The Role and Perception of

Organizational Trust

- a Case Study -

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Abstract

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Background and discussion of the problem: Over the last decade, a jumble of corporate scandals has occurred. Though they derive from different backgrounds, it can be argued that they have one common factor; violations of trust. Given this, trust plays an important role in today's organizations and earlier research has shown that it in many cases is found to be a strong connection between trust and control. The finance sector is explained as a typical arena where trust is open to abuse, and considering it's low trustworthiness in general, it is highly relevant and it is a topic of current interest to further investigate trust in this context.

Question: How is trust experienced and what role does it have in a large Swedish company operating in the finance sector?

Purpose: The purpose of this essay is to study the phenomenon trust and how individuals at different managing positions in one large Swedish company operating in the finance sector, perceives trust. The key area is to present previous research about trust in order to give an overall picture of this multidimensional term. Further, focus will be to link the theories and models to individuals working in the organization and their view on trust.

Limitations: The essay is a case study and the results and conclusions will by no certainty be applicable on all companies operating in the finance sector. Further, the data collected is restricted to information from five individuals working at the head office at the case company.

Method: This is a qualitative and descriptive case study with a hermeneutic approach. Secondary data in forms of books and articles have been used in the theoretical framework. The empirics are based on primary data collected from interviews with five respondents working at the case company.

Results: The overall perception of trust in the case company is found to be high and trust has an important role. Control systems are rarely used since the organization is mostly managed by trust where openness, participation and engagement are argued to be key words. Some areas for improvement were found, including openness, communication and effectiveness in the decision-process. In addition, it is shown that a too high level of trust can exist. Finally, the authors found two new components (responsiveness and stress) that can be added when measuring trust. They have been put together with five components (competence, common values, concern, consistency and openness) from earlier research, and form a new model for measuring trust.

Table of Contents

1. Introduction

> *"Trust rarely occupies the four ground of conscious awareness. We are no more likely to ask ourselves how trusting we are, at any given moment, then to inquire if gravity is still keeping the planets in orbit."*
> - Doris Brothers in Kramer 2009

1.1 Background

Since we took the step into the new millennium a jumble of corporate scandals have occurred and a major part of these have derived from lack of internal and/or external trust within organizations (Ball 2008, p 1). One might believe that a high level of internal trust is a condition for external trust to exist, and the following question would be how this internal trust can be recognized and measured.

In the beginning of the new millennium the United States and also much of the world were shaken and surprised by the disclosure of the energy company Enron (Merchant & Van der Stede 2007, p 578). It was a revelation of how the company, with top-management at the forefront, had violated several business laws and embellished their figures (Ball 2008, p 37-38). Shortly thereafter a similar scandal was revealed, this time about the American telecommunication giant WorldCom (Ball 2008, p 38-39). Together with a few resembling cases, this lead the way to stricter business laws and the introduction of higher levels of internal control, like the Sarbanes Oxley Act (Merchant & Van der Stede 2007, p 578). This phenomenon could also be recognized in Sweden at the same time, such as the bonus scandal at the insurance company Skandia (Olsson 2003) and the insider trading at the bank Carnegie (Carnegieskandalen 2008). The scandals above derive from different backgrounds such as fraud (Ball 2008, p 37-38), excessive bonuses (Olsson 2003) and insider trade (Carnegieskandalen 2008). However, it can be assumed that they have one common factor; violations of trust (Kramer 2009, p 2). The reasons for this to occur can be many. In several of the above-mentioned cases, it appears that the organizations have trusted the employees and managers to a large extent while neglecting the need of control systems. When management control failures occur in cases based on attempts to manage without secure foundations and employees that cannot manage the trust given, less monitoring can be devastating (Merchant & Van der Stede 2007, p 3).

For many years companies have focused on formal control systems to monitor their employees, reach their goals and to avoid distrustful behaviour among employees (Merchant & Van der Stede 2007, p 7). Due to the events of recent years, the importance of formal control systems as well as informal control systems has grown bigger (Merchant & Van der Stede 2007, p 578). Within the management control systems one can imagine that the role of trust between managers and employees is an important factor. Earlier research has looked into the correlation between trust and control and has shown that there in many cases is found to be a strong connection between these two factors (Dekker 2003, p 46, McAllister 1995, p 24). It has also been shown that there is a correlation between trust and effectiveness (McAllister 1995, p 24). Thus, it could be a cost-effective way for companies to reach their desired result by intentionally

and consistently integrate trust as a part of their management control systems (Barney, Hansen 1994).

1.2 Problem Discussion

Given the historical financial scandals and the relation between trust, control and efficiency - trust seems to play a key role in organizations. The importance of trust is discussed in Kramer's article (2009, p 1) where he argues that trust is essential for business and economic success. Further, Kramer (2009) analyzes how people sometimes trust too easily and refers specifically to the finance sector as a typical arena where trust is open to abuse. In the "Trust Barometer 2012" (Edelman Trust Barometer 2012), the external level of trust in the most common industry sectors are compared and the finance sector is placed lowest. Hence, trust or the lack of trust in the finance sector is highly relevant and a topic of current interest to further investigate.

Whether there is a positive connection between internal and external trust is yet not to be said, though a possible thought can be that internal trust is a prerequisite for external trust to exist. If this is the case, internal trust weights heavy and companies should focus on building internal trust to improve external trust. Could success in this area then turn out to be a competitive advantage?

According to Kramer (2009, p 3) trust is human and most of us come in contact with trust issues in everyday life, though you do not usually reflect on it's wide spectrum of faces and it's deeper meaning. Today there are numerous definitions of trust (Dietz & Den Hartog 2006), which make it problematic to understand and grasp its true purport. A prerequisite for companies to build and sustain trust is, according to the authors of this essay, to understand the term trust, how it can be measured and what affects it. However, to possess these insights are not always obvious which is well put by Porter, Lawler and Hackman (1975, p 497):

> *"Trust ... tends to be somewhat like a combination of the weather and motherhood; it is widely talked about, and it is widely assumed to be good for organizations. When it comes to specifying just what it means in an organizational context, how- ever, vagueness creeps in."*
> - Porter, Lawler, Hackman 1975

Companies can use existing theories, models and measures in the area of trust to get a deeper understanding. Several important authors have investigated trust in an organizational context during the last couple of years and numerous measures have been developed (Dietz & Den Hartog 2006, p 557). However, because of the number of models and measurements, the authors of this thesis question if all of them are applicable and relevant to companies in the finance sector.

Trust is of different importance depending on the business sector (Edelman Trust Barometer 2012) and this essay will delve deeper in the role of trust in a company in the finance sector where trust is a crucial factor (Kramer 2009, p 1).

1.3 Research Question

How is trust experienced and what role does it have in a large Swedish company operating in the finance sector?

1.4 Purpose

The purpose of this thesis is to study the phenomenon trust and how individuals at different managing positions in a large Swedish company operating in the finance sector perceive trust.

2. Method

This thesis started with a thorough background search in order to get an insight in previous research regarding organizational trust. The knowledge that this provided, contributed in formulating a purpose and a research question. Selected previous research was summarized, and given the subject of the thesis, a qualitative approach was chosen as well as the decision to make it a case study. Interviews were held, compiled and then compared and analyzed to the theoretical framework. This resulted in a number of conclusions where the research question, the empirics and the theoretical framework were summarized.

2.1 A Case Study

For this thesis the authors decided to make a case study of how the term trust is perceived and its role in an organization. Since organizational trust is a broad term that can be explained and perceived in different ways and viewed from different angles – the authors argue that a case study is the most favourable and effective way to study the term. The purpose of a case study is to examine a part of a major process, describe it and let the case represent reality. (Ejvegård 2009, p 35) To focus on one specific part or event of a process is one of the biggest benefits with a case study in this context, since it makes it possible to truly investigate and describe the phenomenon trust in depth. This thesis was also made during a limited period of time and according to Bell (2000, p 16) a case study is particularly suitable for researchers in that position that are working on their own since it gives the possibility to deeply study a limited aspect of a problem. However, the difficulty with a case study lies in the fact that one case never fully can represent reality, which has to be taken into account when making the conclusions (Ejvegård 2009, p 35). This had to be considered during the entire work process, especially when drawing the conclusions.

2.2 A Descriptive and Qualitative Study

Several types of surveys exist in the world of research. Davidson and Patel (2003, p 17) highlights three main types of surveys; exploratory, descriptive and hypothesis testing. Throughout the process of this thesis, the authors have found that prior knowledge and research within the area of trust in organizations exists; yet there is room for further research. Hence, this thesis is a descriptive study that intends to give a detailed description of the role of trust in a certain company. Collecting, processing and analyzing data that forms the basis for the study can be done in two major approaches - quantitative or qualitative (Bell 2000, p 13). Usually, an author tends to use both approaches since they are not completely separated from each other. However, one major approach should be chosen. (Davidson, Patel 2003, p 14) For this essay the main method has been a qualitative, based on interviews. A qualitative approach aims to investigate how humans are experiencing the problem and to give an understanding rather than a statistic analysis (Bell 2000, p 13). Typically it is based on quantitative interviews and interpretive analysis (Davidson, Patel 2003, p 14). Considering the subject for this thesis - trust, its complexity and broad meaning, a qualitative study was by the authors agreed to be the most appropriate method.

2.3 Secondary Data

The work process started with collecting secondary data. This data includes literature and scientific articles from earlier research regarding organizational trust - its meaning and importance, how it can be measured and conclusions from other authors. Ejvegård (2009, p 71) argues that four main requirements must be considered when assessing the validity of a source; authentication, independence, freshness and concurrency. When collecting the secondary data, the four main criteria were taken into account and the authors find the secondary data used in this thesis to be valid since most of it is based on scientific articles.

2.3.1 Literature Overview

The theory for this essay is primarily from scientific articles found on three different databases; JStor, Google Scholar and Emerald. In addition, some articles where found in Kramer's "Trust in organization" (Kramer 2009), which is a collection of articles about organizational trust. Some authors that are referred to frequently are Dietz and Den Hartog (2006), Das and Teng (2001), McAllister (1995), Mayer et al (1995), Lewicki et al (1994, 1998) and Gillespie (2003). Finally, the books "Management Control Systems" by Merchant and Van der Stede (2007) and "Levers of Control" by Simons (1991) have been used to describe management control.

