trust, leadership, transformation, and most importantly about the human mind. The duration of the project has been over an year from the first idea of the topic to the finished thesis. The actual research, writing, and finalizing took approximately four and half months. The solid groundwork done before the actual research has paid of and I strongly advice everybody to have a clear vision of the concept before going head over heels to the actual research work.

I feel that this project has given me much more than I would have hoped for and it has reinforced my previous thoughts of leadership and naturally has changed some of them. Namely, the fact that it does not matter what you do, it matters how do people see and interpret from it. If a human being thinks something happened, for her it happened. No matter what was the reality.

First and foremost I have to thank the wonderful help from WISE/LEAD Oy. Thank you Jorma, Jari, Anne, and Katja for arranging me the context to do my study and for the continuous help and sparring. Especially the latter one. Also I want to thank my professor Eila Jarvenpaa, who has been very helpful with my thesis and has donated a lot of her time for our meetings and has been tirelessly correcting and commenting my text.

Most importantly I want to thank my girlfriend Piret who has stood up with my long days of writing and other activities and my parents who taught me the most important factors of trust - honesty and justice - from the get go.

Helsinki, 23.3.2011

Ville Kaskivirta

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1 Introduction

1.1 Background

The concept of trust has been a popular subject for scientific studies the last 20 years and the concept and framework of trust has been thoroughly studied. Meaning, that the questions "what is trust?" and "how does our behavior affect trust?" have been given solid, albeit numerous answers. Before the concept of trust became an increasingly popular subject for behavioral scientists to study, in organizational psychology it was seen as a simple fact, there was trust or there was not. Trust was seen as a concept which the organization either had or did not have. [28] Since then, scientist have defined multiple different facets of trust and levels of trust. Scientific studies include researching the effect of trust in organizations towards learning and how the level of trust affects co-operation in teams and team effectiveness. It is clear that trust plays a big role in successful relationships between leader and subordinates, between co-workers and finally as a building block of successful organization.

In this ever changing world, transformations in organizations happen often and they are usually challenging situations for people working in those organizations. Organizational change usually includes lay offs, or at least the possibility of lay offs. Change in organizations is usually a critical situation for the personnel, their future is in stake. Maintaining and building trust in organizations is beneficial for organizations in transformative state, but this state is fragile and trust can be altered during the transformation. For organizations and leaders it is beneficial to understand how a transformational process in organization can affect trust between superior and subordinate.

Current literature and research suggest that transformative leadership is the direction to go regarding leadership behavior. Transformative leaders use authority and power to inspire people and motivate them to trust and follow their example. Transformative leadership is a necessity in the current ever changing world. Transformative leaders appeal to higher ideals and moral values and this way define and articulate the vision of future. Transformational leadership relies on a strong ethical and moral foundation. Trust is the key ingredient of transformational leadership. If the leader is not seen as a trustworthy person, it is impossible to reach the level of transformational leadership.

My personal interest in studying trust accumulates from the facts that being a successful superior is considered to be very challenging, although the principles in successful superior - subordinate relationships could be defined almost as simple as ability, integrity, and benevolence. [50] I am interested in studying the factors and behavior influencing perceived trust between superior and subordinate in specialist organization at a transformative state.

1.2   Goal of the Study and Research Questions

The goal of the study is to understand the factors related to trust in superior - subordinate relationships. Every single person sees the world from her own perspective and it is valuable for superiors to understand the perceptions of their subordinates more thoroughly. Study focuses to understanding these relationships and situations and studying the situation in a expert organization at transformative state. This study tries to produce knowledge about the factors which had influence on the success of the transformation and eventually what was the contribution to the trust between superior and subordinate.

The research questions for this study are:

What kind of factors have connections to superior - subordinate trust relationship in organizational change?

How do these factors affect superior - subordinate trust relationship in organizational change?

1.3   Context of the Study

Trust in superior - subordinate relationship is a current topic in every professional field and sector. For the functionality and efficiency of the organization the trust relationship between the superior and subordinate should be well maintained, no matter if the organization is private or public. This study is done in a public sector organization, which faces the same challenges as many private sector companies. Efficiency must be at a maximum level, costs are cut and organizational changes are commonplace. More and more of the day to day actions are outsourced to private companies and the personnel number of public sector is downsized.

Although public and private sector organizations face mainly the same challenges, one of the big differences is the top level management. In private sector the highest level of power is on the board of directors or ultimately on the shareholders. In contrast the public sector organizations are usually under the direction of politicians, at least indirectly. This means that every election is a situation where new strategies might get done and directions changed. The motives and incentives might differ from the private sector. In summary, the traditional gap between public and private organizations seems to be diminishing little by little.

2 Theoretical Framework

2.1 Defining Trust

Trust has been studied in a variety of different scientific fields, mostly from the viewpoint of philosophy, economics, and social psychology. The definitions are multiple and numerous, but the core idea is that trust is always related to context and situation. Philosophers study trust and see it from the attitudinal and ethical viewpoint as opposed to economists who use more rational and calculating approach to defining trust. More to the scope of this study is the viewpoint of social psychologists who study trust from personal and inter-personal aspects. [8] Johnson-George and Swap asserted that "willingness to take risks may be one of the few characteristics common to all trust situations". [36]

2.1.1 A Four Way Model of Trust

Trust in the organizational perspective can be defined as multiple angled combination, which, was well defined by Zucker [66] as she defined three types of trust: process-based trust, institutional-based trust, and characteristic-based trust. Hummels added a fourth type: value-based trust (Figure 1). These central mechanisms can be used to analyze real-life situations and these are the mechanisms where the trust building begins. [34]

Process-based trust can be used in analyzing situations when two parties have reasons to co-operate but do not have any previous mutual collaborations. Then it is highly likely, that the parties are skeptical and cautious because they do not know if the other party is trustworthy. In process-based trust mechanism the trust builds from previous experiences from situations alike. [66] The better the experiences from past, the more willing is the trustor to trust the trustee. From this on, the parties co-operate because they expect to benefit from the collaboration. If the expectations are not met, the trust which is building up might be wiped out. This type of trust builds always slowly. [34]

Institutional-based trust can be seen as a trust which comes from the education and experience of the trustee. A medical doctor is a common and good example. When we are in a need of a doctor we do not have time to build trust with the person, we just have to trust that the ethics of the profession and education make the person competent. The person's integrity and benevolence are good qualities but in this case the ability to diagnose disease and capabilities to intervene effectively are most important. [34]

Characteristic-based trust can be defined as a trust where parties have the same traits or background. They share the basic understanding of each other's needs and wants. A good example can be a family, where usually everybody has the same basis and everybody has a idea what others need. Actually quite the same we would like to have in our corporate organizations. Building and preserving the trust is mainly

Process-based
(non-member, direct)

Direct

Non-member

Characteristic-based
(member, direct)

Institutional-based
(non-member, direct)

Member

Indirect

Values-based
(member, indirect)
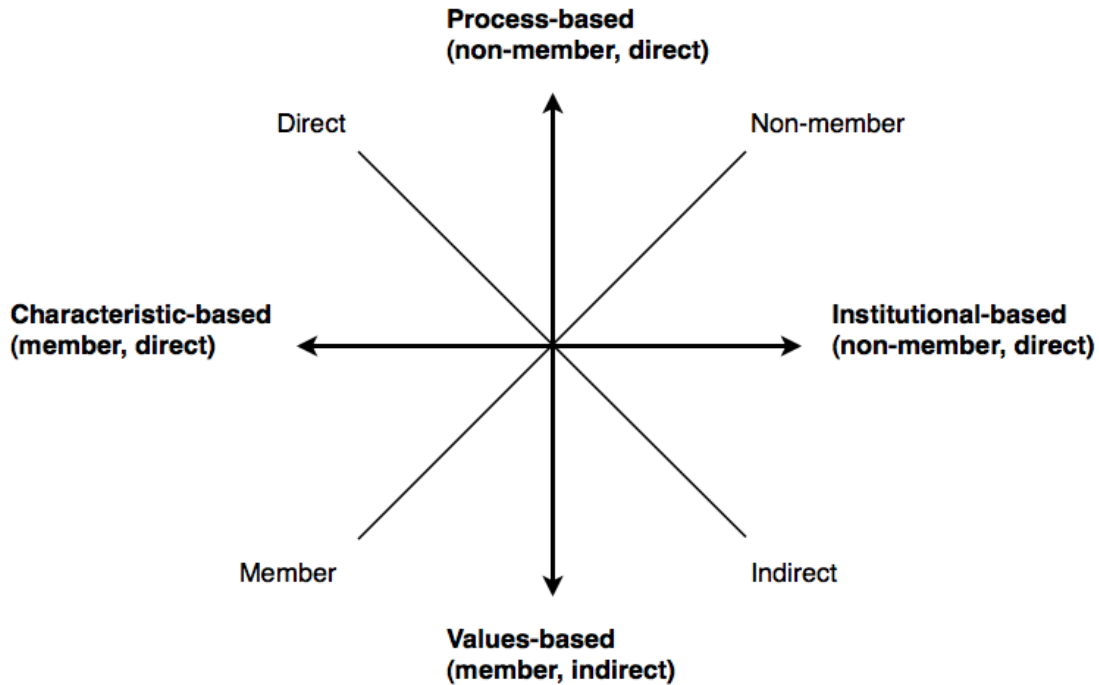
Figure 1: The four ways of constructing trust [34]

focused on benevolence towards others, not so about abilities. [34] [27]

Value-based trust can be defined from the point of sharing the same purpose, or being more specific, sharing the same organizational purpose and goal. Trusting in this context means to be able and willing to listen to stakeholders and possible share the same values. Values-based trust rests on the expectation that the trustee will act the way the trustor expects to, based on a sense of benevolence, decency and good will. [34] [28]

2.1.2 The Integrative Model of Trust

When trust is seen as a interaction between 2 persons and more specifically, when the trustee and his behavior is seen as the main factor influencing trust and building it, then we come in terms with Mayer's often cited integrative model of organizational trust (Figure 2). The model is based on three different factors of perceived trustworthiness. Trustworthiness is defined to be the outcome of three factors: ability, benevolence, and integrity. [50]

Ability is the group of skills, competencies, and characteristics which enable the person to influence within some exact domain. These abilities might not be effective in some other context. [65] Benevolence is considered to be the extent which the trustee is willing to do good for the trustee. A good example could be a coach
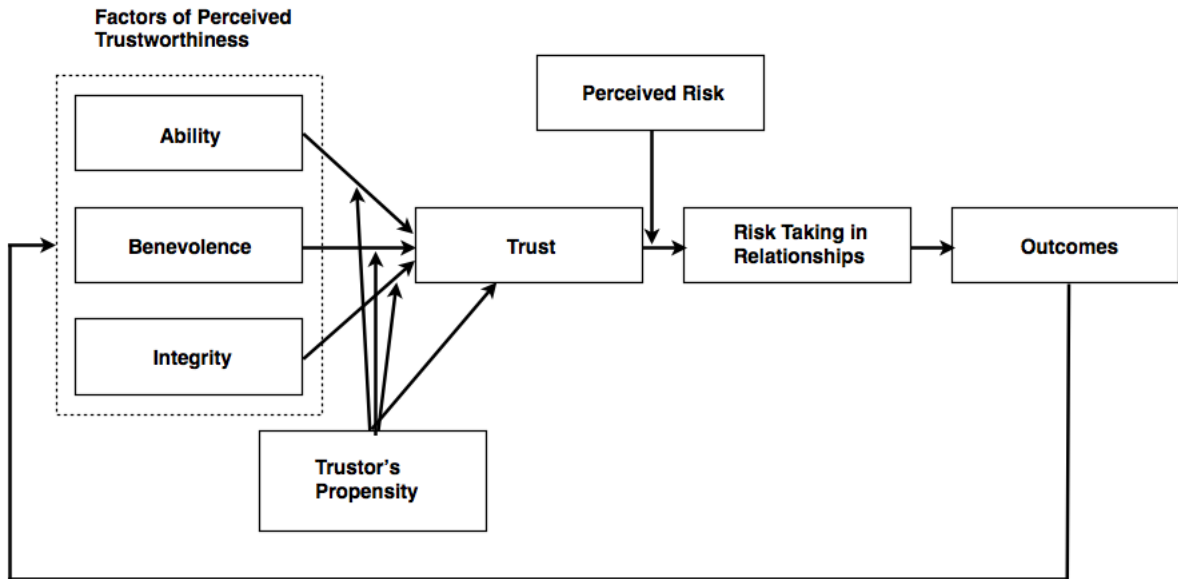
Figure 2: The Integrative model of trust [50]

and an athlete, in normal situation the coach would like her athlete to succeed as well as possible. This good will has to be honest, because if the person wants good for her trustor it can not come from personal and egocentric profit motive. For example the coach wants her athlete to succeed because this would make her appear a better coach. The third factor, Integrity, can be explained as congruence between the words and actions of the trustee. For example if a trustee give's an impression of herself as a certain type of person, for her having integrity she has to live up to those standards. Ability, benevolence and integrity are discussed in depth in chapter 2.8. [50]

According to Mayer trustee's perceived trustworthiness and trustor's propensity to trust are the factors which affect the trust relationship between the trustor and the trustee. Propensity to trust "will influence how much trust one has for a trustee prior to data on that particular party being available. People with different developmental experiences, personality types, and cultural backgrounds vary in their propensity to trust". [33] "Trust will lead to risk taking in relationship, and the form of risk taking depends on the situation". The amount of trust present and the perceived risk of the situation form the risk taking in relationship and will yield outcomes. The higher the trust the more likely it is to have positive outcomes. [50]

In this context perceived risk includes the trustor's opinion about the likelihoods of the possible wins or losses in the situation without the influence of the trustee. In other words the perceived risk is the risk of the situation for the trustor, no matter who is the trustee. When the level of trust exceeds the level of perceived risk, then the trustor is willing to engage in risk taking in relationship. In contrast, if the level of trust is lower than the perceived risk the trustor will not start actions of

risk taking in relationship. When and if the particular decision is made it will yield outcomes. [50]

To complete the Mayer's integrative model of trust there is a feedback loop from the outcomes to the factors of perceived trustworthiness of the trustee. This means that when trustor engages herself in risk taking and it ends with a positive outcome the trustor's perceptions of the trustee are enhanced. Naturally the perceptions will decline if the outcomes are not favorable to the trustor. To summarize, the outcomes of risk taking will update the prior perceptions of the ability, benevolence and integrity of the trustee. [50]

2.1.3 Trust as a Form of Dependencies

Sheppard and Sherman view trust not as singular construct but as a phenomenon which takes four quite distinctive roles and forms that vary as a function of the nature of the relationship between trustor and the trustee. The concept of trust should be always accompanied with risk. Trust is always the process of accepting the risks in a given situation. They believe that "trust most often is not an irrational act but a manageable act of faith in people, relationships, and social institutions". Trust and risk are different in different situations, they build and change according to the dependence or interdependence of the individuals. Sheppard and Sherman define four different forms of dependence: Shallow dependence, Shallow interdependence, Deep dependence, Deep interdependence (Table 1). [55]

Shallow dependence creates a risk for the trustor in two distinct ways. The first one is - the risk of unreliability - that someone will not behave as expected. For example it could be a babysitter who does not properly take care of the couple's child or buying meat from the grocery store. The customer has to trust that the producer, transportation company and the store personnel have behaved as expected. There is always a risk that someone from the chain has not done her work as expected. The shallow interdependence situation differs from the previous because there both parties must effectively coordinate their actions to achieve desired goals. [57] There are the same risks as in shallow dependence but with the added risk of poor coordination. For example a company designing electronic devices, has to successfully coordinate with many suppliers to be able to produce a desired product to the market in the right time. Relationships become more interdependent when intimacy comes in to picture. Couples and long time friends are more likely to have interdependent relationships than a customer in a grocery store. [55]

In deep dependence relationships the risk is associated with invisibility, because the trustor usually cannot monitor the behavior of the trustee. This situation is called the risk of cheating, which comes from the asymmetry in knowledge. [63] Simple example of cheating can be not to tell the client that the suppliers prices have changed, which means a bigger portion of income for the seller. Also deep dependence relationships includes situations where one's interests are not taken into account. This can happen in a situation when stakeholders are risking that

managers of a firm are not considering their interests when making decisions. Deep dependence often causes situations where the trustee can use the relationship as a lever. For example, when supervisor has a clear authority over workers salary, it creates the risk of abuse. Deep interdependence creates a situation where there is a major risk for misanticipation. The possibility to communicate for the partie's is crucial but this might not be possible. Without specific instructions and with less communication the risk of not understanding the other partie's needs and actions is high. For example in automotive industry the transfer to outsourcer of entire control of the design and manufacturing of key parts or systems is essential for inexpensive and fast car design. In this situation the communication might be minimal and the risk for misanticipation is great. [55]

Table 1: Risk as a Function of Form of Dependence and Relational Depth [55]

Form of Dependence	Relational Depth	
	Shallow	Deep
Dependence	Indiscretion	Cheating
	Unreliability	Abuse
		Neglect
		Self-esteem
Interdependence	Poor coordination	Missanticipation

Table 1 describes risk as a function of form of dependence and relational depth. This means that when relational depth is shallow and parties involved are dependent the risk is mainly indiscretion and unreliability. For example, a customer who buys products from a vendor. These parties have shallow relational depth and they are dependent, thus the risk is the customer receiving a poor product or the seller leaving without compensation. The nature of this table is additive, so when moving to the right on the table or downwards new risks are added to existing ones. Subsequently in shallow interdependence situations the risk of poor coordination is added to the risk of indiscretion and unreliability. In addition deep dependence relationships has the risk associated with shallow dependence and the risks of cheating, abuse and neglect. To conclude deep interdependence relationship includes all the risks present on the table. [55]

