In this overview article, we discuss the importance of trust for organizations by employing a multilevel and multidisciplinary perspective. We complement and contribute to the existing reviews by (1) considering trust not only within and between individuals and organizations, but also at the societal level, (2) bridging findings and literature from the fields of organizational, intergroup, and value research, and (3) summarizing recent research on the dynamics of trust and its development in organizations. Related to contemplating trust at various levels, we present multiple topics such as individual’s tendency to trust, employees’ trust in leaders, trust between groups with examples from organizational mergers and interethnic relations, and the relationship between trust and value research.
Introduction

Trust is essential for organizational and social functioning at large. In organizational research, trust has received notable attention: it has been seen as crucial for several facets of organizational life, such as teamwork, productivity, and employees’ job satisfaction and commitment to organizations (De Jong, Dirks, & Gillespie, 2016; Dirks & Ferrin, 2001; Kramer, 1999; Mayer, Davis, & Schoorman, 1995; Schoorman et al., 2007). While trust has been defined in numerous ways (e.g., McEvily & Tortoriello, 2011; Rousseau, Sitkin, Burt, & Camerer, 1998), we follow the organizational research tradition. Specifically, in this article by trust we refer to the willingness to hand over control in situations involving dependency and a degree of risk and readiness to be vulnerable to the actions of others (e.g., Mayer et al., 1995; Kramer, 1999).

Importantly, trust emerges within and between employees, teams, and organizations. Thus, it is essential to acknowledge and examine its potentially different functions at different levels of organizations (see Fulmer & Gelfand, 2012). Seppälä, Olakivi, and Pirttilä-Backman (2012) have conducted a thorough review of trust research utilizing the four levels of analysis by Willem Doise (1986): intraindividual, interindividual, intergroup, and societal. Such an approach has enabled the authors not only to systematize diverse trust research but also to show the complexity of this phenomenon that characterizes every sphere of our social life.

In this article, we acknowledge the need for a multilevel analysis of trust when focusing on trust in organizational contexts. By this, our overview complements and contributes to existing reviews of trust research in the following three ways. First, we aim to bridge the most recent research on trust in various different fields of research: organizational, intergroup relations and value research. We believe that communication between these relatively separately developing research traditions is beneficial for achieving a more comprehensive and overarching understanding of trust. Second, by discussing and elaborating the implications of trust at the societal level, we go beyond existing reviews of organizational trust, which have typically examined trust only within or between individuals and organizations. Third, we conclude this article by presenting an overview of recent literature and research on the dynamics of trust and its development in organizations as these topics represent the most recent and methodologically sophisticated research lines in this field. Notably, our aim is not to give a comprehensive account of this vast and very active area of research (see e.g., De Jong et al., 2016; Fulmer & Gelfand, 2012). Rather, we contribute to the organizational and social psychological scientific discussion on the means to promote trust, active citizenship and socially sustainable growth of organizations and our societies.
The multilevel approach to trust in organizations

Trust as an intraindividual characteristic

To begin with, as an intraindividual level phenomenon, trust could be approached with the question “What kind of people are people who trust others?” Are they gullible, stupid and easy to deceive, as the common stereotype would suggest? On the contrary! Based on experimental research, Yamagishi (2011) goes so far as to claim that trusting people possess higher social intelligence than non-trusting ones. Using a six-item trust scale that measures the tendency to trust others, Yamagishi, Kikuchi and Kosugi (1999) showed that high scorers on this scale were more accurate in predicting other people’s (both strangers and familiar persons) experimental behavior and more vigilant in dealing with other people in socially uncertain situations.

Furthermore, the tendency to trust others is associated with greater trust especially when there is no information regarding an entity’s trustworthiness, i.e., evaluations of entity’s integrity, benevolence, and competence (e.g., Mayer et al., 1995; Rotter, 1980). In organizational contexts, it is reasonable to assume that these situations are rather uncommon (see Holtz, 2013). Thus, individuals’ general willingness to trust might not play such a significant role for trust in typical work settings. As an exception, we would argue that for example among newly recruited employees, or team members who have just been appointed a new supervisor, the intraindividual tendency to trust might be more influential for the development of trust towards unknown entities. Taken together, at this level of analysis, trust can be thus seen as a trait-type phenomenon with some of us having the tendency and also perhaps the capacity to generally trust more to others.

