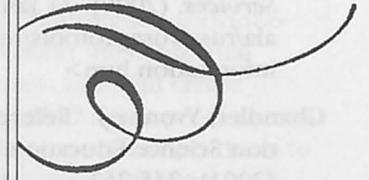


# MANAGEMENT BASICS

## TRUST: THE GLUE THAT HOLDS PARTNERSHIPS TOGETHER

by Carolyn Wiethoff



*The only way to make a man trustworthy is to trust him.*  
Henry Stimson (1867 - 1950)

*Do not trust all men, but trust men of worth; the former course is silly, the latter a mark of prudence.*  
Democritus (460 BC - 370 BC)

Trust, or “an individual’s belief in, and willingness to act on the basis of, the words, actions, and decisions of another”<sup>1</sup>, is one of the most important components of partnerships. Without it, groups experience suspicion, defensiveness, and harmful conflict. With it, partnerships can thrive as people comfortably come together to collaborate and share ideas openly. An understanding of trust—what it is, how it develops, and how it can be repaired—is important for anyone planning to partner with others.

### WHAT IS TRUST?

Researchers have found that two types of trust expand as relationships develop.<sup>2</sup> The first, *calculus-based trust* (CBT), is a market-oriented calculation in which people decide to trust based on the belief that the trust will not be violated because the rewards of being trusting (or trustworthy), coupled with the potential losses in reputation and punishment for being untrustworthy, outweigh any benefits of violating that trust.<sup>3</sup> Basically, CBT says, “I trust you because it makes no sense for you to violate my trust.” Most market transactions and “hands-off” partnerships rely on this kind of trust.

A second type of trust is based on shared ideals, values, and goals. This *identification-based trust* (IBT) exists because the parties understand and appreciate each other’s positions and understand each other’s wants. At its best, this mutual understanding develops to a point where the parties can act as agents for one another, substituting for each other in interpersonal transactions.<sup>4</sup> As people come to know each other better, and to identify with each others’ values, they also learn what they must do to sustain each other’s trust over time.

It is important to note that this process can be colored by a variety of factors. First, research has shown

that individuals differ in their predisposition to trust others.<sup>5</sup> When someone has a high predisposition to trust, he or she expects others to be trustworthy, and thus may not see initial warning signs of an upcoming breach. Second, even if he or she has no direct experience with someone, that person’s reputation (e.g., what we hear about them from other people) can shape our expectations. The other person’s reputation often creates expectations that lead us to look for elements of trust (or distrust), but also lead us to approach the relationship with openness or skepticism. Finally, relationships develop over time. It is possible for us to learn some things about another person that cause trust to develop, and other things that are cause for distrust. Trust and distrust can co-exist in the same relationship, but to differing degrees: for example, I trust my husband to act as an agent for me in all of our financial dealings, but I would not trust him fully to pick out drapery in my absence. Trusting relationships can develop even in the face of some disconfirming information. As long as the multitude of evidence supports the decision to trust, trusting relationships are formed.

### HOW DOES TRUST DEVELOP?

Initially, CBT may be based only on the other person’s reputation for trustworthiness.<sup>6</sup> Over time, CBT develops as we observe the other person in a variety of circumstances and can identify consistent behavioral patterns. Previous research has indicated that effective, trusting relationships in organizations are based on predictability<sup>7</sup>, reliability<sup>8</sup>, and consistency of behavior.<sup>9</sup> In work relationships, CBT is enhanced if people (a) behave consistently in an appropriate way, at different times and in different situations; (b) meet promised deadlines, and (c) perform tasks and follow through with activities as planned. If people act consistently and reliably, we are likely to see them as credible and trustworthy.<sup>10</sup>

Similarly, research indicates that trust is enhanced if the parties spend time sharing personal values, perceptions, motives, and goals.<sup>11</sup> In most workplace settings, specific time should be set aside for engaging in this activity. In general, to build IBT between people and

among groups, people should engage in activities that permit them to voice their interests, goals, objectives, and principles. To the extent that these are shared by others in the group, IBT can begin to develop.

IBT can also be enhanced if we see others reacting as we believe we would react in a similar context.<sup>12</sup> Still, it should be noted that IBT is largely emotional in nature, and is definitely influenced by how much we like the other person. Despite our attempts to think logically about our relationships, how we respond to others often depends on our idiosyncratic, personal reactions to aspects of the other person's self-presentation<sup>13</sup> or the situation or circumstances in which we met the person.<sup>14</sup> Still, IBT can be enhanced when groups articulate their shared values and affirm the same goals. While liking may be part of IBT, it is not necessarily the central component.

### HOW CAN TRUST BE REPAIRED?

When CBT is violated, the "balance" of investments and returns from the relationship can be perceived to be upset. When only CBT is present in a relationship, the tie between two people is fragile. Stand-alone CBT is tentative and partial, such that the person being trusted still has "something to prove". Following a CBT violation, people have two choices: to sever their relationship, or to seek ways to repair trust. Since people are usually less emotionally invested in CBT relationships than in IBT relationships, the chances that they will simply walk away ("take their business elsewhere") may be high.

When such relationships can be saved, research indicates that perhaps the most important way to restore trust after a CBT violation is with an appropriate, sincere apology.<sup>15</sup> Violations of CBT can be managed by talking about the behavior and attempting to find an explanation for it. If the explanation is sufficient to justify the lapse, then the CBT relationship can continue—although it is likely that the violated party will be vigilant about lapses in the next few interactions.