2.1.4 Conceptual Model of Trust

Trust can be seen as a conceptual model between people. When co-operative behavior and lack of monitoring are defined as components of trust rather than the effects of trust, the concept of trust can be defined as in Figure 3. These behaviors enable individuals act on their own decisions rather than previously stated rules. Through these behaviors individuals learn about each other's motives and intentions and therefore are able to make decisions of trustworthiness. [14]
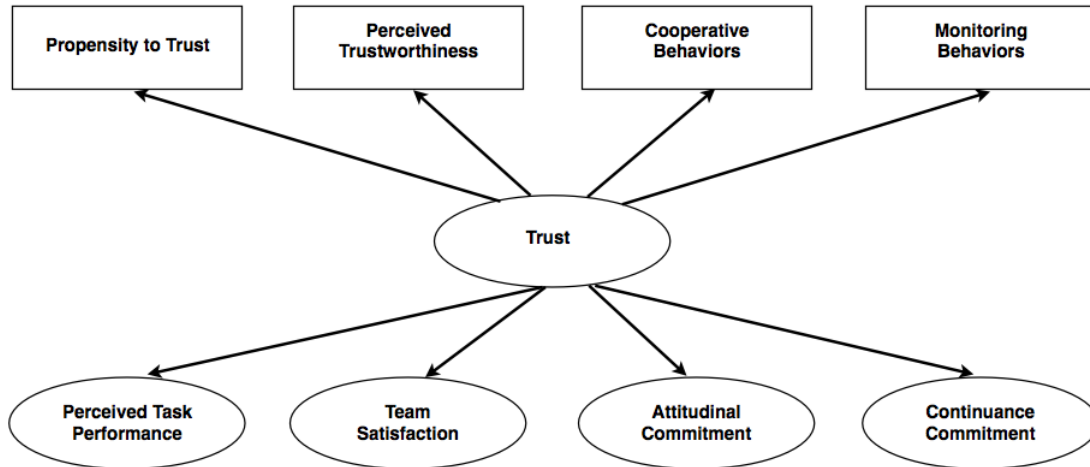
Figure 3: The Conceptual Model of Trust [14]

Costa considers that co-operative behaviors, lack of monitoring, propensity to trust and perceived trustworthiness are components of trust(Figure 3).When these four components are found in interpersonal communication it will raise the perceived task performance, team satisfaction, attitudinal commitment, and continuance commitment. Costa argues that perceived trustworthiness is the central element of those four behavioral models. Costa proposes in line with other multi-dimensional conceptualisations of trust, that trust is not only a psychological state based on expectations and on perceived motives and intentions of others, but also a manifestation of behavior towards these others. [14] [46]

2.2 Distrust

Distrust is more than the absence or opposite of trust. Distrust is the presence of particular cognitive and affective factors which hinder cooperation and coordination between different parties. The presence of distrust between persons results from an expectation of harm, which is present because of the previous interactions between these persons. In short, distrust is not only the absence of trust, but the active expectation that other actors will behave in ways that do not ensure our safety and security. [1] [51]

Distrust has been studied mostly in the context of economic exchange theory. In economic transactions the risk of negative impact in short-term transactions is substantial and therefore the pessimistic approach starts from that is very difficult to find trustworthy agents in short-term trading partners. In situations when self-interested behavior by others is likely, distrust might be a necessary way to protect oneself. [1]

Trust and distrust can be seen also as the opposing ends of the same line. In relationships between persons both of these are always present. "There is no trust

without distrust and distrust creates the need for trust". As well as trust, distrust can be specific or general. General distrust in organizations means, that personnel do not trust anybody or anything in the organization. They are doubtful of any information they receive and they criticize everything. Specific distrust usually focuses in one person, thing or object. Specific distrust is usually easier to fix than general distrust. [31]

Factors which cause distrust are multiple (Table 2). Distrust can form because people want to test how far they can go without losing trust. They calculate, that the benefits outweigh the risk of losing trust and creating distrust. Distrust can form also without any bad intentions. The reasons being different values, different interpretations, and different intentions can cause distrust. People in organizations see and understand the visions and goals differently, which can enhance the constructions of distrust. Distrust can also be caused by the fact that people act on different informational backgrounds. Persons often forget or do not understand to inform each other everything necessary. [31] [7]

Table 2: Factors enhancing distrust [7]

1. Breaking the rules
Breaking official rules
Changing the rules after the facts have been stated
Intentionally breaking the agreements
2. Breaking the professional ethics
Dodging one's responsibilities
Breaking promises
Stealing ideas and thoughts
Revealing secrets
3. Miss use of authority
Altering the duties of leaders
4. Altering the identity
Public criticism
Unfair and wrong accusations
Calling names

Bies and Tripp have described factors influencing distrust as forces which break identity and social order (Table 2). "Breaking rules and professional honorary codes, misuse of authority, and altering identity effectively feed distrust." [7]

Distrust affects the organization as well as trust. It starts as a specific distrust and without interruption it will transform in to a general distrust. Distrust affects the organization in a 5 stage sequence: [31]

1. Unpleasentness arrives in the society and it makes the people unwary and careful about what they say.

2. Distrust builds specific anomalities and it helps people to identify certain people and groups behind the reasons. People start to avoid each other.

3. People form groups in terms of different tensions in the society and start to act for prevention and protection of their own beliefs. People are ready to criticize and attack each other.

4. It starts to be even harder for persons to manage to do their choirs and a growing part of them sees it is useless to perform and sacrifice.

5. People in the society do not want to solve their problems peacefully or with the common good in mind. Everybody sticks to their own perceptions, demands, and intresses.

Distrust creates other challenges on top of the aforementioned. It affects the interpersonal relationships negatively. It makes people be vary and afraid of each other. It creates unpleasant experiences and distances persons from each other. "Distrust makes the work hard". Distrust makes the interaction between coworkers harder, as can be seen from the list: [6]

- Consciousness: Distrust deteriorates the workforces understanding of their organizations visions, goals and values

- Diversity: Distrust deteriorates person's willingness to use each others ideas of common benefits or offer their own ideas to others.

- Connectibility: Distrust limits peoples willingness to connect each other during work and after it.

- Reachability: Distrust creates distance between people. It limits their communication and shuts the doors from different forms of interaction

- Consistency: Distrust makes work complicated, unpredictable and difficult to control

Distrust feeds apathy and unwillingness to act. Distrust is also an economical reality as is trust. It limits the possibilities for the organization to succeed and creates unnecessary financial expenses, which lowers productivity. It does not create innovations, it creates tension and conflicts. [31]

2.3 Trust Before Distrust

Human is a social being from the get-go, and we have the need to interact and engage with other human beings. When a baby is born, it will almost immediately look back to people who are gazing her and quickly after that it will turn her head towards the direction of her mothers voice. Our tendency to trust has made sense in a evolutionary perspective, it accounts as a success of our development as species. [41]

Trust is based on remarkably simple cues. People are prone to trust people who are similar to us in some ways. When scientists made a morfable image of person, and the more they made it look like the person who was watching it, the more the person trusted the person in the image. This tendency builds on the fact that we like to believe that more the people look like us, the more likely they will be related to us. Also there is evidence of that we are more likely to trust persons who are in our own social group than people who are strangers. One simple cue is touch. We are more likely to trust and work together with a person who will perform an unobtrusive light touch, which can be as simple as a handshake. In short, people might think that they do not trust other persons easily, but their behavior tells differently. By default we trust, on a broad range of different social situations. Human beings approach many situations without any suspicion. For a major part of the time this tendency serves people well. [41]

The challenging part of leaning towards trust before distrust is that it makes us vulnerable to exploitation. Our tendency to trust and tendency to judge it by physical similarities and other surface cues can be harmfully combined with the way we process information. People see what they want to see and this makes us to put more weight on the positive clues we get and not on the negative. This feature combined with the social stereotypes people have in their heads affect our judgement in a major way. This can cause people to overestimate someone's trustworthiness in situations where the stakes are high. Also people have the tendency to think that their own judgement is better than average. This includes the judgement of who is trustworthy or not. People often also refer to third parties who they trust and let this affect their judgement. [41]

Formerly stated models contribute to who we trust, or not to trust. Second challenge is how people interpret that information, in what kind of decisions persons are making. Researchers have identified two cognitive illusions that affect our propensity to trust. The first illusion is that people tend to trust that bad things won't happen to them. Even if the probability is significant for these occurrences. The second is that people are overly optimistic. People tend to think that they will have a good life, have a successful career etc. People tend to think that they will do better than average. [41]

Finally, people are more prudent to trust than have distrust, and above all else, all human trust indicators can be manipulated or faked. Persons behavior, speech, presence etc. can all be altered and people in scientific studies have faired well when trying to manipulate these. Even if the counterpart was warned beforehand that

some of the persons she will meet might try to alternate their behavior, the subjects could not identify fakers from the genuine. [41]

2.4   Power and Trust

Trust is always a phenomenon involving two or more people and it involves a the participants taking a risk in the relationship. [50] Lewis brings up the term "a balance of reciprocity" to the conversation concerning trust. Balance of reciprocity means that when one person does a good deed, the good deed will be done both ways. In other words when person A trust person B, person A believes and acts in the way that person B has as much in stake in the relationship. The discretion and value of the relationship are mutual. In controversy when person A invests in the relationship and the discretion of the relationship is high to her, but the level of discretion is low to person B, then the relationship is considered to have an imbalance of reciprocity. [47]

When trust and power are combined, the balance of reciprocity is always endangered. [26] In organizational context superior and subordinate usually have imbalances considering the power which an individual can assert to another. This situation is prone to cause imbalances of reciprocity. To be more specific the superior is able to control the behavior of the subordinate and usually the subordinate does not have the power to do this. Subordinates are dependent on the goodwill of the superiors to take care of the matters which subordinates care. "Management refuses to place itself in trust to the worker, but forces the worker to place himself in trust to management. While specifically bound in what he is required to give, the employee is dependent upon grace and favor for what he hopes to receive". [47]

In situations where severe imbalance of reciprocity is present - situation where one party is has to submit herself completely under the discretion of the other - term "trust" can be all but truth. [30] In these situations faith and confidence are absent and a better term for these situations is "distrust". Naturally the variance of the degree of imbalances is considerable, depending on the distribution of authoritative resources and the level of intellection of the people in the situation. Cooperative behavior that appears to reflect trust may in actual fact be largely a consequence of domination and a lack of viable alternatives for those who "have" to trust those who occupy positions of power". [47]

To create new knowledge and new capabilities has more potential to succeed when power is dispersed in the organization and also the costs and benefits are widely shared. This way a culture of genuine trust can be achieved between relevant groups of people. Trust and power are a challenging pair to combine, because when the imbalance of reciprocity is present the relationship between superior and subordinate is likely suffer from lack of trust. [47]

2.5 Levels of Trust in Organizations

As was explained in the previous chapter trust is an interpersonal phenomenon which always includes a risk. Organizations are build from networks of people and trust in the organizations is build from the continuing interactions of these people in their networks. Trust between persons and the level of trust in organization can be either calculational or noncalculational. Naturally this is not a straight question of either, or, rather than an ongoing process. The path from calculational trust to noncalculational trust can be seen as a 3 stage process (Table 3). [42]

Table 3: 3 Stages of trust [42]

Calculational Trust

First stage:	Deterrence-based Trust
Second stage:	Knowledge-based Trust
Third stage:	Identification-based Trust

Noncalculational Trust

First stage of trust is usually the "Deterrence-based trust". Where the relationship between the trustor and trustee has negative sanctions if either of them fails to act in a trustworthy fashion. For example a situation where both parties have invested money in common project and a non trustworthy behavior will cause them financial difficulties. This situation is obviously highly calculational. When this relationship has matured and these persons have encountered many different interactions, then one can predict if the other's behavior is trustworthy. This stage is "Knowledge-based trust" and it is in between calculational and non-calculational trust. Finally, when reaching the state of noncalculational trust, which can be also called "Identification-based trust". Persons identify with each others goals. This state can stated as "taking the perspective of the other". In this state the individual's knowledge about the other is higher and the development of understanding other persons "needs, preferences, and priorities" have been done. So the transition from "Knowledge-based trust" to "Identification-based trust" includes that the person not only identifies with the other person's goals but shares them. When this state has achieved, that both persons feels that they identify themselves with each other's goals. The constant use of "internal auditor" can be taken off. Still, it must be remembered that "Trust thickens or thins as a function of the cumulative history of interaction between interdependent parties". Which means that the "internal auditor" can be turned on very rapidly if the evidence arrives that the noncalculational trust is not warranted. [42]

Jones and George simplify this presented model as far as stating two distinct forms of trust: conditional trust and unconditional trust. To be more specific their interaction model states three different states for trust, 1. Distrust, 2. Conditional Trust, and 3. Unconditional Trust. It has to be noted that their approach states that "trust as three different states of the same construct". In other words rather than arguing

that different determinants lead to different types of trust they assert that trust is a "changing or evolving experience, in which values, attitudes, and moods and emotions operate simultaneously to produce an overall state of trust or distrust". [15]

Conditional trust is a state where the involved persons are willing to interact with each other if the other one behaves decently. In conditional trust the attitudes at the other party are positive enough to support efficient interaction. Conditional trust is enough to facilitate decent behavior in a work organization, it can be argued that "the most common form of trust existing in organizational settings is probably conditional trust". Unconditional trust is the state of trust when common values between parties structure the social situation and these values became the primary path from these parties experience trust. [15]

In addition it must be noted that most of the trust theorists imply that trust develops gradually, which means that trust levels start from low and gradually increase. Mcknight et al. propose that initial trust formation may have an alternative route. Their model proposes that initial trust may or may not be high and the underlying reasons for that being personality-based trust, identification-based trust, and cognitive-based trust. When persons have to trust each other quickly to succeed in a work project they do not have any common experience of each other. Then they rely on other concepts to make decision to trust or not to trust. Personality-based trust formation is the persons natural willingness to trust, which is partly defined from the childhood and youth experiences. Identification-based trust relies on the feeling of security about a situation, which is identified by guarantees, safety networks, or other structures. Cognition based trust stems from "rapid, cognitive cues on first impressions, as opposed to personal interactions". One of these models or the combination of these can lead to a high initial trust level or to a more commonly viewed low starting level of trust at the beginning of a new interpersonal relationship. [52]

2.6 Trust Between Superior and Subordinate

It is widely documented that high level of trust between worker and superior or between workforce and superiors yields positive outcomes for the organization and for the individuals themselves, both financially and in the sense of corporate well-being. [42] [50] [8] [55] [34] [12] In the previous chapter the definition of trust and the formation of trust between persons has been explained. In this chapter we will focus on trust between superior and subordinate and the different perspectives of these parties.