Trust between individuals

A vast amount of trust research in organizational contexts has focused on interindividual or interpersonal trust and its consequences (Fulmer & Gelfand, 2012). Specifically, employees’ trust in leaders (e.g., supervisors or top management) has been shown to be positively related to, for example, employees’ performance, organizational commitment, and job satisfaction (for meta-analyses, see Colquitt, Scott, & LePine, 2007; Dirks & Ferrin, 2002). In a similar vein, trust among colleagues within teams have been found to be related to team performance (for meta-analyses, see Colquitt et al., 2007; De Jong et al., 2016). Notably, trust in employees decreases transactional costs that would otherwise be spent on monitoring and controlling (e.g., Dirks & Ferrin, 2001; Kramer, 1999).

As trust has been shown to be related to numerous beneficial outcomes, the next question is how to enhance and build trust among individuals in organizations? Several meta-analytical studies support the notion that in order to increase employees’ trust towards leaders, it is vital that employees perceive that they are treated fairly (e.g., Colquitt et al., 2013; Dirks & Ferrin, 2002; Rupp, Shao, Jones, & Liao, 2014). Furthermore, leaders who are perceived to be trustworthy (i.e., are competent, care about employees’ interests rather than their own, and share common values and principles) are trusted more (for meta-analysis and reviews, see Colquitt et al., 2007; Fulmer & Gelfand, 2012).

The importance of perceived trustworthiness for interpersonal trust is also found in studies exploring behavior and trust decisions in the Prisoner’s Dilemma game.
In this well-known game, the two players could choose either a cooperation (c) or defect (d) strategy. If both choose c, both win, moderately. However, if I choose d while the other player chooses c, I win more than by choosing c in the former case. But if we both choose d, we both lose. Thus, c is the choice for a trusting person, and if both trust each other, they both will be better off — even though there is always a temptation for both to gain more by defecting and choosing d. In a classic study, Deutsch (1960) asked American students to play this game twice. First, they had to make their choice without knowing what the other player had chosen. Those who chose c were “trusting”. Second, they made their choice after learning that the other player had chosen c. Those who chose c, were “trustworthy”, those who chose d, were “untrustworthy”. Interestingly, a majority of “trusting” individuals were also “trustworthy”, and a majority of “suspicious” individuals (who chose d in the first place) were “untrustworthy”. The proportion of participants in the other two combinations was very low. Another intriguing finding from this study was that those people who score high on the F-scale measuring authoritarianism (e.g., prejudice against minorities) were both more suspicious and more untrustworthy, as assumed by Deutsch.

Importantly, many “trustworthy” behaviors must be demonstrated before a person is deemed trustworthy; but only one “untrustworthy” act can deem a person as untrustworthy (Rothbart & Park, 1986). The rational approach to trust highlights that people trust each other when they evaluate that it is in the interests of the target of trust to fulfill the expectations, i.e., to behave in a trustful way (Hardin, 2001). In other words, people estimate the probability that the target of trust will behave in a certain way in exchange for trust. Such estimations could be based on previous experiences of the behavior or reputation of the one to be trusted. When there is no information on the target of trust, the estimations are based on the general trust experienced towards unknown people (Hardin, 2001, 2002). Generalized trust is thus derived from a belief in the good intentions of other people and it is important in situations characterized by social uncertainty (Stolle, 2002; Yamagishi & Yamagishi, 1994; Yamagishi, Cook & Watabe, 1998).

**Trust between groups: trust in a collective entity**

By definition, trust in a collective entity represents the extent of trust that individual places in a collectivity that one interacts with (McEvily & Zaheer, 2006). It is thus related to the social identity, that is, the feeling of belonging to a particular social group (Tajfel, 1978). In other words, social identification is accompanied by social trust experienced toward the ingroups we belong to (Tyler, 2001). Group norms further support all aspects of the interaction between the group members including ingroup trust (Stolle, 2002). Brewer (1981) has defined such ingroup trust as depersonalized trust: there is an expectation of reciprocity between ingroup members who are evaluated as trustworthy due to the positive stereotypes attributed to the group as a whole (Tanis & Postmes, 2005). Depersonalized trust in and the expectations of reciprocal behaviors within the ingroup are also found to explain the ingroup biases (Yamagishi & Kiyonari, 2000). Trust may also be viewed as an emotion that generalizes to ingroup members more readily than to outgroup members (Brewer & Alexander, 2002).