Previous research about trust will be presented in order to give an overall picture of this multidimensional term. Further, focus will be to link the theories and models to individuals working in the organization and their view on trust. Most of the previous research focuses on trust in general and therefore there is a need to link this knowledge to a real case to get a deeper understanding and to find out if there exists any gaps.

2.4 Primary data

The primary data that form the empirical data for this essay come from qualitative interviews.

2.4.1 Interviews & Respondents

The method for collecting empirical data for this essay has been through five interviews with individuals at different managing positions at a large company within the finance sector. The interviews took place on May 7th and 8th, both authors were present and all the interviews were noted and recorded. The benefits that come with interviews are flexibility, the possibility to follow up on ideas and asking supplementary questions (Bell 2000, p 199). Needless to say, interviews also come with some disadvantages, as that they are time-consuming both on the empirical level and on the process level (Ejvegård 2009, p 51). For this thesis the authors made great efforts in designing the interview questionnaire. These efforts were made to be able to examine and analyze underlying factors that the respondents did not necessarily connect to trust. To make the questions as relevant as possible and to be able to gather the right sort of information, inspiration and keystones were taken from the theoretical framework. Further, when making interviews there is a risk for bias and that the answers can be somewhat difficult to analyze (Bell 2000, p 119). Considering that trust is a broad and sometimes hard term to grasp

and that it in many ways is connected to ones personal characteristics, the risk for bias was apparent. This has been an additional challenging factor in the process of writing this thesis.

According to Ejvegård (2009, p 54), an interviewer should strive for a neutral and objective attitude, which the authors have sought to bear in mind when preparing and conducting the interviews. The interviews were held separately and anonymous to be able to get as full and honest answers as possible. Davidson and Patel (2003, p 71-72) argue that an interview can take different forms according to its structure and standardization. If the interview has a high level of structure it leaves little room for the respondent to give his/her answer within and if the interview has a high level of standardization the questions are given in the exact same order to all the respondents (Davidson, Patel 2003, p 71-72). Regardless of how the interview is organized it is of great importance to give the respondent a certain amount of freedom to provide his/her answers and at the same time have some form of structure continuously throughout the interview (Bell 2000, p 122). Given the subject of this essay, the authors found it essential to hold the interviews on a relatively low level of structure in order to receive the most fruitful answers and to be able to highlight some of the underlying factors that are connected to trust.

2.5 Scientific Approach

Throughout the ages, different ways of understanding and perceiving the human, the world, the philosophy, the science and the knowledge have been developed. Two approaches that are each others opposites can be described as fundamental to the scientific way of thinking – positivism and hermeneutics. (Davidson, Patel 2003, p 26-28) Positivism is based on objectivity and the assumption that the knowledge generated through research can be positive and stimulating for the human if it is grounded on observations that are logic and possible to test (Davidson, Patel 2003, p 26-28). Hermeneutics is normally built on a general way to think and rarely on theories or models. Since this thesis addresses trust, how it is perceived and its role, the hermeneutics approach was chosen. The main difference between the two approaches is that positivism's primary purpose is to explain phenomena, whilst hermeneutics primary purpose is to understand phenomena by interpreting language and actions. (Davidson, Patel 2003, p 28-31) Hence, this thesis is based on the hermeneutics approach where the collected data and information has been used to understand, interpret and explain the phenomena trust.

2.6 Reliability & Credibility

When researching in a scientific purpose it is vital to critically examine the collected information to determine if it is valid and reliable (Bell 2000, p 89). If these requirements are not met, the research results will not possess scientific value (Ejvegård 2009, p 77). Reliability measures to what extent an instrument or procedure will give the same results in different situations when all other factors are equal (Bell 2000, p 89). It is often the researcher self that designs the measuring devices and the risk for it to turn unreliable is imminent (Ejvegård 2009, p 78). In this essay the authors have designed the interview questionnaire themselves. In order

to maintain a high degree of reliability throughout the primary data, the questions have been inspired by earlier interview questionnaires used in scientific studies on this topic. Validity is a measurement of whether a question actually measures what the researcher intends to measure (Ejvegård 2009, p 80). In the aim to concretize trust and find out what it entails, the questions have been formed in a way to highlight the underlying factors. Regarding the complexity of the subject, the authors believe that this will give a high level of validity throughout the thesis.

2.7 Limitations & Weaknesses

In order to fully understand the purpose of this essay and to be able to analyze it further it is important to be aware of certain limitations. The essay is a case study focusing on one large company [1] (Årsredovisningslagen, 1 kap. 3 paragraf) that operates in the finance sector in Sweden. Since only one company is studied, the results and conclusions of this thesis will by no certainty be applicable on all companies operating in the finance sector. Further, the data collected is restricted to information from five individuals working at the head office at the case company. Regarding the short time dimension of the thesis, more than five people could not be interviewed. The results of the study would certainly be more reliable if more people from the company could be interviewed. Thus, the time aspect has had a negative impact on the reliability of the thesis.

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[1] A large company is defined as a company that over the last two years has had over 50 employees, total assets of more than 40 million Swedish crowns or a net turnover of more than 80 million Swedish crowns.

3. Theoretical Framework

In the theoretical framework, earlier research in the area of trust in an organizational context will be presented. First, the importance of trust is highlighted to get a deeper insight in the term trust and why it matters. The following paragraph identifies several common definitions of trust in the attempt to illustrate the complexity and true meaning of trust. Thereafter, definitions of management control and its main purposes will be presented in the aim to later connect it to organizational trust. In order to understand how trust is perceived at different levels in an organization and how employees' and managers' views differ, the next section presents research of trust in this context. When trust is broken there is a risk that it turns out in distrust, which is the subject of the next paragraph in the theoretical framework. Finally, several existing theories on possible ways to measure trust are presented.

3.1 The Importance of Trust

> *"For the past two decades, trust has been touted as the all-powerful lubricant that keeps the economic wheels turning and greases the right connections—all to our collective benefit"*
> - Kramer 2009

Trust, according to Kipnis (1994, p 41), derives from our dependency on other people. Since we have needs that require the services of other individuals, we must process the term trust and what it includes (Kipnis 1994, p 41). Until today there have been several scholars that have argued for the importance of interpersonal trust relationships for sustaining individual and/or organizational effectiveness. Researchers have found evidence that trust influences coordination and control in organizations. (McAllister 1995, p 24) To be able to work effectively in some of today's complex systems, that require inter-dependant actors to work together, it has been argued that trust between such actors is an essential factor. (McAllister 1995, p 24) Both managers and employees are daily faced with work conditions that include both uncertainty and complexity. In order to sustain the effective co-ordinated action between one another, trust or mutual confidence must be present (McAllister 1995, p 25).

Bromiley and Cumming's (1994, p 303) main argument for the importance of trust is that it can reduce transactions costs in and between organizations. The explanation lies in the fact that the level of trustworthiness is influenced and somewhat depended on opportunism. Opportunism is a function of optimal expenditures on control, monitoring, and other kinds of transactions costs. (1994, p 303) Further, Dekker (2003, p 46) argues that with trust to a partner's goodwill and capabilities present, it can highly influence the relation between the relationship's control problems and the use of control mechanisms.

3.2 Definitions of Trust

When looked up in the Swedish dictionary Nationalencyklopedien (2012, "Förtroende"), the term trust is defined as a "belief that one can rely on someone or something". This can at first glance seem to be obvious and understandable - but the truth is that a single, universal definition of trust applicable in all situations does not exist (Gillespie 2003, p 3). Earlier

research concerning trust has resulted in an ocean of concise definitions; where some of the most common are presented below.

> *"A state involving confident positive* **expectations** *about another's motives with respect to oneself in situations entailing* **risk***"*
> - Boon, Holmes 1991

> *"The willingness of a party to be* **vulnerable** *to the actions of another party based on the* **expectation** *that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party"*
> - Mayer, Davis, Schoorman 1995

> *"Trust is one party's willingness to be* **vulnerable** *to another party based on the belief that the latter party is a) competent, b) open, c) concerned and d) reliable"*
> - Mishra 1994

> *"Confident positive* **expectations** *regarding another's conduct in a context of* **risk***"*
> - Lewicki, McAllister, Bies 1998

> *"A psychological state comprising the intention to accept* **vulnerability** *[to another] based upon positive* **expectations** *of the intentions or behaviour of another"*
> - Rousseau, Sitkin, Burt, Camerer 1998

These are all different attempts of explaining and identifying trust. However, some commonalities can be drawn to better understand the concept and overall picture of the term. A set of factors appears frequently in more than one definition and a summary of the most common factors will be given to contribute to the concept. First, the term *expectation* is used in the majority of the definitions. According to Mayer et al (1995, p 712), expectations in this context implies that the person willing to trust another person (i.e. the trustee) is building his/her positive expectations based on three different factors; 1) the trustee's capacities and skills in different situations, 2) courtesy and goodwill of the trustee and 3) the trustee's desire to fulfil his or her obligations. Lewicki et al (1998, p 439) describe their use of the word expectations as a belief in another's behaviour and a willingness to act on the basis of this person's behaviour. Because the majority of the most common definitions have chosen to use the word expectations as a central part of their explanation, a conclusion can be drawn that trust - at least in contexts of research and theory - is based on expectations of others' behaviour.

Second, some of the authors behind recent research in the subject refer to *vulnerability* as an important component in the definition of trust. Kramer et al (1995, p 170) argue that trust in this case is referred to as an expectation that the trustee will not take advantage of the vulnerability of the trustor. In his book, he defines vulnerability as goods or things that a person values high and that partially or fully can be affected by another person's acts (Kramer, Meyerson & Weick 1994, p 170). Vulnerability is of central importance according to Gillespie (2003, p 3-4) who underlines that a difference must be drawn between subjective and objective vulnerability. In an objective view, one situation can be estimated to have the same impact on vulnerability no matter the people involved. Subjective vulnerability, on the other hand, differs

from objective vulnerability since it involves earlier experiences of trust by the people involved. (Gillespie 2003, p 3-4)

Connected to vulnerability, a third factor common in the definitions of trust can be found; *risk*. To be willing to be vulnerable to the trustee could in other words be described as taking a risk that the trustee will take advantage of the trustor's vulnerability in a negative way (Biljsma-Frankema & Costa 2003, p 5).