2.6.1 Trust and Trust Building Between Superior and Subordinate

Vertical and lateral trust have the same components, as proposed by Costigan (Figure 4). Horizontal trust meaning trust between co-workers and vertical trust between supervisor and subordinate. Costigan defines two types of trust as: Cognitive and Affective. These types of trust can be called as Dyadic or Interpersonal trust. The

cognitive side of trust can be seen as the rational side of trust, or the rational decision to trust. This decision is based on reasons, such as responsibility, dependability and competence. These provide evidence of trustworthiness. The core idea behind these observations is that these are all based on objective measurable criteria. These criterias can be compared to Mayer's benevolence, integrity, and ability. [16] [50]

The other dimension of interpersonal trust is affect-based trust. It involves "a deep emotional investment in a relationship". This type of trust may be present in some relationships or may not in others. It is always defined by deep care and concern about the other person. [16]

On Figure 4 the trust between worker and the top management is defined as institutional trust, which is apparently studied quite insufficiently. This kind of trust is more impersonal or less dyadic than trust between superior and subordinate. Trust on the CEO and top management is mainly based on institutional processes and how well they function. This being the fairness and effectiveness of the organization wide systems and not so much of personal characteristics or behavior of the top management. [16]

Study made by Costigan proposes that high affect-based trust is closely linked to higher motivation, risk taking, assertiveness, and personal initiative to improve professionally. The employee probably will perform better if the affect-based trust is combined with cognitive trust. Also the institutional trust, ie. trust to the top management is in line with the willingness to leave the company voluntarily. This calls attention to the institutional trust because of the welfare of the organization. [15]

Trust in managers can be enhanced with company level processes and changes in organizational environment. Trust in general has been studied from various perspectives and during 1990 - 2000 the level of trust has been seen going down, particularly within the public sector. Connell et. al. proposed a model of what are the determinants of trust in managers (Figure 5) and their study constitutes that the largest contributor to superior subordinate trust is perceived organizational support (POS). This can be defined: "The extent to which employees perceive that they are valued by their organization and that the organization cares about their well-being. POS is also found to be the antecedent of trust in managers and it also correlates positively with affective commitment and negatively with turnover intention. [12]

Procedural Justice is a component of perceived justice. It describes the fairness of the procedures used to determine organizational outcomes. This means the perception of fairness of performance appraisal systems, professional development opportunities and job security. Procedural justice also impacts on the other two variables seen in Figure 5. If employees feel they are treated fairly, they will treat the employer fairly. [12]

Transformational Leader can be summed as a leader who: "motivate their followers to perform beyond expectations by making them more aware of the importance and value of goals, inducing them to transcend self-interest for the good of the group/organization, and appealing to followers higher order needs". [3] More defined theories of transformational leadership differ slightly from each other, but they all
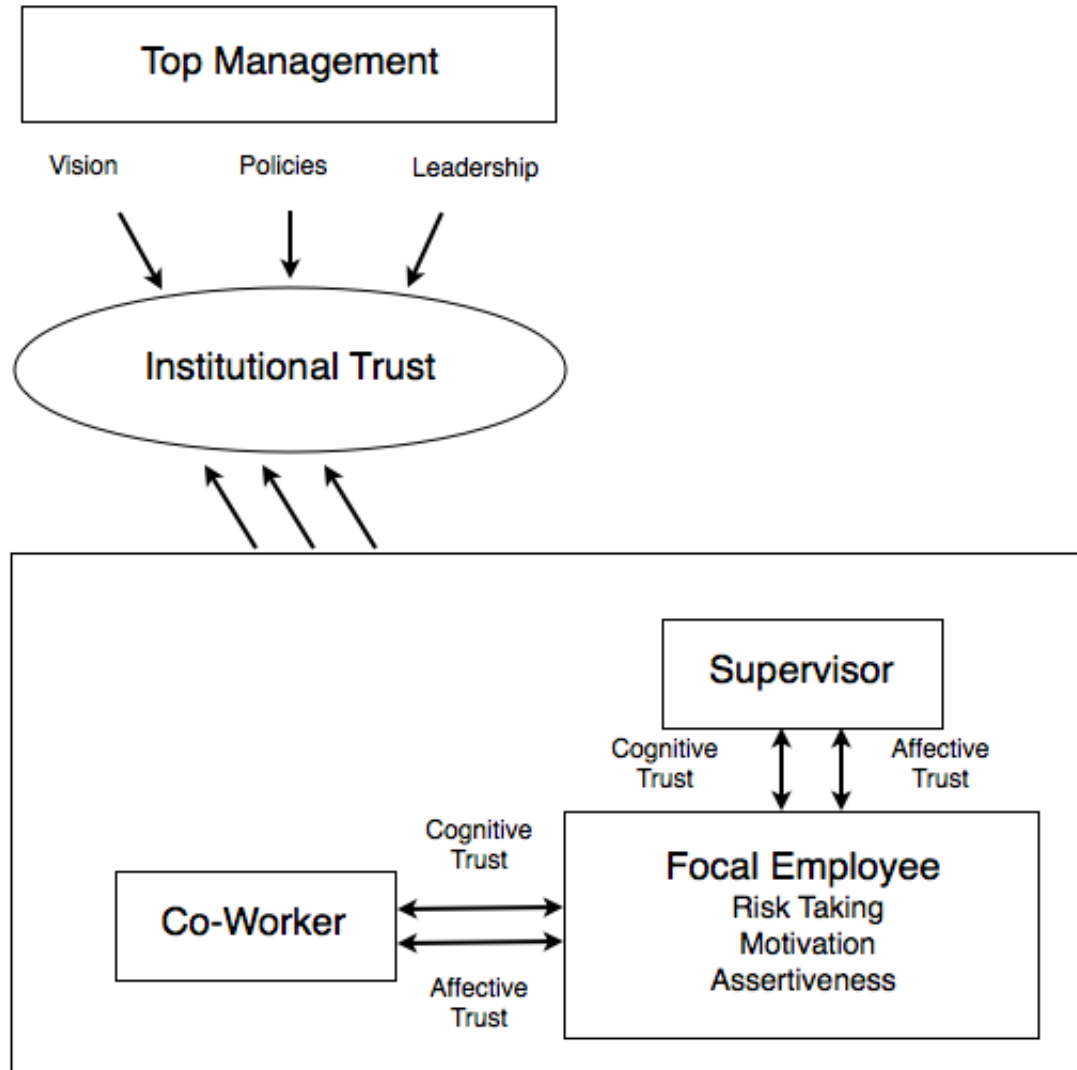
Figure 4: Multi-Dimensional Perspective of Trust in Organizations [15]

have in common, that trust is a central feature which transformational leaders have with their subordinates and that trust and respect to their leader is the reason why they perform beyond expectations. [29] Transformational leadership is discussed in more depth in chapter 2.7.

These three predictors - perceived organizational support, procedural justice, transformational leadership - are the most influential systems which affect trust in managers. According to Connell et. al. perceived organizational trust is the strongest influence on trust on managers. Also procedural justice and transformational leadership have a strong influence on trust on managers. [12]

The outcomes of trust in managers by Connell's model are negative turnover intention, organizational citizenship behavior conscientinousness and commitment.
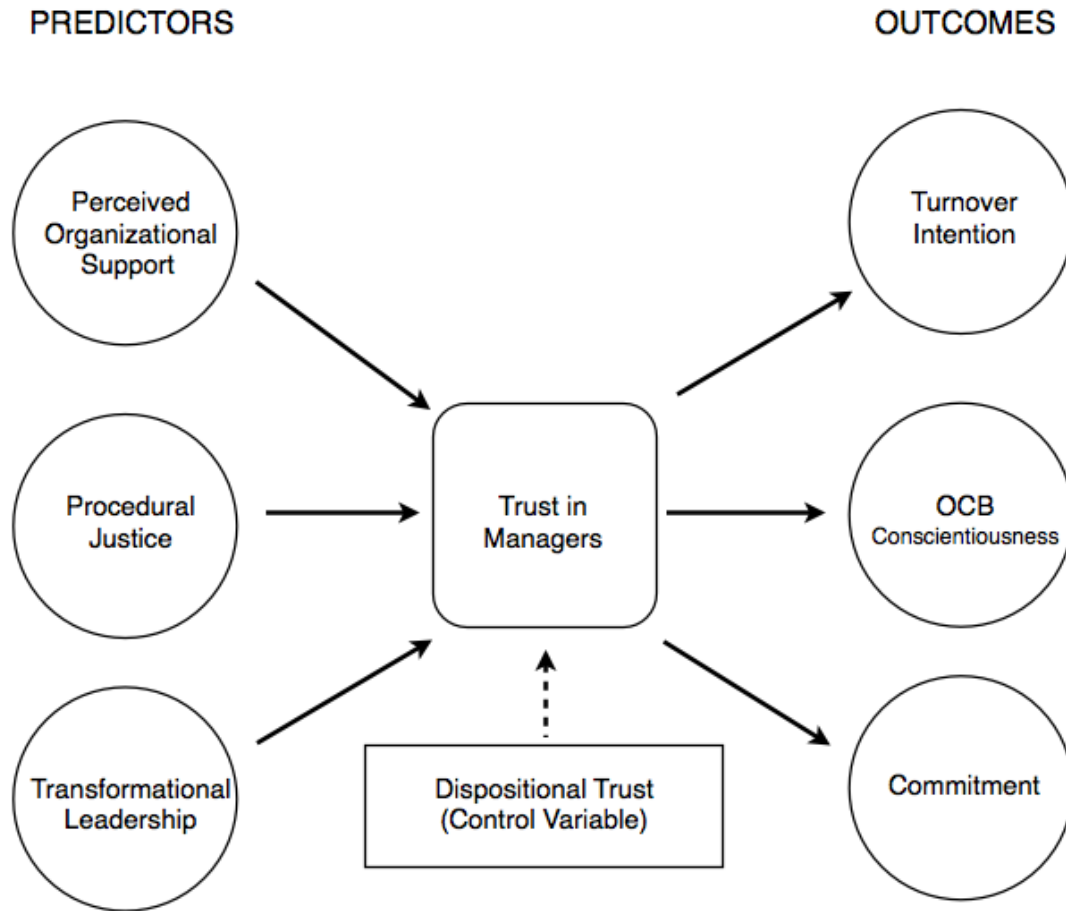
Figure 5: Trust on managers [12]

Turnover intention means one's willingness to leave the organization and according to Connell trust in superior has a strong negative impact to turnover intensions. Contrast to the majority of studies [10] trust towards superior did not have positive impact on organizational citizenship behavior. Which means that the worker is willing to go beyond her normal duties and for example help others concerning their personal issues. In line with majority of the research findings Connell implies that a strong trust relationship with the superior has a positive influence with commitment to the organization. This has positive effects on both affect and continuance commitment. [12]

2.6.2 Superior and Subordinate Perspectives about Trust

Superior and subordinate have suprisingly different perspectives of trust between them. Trust formation is always a process and it has multiple factors involved in it. Leader trust in subordinate (LTS) is mainly affected by the availability and receptivity of the subordinate. Surprisingly the competence of the subordinate was not

a significant factor in regards of LTS. Leaders usually have to respond to situations which arise rapidly so subordinates who are available and receptive are trusted more easily. In other words "Supervisors trust subordinates who are compliant to their needs". [60] Core idea being the delegation of authority, to some degree supervisors need to provide some autonomy to their subordinates, and this delegation needs trust to be effective. [19] When delegating the supervisors can trust the subordinates or constantly monitor their behavior and create safe guards, which creates excessive transaction costs. [11]

Subordinate trust in leader (STL) is more related to interactional justice than LTS. The most significant factors influencing STL are availability, integrity, discreteness, openness, and fairness because it is related to distributive justice. Fairness is probably the most important factor for distributive justice. "Subordinates need to perceive that their supervisors are fair in the resource allocation process. Subordinates seek cues about the leader's trustworthiness from her communication patterns, especially in regards to resource allocations. Contrary to common beliefs competence is important for STL but not so much for LTS. The single factor which is important for STL and LTS is availability. To conclude "There is surprisingly little overlap on the conditions of trust between STL and LTS. [60]

2.7 Transformational Leadership and Trust

2.7.1 Trust and Leadership

Working culture and needs of a workplace of the new millenium have drastically changed in the last 20 - 30 years. Work is more and more structured around teams and success of these teams are based around effective and cooperative work between team members. Team members often have more up-to-date knowledge than their leaders and the teams rely on open and honest information sharing between team members and management. Leader typically plays a vital role in managing the team and project and negotiating resources and funds for the team. [29]

The role of interpersonal trust for sustaining effectiveness in work-team and organization is recognized and trust in leaders has been directly related to team performance. Team performance can subsequently be related to organizational performance, such as sales levels and net profits. It must also be noted that trust is a major contributor to organizational competitiveness because it cannot be easily imitated or replicated. [29] [19]

"Leaders are believed to play the primary role in establishing and developing trust in work-teams and organizations". [18]This is particularly important when tasks are complex and unstructured, and require high levels of interdependence, cooperation and information sharing. The more challenging and demanding the tasks the more trust is needed for it to be accomplished. [29]

2.7.2 Transformational Leadership

As previously stated the central feature of functioning transformational leadership is trust. Through trust followers are able to have respect to their leader and they are motivated to perform at their best. Effective transformational leaders are able to make their subordinates to exceed their expectations by making them more aware of the importance of goals and appealing to the higher order needs. [3] More specific results of the most important elements of transformational leadership research are inconsistent. Transformational leadership practices, such as providing an appropriate model, individualized support and making group goals commonly accepted are always positively associated but such as setting high expectations, clearly stating the vision, and stimulating new ways of thinking might have positive or negative outcomes for trust. It is highly likely that impact of follower's trust in certain leadership behaviors is context or situation specific. [29]

Gillespie and Mann examined the relationship between leadership practices, as well as common values between team leaders and members. These relationships were analyzed to understand how team members trust the leader of their teams. Study concludes that "an active leadership style characterised by transformational leadership, consultative leadership, and contingent reward is associated with team members' trust in their leaders". Also the importance of shared values is highlighted as a central phenomenon between trustor and trustee. Each of the transformational leadership practices can be associated with trust when analyzed separately, but according to Gillespie and Mann the greatest impact on trust toward leader are "consultative leadership, common values, and idealised influence". [29]

The are at least two effective mechanisms behind common values, consultative leadership, idealised influence, and their function as a building block of trust. Because it is believed that values are commonly seen as a guide to persons behavior, when trustor and trustee share values, it helps the trustor to understand and predict the behavior of the trustee. It gives the subordinates assurance that the leader will act upon their shared values. In a same way, a common vision aligns the groups actions in the same way and focuses them on achievement of shared goals. Consultative leadership, as in consulting subordinates in decisions and valuing their opinions, gives the assurement that the leader is concerned about subordinates views, interests and needs. To conclude for the first mechanism, shared values, shared goals and consultative decision-making reduce uncertainty about the leaders actions, and sends the signal that leader is trustworthy. This will make the trustors more willing to make themselves more vulnerable to the leader. For example when they are discussing about sensitive information and relying on the leaders decisions. [29]

The second mechanism how these factors can influence trust is through the demonstration and reciprocation of trust. When leader engages in these leadership practices, the leader both places herself in a vulnerable position and demonstrates trust to members. When leader openly communicates her ideas, vision and values, and delegate responsibility and power to team members, it encourages the reciprocation of trust by team members. [29]

2.8 Trust in Leadership

When the boundary conditions and certain level of understanding has been achieved about trust as a phenomenon, distrust, trust in organizations, trust between superior and subordinate, and transformational leadership it can be combined as a framework like Burke et. al. have done. This framework is said to be "the most representative of trust in leadership". It includes the antecedents to trust in leadership, moderators at the individual, team, and organizational levels, also the outcomes of such leadership (Figure 6). [10]
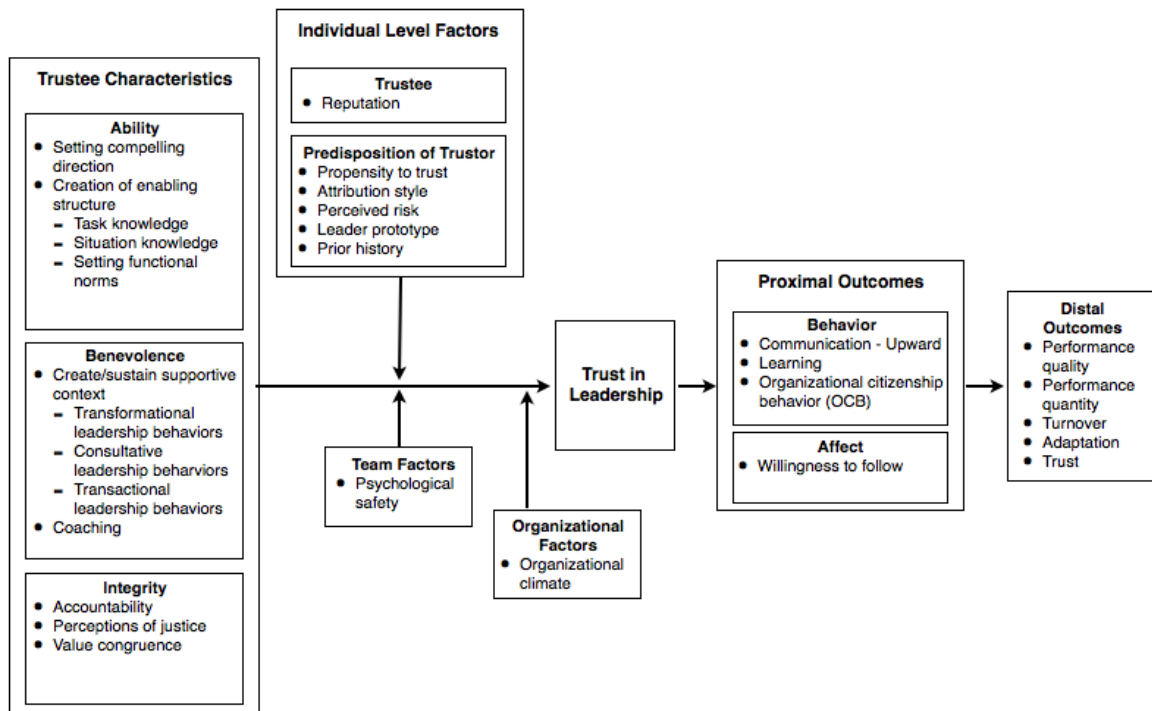
Figure 6: Integrated multi-level framework for understanding trust in leadership. Modified. [10]

2.8.1 Trustee Characteristics

Trustee characteristics can also be defined as trust antecedents. Large number of antecedents have been stated but all of them fall on to these three categories: ability, benevolence and integrity. These three antecedents originally published by Mayer can be used as a initial organizing scheme in which to further discus the more detailed factors. These factors will be further delineated below. [10]

- Ability: Ability has been defined as "that group of skills, competencies, and characteristics that enable a party to have influence with some specific domain". Furthermore this can be elaborated as the viewpoint of the subordinate's situation. ie. what is is what effective leaders do. Leader is viewed

as effective when she ensures that there is a "compelling direction and an enabling structure". [10] [50]

- When the leader ensures that compelling direction is provided the employees focuses on correct tasks and goals. Because the outcomes are perceived as valued and consequential, it will energize and motivate followers. Setting compelling direction is tightly combined with transformative leadership. [10] [50]

- Enabling structure includes 3 factors: Design of the work and resource allocation, core norms of conduct within the team, and team composition. When these factors are handled sufficiently the leader may be seen as effective, even to the point that these factors might be promoted. If these factors encourage team adaptability, self-correction and learning, and open communication they will further reinforce the perception of the leader competence. [10] [50]

- Benevolence: Leader who is benevolent is some who is perceived to genuinely care about their subordinates and have authentic concern in their relationships. In reward the subordinates pay back this behavior by being motivated to work harder. Also the provision of expert coaching and the building a supportive context, eg. reward systems, educational system, may lead the subordinates to perceive their leader as benevolent. [10] [50]