In general, trust is less experienced toward outgroups, i.e., the groups we do not
belong to, than towards ingroups. While trust in the ingroup is based on the assumptions of loyalty of ingroup members, for the outgroup to be trusted, more clues about its members are needed (Tanis & Postmes, 2005). Outgroup trust may be thus defined as a positive bias in the processing of imperfect information about an outgroup (Yamagishi & Yamagishi, 1994) and a confident expectation of the outgroup’s behavior toward the ingroup (Lewicki, McAllister, & Bies, 1998). Outgroup trust implies the expectation that outgroup members will not exploit one’s vulnerability and the belief that outgroup will attempt to cooperate with the ingroup (Kramer & Carnevale, 2001; Rousseau et al., 1998). The trust towards the outgroup is particularly low if the outgroup threatens the ingroup’s status.

In organizational contexts, trust at the group-level can be examined within and between organizations. Within organizations, the division between “us” (ingroup) and “them” (outgroup) may exist especially in large organizations, where structures divide teams and different operational areas. These divisions can become accentuated in the context of competition or cuts, resulting in trust consequences for both downtop relations (employees — managers) and horizontal relations (different teams, sections, divisions). Trust between organizations is especially relevant in the context of organizational mergers and acquisitions (M&A’s). This so as M&A’s typically trigger comparisons between organizations and are characterized by the split to “us” and “them” (e.g., Giessner, Ullrich, & Van Dick, 2012), which endangers the building blocks for intergroup trust among the previously separate organizations. The importance of intergroup trust in M&A’s is highlighted by findings suggesting that employees’ experiences and psychological factors may play a key role for merger success (e.g., Gunkel, Schlaegel, Rossteutscher, & Wolff, 2015; Seo & Hill, 2005). Specifically, intergroup trust helps to form alliances and co-operation towards a common goal between the merging organizations (see Fulmer & Gelfand, 2012; Stahl & Sitkin, 2005).

From a social psychological perspective, the perceptions of status and dominance differences between groups, teams or merging organizations are crucial here. According to the asymmetric horizontal hostility hypothesis by White and Langer (1999; see also White, Schmitt, & Langer, 2006), low status groups tend to have negative attitudes towards other similar groups which are perceived as competitors but having a higher status. As proposed by White and colleagues, outgroup derogation emerging from horizontal hostility is driven by the need to secure a positive ingroup identity and to protect collective self-esteem. Brylka, Jasinskaja-Lahti and Mähönen (2016), have also argued that the competition and hostility between groups struggling for a higher status and recognition are better described by the concept of diagonal hostility that refers to their different distance from the majority high status group.

To prevent the diagonal hostility and to build trust between working groups/teams and merging organizations, the efforts should be made to build positive and collaborative intergroup contact experiences (for a review, see Fulmer & Gelfand, 2012). For example, it has been shown that even small-scale co-operation prior to a merger may increase interorganizational trust during the merger process (see also McCarter, Mahoney, Northcraft, 2011). Research on interethnic relations has noted, however, that occasional contacts or collaboration is not enough, as a number of positive encounters are often required for the development
of a trusting relationship. Tam, Hewstone, Kenworthy, and Cairns (2009) have conducted two studies examining the relationship between trust and intergroup relations in Northern Ireland. Their studies showed that outgroup trust was responsible for the positive impact of intergroup contact, both direct and extended, on behavioral tendencies toward the outgroup, and that outgroup trust was a stronger predictor of behavioral tendencies toward the outgroup than positive attitudes were.

Furthermore, to enhance integration and trust in challenging organizational contexts such as M&A’s, it may be helpful to direct organizational support and resources to employees from the lower status organization, which is dominated by the other merging partner (e.g., Giessner, Horton, & Humborstad, 2016). This notion emphasizes that those in power may play a key role in shaping intergroup relations among groups competing over recognition and status. The similar notion has been made in research on diagonal hostility among ethnic minority groups. In their study among Russian and Estonian immigrants in Finland, Brylka et al. (2016) showed that Russian immigrants’ positive contact experiences with majority Finns were related to their more positive attitudes towards Estonian immigrants and that more positive public collective self-esteem mediated this association. In other words, when those on top in organization or society show respect and recognition to those lower in a hierarchy, it may have a positive secondary transfer effect on the relationships between groups at all levels of organizational or societal functioning.