In 1994, Mishra (1994, p 265) presented a definition on trust in Kramer's Trust in Organizations, based on the earlier, common notions expectations and vulnerability. She argue that trust is, as earlier researchers also consider, a willingness to be vulnerability to another party. What distinguishes her definition from others' is that four dimensions are presented to address where the desire to trust emerges; competence, openness, concern and reliability. (Mishra 1994, p 265)

In addition to expectations, vulnerability and risk - uncertainty has been given a central part in describing trust from the definitions presented above. When uncertainty about intentions, values, interests and behaviour of others are high, the more difficult it becomes to trust (McEvily, Perrone & Zaheer 2003, p 92). A person who has made the decision to trust another person is faced with a judgement about whether the trustee will act favourable or unfavourable (Kramer, Meyerson & Weick 1994, p 176). Obviously, this judgement will include some amount of uncertainty.

3.3 Definitions of Management Control

Management control is a wide term that can be defined in many different ways. Merchant and Van der Stede (2007, p 5) define it as "*Management control, then, includes all the devices or systems managers use to ensure that the behaviours and decisions of their employees are consistent with the organizations objectives and strategies*". Another way to define management control is how Simons (1995, p 5) does it; "*Management control systems are the formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities*". Common in both these definitions is that the main purpose with management control is to find ways to get the employees to work in the same direction as the organization's strategies and goals. Biljsma-Frankema and Costa (2005, p 6) claim that management control can be divided into two main parts; formal control and informal control. Formal control systems consist of rules, procedures and policies whose main functions are to monitor and reward desirable performance. Informal control systems, on the other hand, are organizational norms, values and cultures that are used to encourage and motivate the employees. (Biljsma-Frankema & Costa 2005, p 6).

3.4 Trust and Control - Substitutes or Complements?

A variety of research on the relation between trust and control has been made during recent years, though there is not yet any consistent empirical evidences that explains the relation correctly (Biljsma-Frankem &, Costa 2005, p 6-7). According to Biljsma-Frankema and Costa

(2005, p 6), there are two main perspectives on the issue; that trust and control are either substitutes or complements.

Seen as substitutes, a low level of trust would demand a high level of control and vice versa. The arguments behind this approach are that a high level of trust would automatically imply that less money would be spent on monitoring and control systems because trust reinforces cooperation and information sharing while reducing the uncertainty. (Biljsma-Frankema & Costa p 6). Biljsma-Frankema and Costa (2005) also refer to Costa's study from 2003 where she found that among individuals in work teams, trust was positively related to cooperation-behaviour and negatively related to monitoring-behaviour. This suggests that the two are substitutes and cannot co-exist in equal sense. (Biljsma-Frankema & Costa 2005, p 7)

The perspective where trust and control are seen as complements assumes that they support and reinforce each other (Biljsma-Frankema & Costa 2005, p 7). It is argued that a proper use of control mechanisms with a steady base of common goals and rules can help the employees in their judgement of another's trustworthiness. By providing employees with this steady base, it increases the predictability of behaviour and actions (Biljsma-Frankema & Costa, 2005, p 7), which in turn is claimed to have a positive impact on trust (Dietz & Den Hartog 2006).

Das and Teng (2001, p 263) suggest that the relation between trust and control depends on the form of control that is used most frequently. If control is primarily used for monitoring and measuring, with formal control systems such as rules and objectives, trust and control are stated as substitutes. Informal control systems, on the other hand, increase the use of common norms and objectives, which contributes to mutual understanding among employees. The use of such control is argued to have a positive impact on trust, why they are seen as complements. (Das & Teng 2001, p 263)

3.5 Different Forms and Stages of Trust

Different authors have suggested different forms and stages of trust and how it develops during time in a relationship. Shapiro, Sheppard and Cheraskin have according to Lewicki and Bunker (1994, p 119-120) designed one theory on how a new relationship with two individuals develops. The first stage is the *deterrence-based trust*. This form is based on the fact that individuals will act and behave in ways depending on what the future consequences of that behaviour will be. In other words, people will act in a certain way fearing what will happen if they do not, thus they are afraid of the possible punishments that are at risk. Lewicki and Bunker (1994, p 120) share this view with the addition that they call it *calculus-based trust*. Seeing that not only is the fear of punishment a factor, but also the potential risk to loose rewards from not behaving trustworthy. A reputation of being trustworthy, in other words honest, is a precious asset that all types of businesspeople would like to possess. At this stage of the relationship, trust is said to be incomplete and relatively vulnerable and one single behaviour-slip can cause major damage. (Lewicki & Bunker 1994, p 120-121)

The next form of trust is according to the authors the *knowledge-based trust* (Lewicki & Bunker 1994, p 121-122). This form is compared to "gardening", where individuals grow their knowledge about the other party through meetings, collecting of data and recording the party's

behaviour throughout the years. At this stage, trust is stronger, and the person who trusts is more likely to forgive and forget incidents where trust is temporarily broken. (Lewicki & Bunker 1994, p 121-122) There have been argued that there are several dimensions within the term knowledge-based trust. These dimensions stretches from information about the person you are expected to trust, to the ability and to with this information predict how this person will likely behave in the near future. (Lewicki & Bunker 1994, p 121)

On the other side of the spectrum from calculus-based trust, comes *identification-based trust* (Lewicki, Bunker 1994, p 122). This trust exist when two parties understand each other up to a high level, a sort of mutual understanding of what the other party needs and wants. At this stage of a relationship, one party can fully trust the other party to serve as his/her agent and protect his/her interests. In addition to that, the parties also know what is expected of them and what sort of manner they shall behave in to sustain the other's trust. (Lewicki, Bunker 1994, p 123)

Another way to separate trust into different forms is according to McAllister in Das and Teng (2001, p 255) that trust is either *cognition-based* or *affect-based*. The cognition-based trust stands for scheming and how you calculate other's behaviour, while affect-based trust is about a person's goodwill and his/her willingness to be responsible (Das & Teng 2001, p 255). Further, two relatively broad terms for trust, argued by Barber and Gabarro in Das and Teng (2001, p 256), are *competence trust* and *goodwill trust.* Competence trust is referred to as *"the expectation of technically competent role performance"*, while goodwill trust is defined as *"the expectation that some others in our social relationships have moral obligations and responsibilities to demonstrate a special concern for other's interest above their own".* (Das & Teng 2001, p 256)

Dietz and Den Hartog (2006, p 558) have in their article read-out three different parts of trust from the most-quoted definitions; trust as a belief, as a decision, and as an action. Trust as a belief is the subjective, aggregated and confident persuasion about the other party and one's relationship with him/her. This will in turn lead to the assumption that the other party's likely actions will have positive consequences for oneself. An alternative way to explain trust as a belief is an assessment of the other party's trustworthiness. (Dietz & Den Hartog 2006, p 558-560) Further, trust as a decision is when a party actually makes the decision to trust someone, which the authors define as the stage at which the belief in the others' trustworthiness is manifested (Dietz, Den Hartog 2006, p 560). Mayer et al and Rousseau et al have as claimed by Dietz and Den Hartog's article (2006, p 559) defined this decision as the "willingness to render oneself vulnerable". Finally, Dietz and Den Hartog argue that the last stage - trust as an action, is at best a likely consequence of the decision to trust (2006, p 560). Hence, it is by no certainty guaranteed that this action will occur; according to Nooteboom in Dietz and Den Hartog's article (2006, p 560) an impact from a third party can interfere with one's decision to act.

In Dietz and Den Hartog's article (2006, p 562), they discuss Lewicki and Bunker's view of trust and its stages. They argue for trust to be divided in a three-phase model; early, developing and mature and that the quality of trust depends to which stage in the progress of a relationship the parties are in (Dietz & Den Hartog 2006, p 562).

3.6 Distrust

"One gambles when one has much to gain but little to lose and one trusts when one has much to lose or little to gain" (Deutsch 1960, p 124)

As the term trust has many definitions, so has the term distrust. Lewicki et al (1998, p 444) use the phrase "confident negative expectations regarding another's conduct" and in their article (Lewicki, McAllister & Bies 1998, p 444) they also refer to Luhmann's definition "positive expectations of injurious actions" and that distrust allows individuals to move rationally to take protection action based on these expectations. There are different ways to describe low distrust versus high distrust. Lewicki et al (1998) use the terms no fear, absence of scepticism, absence of cynicism, low monitoring and no vigilance to define low distrust. Furthermore they define high distrust as fear, scepticism, cynicism, wariness and watchfulness and vigilance. (Lewicki, McAllister & Bies 1998, p 445)

Whether to trust or distrust someone has part to do with your characteristics as a person (Kramer 2009, p 6-7). Kramer (2009, p 6-7) categorizes individuals in two forms, those who trust too much and to readily and those who are too mistrustful when entering new relationships. Trust and distrust are both units that exist in social relationships in all social systems and there is always a decision one individual has to make whether to trust another individual or not (Lewicki, McAllister & Bies 1998, p 450). Kramer (2009, p 6) refers to this decision as a choice we make between trusting (i.e. opening ourselves to the prospect of abuse if we are dealing with an exploiter) and on the other hand distrusting (i.e. missing out on all the benefits if the other person happens to be honest).

When trust is broken the consequences that lead can take different forms. Bies and Tripp (1994, p 255) present several possible responses to trust violations, including revenge fantasies, doing nothing, private confrontation, identity restoration, social withdrawal, feuding and forgiveness. The authors argue that the victim (i.e. the one who gets betrayed), not the perpetrator, restores trust. This lead to the conclusion that there is power in forgiveness (Bies & Tripp 1994, p 260).