    - Coaching can be seen generally as the trend to have the responsibility of nurturing and leveraging the talent within organizational members. It is argued that coaching and employee development is an important part of the leader's job in the life of the team. Naturally the coaching role changes during the team's life span, starting from development of team effort to the development of knowledge and skill. [10]

    - Leadership behavior which builds a supportive context to subordinates usually falls within three leadership styles. transformational, consultative, and transactional leadership styles all have a positive influence on subordinates to see their leader as benevolent. The most influential leadership style, or at least most commonly attached to trust is transformational leadership. [10]

- Integrity: When studied in relation to trust integrity can be defined as "the trustor's perception that the trustee adheres to a set of principles that the trustor finds acceptable". This definition can be split into two distinct components: the leader consistently following a set of principles, and does the subordinate see these principles as morally correct. Integrity is an important part of trust because if subordinates feel that the leader cannot be trusted they will do less productive work and they try to appear working effectively. When the subordinates feel that their leader has substantial amounts of integrity, they will be more willing accept risks, for example sharing information openly. [10] [50]

- Accountability means that people are held responsible for their actions. Accountability is viewed as the glue which holds the organization together, ie. it is the shared expectation that everyone will behave in a particular fashion. It is generated through internal and external mechanisms. Internal accountability stems from person's willingness to accept responsibility. Leaders who take responsibility of their actions can be viewed as more trustworthy, because they stand by their actions. External accountability is focused more on mechanisms in the organization. Such as informal mechanisms(social norms and culture) and formal(monitoring employees). [10]

- Perception of justice. In general justice can be defined simply: "people want to be treated fairly and consistently, and this leads to trust". When justice is studied on conjunction with trust in leadership it can be divided in to three areas: procedural(policies and procedures followed consistently), distributive(rewards and promotions given in sensible manner), and interactive(subordinates are communicated and treated with respect). In general all of these viewpoints enhance the point that everybody is treated equally in every situation and nobody is made publicly be ashamed of their actions. [10]

- Value congruence. It is often stated that when the leader and the follower have common values, it is more likely that the followers see the leader as having more integrity. More specifically the value congruence can be seen as the basis of interpersonal trust. When this state is achieved both parties can trust that actions are guided by the morality from those values. [10]

2.8.2   Individual Level Factors

In the prior section the antecedents of trust were explained, in this chapter and in the following two chapters the moderators of trust will be explained and discussed. More specifically eight constructs have been identified and the first group of those appear in the individual level. [10]

- Leader reputation. It can be argued that leader reputation acts as an alternative for personal interactions. "Reputation reveals information about the leaders's ability and morals". If one posses a positive reputation the actions of the leader may be viewed more positively, and they will get more room in their decisions than other leaders. It must be stated that leader reputation is situation specific and it will affect self-esteem, social identity, individual behavior, and social interactions. Future interaction will either enforce the reputation or damage it, and because reputation is considered to be a valuable asset one usually do not want to lose it. [10]

- Predisposition of Trustor

– Propensity to trust. Interpersonal relationships between persons are the basis of trust and for this reason the decision to trust builds from the differences of each party within the interpersonal relationship. "Specifically the propensity to trust is the general willingness to place faith in others reciprocity and good intentions". This relationship might have more to do with one's past experiences. If one is a high truster, one usually has had more positive events, and low trustors have had more negative ones. [10]

– Attribution style. Attribution can be defined as "goes beyond an objective description of an event and seeks to explain or examine the reasons why the event occurred". One usually has the tendency to make fundamental attribution errors, for example thinking that a co-worker is lazy because she comes late to work, and not to think what might be the real reason behind this behavior. Tendency is that one chooses to see the information which most closely supports the attribution. [10]

– Perceived risk. In all definitions regarding trust, the acceptance of risk is always present. The larger the scale of the task usually the larger the risk involved, when it comes to trusting the leader. It is stated that the perceived risk will eventually be smaller and smaller when the relationship between the trustor and the trustee is more matured. Also the perceived risk is apparent between team members in situations when the success of the project is dependent on the completion of team tasks. The perceived risk decreases when the team members have mutual goals and negative outcomes for failed tasks. [10]

– Leader prototype. Subordinate holds different mental models of leadership characteristics incorporated with effective leaders. This is a factor which might influence the decision to trust the leader. The characteristics and attributions of effective and trustworthy leadership partly vary by cultural contingency, but charismatic/value based, team-orientated leadership styles is universally accepted, and humane and participative styles are nearly universally accepted. Self-protective and autonomous styles are culturally dependent. [10]

– Prior history. The decision to trust is greatly impacted by the common history shared by the trustor and the trustee, much in the same way as reputation. These factors both color how the present interactions are viewed. It is important to note, that prior history with one leader might affect the outcomes of interpersonal relationships with other leaders. [10]

2.8.3 Team Factors

Team characteristics are also included in the moderators section and the psychological safety in the team is the key moderator in trust in leader in the sense of team factors. It is defined as "the shared belief that the team is safe for interpersonal

risk taking". For example a well intentioned action can not result to punishment. In this kind of team environment subordinates are set to question suggestions and decisions of the leader. More to the point of trust it is said that this kind of climate is the foundation of learning for individuals and teams. When the leaders downplay power differences and illustrate the importance of every team member they can create more psychological safety. [10]

2.8.4 Organizational Factors

The last moderator to influence trust in leadership is organizational climate. Even though trust in leader is an interpersonal relationship it is affected greatly by outside factors. If the organization is relatively stable and it functions according to and expects similar behavior from employees than its values. For example human resources activities are have been found to influence employee's job satisfaction, commitment, effort and affect the trust that employee feels for the organization. Moreover the organizational policies and procedures have been found to be a meaningful factor for employees to sense how trusted they are. "In organizational climates where individuals are respected, are not treated as scapegoats, and are encouraged to discuss errors, team leaders receive respect and be perceived more trustworthy." [10]

2.8.5 Outcomes of Trust in Leadership - Proximal and Distal Outcomes

A number of different outcomes stems from the previously stated factors. The following two outcomes are discussed from "the perspective that trust is the process by which certain behaviors occur as a result". Multiple different outcomes can stem from these kinds of processes, but the following results are likely to be the most important to organizations. [10]

Proximal Outcomes

- Communication upwards. Communication is a crucial variable in forming trust and it is a key ingredient of well functioning organizations. When the leaders are open for discussion and request input form subordinates, trust will form. When leaders communicate actively, the subordinates will behave in the same way. Communication from subordinates is important for many reasons. Open communication is likely to assist leaders to understand what is working and what is not working on their teams and how to correct these problems. When leader encourages open communication she has the benefit of possibly receiving additional insight from those who are performing these tasks and therefore might be able to identify new approaches for future performance. Conversely, when trust is lacking people are more prone to lie than tell the truth, which is a hindrance for the flow of information and team performance. [10]

- Learning. When people are in the activity of learning they endanger themselves in interpersonal risk. To learn from others a person has to take in and

incorporate feedback from others which can involve a phase when the person has to take personal risk. Trust in leadership increases knowledge sharing, which, in turn enhances learning. In addition, when leader is trusted "it will facilitate subordinates willingness to integrate new knowledge/feedback obtained from the leader into existing cognitive structures". [10]

- Organizational citizenship behavior (OCB). "Organizational citizenship behavior (OCB) has been described as any behavior that is not prescribed by an individual's job description and is directly or indirectly beneficial to the organization". Examples of OCB are staying later at work to finish day's tasks, talking with a co-worker who has personal problems, and helping new employees to understand the norms of the organization. Theory behind this is that none of these tasks are not required from the organization but they will enhance the productivity of the organization. Also it is impossible to describe every single task an employee might need to perform during her career in the organization. When trust is established employees are more willing to do more than required, therefore when the level of trust is higher in the organization the occurrence of OCB is higher. [10]

- Willingness to follow is a affectional proximal outcome of trust in leadership. Even though leadership is mostly studied from the vantage point of the leader. It is always also about influence which involves at least two people. It can be argued that followers who trust the leadership are more prone to follow the guidance of the leader. [10]

Distal Outcomes

- Performance quality and quantity. Trust in leadership yields for better performance in team and organizational level. When trust is apparent in the organization employees are "more willing to carry out the tasks and strategies set out by the leader, suspend questions or doubts about the team, and work towards a common team goal." When the subordinates do not trust the leader there is more time spent monitoring the activities of the leader and documenting personal performance to secure oneself. [10]

- Turnover, adaptation, and trust. Effective and beneficial employee is extremely valuable for a company and if she chooses to voluntarily leave the company it can be a major financial loss for the enterprise. Two biggest influences to personnel turnover are trust and justice.When employees feel that they are treated equally and the supervisor has their best interests in their mind, the employee feels secure and are more loyal to the organization. This in turn enhances the trust relationship and enhances the capabilities to adapt to changes. [10]

2.8.6   Propositions of Trust in Leadership

Burke et al. proposes 25 different results which trust in leadership might affect. They have defined these proposals on their extensive meta review on trust in leadership and their own implementations. [10]

- Proposition 1. The setting of clear, compelling direction will influence trust in leadership as it will be seen by subordinates as an indicator of leader ability.

- Proposition 2. The leader's development of functional norms will contribute to follower perceptions of leader ability and benevolence and, in turn, impact trust in leadership.

- Proposition 3. The degree to which a leader can effectively create and manage team composition will influence trust in leadership by serving as an indicator of leader ability such that the leader has the knowledge to be able to select and match individuals with relevant KSAs.

- Proposition 4. Expert coaching provided by the leader will be perceived by subordinates as an indication of benevolence and concern for their welfare thereby contributing to greater trust in leadership.

- Proposition 5. A leader's use of transformational leadership behaviors will positively impact subordinate's trust in leadership by increasing perceptions of leader benevolence.

- Proposition 6. The use of consultative leadership will be positively impact subordinate's trust in leadership by increasing perceptions of leader benevolence.

- Proposition 7. Transactional leadership, when viewed as consistent, just, and a reduction of ambiguity in the leader- member relationship, will contribute to the leader being seen as fair and benevolent which, in turn, engenders trust in leadership.

- Proposition 8. Perceptions of leader accountability will facilitate subordinate trust in leadership by increasing perceptions of integrity.

- Proposition 9. Perceptions of justice in leader action will engender higher levels of subordinate trust due to increased perceptions of integrity as compared to leaders whose actions are seen as unjust.

- Proposition 10. The degree to which subordinates perceive value congruence with their leader will positively impact trust in leadership as the leader is seen to be more like them.

- Proposition 11. Individual propensity to trust will moderate the relationship between the antecedents to trust and trust in leadership.

- Proposition 12. Individual perceived risk will moderate the relationship between the antecedents to trust and trust in leadership. As the degree of perceived risk increases more of the leader characteristics will be taken into account in making the decision to trust, as compared to situations where perceived risk is low.

- Proposition 13. Individual attributions will moderate the relationship between the antecedents to trust and trust in leadership. Team members who have a tendency towards assigning internal as opposed to external responsibility for a leader's behavior will be less likely to trust the leader when unexpected events happen, regardless of the actual cause.

- Proposition 14. Individual team members are likely to have varying mental models concerning what the characteristics of effective leadership are; these mental models (prototypes) will interact with leader characteristics to determine trust in leadership. To the degree to which there is a match between leadership prototypes and exhibited leader characteristics trust in leadership will be strengthened.

- Proposition 15. Prior history between subordinate and leader will moderate the relationship between the antecedents to trust and trust in leadership. Prior history with the leader can serve as a substitute for many of the behavioral markers identified within the leader; thereby serving to strengthen or decrease the relationship between leader characteristics and trust in leadership depending on the nature of the prior interactions.

- Proposition 16. Leader reputation will moderate the relationship between the antecedents to trust and trust in leadership. Leader reputation, when good, may serve to offer a few idiosyncratic credits providing leaders with the benefit of doubt if their actions are slightly below expected standards for trust.

- Proposition 17. Psychological safety will moderate the relationship between the antecedents to trust and trust in leadership such that when the team climate is characterized by the perception of psychological safety it will further increase the strength of the relationship between leader characteristics and trust in leadership. The presence of psychological safety may also compensate for some leader characteristics.

- Proposition 18. Organizational climate will moderate the relationship between the antecedents to trust and trust in leadership.

- Proposition 19. Trust in leadership will facilitate communication and open communication of current work processes.

- Proposition 20. Trust in leadership will facilitate extra-role behaviors (i.e., OCB).

- Proposition 21. Trust in leadership will facilitate learning.

- Proposition 22. Trust in leadership will facilitate performance quality.

- Proposition 23. Trust in leadership will facilitate performance quantity.

- Proposition 24. Trust in leadership will decrease turnover.

- Proposition 25. Trust in leadership will facilitate followership.

2.9 Benefits of Trust for Organizations

2.9.1 Benefits for the Organizational Functionality

Current climate in organizational cultures are more and more towards team - based group work and empowering people. Effectively working teams are a necessity for a successful organization and trust can be seen as a central factor facilitating effectiveness. Also trust can be associated with members attitudes towards the organization. "High level work team indicates high perceptions of task performance, high team satisfaction, high attitudinal commitment and low continuance commitment". [14]

2.9.2 Benefits for the Interorganizational Relationships

As stated in previous chapter the benefits of trust for organizational functionality are clearly stated and thoroughly searched. The challenge arises when individual level phenomenon is tried to extend to interorganizational level. The term interorganizational trust is defined as "the extent of trust placed in the partner organization by the members of a focal organization (Figure 7). [64]

Interpersonal and interorganizational trust are related, but current research is divided on the level of relation which has been found. Zaheer, McEvily and Perrone argue that if interpersonal trust is simply seen as a proxy for interorganizational trust it ignores the effect of social context in the form of individuals' interactions and organizational rules that constrain and orient its members. They argue that there is a direct link between interorganizational trust and performance, but not with interpersonal trust and performance. The performance between two organizations is associated with the level of interorganizational trust, but it does not stem from lowered transactional costs between negotiators. Rather the gained edge could be associated "to exploration of new information and coordination of new technologies, new market opportunities, and product and process innovation." To conclude they state that negotiation processes do not act as a mediating link. [64]

Dodgson states that when trust is apparent in the relationship between organizations, it facilitates the success of the collaborations. In this state the trust between companies is a bond which moves "beyond the personal and become administrative and legal, and are forged between firms with compatible knowledge bases producing mutual benefit. In this state the relationship between these organizations can cope with the situation when some key personnel might leave the organization. "Trust
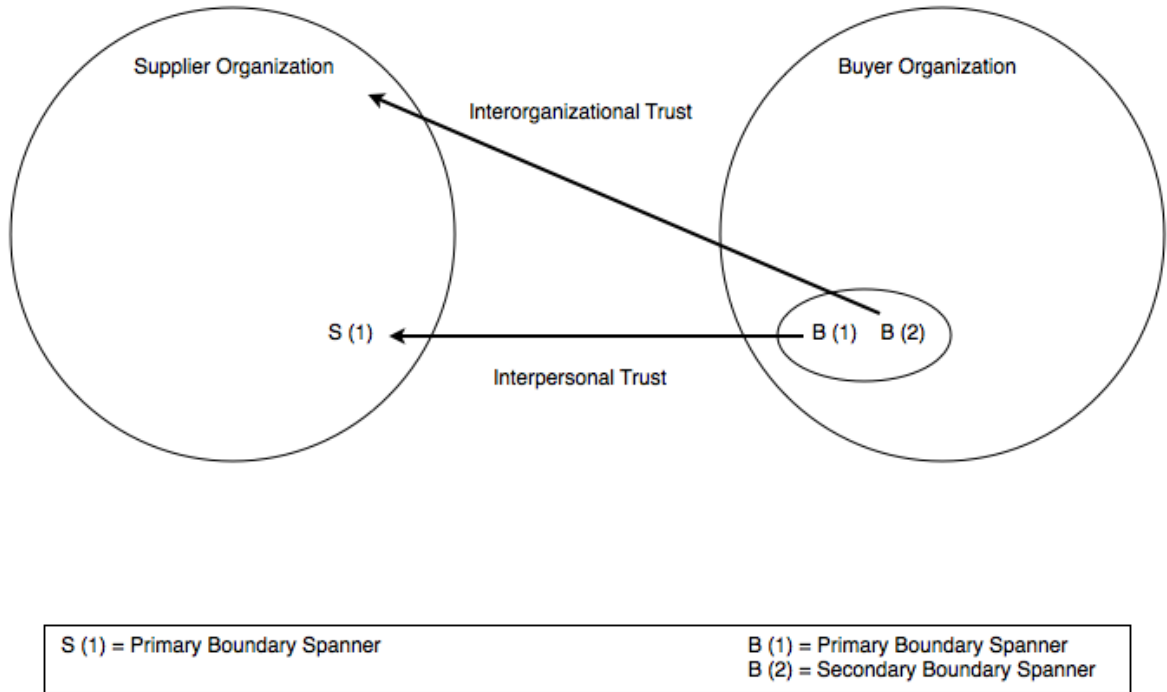
Figure 7: Interorganizational and Interpersonal Trust [64]

becomes engrained in organizational routines, norms, and values." It becomes corporate culture. [20]

2.10 Trust Capital

Trust can be considered as a capital, in the same way as land, money or technology. For a company to be able to function, it needs technology and money, but human interaction needs trust as its capital. Trust capital functions as capital in many ways. It helps people to survive in complicated and uncertain situations. [48] Meaning of trust capital is that it is easy for people to make new experiments and research new dimensions. Without trust capital these things might not be done. [31]