The concept of psychological contract offers an additional perspective related not only to interpersonal, but also intergroup trust in organizations. Psychological contract (PC) consists of individuals’ beliefs regarding the terms and conditions of an exchange agreement between themselves and their organizations (Rousseau, 1989). According to Turnley and Feldman (2000), of critical importance in the establishment of any psychological contract is the belief that a ‘promise’ (either implicit or explicit) has been made and that a ‘consideration’ has been offered in exchange for it. Psychological contract violation (PCV), in turn, has been defined as the employee’s perception that the organization has failed to fulfil one or more of its obligations as defined by the psychological contract (e.g., Robinson, Kraatz, & Rousseau, 1994; Robinson & Morrison, 1995; Robinson & Rousseau, 1994). More recently, however, Morrison and Robinson (1997) defined “psychological contract breach” as the employee’s cognition that the organization has failed to meet one or more of its obligations and psychological contract violation as the emotional or affective state that frequently follows such a perception. Organizational research has demonstrated that psychological contract violations are associated with a variety of negative outcomes including organizational mistrust. These, in turn, adversely affect job behaviors, such as increased turnover, decreased feelings of obligation to one’s employer, reduced trust and willingness to participate in organizational citizenship behaviors, and decreased work performance (cf. Robinson, 1996, Robinson, et al., 1994; Robinson & Morrison, 1995; Robinson & Rousseau, 1994; Turnley & Feldman, 2000). Sometimes, employees could perceive M&A’s as a violation of their psychological contract with the employer organization and it is crucial for merger success to rebuilt trust and re-establish psychological contract with all members of a new organization.
Trust at the societal level

Organizations do not exist in a vacuum as they are located within societies (i.e., nations). As societies largely define the environment in which organizations operate, it is reasonable to expect that trust at the societal level is a prerequisite for trust within any given organization. Thus, in the following we discuss trust at the societal-level and its significance for nation’s competitiveness.

People typically have an idea and share their understanding of how much trust is present in their environment. The simplest way to measure the level of trust in a society is to ask whether other people can be trusted. Political scientists have put forward this question to citizens from the 60s in the United States. In the mid-sixties, almost 60 percent of US citizens said that other people can be trusted but by the turn of the millennium the proportion was below 40 (Uslaner, 2002), and currently it is even lower. The European Union has followed the opinions of its population through the biannual European Social Survey (ESS) since 2002. In contrast to the clear decline in the US data, the level of trust has remained at the same level for years in many European countries, for example in Finland.

The level of trust in a society has many societal and political ramifications. The ESS data can be used to examine the interrelations of many kinds of social indicators. One interesting finding on the link between trust and economic competitiveness came, almost unintentionally, from a study by Helkama and Seppälä (2004). They participated in a project organized by the Finnish Jubilee Fund (SITRA) to investigate economic competitiveness from a cross-national value perspective. SITRA is an agency whose mission is to promote national competitiveness. Its economists had developed a macroeconomic indicator of structural competitiveness that turned out to predict short-term economic growth in the OECD countries in the 1980s through the early 2000s (Hämäläinen, 2003). This indicator consists of a number of factors that emphasize innovation, such as new technologies, investments in new infrastructure, new international markets and so forth. The scores and rankings of the OECD countries on this indicator varied a great deal over the 20-year period covered by the data. For instance, among 22 countries, Japan was no. 6 in the early 1980s, no. 1 in the early 1990s but no. 13 in 2000. Finland’s rankings were 9, 14, and 2, respectively.

Relying on all cross-cultural value typologies, Helkama and Seppälä (2004) tested several plausible hypotheses on the values — structural competitiveness link in the OECD countries for the five time points between 1980 and 2000 for which they had indicator data. They found nothing. Almost in desperation, they turned to trust, and — eureka! — it worked. For the ESS data in 2002, the correlation (rho) with the competitiveness index of the late 1990s (for the 14 countries that had available data) was as high as .85, but the main point is that the correlations for all five times were higher than .60. Thus, while the competitiveness index showed a fair degree of fluctuation with time, the level of interpersonal trust was able to predict it. The level of trust, in turn, has been fairly stable in Europe, as the later rounds of the ESS have shown. Essentially the same finding was made when instead of trust, social capital (trust + membership in associations) was used in a slightly different set of OECD countries, including US and Canada (Helkama & Seppälä, 2004).

It should be added that it was interpersonal trust that predicted economic competitiveness. Trust in institutions was not systematically and significantly related to
it, even though people who trust other people also tend to trust police and parliament and other institutions. Because the European target countries in this study were a rather homogeneous group in terms of values, it is possible that interpersonal trust turned out to be a differentiating factor for economic competitiveness. Trust was higher in low power distance countries where hierarchies are weaker \((r=0.85)\). Power distance has been found to predict trust also in a larger set of countries (Hofstede 2001). However, power distance was not associated with economic competitiveness in the Helkama and Seppälä (2004) study.