3.7 Measuring Trust

Since trust is an intangible notion that can be defined in many different ways - the process of measuring the level of trust within an organization can be a severe mission. However, some researchers have focused on discovering ways to concretize the role of trust within companies, which has resulted in a set of models, theories and measures. Some of the most famous studies are presented below and derive from Butler (1991), Mishra (1994), Mayer et al (1995), Gillespie (2003) and Dietz and Den Hartog (2006). Common for all measures that will be presented is that they consist of several main components that together form trust. Those components are assumed to have a positive connection to trust (Butler 1991, Mishra 1994, Mayer, Davis, Schoorman 1995, Gillespie 2003, Dietz & Den Hartog 2006).

Butler (1991, p 643-663) made a contribution to the evolution of measuring trust in 1991. The earlier research in the area, focusing on trust measurements, were further developed and resulted in a new model of trust. Combined with interviews with managers from different

companies, Butler (1991, p 643-663) concluded a model based on 10 conditions of trust; availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfilment and receptivity. All of those conditions are according to Butler essential to investigate to be able to measure the level of trust within an organization (Butler 1991, p 643-663).

As mentioned earlier in the theoretical framework, Mishra (1994, p 264-270) made an attempt to summarize earlier definitions of trust into a short and concise definition covering most of the important factors. Along with this, she found four critical beliefs about the trustor which should be used to define the level of trust; competence, openness, concern and reliability. All of those beliefs form a set of factors that can be used when estimating the level of trust within a company. (Mishra 1994, p 265) The first dimension, competence, is derived from the assumption that a trustee would normally seem trustworthier if he or she is known to be competent. This is also the most concrete and measurable of the four dimensions. (Mishra 1994, p 266). Openness (also referred to as honesty) is a central part of trust because it reduces the risk of undesirable behaviour (Mishra 1994, p 266). However, in excess of a certain level, openness and honesty can in some situations lead to a negative impact, if too many details are revealed (Mishra 1994, p 267). Concern is the third dimension of trust and is stated as the importance that the trustee cares and feels responsible for the interest and welfare of the trustor. Naturally, the trustee has self-interests that also must be fulfilled, and the term concern in this context aims to find a balance between the interests of the trustor and the trustee. (Mishra 1994, p 267) The fourth and final dimension of trust according to Mishra (1994, p 268) is the one of reliability, which is referred to as the consistence between words and actions. She claims that inconsistency between words and actions is noticed quickly and has a large impact on the trustworthiness of a person. (Mishra 1994, p 268) Together, these four beliefs set the level of trust to another person (Mishra 1994, p 269).

In 1995, Mayer et al (1995, p 709-734) presented a model of trust in organizational relationships that according to the authors covered most of the conditions estimated by Butler (1991) and Mishra (1994). The model focuses on the relationship between one trustor and one trustee, and not at the organization as a whole. (Mayer, Davis & Schoorman 1995, p 709-734) They claim that the level of trust within a work-related relationship depends on two basic factors; the trustor's propensity to trust and the level of ability, benevolence and integrity of the trustee (Mayer, David & Schoorman 1995, p 711-715). Ability includes the competence, skills and other capabilities of the trustee that affect the probability that he/she can perform in a desired manner. To what extent the trustor believes the trustee to act with loyalty and kindness is referred to as benevolence. Finally, integrity implies that the trustee should behave and act within certain frames and principles that the trustor find tolerable. (Mayer, Davis & Schoorman 1995, p 717-720) The authors argue that those three factors of the trustee together will affect the level of trust within the relationship. In it's simplest form, they maintain that a high level of propensity to trust by the trustor and a high level of the three factors of the trustee will result in a trustworthy relationship. (Mayer, Davis & Schoorman 1995, p 720-724)

In his article "Measuring Trust in work relationship", Gillespie (2003) criticises the earlier discussed authors and their attempts to measure trust. He argues that those studies are based on conditions and factors only describing the trustworthiness of a person, and that they do not take into account the great importance of risk, interdependence and vulnerability (Gillespie 2003, p

5). Gillespie (2003, p 6) also claims that it is not substantial to measure the trustworthiness of a person - instead the trust behaviour should be examined. By using Mayer et al's (1995) model from 1995 together with Zand's (1972) model from 1972 as a basic ground for his research - Gillespie developed a new framework and measurement of trust named Behavioural Trust Inventory (BTI) (Gillespie 2003, p 5). The aim with this measure was to include the impact of vulnerability and trust behaviour in the measurement. BTI consists of ten variables: reliance, disclosure, trustworthiness, task interdependence, risk in the relationship, common values, common goals, satisfaction with performance, relationship effectiveness, disposition to trust and overall trust. (Gillespie 2003, p 5) Reliance is referred to as to what extent the trustor feels that he/she can rely on the skills, judgements and actions of another party. Disclosure relates to information sharing of sensitive information considering work or private life. (Gillespie, 2003) Whether a person is perceived as credible, affects the decision to actually trust the person, which is linked to the component trustworthiness (Gillespie 2003, p 13). The component task interdependence examines whether tasks are mutually interconnected (Gillespie 2003, p 13) while risk in the relationship investigates to what extent a lack of trust in a certain relationship would lead to difficulties (Gillespie 2003, p 20). The perception that employees in an organization work in the same direction is assumed to have a positive impact on trust, which is measured by the components common values and common goals (Gillespie 2003, p 14). Relationship effectiveness measures the willingness to engage in trustworthy behaviour (Gillespie 2003, p 15), and disposition to trust is a measure of the probability to trust another person in an early stage of the relationship when there is a lack of information (Gillespie 2003, 16). Finally, the component overall trust measures the general perception of another's trustworthiness (Gillespie 2003, p 20).

A general overview mapping 14 different measures of trust developed between 1995 and 2004 was made in 2006 by Dietz and Den Hartog (2006, p 566). Of all components that make up trust that could be found, they chose to highlight benevolence, integrity, ability and predictability as the most salient and essential ones for measuring trust. Moreover, they observed that the grounds behind the judgements of the trustee could be divided into two parts; personal characteristics and past behaviour. The area where trust will take place also influences the judgement. A trustor may trust one person in a specific area whilst he/she would never trust the same person in another. (Dietz & Den Hartog 2006, p 571-572)

The aim with Dietz and Den Hartog's (2006) overview, in addition to the basic purpose to serve as a summary, was to recognize and illustrate possible gaps in the earlier research for further research. The authors found four main areas that were inadequate. First, the majority of the existing measures are focusing on the belief of the trustworthiness of the trustee. They argue that it is not only the belief of the trustworthiness that is important, but that "the decision to trust" and "the intention to act" are of as great importance. (Dietz & Den Hartog 2006, p 559-560) Second, integrity and benevolence are given much attention whilst competence and predictability are ported in the shade (Dietz & Den Hartog 2006, p 571-572). Dietz and Den Hartog believe that the use of components in a survey should depend on the situation. They support this argument by underlining the fact that earlier research has found that the grade of trust differs between situations and levels in a company - and therefore should also the importance of the components vary. (Dietz & Den Hartog 2006, p 571-572) Third, the level of trust is depending on the nature of the relationship between the trustor and the trustee. Since

one person is usually engaged in several relationships simultaneously, a distinction should be made between each of them. Finally, it was noted that further research regarding external influences on trust relationships is required. (Dietz & Den Hartog 2006, p 572)

4. Empirics

The empirical work in this essay is based on five interviews with individuals at different levels of managing positions, working at the head office. The respondents have positions at four different levels in the company, which is illustrated in figure 1. At the time of writing, the company is undergoing an extensive reorganization that in the empirics will be referred to as "the transformation". The company name is held anonymous and so are the names of the respondents. In the empirics, the respondents will be referred to as respondent A, B, C, D and E, which are also illustrated in figure 1.

In appendix 1 the interview questionnaire can be found and the empirics follow the order of these questions. A major part of the questions is not directly connected to trust but to underlying factors that in the analysis will be connected to trust as it is defined in the theoretical framework. This makes the empirics focus on the respondents own thoughts and perceptions to the questions and the direct link to trust will be resumed in the next chapters of the thesis. To make the empirics as comprehensive as possible, the answers are summarized into eight key areas; "The General View of Trust", "Fellowship and Well Being", "Future Involvement and Transparency", "Responsiveness and Information Sharing", "Mistakes and Monitoring", "Effectiveness, Capacity and Engagement" and "Fairness and Consistency".

Figure 1.
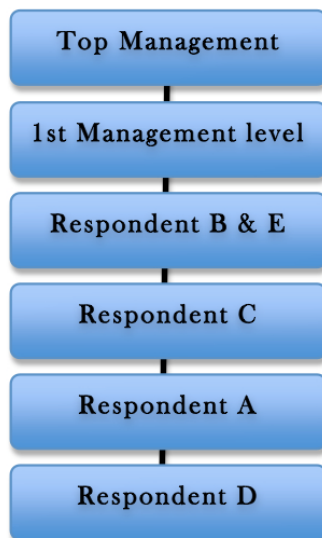
4.1 The General View of Trust (Question 1 - 4)

When the respondents were asked what trust implies to them, the answers given were quite similar. The word trust is extremely loaded, it is a keystone, it is incredibly important, it is about confident and it is crucial for an organization. Respondent B argues that trust is about trusting the individuals in an organization before distrusting them. Respondent A claims that trust is about trusting each other, both your managers and your employees - and on a higher level it implies how you trust your company and what it stands for. Further, A states that since the company is in the finance sector, the colleagues' value exist in their heads and that you must have great confidence for one another's competence. Trust is not something that automatically

exists; it is something that you have to deserve. During the interview it was mentioned by respondent E, that best prospects for trust to exist in an organization, is when all the employees have a common picture of what to prioritize and what to expect in the future. When the general question of trust and what it means was asked, several of the respondents came in on the subject of leadership and the importance of trust in that area. Respondent C claims that trust is key in leadership and that you get the amount of trust that you deserve, while respondent A emphasizes the importance of trusting your manager to not pass on sensitive information. Respondent B argues that from a management perspective, you can choose whether to lead with trust or not. If you believe that your employees will fail, you ought to lead with deadlines etc and on the other hand, if you have great trust you can lead without control.