Trust capital essentially lowers transactional expenses. Expenses between humans, interactional expenses. Trust capital makes starting things easier, because one does not have to be afraid of deception. It makes handling things easier, because one knows that one's efforts will be rewarded. Trust capital motivates people to do their jobs as well as possible and also to develop it. It motivates to learn and try. [31]

For the workforce it is important to know that everything will be handled in justice, so they do not have to be afraid of discrimination. If the decisions are made in justice, the workforce is much more willing to accept them, even though they do not like them. When trust is looked as a capital, it can be used to create new. As a capital trust brings prerequisities for actions and makes them possible to succeed. With trust capital people get things done better than without it. Trust capital

essentially lowers the expenses of leading in coordination. If the leaders fail to build trust capital between them and their subordinates. They will become followers and somebody who has to be ordered. They will lose their willingness to work independently and be active. [31]

When trust capital is a independent factor, one is interested what strengthens and what weakens the trust capital. This situation is different in different organizations and more research has to be done on this subject. When trust capital is used as an dependent factor, one is interested in how trust capital affects, for example in motivation of individuals, groups, and the success of organizations. "Strengthening trust capital motivates, encourages, and indents people to common goals". With trust capital people can achieve something that they could not reach with out it. [31]

2.11   Organizational Change and Transformational Leadership

Current organizations face change continually and a succesful change process requires creating a new system and then implementing new approaches. Transformational leadership is considered to be the way this process can be a success. [39] As previously stated in this paper trust is a central factor of transformational leadership. [65] According to Brown and Eisenhardt "organizational survival depends on the firm's ability to engage in rapid and continuous change". [9]

Successful change process is usually accompanied with managers who have clearly and extensively communicated what are the responsibilities, priorities, and also they have let room for improvisation. There has to be a clear but limited structure for change, so members have a backdrop to lean on, but they can still be creative. Another feature for successful managers is using a lot of low-cost ways to experiment and explore the possible future situations. This learning makes it easier for leaders to anticipate the future. Effective managers also link current projects to future ones, such as creating time-paced intervals and transition procedures for current projects. This way organizational practices can be seen as a portrait and the transformation between them can be evident. [9]

According to Bass, "charisma, attention to individualized development, and the ability and willingness to provide intellectual stimulation are critical to leaders whose firms are faced with demands for renewal and change". [4] In addition, research suggest that transformational leadership is better for non-routine situations - to be more specific - when adaptation, not efficiency is the goal. [54] When it is clear that the old habits do not work the charismatic leaders is able to create a compelling vision, which provides a clear statement of the purpose of the organization and it also acts as source of inspiration and commitment [25]. Main goal is to create a future which is "attractive and engaging" [40].

The foundation of transformational leadership is the internal context of individual's behavior. Leader must experience personal transformation in themselves before they can actually help to transform other people. Reflection and personal renewal are im-

portant ways for the leaders themselves to change their inner selves. Internal changes in the leader produces an emotional link between the leader and subordinates. [58]

Transformational leadership has its dangers and pitfalls. It carries the potential of abuse, these problems arise when leaders try to "practice transformational leadership without a strong ethical and moral foundation" [5]. The way leader uses power reflects integrity, and when a person has a high level of integrity she knows what it means to give fair treatment to everybody. Leaders who lack integrity might use deceptive ways to get people to follow their agendas, for the benefit of the leader alone. Covey has categorized three types of how leaders influence subordinates: [17]

1. Coercive, people follow out of fear

2. Utility, people follow out of an exchange of goods

3. Principle-centered, people follow based on trust, respect, and honor

Power can become a problem if leaders focus mainly on themselves or building resources rather than building on their subordinates. When leaders realize these dark potentials they can redeem them and use them in positive ways. [58] "Good transformational leaders sacrifice pride, share their power, and develop humility. Humility is a primary characteristic of great leaders who make positive contributions to humankind." [17]

For the transformation not to be seen with cynicism, and strong resistance is that the leader makes sure that large number of people is involved in the transformation. Also the when organizational change is continuous the leader has to minimize the subordinates uncertainty about the change process and help them adapt through frequent training, mentoring, and communication. Otherwise it is a straight road to failure. [22] "Organizations throughout the world need transformational leaders who posses a high degree of integrity and are motivated to lead people to higher levels of performance." [58]

3 Material, Methods and Research Questions

3.1 Research Questions

Purpose of this master's thesis is to understand trust in the superior - subordinate relationship. Task is to further the knowledge how subordinates see and perceive the trust relationship with their superiors and how major organizational change affects it. In line with these purposes the interest of this study is practical. The goal for this interest is to understand by interpreting. [43]

Current research has extensively covered the subject of trust in superior and subordinate relationship, at least with quantitative research methods. The same situation is with transformational leadership research. Qualitative research has been magnifying in the past decade but trust in context with organizational change in expert organization has not been extensively studied with qualitative research methods. This research tries to produce knew knowledge about trust in superior and subordinate relationship in expert organization at transformative state. The goal is to find factors which have connection to superior - subordinate trust relationship and to understand how these factors affect the relationship in question.

The research questions of this research are:

What kind of factors have connections to superior - subordinate trust relationship in organizational change?

How do these factors affect superior - subordinate trust relationship in organizational change?

3.2 Methodical Choices

When the interest is practical one of the typical reasoning methods for research are inductive and abductive methods. Inductive methods are commonly presented to start from single occurrencies and experiences to more generalized arguments. Normally with this method the research process begins from the research data, where the perceptions and interpretations are used to produce arguments and theories. Abductive method is centered on logics of discovery. It refers to intensions of finding rules for reasoning of inventing. For this thesis the inductive method for research was chosen. [43]

The structure of reasoning for this research is hermeneutical dialog, in other words interpretation method. This method is usually used when studying human behavior, when there is often the need to understand or reveal the meaning of the research subject. in hermeneutical dialog the researcher searches for propositions which tries to express the meanings included in the collected data. [43]

3.3 Research Method

Human behavior can be analyzed by quantitative research methods, but for truly understanding human behavior and especially finding the reasons and consequences, qualitative research is more suitable. Human behavior is rarely quantifiable and as straightforward as statistical analysis. Qualitative research is more about observing, listening and interpreting, not measuring and testing. Since the 1970's researchers have been intrigued by the "new paradigm" which takes us away from measuring and brings us to asking questions. Qualitative data is something that can not be expressed in numbers. [56]

Qualitative research means different things for different people. For persons in the educational field ethnography might be the most common subject associated with qualitative research. For psychologist it might mean phenomenology and for a sociologist it might be ethnomethodology. For qualitative research it is common to not have strict standardizations of how the analysis has to be done. Many of the researchers are quick to point out that their way of doing the analysis is only one way of doing it. "The definition of qualitative analysis is fluid and defies definition". The analysis process is a process of making sense of narrative data. [56]

The most common qualitative methods are participant observation, interviews, and focus-groups. The choice of method is defined by the goal of obtaining a specific type of data. [49]

- Participant Observation is suitable for collecting data on naturally occurring behaviors in their usual contexts

- In-Depth Interviews are optimal for collecting data on individuals personal histories, perspectives, and experiences, particularly when sensitive topics are being explored

- Focus groups are effective in eliciting data on the cultural norms of a group and in generating broad overviews of issues of concern to the cultural groups or subgroups represented

The advantages of qualitative methods for explanatory research are numerous. One of them being the possibility of asking open-ended questions. Thus giving the participants a possibility to respond in their own words. Open-ended questions have the possibility evoke responses that are: [49]

- meaningful and culturally salient to the participant

- unanticipated by the researcher

- rich and explanatory in nature

In addition to this the researcher has the ability to go further with the questions and answers. The researcher can ask why or how it is so. The researcher has to listen carefully to the participants and engage with their personal styles of saying things and interpreting that information. The researcher can ask the participants to elaborate their answers. [49]

3.4   Data Gathering Method

Thematic interviews are used in multiple different fields and researches produced with thematic interviews produce information which is based on experience. Thematic interviews are often used when the information in question is delicate or the goal is to study topics which are not well known. This method is also useful when the possible answers are not known or when the answers are based on the interviewees experience. These interviews are half-structured interviews, which means that the angle of the interview is clear but there is no strict guideline for the questions used. Thematic interview brings up the opinions of the interviewees and with these interviews the thoughts, feelings, and experiences of the study group can be examined. [32] [53]

In this study the method of inquiry is thematic interviews which were conducted individually. Interviews had a common structure but the person being interviewed had possibilities to affect the progress of the interview. Thematical questions were partly different for superiors and subordinates, these question sets are attached to the document in appendixes A and B. Interviews were recorded and written down from the recordings with necessary accuracy. The interviewer did not know which subordinate was lead by which superior during the interviews. The interviews were conducted on the premises of the case organization in December 2010.

Every interviewee were given the possibility to conduct the interview on a different building or floor than their normal everyday context. All the interviews were conducted in closed rooms and the only ones present were the interviewer and the interviewee. These situations were recorded and the permission for recording was asked before the interview took place. Interviews lasted 30 to 60 minutes, although the time of one hour was reserved for all of them.

3.5   Data Analysis Method

Data analysis method for this research is phenomenographic method. The method in question is a qualitative research method were the focus is on people's different perceptions of the same issues. The phenomenographic method has its roots in the University of Gothenburg and it stems from the studies of Ference Marton. The goal of the phenomenographic method is to describe, analyze and understand the different perceptions and the reciprocal connections of phenomenoms. [35]

This method is mainly used in the educational and learning contexts in Scandinavia, United Kingdom, and Australia. Also besides the scope of educational sciences phe-

nomenography has been used in the research of entrepreneurship, health and life - sciences, and religion. Data collecting methods most commonly associated with phenomenography are thematic and open interviews. Also drawings and observations may be used. The core idea is to place the questions in a open way, so the perceptions can be observed and understood. [35]

In phenomenography perceptions are seen as a processes for meaning and they are given a more greater value than for opinions. "Perception is a understanding of some phenomenon". In the context of phenomenography there is no two different realities, only one which is simultaneously real and perceived. "In phenomenographic research there is no arguments about reality, rather it tries to describe the perceptions of people about the phenomenons of reality". The goal of phenomenographic research is to produce understanding about differencies in perception in certain groups. So the idea is to go beyond individuals and produce a group of general perceptions in a culture, organization, or society. [35]

Phenomenographic analysis is done on the basis of empirical evidence, so theory is not used as a basis for classification nor are presumptions from theory tested. Interpretation builds from interaction with the empirical data and the data acts as a basis for categorization. Conversation with previous, opposite, and supportive strategies are used when producing the new categories. The answers are used to produce a whole picture of the situation, not to concentrate on single answers themselves. [35]

Phases of the analysis (Figure 8) [35].

1. Search for the meaningful units. Search is focused on the whole thought process, not in single words or sentences.

2. Categorization of the meaningful units. Fundamental idea is recognizing variation, which is based on identifying similar and different expressions.

3. Describing the categories on a more abstract level and specifying the connections between them.

4. Main results of the research are the categories or results space. Categories do not represent the mindset of a single person, rather those are generalizations of different thought processes.

The information received from the interviews were written down and the analysis started by reading through the interviews and picking the most important subjects related to change and trust. Different meaning units where searched from both the interviews of the supervisors and subordinates. It must be noted that I did not know during the interviews which subordinate was working under which superior. After the most important factors had been identified from the interviews, I retrieved the information from the organization of what was everyones unit and started to connect the factors to different units. It has to be noted that if I would been asked to guess which supervisor was which subordinates supervisor, I would have guessed incorrectly.

Empirical data

Level 1: Search of Meaning Units

Level 2: First Level Categories: Comparing Expressions

Level 3: Describing Categories on a More General Level

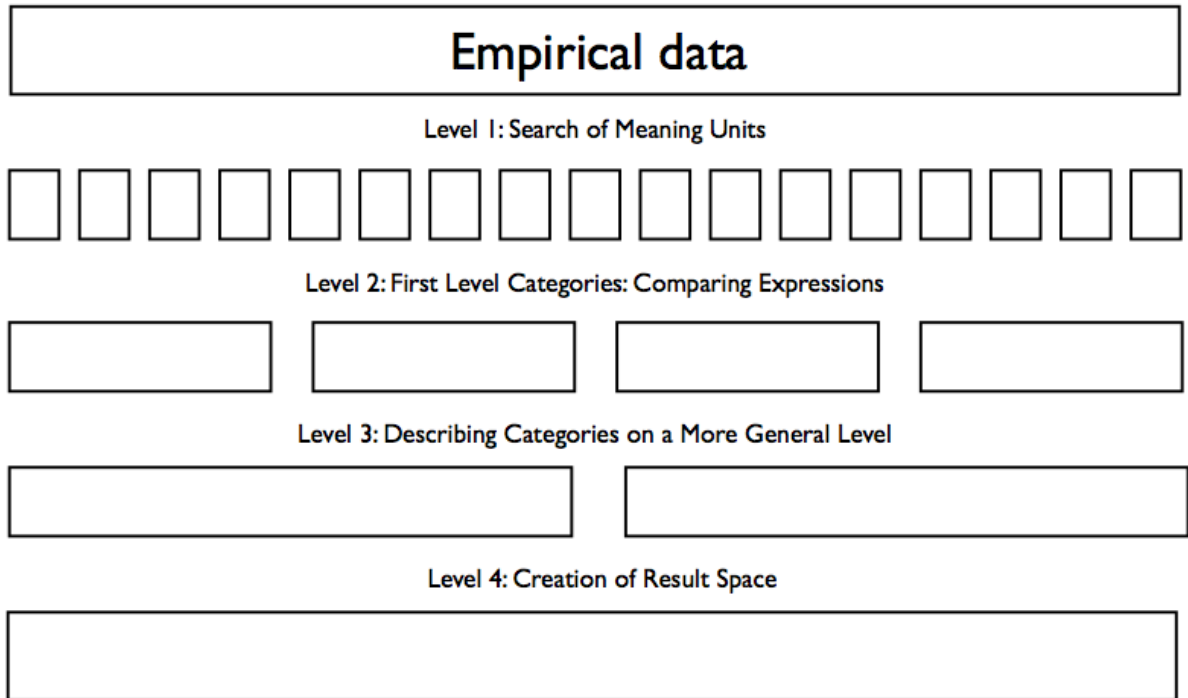Level 4: Creation of Result Space

Figure 8: Different Abstraction Levels of Describable Categories [35]

After the meaning units had been extracted from the data, I started to connect different meaning units as a larger units. This was due to the goal of trying to understand the relationships and perceptions of the trust relationship. These larger units where then examined and their effect on trust in transformational process was analyzed. Again, the goal was to understand how the subordinates felt the transformation process went and how did it affect their trust relationship with their superiors.

In the final phase of the analysis the created result space and connections were compared with the current theory.

3.6 Data

The organization in question is a public sector organization from Southern Finland. The whole organization is going through major productivity scheme and the division in question in this study was the first one implementing this particular scheme. The main goal of the scheme was to reduce personnel costs and change the focus of the division to more as development unit. The number of personnel was cut back, but this was managed without any lay offs. Mostly the personnel cut backs were handled with pension arrangements and transferring personnel to other units.

Planning of the transformation was started in the fall of 2009 and some of it was done before the summer vacations of 2009. Officially the new organization was put in to

action in the spring of 2010. The transformation process consisted of information occasions, work shops and personal interviews. Late 2009 the personnel were informed that this transformation will happen and the schedule was announced. Information occasions were held through the process and information about the current state was published in the organizations internal network. During the transformation multiple work shops were held, were the superiors and subordinates thought the best means about what and how to work after the transformation. The best models and ideas were selected and formed as propositions for the work group in charge of the transformation process. The group which was designing and organizing the process included the superiors of this study and two of their superiors from the organization. The order to execute this transformation was received from the top level management.

Informants consisted of 11 people. 4 supervisors and 7 of their subordinates. At least one subordinate per superior was interviewed. On this context there were only 4 superiors on this division, so all of them were interviewed. This division has approximately 50 subordinates and 12 of them were asked to participate in this research. The participants were randomly selected by random number generator. Participation was voluntarily and 7 of the 12 agreed to participate. The group consisted both male and female participants. The work this unit does is knowledge work and the unit produces services for other units for the public organization, and also for individuals. Educational backgrounds of the interviewee's were different and consisted from higher level academic degrees to vocational school degrees.

4 Results

4.1 Meaning Units Affecting the Trust Relationship

Interviews with the superiors and subordinates brought up 8 core concepts about the transformation process itself, the effects of the transformation and how it affected trust between superior and subordinate. Perceptions between superiors and subordinates were notably different in some cases and in line with other. In addition in the last part of this chapter other key factors about the situation of the organization are discussed, which might not be directly related to the transformation. On the quotes the use of female pronouns, such as she, hers etc. does not imply the actual gender of the respondent.

4.1.1 Work Shops

One of the most commonly stated fact about the transformation process was the Work Shops which were held during the transformation. The idea of the Work Shops was to get the group together and brainstorm the ideas and processes how the organization should function and what the roles should be for everyone.

Subordinates View on Work Shops

Subordinates were mainly disappointed about the Work Shops, because there was no actual possibility to influence the decision making or the transformation process.

> "At first, the Work Shops were popular, but when it came clear, that there is no practical meaning, the attendance came down" (Subordinate 3)

At first the Work Shops were seen as a possibility to have a impact and get your voice heard, but because this was not how it played out the general opinion about the Work Shops was negative and the subordinates' saw them as a waste of time.