**Dynamics of Trust**

In addition to examining trust at different levels, in recent organizational literature the development and dynamic aspects of trust are receiving growing attention. In contexts characterized by lack of information regarding the target of trust, individuals seek alternative and indirect information on which to base their decisions of trust. Specifically, for the development of trust in new relationships, cognitive (e.g., social categorization) and institutional (e.g., organizational structures) trust cues may play a prominent role (McKnight, Cummings, & Chervany, 1998). As an example, a recent study by van der Werff and Buckley (2017) found that newly employed participants used multiple sources of information, such as trustworthiness of an entity’s professional category, for forming trustworthiness evaluations. In addition, the authors found that group identification (see Mael & Ashforth, 1992) was related to intentions to trust co-workers. Regarding the importance of trust formation, Smith, Gillespie, Callan, Fitzsimmons, and Paulsen (2017) found that among new staff, increases in organizational trustworthiness was related to increases in newcomers’ self-efficacy.

Furthermore, trust is expected to “trickle” between different hierarchical levels in organizations. As an example of a top-down process, Shamir and Lapidot (2003) found that employees’ trust in a leader was partly based on the trust in the organization. Recently, building on the notion that perceptions of a more familiar entity may transfer to similar but less familiar one, Fulmer and Ostroff (2017) found that trust can also trickle-up. Specifically, the authors found that employees’ trust in the direct leader was positively associated with trust the in top leader. Notably, both one-directional processes align with the convergence model by Sluss and Ashforth (2008), which suggests that generalization of perceptions and evaluations occurs especially across entities that share similarities and are structurally tied to each other.

While conventionally trust is perceived to build gradually over time as experiences of interaction accumulate, recent work suggests that initial evaluations of trustworthiness are formed quickly, in a manner of seconds (see Holtz, 2013). Here the argument builds on the notion that ability to infer other’s intentions and characteristics as quickly as possible is highly important evolved cognitive ability (see Todorov, 2011). Building on this notion, Holtz (2013) argued that as trustworthiness perceptions are formed rapidly, and as humans have a fundamental tendency to seek information consistent with their current beliefs, initial trustworthiness perceptions may prime how we perceive an entity’s behavior. That is, the more trustworthy we perceive someone to be, the more positively we evaluate their actions. This notion has received support as trustworthiness evalu-
ations have been found to positively influence perceptions of fair treatment in the laboratory (Holtz, 2015) and field settings during an organizational merger (Kaltiainen, Lipponen, & Holtz, 2017). Thus, models that treat trust solely as an outcome that develops slowly through favorable exchange interactions, may not fully capture the dynamics of trust and trustworthiness perceptions.

**Conclusions**

In this article, we have drawn together literature examining trust at four different levels: within an individual, between individuals and groups, and at a societal level. While our focus has been on organizational trust research, we have aimed to achieve a more comprehensive picture of trust research by drawing parallels with research originating from fields of intergroup relations and value research. Specifically, we believe that findings from non-organizational contexts provide beneficial evidence for enhancing trust in organizational contexts as well. As an example, to build trust between merging organizations, practitioners of evidence-based management would benefit from acknowledging the findings from interethnic relations that emphasize the importance of frequent contacts and collaboration between groups. Furthermore, in this article we have provided a summary of most recent developments in organizational trust research that have shed light on the development of trust in various situations (e.g., towards unknown entities) and its dynamic nature.

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Доверие в организациях — организационная, внутригрупповая и ценностная перспектива

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В этой обзорной статье обсуждается проблема доверия в организациях на разных уровнях и с точки зрения представителей разных областей знания. Статья дополняет и расширяет уже существующие обзоры, поскольку в ней: 1) доверие рассматривается не только между индивидами и организациями, но и на уровне общества в целом; 2) объединяются результаты организационных, межгрупповых и ценностных исследований; 3) резюмируются последние исследования динамики доверия и его развития в организациях. Помимо феномена доверия на разных уровнях анализируются такие темы, как склонность индивида к доверию, доверие подчиненных к начальству, межгрупповое доверие с примерами слияния организаций и межэтнических взаимоотношений, а также взаимодействие между доверием и экономической конкурентоспособностью общества. В заключение обобщаются материалы недавних исследований по организационной психологии, посвященные развитию доверия, переносу доверия на разные уровни управления и реципрокности в представлениях работников о существующем доверии и справедливости. Этой статьей авторы надеются внести свой вклад в продвижение идеи доверия, активной гражданской позиции в социально-устойчивый рост организаций и наших обществ.

Ключевые слова: доверие, организации, многоуровневый, междисциплинарный.

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