During the interviews, the conversations also came into the subject of internal versus external trust. Respondent D addresses the fact that the company operates within the finance sector and that their customers mostly do not possess all the required knowledge for their products. This makes the customers' trust to the company and the employees even more important when they are to give advice about their products. Further, the issue whether internal trust is a condition for external trust to exist, the respondents have different views. Both respondent A and D argue that if you do not have internal trust, external trust cannot exist. However, respondent B claims that it might be the other way around. When people trust too much inside an organization it can lead to failure with the external trust, which has happened several times in history.

Further, the authors wanted to investigate whether or not you can make a difference between private trust and trust in the workplace. Three of the respondents argue that you cannot separate them. They answer that you must be able to trust everyone around and if you do not act trustworthy the people around you will lose confident whether it will be in your private life or in the workplace. Respondent D claims that if you do not manage to behave trustworthy, others will not trust you; you will get bad reviews and be excluded from the group. Further, respondent D believes that you cannot shift and be two different persons, you can try but it will not be possible to manage in the long run. Respondent B shares the same view and says that you can trust people in different types of questions but if you go down to what trust is based on, it can not be separated in private and in the workplace. C claims that in the workplace you have certain frameworks and tasks to accomplish that make trust connected to a square area while in private, trust goes much broader and deeper. Though, at work, it frequently occurs that you go into questions with your employees that touch that private area regarding trust. Respondent E says that trust in the workplace is relational and performance based whereas in private it is only relational based, more emotional and on a deeper level.

The next question focuses on the general level of trust in the company and how the respondents perceive it. They all argue that the trust level is high within the organization and that it is something that has to be worked with at all times. Respondent E says that the level of trust is better today than it was a couple of years ago and that they are consciously working with values and strategies to further improve it. This view is shared with respondent C who believes that the company with regards to the industry that they belong to, which in general has a low level of trust, is working their way up but that there are still signs of damage from earlier events. Respondent A claims that a high level of trust must exist on all fronts for an organization to function, otherwise it will all fall back on monitoring and control which require resources that

could be put somewhere better. With this said, respondent A still thinks that some form of management control is necessary so that the employees know which turns to take and how to best execute their work tasks. The company must have some forms of controls considering the industry they are operating in, legally and for their customers. Respondent B argues that the level of trust in the company is very high and sometimes it is even too high. There are times when more monitoring and controls would be necessary. As to the statement if trust and control are substitutes, B thinks so and claims that they are two different ways to control. It often lays a fear in controlling too much. Further, respondent D states that in every organization there can exist individuals with questionable attitudes towards trust. People with a high desire to be acknowledged and those who want to climb the ladder in any way possible, exist even higher up in organizations. Sometimes the tools used to prevent this are poor and that is something that all companies, including this company, can work harder with. Considering the recent and still undergoing transformation, respondent E argues that the level of trust can weaken when some key factors are changed and the main thread from time to time diminishes.

When asked if the respondents trust their managers they all share the same view, their trust level is very high. Respondent A thinks that it takes a while before you can feel trust and manage trust. Trust is daily fresh and it is determined every moment, it can be one way today and another tomorrow. Respondent C claims that trust in many aspects are linked with a person's experience and competence. In the case of trust failure, respondent E argues that all parties have to be straight and honest in order to progress forward and see results. In the matter of trusting their employees the respondents share the same thoughts. Respondent B acknowledges that he/she is close with the employees and asks lots of questions. However, not because there is a lack of trust but because he/she is very interested and dedicated. This can in some people's eyes be seen as a lack of trust. A and C both trust their employees and feel that they have great confidence in them. Respondent D also trusts the employees on a high level, except a very few that have misused his/her trust in the past by solely thinking selfishly. D continues by saying that either you trust a person or not, and is fairly confident that his/her colleagues feel the same way.

4.2 Fellowship and Well Being (Question 5 - 8)

This paragraph summarizes how well the respondents feel connected to the organization and their co-workers. It highlights the level of concern that the employees have for each other, to what extent the relationships are professional or personal and how they look at integrity.

The level of connectedness that the respondents feel with their fellows, managers and the organization varies among the respondents. Respondent C believes that fundamental values and the way you see other people are shared among the employees. On the contrary, individuals are different according to type and origin. D explains how the company constantly works with values, how important it is and how you as an employee either follow these values or leave the organization. Respondent E's answer is similar - today the company works a lot with values, something they did not focused on five years ago. Respondent B states that he/she and the employees in his/her group share common values. This also applies for his/her manager and the management group. Some of these values include that they trust each other, they are very ambitious and they have fun at work. Considering the ongoing transformation, respondent A

points to the fact that new concepts creates concern and in turn also becomes a matter of trust. The company did have a very low level of trust but has through hard work managed to raise that level. Today they still have work to do regarding their values, but most of that work lies within the company, away from the customers' eyes. According to respondent C, the connectedness with his/her manager is exceptionally high and much of that comes from their openness with each other - regarding how and why they execute things in certain ways. In addition, they focus on how you feel, the amount of workload and what kind of improvements that can be made within the near future. The respondent feels that he/she always can go to his/her manager to discuss issues and the whole division's key word is participation. They have certain elements that they want the employees to stand for and perform in accordance with.

The question whether the employees and the managers care about each other's well being got some different responses. Respondent A states that it is definitely the case, the employees and managers work very tightly together and frequently ask about each other's weekends and with other small gestures show that they care. Respondent C's answer is similar and he/she states that both the employees and the managers are extremely competent and caring. Further, C believes that his/her colleagues view the situation similar. Respondent D also shares the view of caring colleagues and he/she claims that it is clearly noticeable and that they often turn into close friends. People working in the organization often disagree with employees that do not follow the values of the company which result in less close relationships with these employees. Respondent E states that the employees and managers have high concerns about the other's well being but points out that in stressful situations it can easily be forgotten and therefore it is something that everyone has to bear in mind at all times. The answer given from respondent B is that it depends on the individuals and each separate relationship. It is not in the walls of the company; actually it has nothing to do with the organization but that people are kind-hearted. This can spread as rings on water and it comes down to a warm working environment, which their division have worked hard to achieve.

The following question focuses on how professional versus personal the relationships in the company are. According to respondent D the relationships are very professional, the company is known to be competent and has a high reputation in the industry. Respondent E shares the same opinion and explains that the organization allows a high degree of openness to make personal relationships as well. The employees socialize in different clusters and situations. B believes that there are personal relationships in the company and that it is what makes people stay within the organization for a longer time. The prerequisite is, according to respondent C, that you go to work to do your job. However, to be able to do that every day and find it stimulating, you must have certain values and cornerstones to succeed. You must want to go to work, no one can persuade you to do so. Respondent A argues that the relationships today are solely work-related but that it is difficult to define what professional and personal really stand for. It is important to have an interest in the individual and at the same time be professional in the job.

Next, the question regarding integrity, it's meaning and the degree of integrity within the company, was asked. All the respondents answer that they believe that the employees within the company have high integrity. Respondent A questions what integrity implies and claims that the term can sound enclosed but that is not the way he/she sees it. It is more about standing for

your own values and living after it, consistently. Respondent E argues that it is a must considering the industry they operate in and gives examples as some doors being locked and confidentiality about the customers. He/she does not think that it affects the level of trust in the company compared to other industries since it is a condition in their industry. Respondent B thinks that the level of integrity of the employees is high but that it works well because of a warm work environment. A similar answer is given from respondent D who states that of all the many hundred employees at the company, everyone except a very few, have high integrity. Respondent C argues that he/she never experienced such a good group of people in his/her workplace earlier; they all act very professional and account for their opinions. It can sometimes lead into a lot of discussions but that is preferable to no opinions at all.

4.3 Future Involvement and Transparency (Question 9 - 12)

The following piece illustrates how well the employees are involved in the future of the company and how much of future plans that is shared from top management. In addition, it focuses on transparency, engagement and participation among the employees within the company.

The general opinion among the respondents is that future plans are being communicated to the employees to a large extent. Respondent B argues that high participation among employees is important, though it is sometimes unnecessary transparent at the company. To be open with information is claimed by respondent C to be one of the most crucial factors that affects trust in organizations. The respondent means that as information is being shared, some employees may view the information while it eludes others. The company has an overall high level of trust, which is said to derive from an improvement in their openness with information the last couple of years, but further improvements can be done. At the time of writing, the company is undergoing a major transformation that implies changes in future plans. Consequently, the employees are at the time less sure of the future than they otherwise would be. It is alleged by respondent E that top management attempts to share information as often and quickly as possible. The respondent also claims that it is of great importance for top management to inform the employees about the current situation, which phase the organization is in and the direction of the future – not just a polished and complete proposal.

When asked about the top management's transparency and their ability to be open with information, the opinions vary among the respondents. Respondent C argues that certain situations are not suitable for total openness from top management, if they do not have a clear message or purpose since it can lead to more confusion than clarification. Respondent B who means that top management can gain by keeping the employees involved in future plans and projects share this opinion, but it should not be at the expense of a loss of control. The importance lies in finding a balance between control and involvement - and to be explicit that the purpose is to gather inputs and opinions rather than to fulfil everyone's ideas. Respondent A believes that a lot of information is available for everyone through the intranet but that the general employee is not aware and/or interested in this. Trust is according to respondent C not always consistent with total transparency. The respondent argues that information should be communicated in a professional way and not too fast if there is any uncertainty. Overall, the respondents believe that the company is facing a new era and that top management conducts a

more open dialogue than before. Respondent D refers to the new key words that will permeate the business, both internally and externally; *open, simple and engaged.*

The respondents were in the next question asked whether the employees in general work for the future or mostly the present. The company has a relatively low employee turnover and the majority of the respondents agree that this strengthens the engagement among the employees. Those who work closer to the customer, for example in customer service, are according to respondent E believed to work for the present to a higher extent which is also a prerequisite for providing excellence service. This opinion is contradicted by respondent D who means that the engagement in the future increases the closer you work to the customer since you get to see the end result. Respondent C says that there is a connection between engagements in the future and to work for the present, but that employees in the company in general are very future-oriented.