> "We had roughly 4 Work Shops and 4 times 50 people there. Why? For nothing. The issues were thought and the decisions were made beforehand. As it is normal here, one invites a lot of people to a meeting where everything is decided even before the meeting starts. There were now real chance to make an influence." (Subordinate 1)

These Work Shops can be seen as a way of promising something to the subordinates - a possibility, a hope, a chance - but then not full filling this promise. It must be noted that the Work Shops were organized by the team responsible of the transformation process, which includes 2 persons from the central organization and the superiors of this research, not solely by the superiors.

Superiors View on Work Shops

In the interviews with superiors the Work Shops did not seems such an important part of the transformation process and the opinions were more spread out.

> "At first we had the Works Shops where we examined the new standard of activities, these Work Shops were held on autumn and the final plan was made based on these. Naturally the goals and frames were given, it was a matter of honing the details." (Superior 2)

Or on a more similar note to the subordinates.

> "On the planning phase Work Shops were held for the whole personnel, I think it was 3 Work Shops. There these definitions were modified, this was the engagement phase. These comments had no effect on the end result " (Superior 4)

In general the superiors saw the Work Shops as a important part of the process but the shortcomings and the lowered attendance were noted. Superiors mentioned that there were coffee table conversations about the Work Shops and those were regularly discussed topics as the whole transformation process and concepts linking to it.

4.1.2 Information

On all transformational situations in organizations or in the classic example of crisis, the flow of current and factual information is critical. Receiving the necessary and wanted information and then understanding it is the key to a successful organizational change. In this transformation process a lot of energy was put into use for delivering information to the personnel, but both parties feel like the information given was not adequate.

Subordinates View on Information

Subordinates clearly noticed the aspiration to inform the personnel, but the challenge was that the information given was not up to date or the critical information they would have needed to know.

> "There was a lot of information given, but my own situation is still unclear. I feel and my colleagues feel that we received information, but we did not get answers to the questions we asked." (Subordinate 2)

> "The information has gone like this, A: There has not been enough information and B: The information has not been up to date. The thing is, that the information has not been up to date." (Subordinate 1)

> "The way the transformation is made is quite typical for a large organization. The information has reached us workers quite late." (Subordinate 7)

Subordinates have also received mixed information from different sources. On the four units the amount of information given to the personnel has been different and this causes coffee table conversations and uncertainty. The want to have an influence is strongly combined also to the flow of information.

"Perhaps the biggest controversy in our unit came from the decision that our supervisor did not want to comment on any unfinished topics. Supervisor wanted only to comment on things which were decided. For us this is disappointing, because we did not know what things were discussed and what was under decision making, so we could not have a say to these. Then we got the decision brought to us 'this is what is decided' and on this phase we could not have an influence, because the topic was already decided. We would have hoped for that these topics would have been openly on the table, so we could have had a say on those. We heard, that on other units their supervisor has informed about these things. This caused rumors, which made the situation unclear." (Subordinate 3)

Superiors View on Information

Superiors clearly understood the importance of information and giving enough information during the process. The challenges regarding flow of information were not as strong as the subordinates but the understanding of situation was up to date.

"More interaction. More information and in the same way to everybody." (Superior 2)

To conclude, the value of accurate and up to date information was understood on the organization before the transformation process begun. Still, the accuracy and real time information was not enough and the information was not delivered with the same topics for everybody. This caused confusion and uncertainty in the whole organization.

4.1.3 Harmonisation of Salaries and the Procedure of Signing up for Open Positions

The transformation process included an organization wide salary harmonization, with the goal of giving equal compensation for personnel from the same type of tasks. This harmonization was combined with the process of signing for open positions. So the job descriptions changed for the entire personnel and everybody had to sign up for 1 - 3 open positions. This procedure was followed with interviews and finally with the information which open position was given to whom. The signing up process was considered to be challenging for both the superiors and subordinates but it seems that the harmonization of salaries was the biggest contributor of problems for the whole transformations.

Subordinates View Harmonization of Salaries and the Procedure for Signing up for Open Positions

Subordinates saw the recruitment phase unclear and especially the evaluation of formal qualification was obscure. The decisions made considering pay raises were seen unequal and the information regarding the whole procedure was obscure for the subordinates.

"For these tasks we have, there is requirements what kind of education and qualifications the person should have. In this transformation there were persons selected to these positions who did not fulfill these formal requirements. This causes a contradiction, that if these want to transfer in the same professional level, it can not be done." (Subordinate 5)

"In the recruitment phase and in the interviews the personnel where evaluated, in the sense that are they qualified of unqualified for the positions. This was not informed beforehand and not until fall we got the knowledge that there was a possibility to be seen as unqualified for the task." (Subordinate 7)

Superiors View of Harmonization of Salaries and the Procedure for Signing up for Open Positions

The superiors found that the harmonization of salaries was one of the key points causing uncertainty and a lot of added work. The basic idea was simple and nobody did not get a cut in salary. The salaries either stayed the same or were raised.

"At this moment it seems that the harmonization of salaries went totally wrong " (Superior 4)

"In addition, the harmonization of salaries was something that caused quite a lot of conversation." (Superior 2)

4.1.4   Strategy and the Directions Which Way to Go

The organizational change included the goals of efficiency and lowered costs. This meant that the way of doing and thinking about the way the organization in question works had to change. Strategy of the organization changed and the daily routines of subordinates had to transform. The new way of doing things and especially the way how to make this change appeared to be challenging for superiors and subordinates.

Subordinates View on Strategy and the Directions Which Way to Go

Subordinates feel that over six months after the formal organizational change they did not have clear enough instructions what to do. This caused restlessness and made the start of the new way of doing things slower. The strategy, processes and day to day activities were still forming.

"The situation was quite chaotic. As in how to build this new unit." (Subordinate 7)

"People can not march if they do not know the way. I think that the directions are given like 'do not go north, but go south' clearer and more precise directions are still missing." (Subordinate 5)

"Well, I think it is very informative, that we do not have any action plan in our unit. I think that these basic things should have been put in order first. Then could have we gone to this lower level. I think that we started from the wrong end. How all this is connected with the strategy of the whole organization, that is unclear for me." (Subordinate 3)

The subordinates feel that they have been left to hang over nothing. The situation had improved from the start of the formal change and there were differences between different units. The actual change in day to day routines seems to not been such dramatic as implied.

"The situation is not as unclear as it was. I met some subordinates of the other unit and they were totally in the dark what to do. 'Today this task is mine and tomorrow it is yours'. Our better situation originates from that the same people have continued with the same clients." (Subordinate 1)

"We had some informational situations, the project leader was there. You could not get real information there. The feeling was quite vague where we are going. There was schedules and goals, but it was not clear were we are going. " (Subordinate 2)

"Even at this stage the big picture is not clear. I think that this should have been clear the moment the new organization starts to function" (Subordinate 3)

Superiors View on Strategy and the Directions Which Way to Go

Superiors have similar opinions how the initial implementation of strategy went but the current state is seen from different angles. The comments range from situation solved and working good to more reflective side, that processes should have been defined more clearly, so that the start of the transformation would have been easier. Or as we can see from the quotations, some saw the same thing the other way.

"A hint for the people doing projects alike. Keep the big picture clear, because the small things are already forgotten on the network drive." (Superior 4)

"I have heard rumors and I can not comment are those positive or negative. In my opinion we had a certain situation and I have fixed it." (Superior 1)

"People are mostly interested in that what I do in the future and how this change effects me. The main goals were clear and things were discussed in development discussions and the answers were received. Getting a grip on things and making changes take time, these things do not happen in a moment." (Superior 2)

Making organizational changes and before the new systems is up and running is always a time demanding endeavor. Situation in time of the interviews seemed different in the four units, but confusion, uncertainty and basically the idea of what single individual should do was not clear nor concise to the personnel.

4.1.5   Transparency

Subordinates View on Transparency

Transparency is tightly connected to information and in this transformational situation the subordinates felt that the process as a whole was not transparent. Goals, schedules and demands were given but the subordinates felt that everything was not laid on the table. Transparency and openness was promised but the subordinates felt that this promise was not met. In particular the signing up for open positions and the process of formal qualification were seen as a hazy and closed process.

> "The talk of transparency appears to be lying. How can you avoid this? Do not talk about transparency" (Subordinate 1)

> "I would have liked to see more courage, firmness and spine. I wish the supervisor would have openly told us about topics, even when they were under preparation." (Subordinate 3)

> "I have to say that the goals have not been clear, or they have not been openly discussed. Naturally part of the goals were clear, but not all of them." (Subordinate 5)

> "As a afterthought, the sign up procedure could have been more transparent. It was a bit hazy, because you did not know who had applied for what position." (Subordinate 7)

4.1.6   Constant Change

Subordinates View on Constant Change

The subordinates feel and see that there will be more major changes to come, which always affects the motivation on how the change processes are received. One common reason for this situation seems to be that subordinates saw that the organization would have liked to transform into an even more centralized structure.

> "My closest colleague always thinks that soon there will be next big change. Because we think that part of the people would have wanted the centralization to be even stronger." (Subordinate 7)

> "Someone said in a meeting, that she has been working 10 years on this organization, and in every 3 years there is a major change. It is wrong form the superiors to say that when we get through this, then it is done. I do not now what I will do next year." (Subordinate 4)

Superiors View on Constant Change Superiors see that the reality of constant change and the history of the organization to make the motivating of subordinates harder and more challenging.

"People were quite tired of this change from the start, so the starting point was not so good. We had work shops and people felt that those were useless. It was quite a challenge to get people to take part in this change." (Superior 3)

In conclusion, the organizational history of frequent change did not give a positive starting point for the change.

4.1.7   Superior Support

Superior support can be divided in this context in two different factors, the ability to support your subordinates when they need it and the power and will to keep your ground when your own subordinates are on the line of fire. The need for support can be professional help or advice on a challenging situation or understanding and listening to the subordinate when she has some challenges of her own.

Subordinates View on Superior Support

The subordinates felt that the superiors have been understanding of their situation and the superiors have been available when needed. In line with the information flow, the superiors have been available but they have not managed to give adequate support for their subordinates. The other major factor has been the feeling that your superior can not keep the side of her own when the situation is challenging. In addition the subordinates felt that the superior could not get her subordinates voices heard higher up on the organization.

"For example one employee asked from her superior what position she should apply for and the superior did not give any answer. In my opinion the supervisor did not support the subordinate and in a way recused herself from the situation. That was a situation where subordinate sought support from the superior but did not receive it. " (Subordinate 3)

"In our unit we do not have any strategy, no three or five year plan. We just go on. How can we go forward with this kind of work if we do not have any plan. It creates distrust, that we go sort of day by day. Naturally, when we go by this mentality, it is extinguishing fires." (Subordinate 3)

"Supervisor just could not back the sides of her own. We got in to the fire." (Subordinate 4)

"Directions, instructions are not available. We do not have regular meetings. I can not get information anywhere, apart from unofficial routes. I can not get information from my superior, we are not doing good." (Subordinate 4)

"My colleagues have been promoting that are we being defended in any way?" (Subordinate 2)

4.1.8 The Length of the Transformation Process

The factor of length in the transformation process seemed to be a challenging factor mostly to the supervisor. All of the supervisors who were in the organization during the transformation saw that the process was too long and because of this the consequences were magnified.

Superiors View on The Length of the Transformation Process

Mostly the challenge seemed to be the length of the beginning of process. The information about the change was transmitted to the subordinates, but more concise and accurate information could not be given and this challenge was clear to the superiors.

> "This change has been going on too long, and some things have been clearing up during the process. This creates change resistance and it has been challenging to get people to go along." (Superior 3)

> "Without a doubt this transformation has been too long. These people have been unable to work during this process." (Superior 4)

4.1.9 Other Meaning Units

Other meaning units include topics that only one person or several have brought up but they give valuable insight to the function and realities of the organization. These topics do not necessarily have a connection to the transformation process, rather these might be more of a mundane factors. These units include the challenge to get things done. People seem to be very busy but they still have time to show up in every possible meeting. To add up to this it appears that some people are very persistent about their tasks and responsibilities, if the required responsibility is not included in their job description they won't do it. Another factor close to this is that subordinates are not active to take on tasks, and to get things done one has to always have the order from the superior.

> "To get things you have to be extremely active. Very persistent and with strong will, if you do not push things through, you do not get any results. I do not know if this is a common character in the whole organization...it is much harder to get people to do things after decisions." (Subordinate 6)

Single but a very pressing story was that one of the supervisor had told a lie to the subordinates, when trying to ease a situation concerning the transformational state and salaries.

> "It is extremely hard when your own superior gets caught on lying." (Subordinate 1)

A different story was the general confusion and the inability to openly communicate about challenging situations and facts.

> "As a whole, it is hard to talk about salaries in this organization. It happened so that one excel - sheet went in to a wrong address and that was the way we got to know what happened to salaries." (Subordinate 7)

Happily, I can conclude with a more positive note, on which single subordinate felt that the trust relationship was good between superior and subordinate. More particularly the behavior of the supervisor signaled trust to her.

> "The thing I have noted when I have been busy and my superior has been busy is, that she has replied to every message, and replied quickly. I have noticed the trustworthiness. The other character is that she says things as they are, very much so. She has the courage to say and discuss about different things." (Subordinate 6)

The general atmosphere of the interviews was challenging and mainly the subordinates saw the process as a failure. The process which was at first seen as a possibility turned out to be a disappointment.

4.2 Comparing the Expressions of Different Meaning Units and Creating New Units

Qualitative research is about understanding and interpreting what people have said or done. The meaning units described in the previous chapter can be compared and different, more generalized units can be defined. The reason for this is to understand more of the underlying concepts and build connections to other factors. This is essential for forming a complete picture of the transformation. Although the interviews mainly seemed to be a story of a failed transformation process there were single sentences which were against it. When I asked from the subordinates "Do you trust your superior?", the answers were mainly vague, uncertain or complimentary. The challenge of qualitative research can be seen in the difference between these two responses:

> "You can see the trust from everything...I trust my superior" (Subordinate 6)

> "I do not trust my superior as far as I could throw" (Subordinate 4)

So the exact answers for trust and the functionality of the organization can not be directly extracted from the interviews. It has to be interpreted and reflected with all of the interviews and the complexity of the situation.

In the previous chapter there were 8 factors mentioned which came up multiple times during interviews and in addition those could be directly related to the transformation process. Additional meaning units were also presented and those were not directly related to the transformation or the information was received on the interviews only from one person. The 8 factors are displayed in chronological order in the list below. Naturally some of the factors happened simultaneously or in two different contexts.. The goal of organizing these factors in chronological order is to achieve a better understanding of the transformation process from the subordinates perspective.

1. Constant Change

2. Length of the Transformation Process

3. Information

4. Work Shops

5. Transparency

6. Salary Harmonization and Sign Up Process

7. Superior Support and Ability

8. Strategy and the Directions Which Way to Go

The organization had previously done multiple change processes and the personnel were tired and frustrated because of constant change (1). The information of the upcoming change reached the personnel but the actual start of the change took too long to get going (2). Information were given but it was not sufficient nor up to date (3). After this the work shops began, and the idea of these situations was positively received but when the reality that the subordinates did not have any actual possibility to affect the change came clear, the work shops were labeled as useless (4). Consistent with the previous the transparency of the goals, methods used and the decisions made were questioned (5). After the work shops the sign up process for the vacancies opened and the interviews were conducted. The interviews themselves were thought as positive but the harmonization of salaries and especially the details of the process were not open and transparent (6). This caused tremendous speculation and negative attitude. After the transformation and when the new organization was up and running the subordinates felt that they did not receive clear enough instructions nor strategy to what to do and where to go. They tried to get support from their superiors but did not feel that they received it sufficiently (7 8).

The same factors are displayed in Figure 9 and they are grouped to build a more general image of the transformation process and its relation to trust between superior and subordinate. In the same picture these 8 concepts are analyzed, compared, and combined to form the last two levels of phenomenographic research, levels 2 and 3.

The level 2 consists of grouped meaning units from level 1. The concepts of work shops, harmonization of salaries, and transparency of the transformation process can be seen as a single unit. The subordinates felt that they did not have a possibility to have an effect on the process and the fairness of the process and harmonization of the salaries were under suspicion. Transparency basically means how open and justified the whole process was and how people felt that they were treated. In human sciences it must be remembered that if a person has a certain feeling about a situation, for that person in particular it means that the reality is the same as her perception of it. The connecting factors for these three units are the justice of the process and having a chance to influence the decisions, as defined on level 3.

A major transformation process in an organization causes always situations where uncertainty is present. With this in mind the information flow, strategy of the information, supervisor support, and ability to perform one's job can be combined as giving clear and concise information. It seems, that during this transformational process the subordinates did not receive adequate amount of information and instructions were not clear enough. Information, setting clear and compelling strategy and superior support, and ability are all basically the same factor in this context, which forms the level 3 unit. The subordinates had to go towards unknown and they did not receive sufficient information about the present and future.

Subordinates and supervisors comments on the length of the change and the constant change in this public organization are mostly factors of the whole organization. This research tries to understand the trust relationship between superior and subordinate in the context of change, but it must be remembered that major organizational changes are always ignited from the top management of the organization and supervisors can contribute to limited number of factors, not necessarily all of them. These challenges in the organization can be combined as the present status of the organization and ultimately the tradition of the organization, ie. "how things are done here", which is the last factor of level 3 result space.