On the other hand, relationships high in IBT usually contain a significant emotional investment. Here, trust violations have both practical and emotional implications. Once a shared identity has been established, trust violations can be viewed as direct challenges to people's most central values<sup>16</sup>. The parties are likely to feel upset, angry, violated, or even foolish.

A number of studies confirm that if people cannot or will not communicate about a major problem in a close relationship, they are more likely to end the relationship than to continue interacting.<sup>17</sup> This communication is likely to center around the motives of the person perceived as violating trust. IBT relationships take considerable time and emotional investment to

cultivate. In order for them to continue following a trust violation, the violator must reassure the trustee that he/she continues to share the same goals, values, and zeal for nurturing the relationship. Successful repair is unlikely until the parties can address their concerns, vent their emotions, recommit their fidelity to each other, and practice that fidelity over a long period of time.

Too often, we believe that one form of trust will be sufficient for partnerships to succeed: "As long as we believe in the same things, everything will work out fine" or "Just do what you say you will do, and we'll get along great." However, in reality, it takes both kinds of trust for partnerships to succeed. In addition to sharing similar values and goals, partners need to be able to rely on one another to keep their word and do what they say they will do. Both CBT and IBT are important elements of successful partnerships, and efforts to build (or, if necessary, to rebuild) both of them will reap positive benefits in collaboration.

### NOTES

<sup>1</sup> D. J. McAllister, "Affect- and Cognition-Based Trust as Foundations for Interpersonal Cooperation in Organizations," *Academy of Management Journal* 38 (1995): 25.

<sup>2</sup> R. J. Lewicki and C. Wiethoff, "Trust, Trust Development, and Trust Repair," in *The Handbook of Conflict Resolution: Theory and Practice*, ed. M. Deutsch and P. T. Coleman (San Francisco: Jossey-Bass, 2001).

<sup>3</sup> R. J. Lewicki and B. B. Bunker, "Developing and Maintaining Trust in Work Relationships," in *Trust in Organizations: Frontiers of Theory and Research*, ed. R. M. Kramer and Tyler. T. R. (Thousand Oaks, CA: Sage, 1996).

<sup>4</sup> M. Deutsch, "A Theory of Cooperation and Competition," *Human Relations* 2 (1949).

<sup>5</sup> J. B. Rotter, "Generalized Expectancies for Interpersonal Trust," *American Psychologist* 26 (1971).

<sup>6</sup> J. K. Butler, "Toward Understanding and Measuring Conditions of Trust: Evolution of a Conditions of Trust Inventory," *Journal of Management* 17 (1991), J. J. Gabarro, "The Development of Trust Influence and Expectations," in *Interpersonal Behavior: Communication and Understanding in Relationships*, ed. A. G. Athos and J. J. Gabarro (Upper Saddle River, NJ: Prentice Hall, 1978).

<sup>7</sup> E. E. Jennings, *Routes to the Executive Suite* (New York: McGraw-Hill, 1971).

<sup>8</sup> McAllister, "Affect- and Cognition-Based Trust as Foundations for Interpersonal Cooperation in Organizations."

<sup>9</sup> Gabarro, "The Development of Trust Influence and Expectations."

<sup>10</sup> R. J. Lewicki and M. A. Stevenson, "Trust Development in Negotiation: Proposed Actions and a Research Agenda," *Business and Professional Ethics Journal* 38 (1998).

<sup>11</sup> Gabarro, "The Development of Trust Influence and Expectations."

<sup>12</sup> Lewicki and Stevenson, "Trust Development in Negotiation: Proposed Actions and a Research Agenda."

<sup>13</sup> S. L. Chaiken, "Physical Appearance and Social Influence," in *Physical Appearance, Stigma, and Social Behavior: The Ontario Symposium*, ed. C. P. Herman, M. P. Zanna, and E. T. Higgins (Mahwah, NJ: Erlbaum, 1986).

<sup>14</sup> R. A. Jones and J. W. Brehm, "Attitudinal Effects of Communicator Attractiveness When One Chooses to Listen," *Journal of Personality and Social Psychology* 6 (1976).

<sup>15</sup> E. C. Tomlinson, B. R. Dineen, and R. J. Lewicki, "The Road to Reconciliation: Antecedents of Victim Willingness to Reconcile Following a Broken Promise," *Journal of Management* (in press).

<sup>16</sup> R. J. Lewicki and B. B. Bunker, "Trust in Relationships: A Model of Development and Decline," in *Conflict, Cooperation, and Justice: Essays Inspired by the Work of Morton Deutsch*, ed. B. B. Bunker and J. Z. Rubin (San Francisco: Jossey-Bass, 1995).

<sup>17</sup> J. A. Courtright et al., "Interaction Dynamics of Relational Negotiation: Reconciliation Versus Termination of Distressed Relationships," *Western Journal of Speech Communication* 54 (1998), J. M. Gottman, *Marital Interaction: Experimental Investigations* (Orlando, FL: Academic Press, 1979), L. L. Putnam and T. S. Jones, "Reciprocity in Negotiations: An Analysis of Bargaining Interaction," *Communication Monographs* 49 (1982).

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