When asked if the respondents would like to know exactly what their managers' intentions were at all times, the answers varied. Respondent A believes that you should only be given as much information as needed to fulfil your duties. Everyone has a role in the organisation, and as long as your colleagues have knowledge about the duties associated to your role there should not be a need for further information. Centre should instead be in trusting your colleagues and to feel confident in your position. Respondent B argues that more information than needed about your manager's intentions could be difficult to handle because it leads to an increased concern and responsibility in addition to the main duties. Moreover, the need of information varies depending on the person and his/her individual preferences. Some people can handle to know everything whilst others would do a better work with less information. The other respondents believe that they know, as much as in the current situation is possible.

4.4 Responsiveness and Information Sharing (Question 13 - 18)

This paragraph focuses on information sharing among the employees, the amount of responsiveness within the organization and how feedback is provided. Further, they were asked whether they are comfortable to let a colleague represent their work and how the communication regarding problems and negative feelings is handled.

The respondents were asked if they feel that information from colleagues or managers are being withheld from them deliberately. None of the respondents give an affirmative answer. However, some of them experience that they sometimes, in retrospect, can discover that more information would have been necessary. Respondent A points out that a difficulty in a large company is to know what information is essential for a certain person or task. Some relevant information can also be withheld unconsciously as a result of stress. According to the respondent, stressful situations can have a large impact on the level of trust. If you know that a colleague is engaged in a very stressful situation, you may consider not to trust or at least to lower the level of trust. Respondent D agrees with this opinion and feels that there is not always appropriate to share all relevant information. The information being shared may also depend on the managers' requirements for participation, as argued by respondent B. If a manager advocates participation, there will always be a sense that more information can be shared.

The following two questions focus on how demands and opinions from employees and managers are processed. Respondent B and C both agree that involvement is peculiar to the organization and that they are extremely responsive to opinions and ideas. To succeed with involvement, it is essential to work consistent with feedback even if it only means to say "no". Respondent D explains that there often is a lack of feedback from top management. The road between employees and top management is exceptionally free according to B, which means that the employees can express their questions and thoughts directly to top management. B explains that this has been a problem for top management, as they have to examine a large amount of issues. Instead, they propose that those questions and thoughts initially should be expresses to middle managers who subsequently can send the relevant issues forward to top management. Respondent E refers to the performance appraisals as an excellent forum on where the employees get the chance to explain how they feel about their position, duties and the organization.

Two questions were asked regarding how free the employees feel that they can go to their managers with problems and how honest they are with negative feelings. When the respondents or their colleagues run into problems at work, the overall picture seems to be that an open atmosphere permeates the organizations, both bottom-up and top-down. Respondent E claims that it is also an individual responsibility to flag when discrepancies or problems occur. The overall view concerning the openness about positive and negative feelings is that the organization is permeated by openness but that improvements can be done. Respondent B claims that his/her manager could be better in sharing negative feelings and giving critique, but that employees at the unit are open with both negative and positive feelings. According to C, openness within an organization is all about respect and presence. The more you get to know each other within a group, the more everyone can feel secure in sharing their feelings. Respondent D sometimes feels that there is a fear in telling exactly what every employee feels, but that most of them are honest and direct. A relatively new way to promote openness is the commentary function at the intranet where every employee has the opportunity to forward his/her feelings and opinions about ideas and projects, which according to respondent E could be used more frequently. He/she argues that they are encouraging the employees to be more active.

Finally, the respondents were asked whether they feel that their colleagues fairly can represent their role within the company. Since the company examined is a relatively large company, it is not always obvious to everyone what every employee is engaged with in their daily work. Respondent B believes that his/her employees know exactly what his/her role involves. However, B does not believe that the manager is fully aware of his/her daily work, which later on is explained as a result of their trustworthy relationship. If you do what is expected of you and if no problems occur, you probably do your things right and this is according to B the true definition of how trust is built. When it comes to represent somebody's work to others, respondent C claims that to which extent this can be trusted to occur properly depends on the knowledge and experience of the employee. An employee that has been engaged in the organization for a longer time compared to a new employee is naturally trustworthier to represent the work of a colleague. The majority of the respondents refer to the weekly and monthly letters that are written to clarify their work to their colleagues as a great tool to involve and inform others about their work. Respondent A and E explain the employees' own

responsibility to inform colleagues about duties and responsibilities as central and very important.

4.5 Mistakes and Monitoring (Question 19 - 23)

Below, some questions regarding mistakes and how they are acknowledged and handled are being discussed. In addition, questions about routine checks and whether the employees feel monitored are highlighted.

The company is according to all of the respondents a relatively forgiving organization where mistakes are handled with openness and respect. Respondent A argues that because the company operates within a knowledge industry, new paths are being discovered every day, which increases the risk of making mistakes. It is therefore a prerequisite that the company is forgiving in order to learn from mistakes and move on. Nevertheless, if employees take advantage of this and continue to make the same mistakes, their trustworthiness will be ruined. Respondent B makes a distinguish between mistakes, which are *actions* that turn out wrong, and misconduct, which is *behaviour* that turn out wrong. Misconduct is often permanent and is harder to forgive or compensate for. Mistakes, on the other hand, occur all the time and must be accepted. This organization is according to B built upon trust, which implies that it becomes difficult to be punished for mistakes because they cannot be identified effectively. If the organization on the other hand should be built upon control systems, with more stringent limits and deadlines, the mistakes would appear clearer and could be punished. Since there are no punishments when making mistakes, B believes that employees dare to tell him/her about them more frequently than they would have done if they knew that they were going to get punished. Respondent D perceives that there sometimes is a lack of punishments and that there should be more significant consequences when conscious mistakes occur.

The following question deals with acknowledgment when making mistakes. Talking behind someone's back when mistakes have been made appears to be very infrequent in the organization, an opinion shared with all of the respondents. Employees are often quick to narrate about mistakes and do not wait until they are being discovered. An advantage the company receives "free" from the industry is in respondent D's opinion that there are several mandatory security filters, which prevent mistakes from becoming too wide. Respondent B have noticed that people in the organization in general are very ambitious which have resulted in the occurrence of less mistakes. This is explained to be favourable in many situations, but that there is a risk that employees focus more on not doing wrong than doing right. Respondent E reconnects to the key words *open, simple and engaged* and explains that those three words implicitly means that every employee should dare to look at themselves with scrutinized eyes and declare when something is wrong.

Next, the respondents were asked if any routine checks are used in the company. This was claimed to be the case and they use routine checks to verify that employees perform their job properly. Respondent C explains that each year begins with the writing of assignment contracts where every employee is assigned with key performances, a description of their role and what is expected of them. Those contracts are written together with the employee and then controlled and approved by higher management. Usually the contracts are followed up once a quarter, but

when respondent C notices that focus lies in the wrong direction he/she follows up more frequently. Respondent B mentions that every business unit has monthly meetings where the employees write monthly reports that are being discussed. The primarily purpose of the meetings is to control if the unit's work is consistent with the business plan and to ensure that it is done properly. Emotions and events on a private level can have a large impact on performances, and C claims that this can require changes in the assignment contracts. Respondent D says that an employee survey is done once a year to see how the employees feel in general and how they feel about their relationship to their manager and the organization. The organization is anxious to examine the results thoroughly, but it is then up to every unit manager to continue and determine which problems that need to be addressed. Respondent A and E argue that the industry itself requires several types of routine checks. When asked if this has an impact on the overall level of trust within the organization, A believes it has a positive impact but that it is basically grounded on common sense and not the routine checks.

As a continuation to the previous question, the respondents were asked if they feel monitored in their daily work. Respondent A and D state that they do not feel monitored in a negative sense. Instead they both argue that they feel noticed by their employer. Respondent A believes that employees feel secure when being monitored, or noticed, to a certain limit. He/she also claims that monitoring is a natural part of the industry. Respondent B perceives that the organization sometimes monitors their employees too little and he/she feels that it would not hurt to be more visible. All of the respondents have a positive attitude towards the routine checks and none of them experience that they are monitored in a negative sense.

According to the numerous cases of scandals within the financial industry in recent years, the respondents were being asked if they believe that it would be possible to get away with frauds. In the short run, all of the respondents agree that this would be possible. Respondent A claims that such behaviour always will be revealed in the long run. According to D, the industry is too monitored to be able to succeed with fraud over a longer time horizon. Respondent B relates the question to laziness, and means that it is easy to get away with less effort than required because the organization is built upon trust. A minority of the employees can easily exploit this trust without being detected, which actually occurs at the company.

4.6 Effectiveness, Capacity and Engagement (Question 24 - 28)

This section touches areas regarding efficiency and capacity in the organization and among the employees. It also highlights the amount of personal sacrifices, how well the organization provides training and resources and the respondents' satisfaction with top management.

The question whether the respondents are satisfied with the overall efficiency in the organization got relatively similar answers. They all state that it is something the company can work with and improve. Respondent C argues that you can always do better by using new technology, be clearer in explaining objectives, better management, better at setting up organizational structures etc. Respondent E claims that a lot of challenges exist and it is important to be aware of the continuous work that it requires. According to respondent A, the organization is in a changing phase where they are building structures and processes. Currently they are working with the "bottom plate" and afterwards there will be a need to tighten and fix it

to be able to make things more effective. This also includes the soft part of the company, such as the employees' expectations and objectives, as well as the company's overall goals. Respondent B claims that they currently have quite unclear mandates, which means that a lot of people have to get together to be able to make certain decisions. This is something that can be made more efficient as well as the customer units, the sales departments and the development process. Respondent D says that there are a lot of possible improvements that can be made, where one big part lies in the communication to customers and to get the company's message across. Today, considering the industry, it is too complicated to understand and therefore it is something that needs work. Internal, respondent D finds that they are partially effective.