To summarize, the 8 individual factors can be combined as the level 3 result space. These include the justice of the transformational process, having a chance to influence the transformation, lack of clear strategy and relevant information, and the history of constant change in the organization. These are the results of the most influential factors affecting trust between superior and subordinate in expert organization at transformative state.
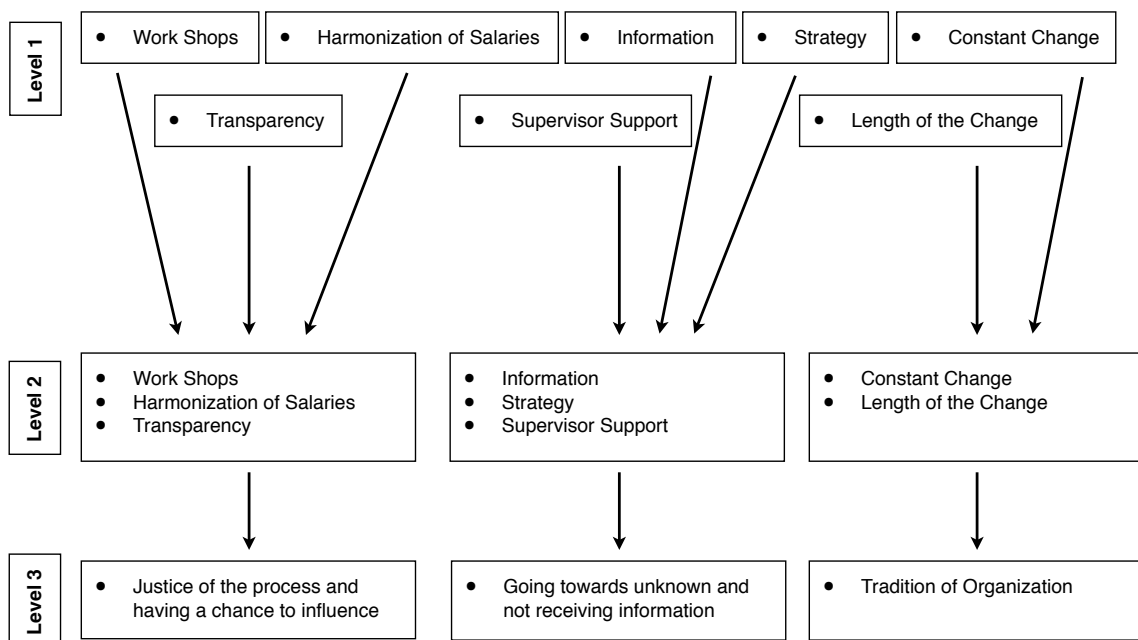
Figure 9: Combining Individual Factors to Groups and Creating New Meaning Units, author's compilation

5   Discussion and Conclusions

5.1   Comparing Research Findings to Existing Theory

Research Findings and the Integrative Model of Trust

The goal of qualitative research is to understand and interpret information from human interactions and interviews. Not so much to test if a present theory is valid or not. Even though it is important to reflect the concepts that have surfaced during the research to previous research results. The most common citation of trust in managerial research is Mayer's integrative model of trust. Three factors of perceived trustworthiness are ability, benevolence and integrity. [50] During my research the factors of ability and integrity could be combined with most of the key findings of my interviews and interpretations.

The transparency of the transformation process, work shops, and naturally the act of lying can be attributed to the trustee's integrity. Or, as in this case the lack of integrity from the part of the supervisor. The whole transformation process was seen as not transparent and unequal, which is in conflict with the promises of the transparent process. It must be noted that the promises given are by the supervisors and the top level management. So the violations of integrity are towards the organization as a whole and sole superiors. The work shops were introduced to the personnel as situations where they could have an influence on the process and its details. Because this was not the case this can be also seen as a violation of integrity. The act of lying is a total destroyer of integrity, and therefore, perceived trustworthiness.

The flow of information, superior support, and setting a clear strategy and giving instructions can been seen as factors concerning the abilities of the supervisor. Transformation process is always a situation where there exists uncertainty. Constant, accurate and up to date flow of information is a key to minimizing uncertainty. In this process the information given to the subordinates was not enough to minimize uncertainty, which can be seen as a lack of ability partly by the supervisors. Setting and keeping an up to date strategy of the unit is a central ingredient of a successful leader and this was missing through out the process. Situation alike is superior support. The subordinates felt that they did not receive adequate support during the transformation or after it, and the ability of the superiors to keep the sides of their own was questioned. In this transformation process there was multiple factors where the abilities of the supervisor were seen as questionable.

Research Findings and the Conceptual Model of Trust

Mayer's theory gives us a good basis for perceived trustworthiness, and it gives us a solid ground when comparing factors to Costa's conceptual model of trust. [14] In this model the perceived task performance, team satisfaction, attitudinal commitment and continuance commitment are seen as effects of trust. The central factors of the interviews were the lack of organizational citizenship behavior and the comments to seeking other options besides this organization and not being satisfied with

the functionality of the organization. These negative feelings can be partly associated with lack of trust in the organization, because according to Costa propensity to trust, perceived trustworthiness and cooperative behaviors have a positive effect to trust. The most important factor being perceived trustworthiness. So the lack of trust can be seen as missing benefits of well functioning organization.

Research Findings and Distrust

When comparing the factors collected from the interviews to the concept of distrust. There is some similarities to be found. It must be noted that there has to be distrust to create trust, they are not the complete opposites of the same issue. There seems to be both specific and general distrust in the organization regarding the information they receive. In general there is clear distrust concerning the information what the subordinates receive, because the information has not been accurate or clear enough, or the process has not been conducted as previously promised. The need for clear strategy, instructions and superior support can be seen connected to Bibb's and Kourdi's 5 challenges that distrust creates.The most commonly mentioned being consciousness and consistency: [6]

- Consciousness: Distrust deteriorates the workforces understanding of their organizations visions, goals and values

- Consistency: Distrust makes work complicated, unpredictable and difficult to control

Research Findings and the Levels of Trust in Organizations

Kramer and Cook [42] identify trust in organizations in different levels. The start of trust building is always from the calculational side, where both parties act in predictable way, because is they do not they will both receive negative sanctions. The other end of the line, noncalculational trust can be reached when both parties understand, identify and share each others goals and values. It is widely known that reaching the state of noncalculational trust in organizational is challenging or nearly impossible to achieve. Building on this theory background it can be stated that in this particular organization the level of trust is in the calculational end of the line of trust. The subordinates do what is needed because of the general confusion caused by the transformation or because of the lack of clear strategy. There were no evidence about identifying with superiors goals or values, rather having the freedom to execute own tasks freely, which was seen as a gesture of trust from superior or doing what has to be done.

Research Findings and the Trust Between Superior and Subordinate

The phenomenon of trust between superior and subordinate is interesting and extremely important regarding this research, because of the differentation between institutional trust and impersonal trust. Institutional trust is trust towards the top management and the organizations as whole, impersonal trust is trust between persons. The data from the interviews generally gives an impression of the situation

as whole, and the differentiation must be done accordingly. The factors considering work shops, information, and constant change can be at least partly combined with institutional factors. Superior support, creating and giving compelling and clear strategy, salary harmonization, and transparency can be associated with impersonal factors.

Regarding the cognitive and affective differentiation of trust, splitting these is difficult from this information. The subordinates did not imply any strong affective relationships with their superiors, nor did they deny them. It seems that mainly the trust was cognitive trust. To elaborate, the cognitive trust is the rational side of trust. The rational reasons and decisions to trust or not to trust. [15]

Research Findings and Superior and Subordinate Perspectives about Trust

In this study the focus of trust relationship was on the side of the subordinate. I wanted to understand what influences and changes the trust relationship between the superior and subordinate, meaning, does the subordinate trust the superior. The research findings are congruent with Werbel's analysis of superior and subordinate perspectives of trust. He states that for the subordinate the most important factors of the relationship are "availability, integrity, discreteness, openness, and fairness. The similarities between these studies can be seen most significantly with integrity, openness, and fairness. The level three results of this study, mainly justice of the process and having a chance to influence, and going towards unknown and not receiving information. These both include the terms integrity, openness, and fairness.

Research Findings and Trust in Leadership

Burke's all inclusive model of trust is a complete model of trust between persons in organization and it can be seen from Figure 12, that the congruence between this research and Burke's findings are high. The factors which were present in this study are underlined in Figure 12.

The three characteristics which determine the perceived trustworthiness of the person are ability, benevolence, and integrity. The research findings are consistent with the ability to set a compelling direction. Because the findings state that the direction was not clear for all of the units even after the change. The situational knowledge and the ability to support your subordinates can be seen as the opposite sides of the same coin. Because transformations require even more information and support from the superior than constant state. Setting functional norms is consistent with giving instructions and being able to create an efficient team.

Even though the benevolence of the superiors was not questioned in the interviews the supportive context was partly missed, but it must be noted that the subordinates feeling of not enough support was mostly from the lack of information and from the confusing situation, not from the lack of goodwill from the superiors. The leadership behaviors were not present from the subordinates point of view but it is not possible to say what is the exact reason. The failure to meet the requirements of ability-factor might have set the tone negative for the benevolence factors.
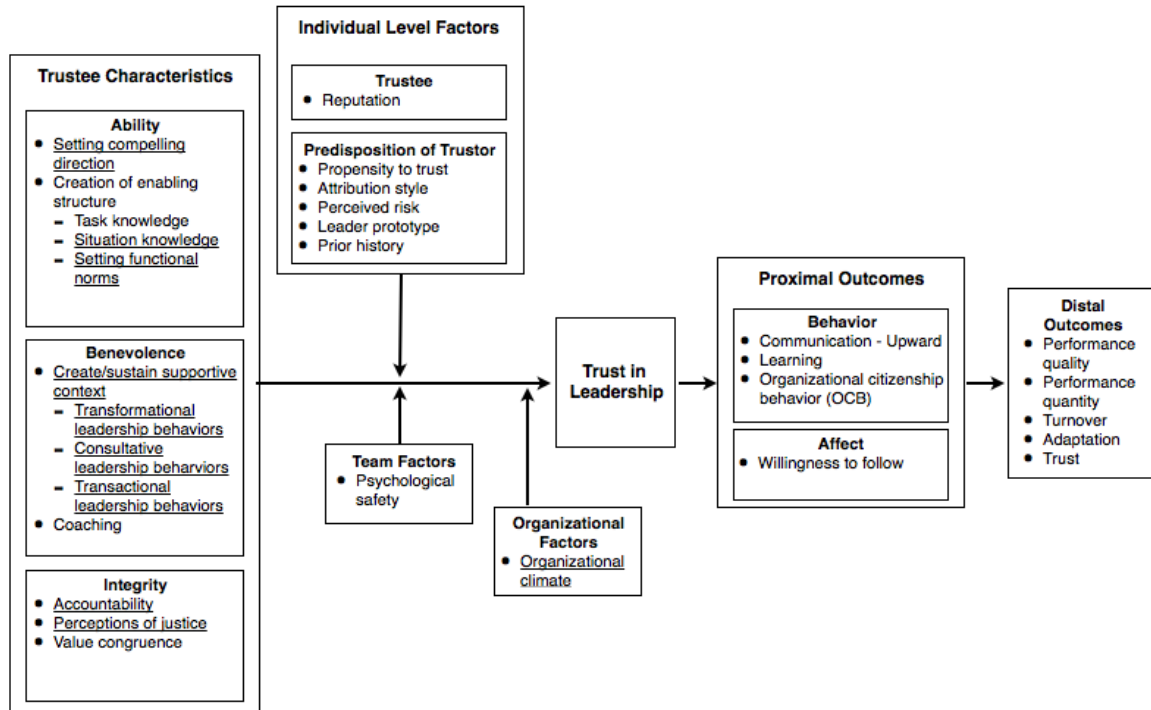
Figure 10: Integrated multi-level framework for understanding trust in leadership. Modified. The common characteristics of this research and Burke's model are underlined [10]

integrity is the most important factor of trust relationship and the common lines with this research and Burke's perceptions are clear. Accountability and perceptions of justice can be compared to the equal treatment of everybody and every unit, the challenges with the harmonization of salaries and the lack of transparency. The promises made to the subordinates were not duly held and this caused errors in the perception of justice and accountability. As with Burke's and Mayer's models the integrity was the most important factor of superior - subordinate relationship. [10] [50]

Research Findings and Organizational Change and Transformative Leadership

As stated numerous times in this study the transformational leadership is has been the primary example for effective leadership in transformational situations. The congruence of transformational leadership behaviors and the behaviors of the supervisors in this study are not clear. The main challenges of this transformational situation are something that the transformational leader should not be facing. Such as the lack of strategy, clear instructions, creating clear and compelling vision. The biggest difference between transformational leadership principles and this study is the failure to get the subordinates involved with the transformation. The work shops did the opposite because the subordinates did not have any possibility to influence the change.

5.2   Theoretical Contribution

This theoretical contribution is based on both the existing knowledge and the new implications of this empirical research. This research enhanced the existing information and gave the possibility to build new frameworks and modify existing ones to some extent.

The Circle of Trust

This research has added and strengthened the existing knowledge that superior - subordinate trust in transformational state is more vulnerable than in the constant organizational state, and how closely linked the transformational leadership and basic phenomenons of trust are. Superior-subordinate trust relationship has not been qualitatively studied in the context of change at length before, and the limitation to expert organizations narrows the field even more.

With qualitative methods and especially with phenomenographic analysis the goal was to understand persons different perceptions of trust in transformational process. With this goal in mind this research produced a new model of trust, the circle of trust, which is based on Mayer's three factors of perceived trust [50] and accompanied with Burke's [10] multi-level framework of understanding trust in leadership.
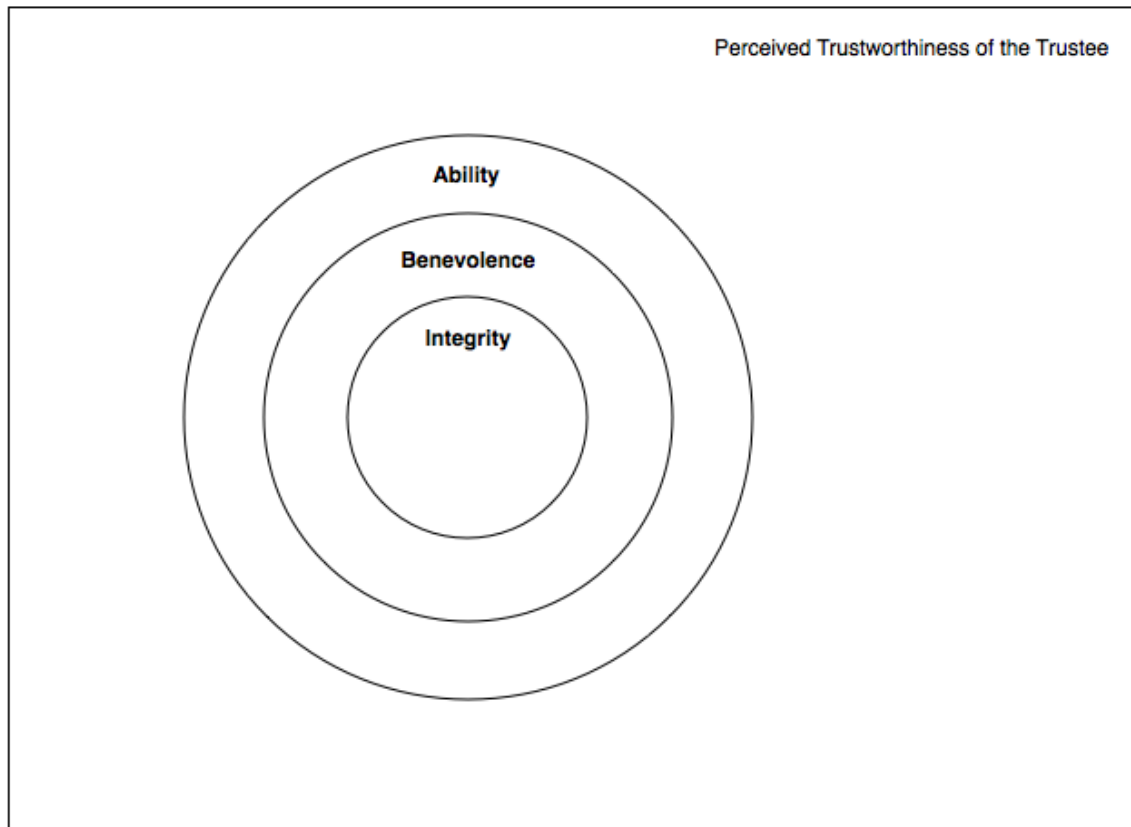

Figure 11: The Circle of Trust, author's compilation

Figure 10 presents a simplified model of how the subordinate sees the different

factors of perceived trustworthiness of the supervisor. This model is primarily for understanding the trust building process and is not to meant to be the single model how the trust relationship evolves. This model describes two different dimensions of the trust relationship, the chronological order of the trust building and the relation of most crucial factors of interpersonal trust. When the relationship with superior and subordinate starts the first factor which the subordinate sees is the ability of the supervisor. The ability to create compelling visions, the ability to support, the ability to perform her tasks. With time and with more interaction the benevolence of the superior starts to show for the subordinate. She can detract information from the interactions and form her own opinion of the benevolence of the superior. In the core of the circle is the integrity of the superior, which usually is the last factor that the subordinate can deduct from the information received from the interaction with the superior. It must be noted that the integrity can be broken in any situation or state of the relationship, even at the first meeting, but for the subordinate to see that the superior has integrity is normally a slower process.