This question is about how satisfied the respondents are with the capacity of the employees. Most of their answers were positive and respondent C says that he/she never had a better group of people but at the same time, he/she believes that you can always do better, think new and perform better. Respondent D argues that there is a wide variation among the employees, some of them take on too much which raise the question; *"How are these people doing, really?".* He/she continues by saying that the critical factor might not be the workload, but rather the individuals themselves. There are things that can be improved; yet not saying that the capacity today is unsatisfactory.

Employees within the organization have been explained by all of the respondents as very engaged in their work in general. When asked if this results in the employees making personal sacrifices, the respondents agree that this occur consistently. Respondent E believes that this occurs for better or worse and that it is important to find a balance between work and the private life. Sacrifices should not override the individuals' recovery from work. Personal sacrifices are according to respondent A and D depending on how well the employees enjoy their work and the work environment. Respondent B believes that personal sacrifices are based on a personal level and that everyone works for their own benefit. Such as working overtime or answering E-mails from home is therefore driven by a willingness to perform, which in turn benefits the organization. Respondent C takes the question to another level and argues that personal sacrifices also can be addressed to the willingness to engage in your colleagues. He/she explains personal sacrifices as to be open and unpretentious, such as inviting your colleagues home for dinner, which happens frequently at his/her unit.

To the next question, regarding if the employees are provided with the right training and resources to perform their job and if that affects the level of trust for them, the respondents gave somewhat different answers. Respondent D thinks that the employees get what they need but at the same time, it is every person's responsibility to ask for more training or resources when they feel that there is a need for it. If management or co-workers did not have enough resources he/she believes that it would lower his/her trust for them. Respondent E's answer is similar, he/she also states that it is up to every employee to ask and that the company today provide the training and resources that is necessary. Because of the clear rules and routines, it is easier to cooperate and keep a high level of trust to everyone in the organization. According to respondent B, the company offers reasonably enough training but in the end it is a budgetary matter. The situation they have today is so good that he/she feels confidence, otherwise he/she would have controlled more. Also respondent B argues that the company has certain financial limits facing them and that in a perfect world you would provide more. However, due to the

high level of participation and openness, you know that everyone perform their best with what they have. When recruiting, they look at the current competence in the group and try to bring something new. Respondent A claims that they have been poor with further development due to several saving programs and that the company needs to invest more in it. Since the organization operates in a knowledge industry, it is important to invest in their resources, which are their employees. If they possess the right knowledge, their customers will trust and turn to them.

The following question focuses on how well the respondents feel that the top management perform and if they have the specialized qualifications needed for their position. Respondent B feels that it works well and so does respondent D, but adds that that they might not meet their customers enough. Respondent A states that top management possess the necessary knowledge and that the rest of the organization trusts them. However, A points out that trust is daily fresh, it has been shaky before but today it feels like they have a good base. Respondent E argues for the importance with an open dialogue and that the top management so far has been clear and lived up to expectations. Considering past events, respondent C thinks that they are on the right track and are getting more and more confidence. Though, the company can get better at recruiting new individuals that can stir the pot and bring expertise since the development progresses and customer requirements change over time.

4.7 Fairness and Consistency (Question 29 - 31)

These three questions handle whether the respondents' managers are fair and consistent in their daily work and if competition between the divisions exists.

The respondents all answer yes on the question whether they think that their managers have equal rules for everyone and if they are fair in their treatment. Respondent A thinks that his/her manager is fair but that he/she clearly can see unfair behaviour among other managers - managers that surround themselves with people that only say yes and favour them in return. Respondent A claims that what makes his/her manager so good is that he/she is straightforward, speaks his/her mind and gives feedback. In addition, A's experience is that his/her manager is available, knows his/her responsibilities and has a good business understanding, which in return creates trust and respect. Respondent E argues that his/her manager is fair but points out that all employees need different treatments and that it is a good thing. According to respondent C, his/her manager has always been fair and that he/she has never thought about whether it would be otherwise, and just that speaks for itself.

To the next question, whether the respondents consider that they are consistent in their daily work and how they respond to their colleagues, the answers were fairly similar. Respondent B claims that it is something he/she tries to achieve but at the same time, it is impossible to live up to one hundred percent. Respondent D states that he/she is very consistent and that his/her co-workers know where they have him/her and how he/she will behave. Due to the fact that the employees and respondent A have the same core values, he/she believes that it makes it easier to be consistent. At the same time, you are only human and if you have a lot to do, it is important to have a co-worker that can stop you when things go wrong. It is essential to understand and be open when you make mistakes. Respondent C argues that he/she always

tries to be consistent but he/she has a tendency to do things a little fast. When that happens, there is a risk that he/she treats a co-worker a bit hard and unfair because of the stressful situation. C's motto is to be consistent and thinks that you can always perform better. Respondent E points out that everybody has ups and downs and the important thing is to be aware of it. Too much of inconsistent behaviour can have a negative impact on the level of trust for that individual.

Whether there has been any competition between the different divisions within the company, respondent E claims that it used to at times but lately they have consciously put down a lot of work to make everyone in the organization strive for the same objectives. Respondent C feels that there is a competition every day but in a positive way. It exists a form of competitive element and for a positive outcome; it has to be based on good reasons. These good reasons are mainly that the employees compete to do the best for their customers and that if one division performs well, it can spread to other divisions and make them perform even better. The company is a big organization that can be seen as a long train and in the end it all comes down to participation and information, to be able to succeed. C continues by saying that they usually trust each other at the different divisions but that there sometimes can be problems that arise when they talk about each other instead of with each other. Respondent B believes that it occurs that the divisions compete but not as much as a competition, the problem lies in the fact that they do not always have the same interest and goals in front of them. According to respondent D, it is generally a good teamwork in the organization. However, when deficiencies occur, it is usually among individuals that mostly think about themselves and have a hard time thinking about what is best for the company. They strive to be made visible and confirmed as individuals instead of belonging to a team. Respondent A states that there sometimes is a competition between the divisions and as a result, the level of trust can be lowered. An ounce of competition is good if it is handled well, and that requires good management. It is important to be clear about what is right and wrong.

5. Analysis

The overall image in the case company appears to be that trust is highly valued and the respondents find the organization and its employees trustworthy. Participation, openness and engagement permeate the work atmosphere and it seems that the employees are generally satisfied and comfortable with the situation. However, as several of the respondents argue, no organization is perfect and the company has some deficiencies and weaknesses that need improvement. The following paragraphs are intended to identify trust and its meaning in the company. The empirics will be analyzed according to the theoretical framework and will seek to provide some conclusions about trust in this context. Further, the aim is to examine the usefulness and reliability of earlier research regarding trust when linked to reality.

5.1 How Trust is Defined in Reality

The definitions of trust examined in the theoretical framework were found to be based on some general assumptions; expectations, vulnerability, risk-taking and uncertainty (Boon & Holmes 1991, Mayer, Davis & Schoorman 1995, Mishra 1995, Lewicki, McAllister & Bies 1998, Rousseau, Sitkin, Burt & Camerer 1998). Of all the definitions of trust that are given by the respondents - they all seem to involve some forms of expectations. The general view is that trust implies that you trust another person to do something the right way, which in other words can be described as an expectation. One of the respondents argues that trust is best built when the trustor and the trustee have a common picture of what is expected in the future. Seen from an external perspective (i.e. the customers' eyes), trust is built on expectations because the customers expect the company to have the right knowledge about their products.

When it comes to vulnerability as a way to define trust, the respondents do not refer to it frequently. One of them, however, refers to earlier damaging events in the organization to have an impact on the level of trust today. If this is the case, the fear of being too vulnerable clearly has an impact on trust. Connected to vulnerability there is also risk-taking (Biljsma-Frankema & Costa 2003), which is not specifically referred to by the respondents. Though, according to the previous statement about vulnerability, it seems to have an impact on trust as well.

McEvily, Perrone and Zaheer (2003) argue that it becomes more difficult to trust another party if uncertainty about intentions, values etc exists. During the interviews, the answers given were quite inconsistent with this argument. One of the respondents argues that by having a high level of trust, there is no need to know everything about the colleagues' intentions. Trust should according to this respondent, if you already knew everything, be unnecessary. None of the respondents feel that they ought to know more about the intentions and thoughts of their managers, and uncertainty can according to these believes be seen as inaccurate when defining trust.

What can be deduced from the theory to the company when it comes to defining trust is that it is based on expectations of others, vulnerability and a form of risk-taking. In this case, uncertainty does not seem to be included when defining trust and the respondents rather connect the term with certainty.

5.2 Trust and Management Control

As stated in the theoretical framework, management control systems are used to make the employees strive for the same objectives and maximize their performances (Merchant & Van der Stede 2007). The question is whether trust is a result of management control or states the condition for management control; in other words, what drives what? It is claimed by one of the respondents that he/she prefers to be closely involved in the employees work and frequently asks questions which can result in the employees feeling monitored and distrusted. This is an issue where engagement and curiosity can lead to suspicions about distrust.

The respondents have different views on how trust and management control are connected. According to Biljsma-Frankema and Costa (2005, p 6), one can look at it from two different perspectives; trust and control as substitutes or as complements. From the answers it seems that some of the respondents experience them as complements and some as substitutes. One of the respondents claims that the two are substitutes and that they are two different ways of managing your employees. His/her view is that the company is managed by trust, which makes it unnecessary with more formal control systems. This assertion is consistent with Biljsma-Frankema and Costa's (2005) theory on when trust and control work as substitutes. However, the respondent continues by saying that the company sometimes trusts too much which lead to uncertainty and disorientation among the employees as well as the managers. The view about trust and control as substitutes is shared by another respondent who claims that a lack of trust requires resources that could be used better somewhere else. The other perspective, according to Biljsma-Frankema and Costa (2005), is that trust and management control are complements and that they need to co-exist. One of the respondents argues that with a high level of trust, control comes naturally. The other way around, having control does not imply a lack of trust and the two can usefully interact. It is obvious that individuals have different perceptions about trust and control and what breeds what. It can be assumed that based on one's mindsets and thoughts, control can be understood in an either positive or negative way. The authors suggest that a negative approach to control, where control is seen as monitoring, often lead to the belief that trust and control are substitutes. In other cases when control is seen as something positive, it is more about guiding, and trust and control become complements. Additionally, when viewing them as substitutes, there seems to be a possibility that a level of too high trust can exist.