The other dimension of the figure is the importances of these three factors. Every single factor has influence to the perceived trust, but integrity is seen as the dominant factor. [50] [10] For this reason the integrity is in the heart of the circle. No matter how good are the abilities of the superior, but if the behavior does not have integrity, the perceived trustworthiness will be low. Or the other way around, if the supervisor has strong integrity, the ability and also somewhat the benevolence factors can be lower, and still have relatively high perception of trust. Without integrity there is no trust, the loss of integrity builds distrust.

The Circle of Trust and Transformative Leadership

Transformational leadership is an extensively studied topic of leadership research and its benefits best in use at situations which differ from the normal behavior and actions of the organization. [54] Also, trust is the central figure of successful transformative relationship. [65] In figure 11 the requirements of transformational leadership [4] [65] [54] [25] [40] [58] [5] [17] are combined with the Mayer's three factors of perceived trustworthiness. [50] Again the superficial or the most easily seen factors of the superior are the abilities. The ability to create compelling vision, communicate extensively and clearly, and being able to give a clear statement of the purpose of the organization. With more interaction and common time the subordinate is able to see the benevolence of the superior. This time meaning the willingness to provide individual development, intellectual stimulation and the charisma of the superior. In the end, the factor which really matters, or which can destroy the relationship for good is the integrity. It takes time for the subordinate to get in touch with the integrity of the superior, if the superior has been through personal transformation, then she is able to coach her subordinates to transform. Moreover, transformational leadership is based on strong morals, ethics, and values. Also the use of power reflects the supervisors level of integrity. If these factors are not present, the possible excellent features of abilities and benevolence are annulled.

Ability

- Creating compelling vision
- Clear and extensive communication
- Clear statement of the purpose of the organization

Benevolence

- Individual development
- Charisma
- Willingness to provide intellectual stimulation

Integrity

- Personal transformation
- Morals, ethics, values
- Use of power
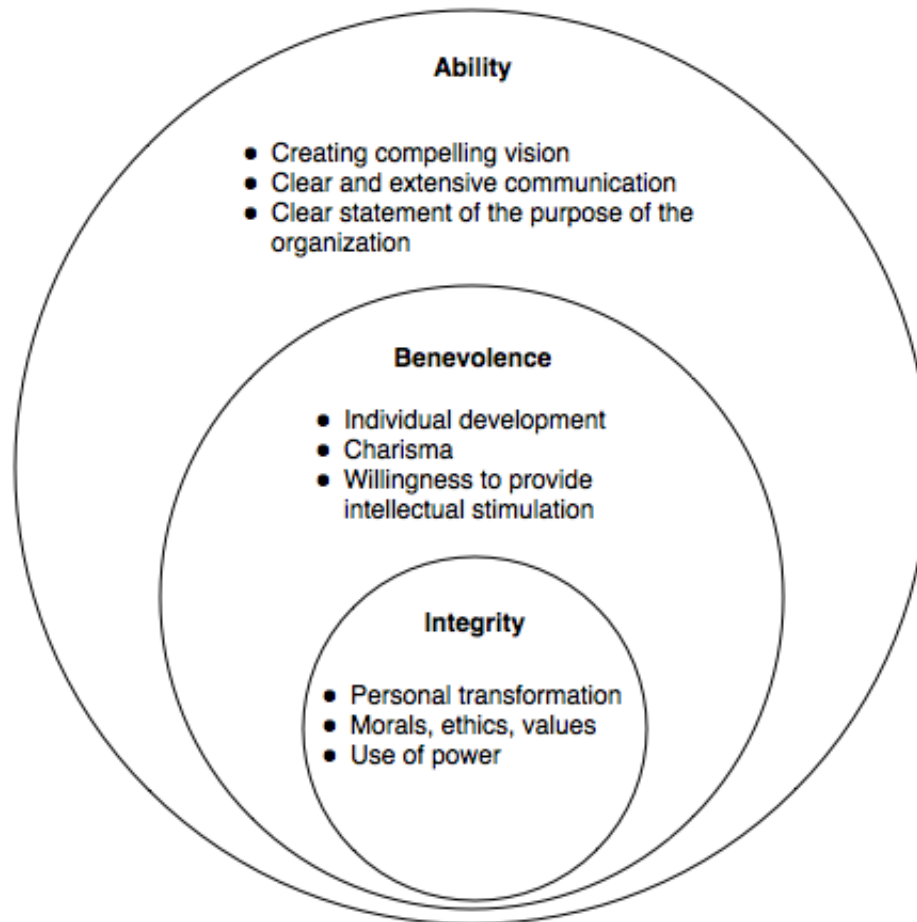
Figure 12: The Circle of Trust and Requirements of Transformational Leader, author's compilation

5.3   Evaluation of the Study

For the evaluation of this study the whole process is evaluated and the choices made are discussed. The evaluation is based on the summary of Tuomi and Saarijarvi, they define that the evaluation of qualitative study should consider the credibility, transferability, dependability, and the confirmability of the study. [59] This study was aimed to produce new information and widen the understanding of trust relationship in expert organizations at transformational state. The definitions for this research were restricted which made the research more unique. To my knowledge there is no other research where trust, superior-subordinate relationship, expert organization, transformational state, qualitative research with phenomenography are combined.

The theoretical background for trust research is on solid ground, because it has been studied extensively for the past 20 years. Theoretical choices are based on the most cited theories concerning interpersonal trust relationships, namely the Mayer's integrative model of trust. [50] The connection between trust research and transformative leadership is natural for this context, because of the transformational state of the organization and Burke's propositions of the similarities of transformative leadership and the integrative model of trust. [10] The results of the research are in line with the existing knowledge and the analysis process is explained in detail in the results section.

Because the goal of this study was to understand how people perceive trust relationships, the research method was qualitative research, where the goal is to produce understanding, not focus on which factor is better or worse. This choice was clearly successful, because when studying human behavior and perceptions of different people in challenging situations the number of variables is evident and to truly understand the behavior, the researcher has to interpret information. Not just simply answer yes or no.

Qualitative research is much more vague in nature than quantitative research, and there is no clear and simple rulebook which to follow. The main goal is that the researcher explains her thought processes and can argument her decisions regarding the choices made in the research process. The data analysis method used in this study was phenomenography, which is based on the assumption that the different perspectives how people see the same thing are analyzed. Taking account the goal of this study this analysis method was a solid choice and through the analysis process different meaning units could be extracted and a result based could have been given. The critique must be stated that the perception of subordinates was thoroughly analyzed but the perception of superiors was not so openly discussed. This could partly be reason of the data collection method.

The research data was collected with thematic interviews and the arguments behind that were the nature of the study. Enhancing the understanding of peoples perceptions. Open interviews would have been another possible choice, but to secure the comparability of the interviews and the limited time available for the interviews the thematic interviews produced solid data about the transformation process and trust.

The most challenging part were the superior interviews, their opinions of do their subordinates trust them or did they notice some situation of factors which might have influenced the situation were vague. Reason for this might be the questions asked in the interviews, were the questions asked from the superiors too close to the questions asked from the subordinates? Or did they not trust the interviewer enough to answer the questions honestly?

As a critique for my study, the qualitative nature of it is always a source for inaccuracies or a possibility for misunderstandings. The nature of qualitative research is to understand and interpret and when the subject is as delicate as trust, the research data needs a lot of personal analysis. The interviews were made in a time when the transformation was officially over, but the climate in the organization was confused and partly tired. The subordinates were disappointed with the whole process and that state of mind might have affected the answers and the general climate of the interviews. It seemed that the interviews were a occasion to talk about the stressful situation and a chance to possibly effect the current situation. The number of subordinates which were interviewed was 7 out of 55, so it can be questioned that the percentage was too low. In argument, the answers and stories were similar and the interviewees were selected by random number generator. Also the delicate nature of the subject might influence the answers of the interviewees. The perceptions of the subordinates of the process were similar, which made the creation of result space and forming the perception of the researcher easier.

The research results enhance the information of previous studies, the integrative model of Mayer and the need for transformative leadership on transformational situations. The trust relationship is important for effectively functioning organizations and for achievement of good communication with the subordinates. Because of the tight definitions for the study the information is valid for expert organizations at transformative state, also I will argue that this information is usable in both public and private sector organizations, and in some extent to a more generalized, not only expert organizations. The core concept is how the human mind works, how we perceive different situations and analyze our feelings. I argue that most of the people of the working public would like to influence decisions regarding their future and receive up to date information. This is not geographically, gender, profession, or age related.

5.4   Further Research Issues

This research concentrated on what kind of factors have effect on superior - subordinate trust at expert organization in transformational state, and how do these factors effect the trust relationship. There were clear factors identified, mainly the possibility to have an influence, justice, information and having a clear strategy. These factors could be generalized to a broader view, to help other organizations and superiors in similar situations. To study why these factors occur in the first place, knowing that these are mundane factors which importance is easy to understand without a deep knowledge of sociology. To accomplish this, a broader study

would be needed for the gather research information from multiple organizations and from a longer period of time. A study consisting information from different cultures and organizations would be useful.

The qualitative method is essential for understanding why certain factors happen, but perhaps a case study of a organization in transformative state would deliver the information in question. When the interviews could be associated with observation and possibly to questionnaires the relation of the factors could be further enhanced.

For further research the superior point of view should be enhanced, in this study the perceptions of the subordinates were clearly received and the factors that they saw influenced most on the trust relationship are clear. The question remains. why do these mundane factors fail? In this research the superiors did not know the data which was collected from the subordinates, but it could be investigated how would they respond to the data of the subordinates. Meaning, when they would see how the subordinates saw the situations, how would they explain those situations.

To conclude I would like to display the further research issues as a list. The two main points are the broader study, to gather a more thorough data from the organization and the possibility for the supervisor to explain the situations and factors which the subordinates see as altering the trust relationship. Naturally the understanding could also be enhanced with collecting the data from multiple different organizations and possibly from different cultures.

- Research consisting of both interviews and observation

- Consider the superiors explanations to the subordinates comments

- Study across multiple organizations and fields, possibly different cultures

5.5   Managerial Contribution

Alongside the theoretical contributions of this study I also want to address more practical issues. I personally believe that every scientific study should have contribution to the day to day life of us mere mortals, at least indirectly. This means that us researchers should produce results that can be used as scientific facts and help people with the more practical challenges, if this means writing two different reports, so be it.

Trust is a central figure in every relationship, be it personal or professional. Building and maintaining trust in superior-subordinate, work team, and on organizational level is crucial for the wellbeing and success of the personnel and the organization. Trust and distrust can be seen as the different ends of the same line and even though the unconditional trust, the highest level of trust is almost impossible to achieve in organizations, all managers should be aware what are the stepping stones to this path. If the organization is more in the side of distrust of the line of trust, then even the normal day to day actions in the organization might seem demanding and

overly challenging. When this is the case, a possible transformational state in the organization would be even more challenging.

As can be seen from the theoretical contributions the basic elements of trust and transformational leadership are strongly entwined, and transformational leadership has been the de facto norm of leadership research for the past 25 years. For a manager to be a successful factor in transformation the basic building blocks of trust have to be on solid ground. First and foremost, the integrity, values, and morals of the behavior of manager have to be excellent. If you are working on false premises, it will be visible for the subordinates. Our parents told us all when we were kids: "Do not lie, treat everybody equally, and help the persons in need". These simple instructions are obvious, but these are the ones that matter most, and sadly, the ones managers usually fail on. Superior is always in a role where she is looked upon as a example and the demands for her behavior are greater than for the common man, the same situation is apparent with politics. In nowadays digital world and fast communication systems every single shortcut, white lie or mistake is noted by the public. We are all human and we make mistakes, but the intentions behind those actions are the ones that matter. As a manager, superior, or subordinate, ask yourself, do my values, intentions, actions, and behavior give the impression of integrity?

When conducting an organizational change few simple rules will go a long way. First of all, make everything as simple as possible. Do not try to change 12 issues, when 3 would be enough. Make sure that you understand the goal of the transformation and then deliver it to the subordinates, and make sure that they understand it. Even better, they should see the goal and vision as compelling and motivating. When the change is in planning phase give as much information to the subordinates as possible, if there are some topics that can not be discussed, tell what those are and tell the subordinates why those can not be discussed. More importantly, give the subordinates a chance to have a say for the situation. They are the ones doing the actual work, and they have the best knowledge of the practical needs. If the subordinates can be a part of setting the goals and visions, they will be far more motivated to work on them. During the organizational change give information to everybody at the same time and in the same way. If there are questions that can not be answered immediately, make sure to give those answers as soon as possible. Make the decision making and the whole process as transparent as possible and again, give all the information to the subordinates. After the change make sure that everyone understands what are the new norms, procedures, and most importantly what are you trying to accomplish with those. Make sure to have individual discussions with everybody, this way you will maximize the possibilities that you will hear all the unclear topics and can react to those.

Checklist for transformation in organization

- Have a realistic, simple, and achievable goal for the transformation
- Make sure that everyone in the organization understands the goal, and the

    reasons behind it

- Give a chance to the subordinates to have an influence on how the transformation is done

- Give exactly the same information for everybody at the same time

Transformation in organizations and in life are always challenging. Change creates uncertainty for people about their financial, social, and professional competencies and it is challenging or even impossible to get everyone involved. When the transformation processes are open, transparent and the goals are achievable the results can be positive. When the information flow is only from top to bottom and the subordinates are left out from the decision making process the results are usually somewhat disappointing.

5.6 Concluding Remarks

In this section I will move on to more general topics and try to explain these results and try to understand why they happen in the organizations of today.

Trust most certainly is a crucial factor in a fully functioning and effective organization, be it in transformative state or not. The pace of current work life is extremely high and the demand to deliver for a single employee might be highly challenging. Micromanaging should not even be possible and trust between superiors and subordinates is required for fully functioning organizations. Trust itself is a strong word and probably everybody knows the importance of trust in interpersonal relationships. The question is, is trust understood just as a simple question of yes or no? If it is, the true factors behind building trust are never understood, nor used as an advantage. When the trust relationship is considered as a valuable asset in the superior subordinate relationship it helps to enhance the relationship and it gives a possibility to both the superior and subordinate to learn more from each other and most importantly from themselves.

The phenomenon of trust is studied from multiple perspectives and from multiple different scientific backgrounds but the simple fact which was also enhanced in this study is, that trust in interpersonal relations is easy to loose but slow and hard to build. The factors influencing the trust relationship are simple and mundane. Honesty and justice. Or the almost classic terms in trust research ability, benevolence, and integrity. [50] [10] This research was in line with the previous studies of the important role of integrity in the trust relationship. No good words, meetings, or rewards can overcome the feeling when the other person in the interpersonal situation does not behave the way she has implied. Integrity is the core of trust and also the central element of transformative leader, the leader model which has been on the top of the charts for the past two decades.

The interesting question is, why do we always fail in these simple and mundane factors? Everybody knows that when there is a crisis, be it in organization or in

other aspects of life, you should give all the information as quickly as possible. Admit the mistakes, learn from them and move forward. The damage would be as small as possible and the situation would be over as fast as possible. Or, the role of honesty and justice? We know we should not lie and we should treat everybody as equal, but why do we fail in these? In organizational context, is it easier for the superior to give somebody a little bit more than for the other because it will end the situation sooner. Or, does the personal aspects and goals of the superior affect her behavior and decisions? Or, many of the superiors have backgrounds as specialists of some profession and when they get promoted to role of superior the role of being an expert is hard to let go and focusing on human beings instead of numbers or technical aspects is forgotten.

In current work climate the pressure on superiors is huge and the consequences of failure can be a stop to career building or ultimately a reason to lay off the superior. The challenge for superiors, especially for the middle management are the orders from above. They might have very strict orders how to handle certain situations, in the end the middle management might have grave responsibilities, but very little power to influence decisions. I believe this is a major challenge in larger organizations today, the asymmetrical flow of information and power. In expert organizations the specialist performing the daily tasks have the best practical knowledge of the current situation and possible innovations to enhance the profitability of the organization. If this information is not used as much as possible the organization is going forward using only one eye, half the vision and knowledge they could. Transparency and the possibility to have an influence is important in interpersonal trust and in institutional trust.

To summarize, the trust between superior and subordinate can be seen as a combination of three factors: ability, benevolence, and integrity, at least these are the things which the superior herself can influence. To have an efficient and open superior and subordinate relationship all of these factors have to be apparent, but in the heart is the integrity of the supervisor. Without it, the relationship can not be built on solid ground and it can not function at full force.

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Appendix A: Interview questions for subordinates (p. 69)

Appendix B: Interview questions for superiors (p. 70)

Appendix A: Interview questions for subordinates

1. How do you feel working here?

2. How do you feel your situation in your working community?

3. Has the transformation process affected your perceived feeling in your community?

4. How did the transformation process happen?

5. How did you prepare for the change? Communication?

6. What was the role of the superior in this change?

7. What kind of support did you get from yoursuperior?

8. How do you feel your relationship is with your superior?

9. Can you trust your superior?

10. Comments?

Appendix B: Interview questions for superiors

1. How do you feel working here?

2. How do you feel your situation in your working community?

3. Has the transformation process affected your perceived feeling in your community?

4. How did the transformation process happen?

5. How did you prepare for the change? Communication?

6. What was your role in this change?

7. How did you support your subordinates in the change process?

8. How do you feel your relationship is with your subordinates?

9. Do your subordinates trust you?

10. Comments?