5.3 What Forms of Trust Can be Identified?

In the theoretical framework Shapiro, Sheppard and Cheraskin's theory, about how a new relationship between two individuals develops, can be found. It goes from deterrence-based trust, to knowledge-based trust, to identification-based trust. (Lewicki & Bunker 1994) Several of the respondents state that a key word in the organization is "participation", that they are open and that they share most of the information among each other. This can be linked to the first stage - deterrence-based trust where you behave in a certain way depending on what the future consequences will be (Lewicki & Bunker 1994). The company holds an open atmosphere to make sure that everyone knows in what manner to behave. When answering how professional or private the relationships are, some of the respondents say that they are very professional - you go to work to do your job. These types of relationships all start in the deterrence-based trust but with the possibilities to progress (Lewicki & Bunker 1994). Either by a long time at the same

company with the same co-workers or by, which argued by a respondent, through your own desire to develop it to another level.

Further, the respondents' answers regarding the connectedness to their fellows had a lot to do with common sharing values. This can be assumed to lead up to the next level of trust in a relationship - the knowledge-based trust (Lewicki & Bunker 1994). Historical behaviours and knowledge about the other party take the relationship further with a result of common values among the employees. As one respondent argues, the level of trust you feel for someone is in many aspects linked with a person's experience and competence. According to one respondent, his/her relationship with his/her manager is exceptionally high, they know each other very well, they have an open dialogue and they care about each other's well being. This relationship can be concluded to be a form of identification-based trust. However, the respondent argues that when someone, including his/her manager, are to represent the respondent's work to others, he/she claims that to which extent this can be trusted to occur properly depends on the knowledge and experience of the employee or manager. This issue is linked to the identification-based trust and the relationships that occur on that level. Summarized, these three forms of trust can all be identified in the company. Deterrence-based and knowledge-based trust seems to be more frequently appearing whilst identification-based trust is more rare.

McAllister in Das and Teng (2001) presents the cognition-based trust and the affect-based trust as two forms of trust. From the respondents answers the cognition-based trust can be recognized in how they behave and act in line with what is expected of them. The affect-based trust that stands for individuals' goodwill and the willingness to be responsible can also be found within the company. The respondents seem to agree upon that employees make personal sacrifices for the company, as for example working overtime, which is a major way of taking responsibility. The employees are explained to be very engaged in their work and have a willingness to perform well. One of the respondents talks about openness and unpretentiousness and gives an example with inviting your colleagues home for dinner. This, together with a high concern about one another's well being and the caring questions that are frequently asked, are clear indications of employees' goodwill. Overall, the authors conclude that the company is imbued with affect-based trust and this form of trust seems to be strongest one that can be found.

Another way of looking at trust and it's possible forms, as mentioned in the theoretical framework, is Dietz and Den Hartog's (2006) perspective - trust as a belief, as a decision, and as an action. Choosing to explain "trust as a belief" as an assessment of another party's trustworthiness, the respondents' answers include some elements of that. First, one of the respondents states that mistakes are quickly held in the open and employees are not trying to cover them. If that was not the case, it is argued that a person's trustworthiness would be ruined. Further, most of the employees stay within the company for a long time, which makes their engagement stronger and in turn increases their trustworthiness. What also affects the level of trustworthiness among the employees is the company's and managers' willingness to share information and the constant strive for participation. An issue that can harm this trustworthiness is when individuals at some divisions talk about employees behind their backs. Thus, this is stated by several of the respondents to be very infrequent in the organization. One of the respondents argues that in stressful situations, a colleague's trustworthiness can be lowered,

depending on the circumstances. The above-mentioned, can be summarized to "trust as a belief".

The next step in Dietz and Den Hartog's (2006) model is trust as a decision where a party actually makes the decision to trust someone. This is, from the answers given from the interviews, something that appears every day in the organization. One of the respondents states it as - "*a high level of trust must exist on all fronts for an organization to function*". Hence, to trust co-workers to execute certain tasks is a decision of trusting. Trust as an action is the final stage in Dietz and Den Hartog's (2006) theory and is explained as the likely consequences of the decision to trust. However, the decision can be hindered by a third party, which makes the action not to occur (Dietz & Den Hartog 2006). According to one of the respondents the organization has a few individuals that have questionable approaches to trust. These employees, in certain situations, can be examples of when trust is broken and the decision to act with trust is withdrawn.

Lewicki and Bunker's (1994) model of trust is divided into three phases; early, developing and mature and the quality in a relationship depends on which stage of a progress the parties are in. This thought can be linked to some of the respondents' answers. One of them argues that trust is connected to openness, which is about respect and presence. The more you get to know each other, the more everyone can feel secure and the level of trust rises. He/she continues by stating that the level of trust within the company was relatively low a couple of years ago but due to consistent work, the trust-level is considerable higher today. In one of the respondents' answers it can be found that the level of trust that you have for a co-worker depends on how long this individual has been in the company. A new colleague compared to one that you have been working with for some time, naturally has to gain your trust over time, which seems to be consistent with the three-phase model (Lewicki & Bunker 1994). Another answer from the respondents were that if you do what is expected of you and no problems occur, you probably do things right and that is according to him/her the true definition of trust. This implies that righteously behaviour during a period of time increases the level of trust and the relationship between two parties can be seen to progress from Lewicki and Bunker's (1994) phases; from early to hopefully mature.

Summarized, a major part of the theories on forms of trust could be connected to the case company. The authors find the strongest foundations for deterrence-based and knowledge-based trust (Lewicki & Bunker 1994) and the affect-based trust (Das & Teng 2001). Further, both Dietz and Den Hartog's (2006) and Lewicki and Bunker's (1994) different theories on trust as a process over time could be identified. However, looking at it from another perspective, one of the respondents believes that either you trust someone or you do not. Thus, it is not possible to separate trust into any of the above-mentioned stages. This belief contradicts the previously mentioned theories and describes trust as a definite state rather than a process. The models presented in the theoretical framework (Lewicki & Bunker 1994, Das & Teng 2001, Dietz & Den Hartog 2006) assume that trust develops and/or takes different forms depending on the involved parties and the stage of a relationship. Whether trust is black or white, or if it is multidimensional can be questioned. To be able to answer this question based on scientific and reliable facts, there is a need for further research regarding the possible shapes that trust can take.

5.4 Distrust

"Trust is daily fresh and it is determined every moment, it can be one way today and another tomorrow"
- Respondent A

In the theoretical framework Luhmann's (1979) definition of distrust can be found as *"positive expectations of injurious actions"* and that distrust allows individuals to move rationally to take protection action based on these expectations. This is consistent with what one of the respondents answered regarding trust and control. The respondent argues that if you believe that your employees will fail, you ought to lead with more control. Whether this has to do with previous actions that an employee has taken that have lead to feel distrust or uncertainty, is yet not to be said. Regardless, it is in line with Luhmann's (1979) definition of how distrust is treated.

According to the theoretical framework (Bies & Tripp 1994) there are several responses to trust violations such as social withdrawal, doing nothing, private confrontation and forgiveness. One of the respondents states that when you fail to behave trustworthy, you will get bad reviews and you will get excluded from the group. These actions are forms of social withdrawals and examples of how people distance themselves from individuals that show distrustful behaviour. Further, one respondent says that it sometimes feels like there is a fear in telling exactly what every employee feel. It is argued by the authors of this essay that if this occur as a result of an employee not behaving trustworthy, it is a way of "doing nothing" which is highlighted as one response to trust violation (Bies & Tripp 1994). When it comes to "private confrontation" it can be linked to one of the respondents answers regarding possible course of actions when trust is broken. The respondent claims that after a trust failure, it is important to be straight and honest in order to progress forward and see results. In other words, in those situations it is crucial to speak up and confront the individual. This if often the case according to one of the respondents due to that the company does not give out punishments. This leads to a greater courage to speak up to co-workers and managers about problems that occur along the way. Finally, another way of responding to untrustworthy behaviour is forgiveness (Bies, Tripp 1994). When asked about how forgiving the organization is, most of the respondents feel that they have a high level of forgiveness. Individuals are met with openness and respect and a person who makes a mistake is ought to learn from it and move on. This shows that when trust is broken somewhere in the organization, a common response is to forgive and from the respondents answers it can be ascertained that it does not necessarily mean distrust for the violator. However, one of the respondents points out that if the employees take advantage of this forgiveness and continues to make the same mistakes, it will turn out in distrust. Out of the possible responses to distrust, these four above-mentioned are the most prominent responses that could be identified from respondents' answers.

5.5 The Level of Trust According to Different Measurements

Several theories on how to measure trust within an organizations were identified in the theoretical framework, all of them based on the assumption that trust consists of different

components. In the following paragraph they will be attributed to the empirical data to find out which components are applicable in this context. The components chosen to analyze further are the ones that the authors find most significant and relevant for measuring the level of trust in the case company.

The first model presented was concluded by Butler (1991) and consists of ten main components; availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfilment and receptivity. These components are argued to have a positive connection to trust (Butler 1991). Five of them can be connected to the empirical data, while the others are by the authors found to be irrelevant in this context. Competence, consistency, fairness, integrity and openness all seem to have a connection to trust when analyzing the respondents' answers. Mishra's (1994) model, based on competence, openness, concern and reliability, was the second one examined. All of those components can be identified and measured in the empirical data gathered. Mayer et al (1995) established a model that was argued to cover both Butler's (1991) and Mishra's (1994) models, based on the three components integrity, ability and benevolence, which are all covered in the empirical data. The last model examined in the theoretical framework of this essay was Gillespie's (2003) model based on 11 components; reliance, disclosure, trustworthiness, task-interdependence, risk in the relationship, common values, common goals, satisfaction with performance, relationship effectiveness, disposition to trust and overall trust. In contrast to the above-mentioned methods, Gillespie's (2003) method also take into account the risk-taking, vulnerability and interdependence that occur when trusting another party. Out of these components, four are supported and found in the empirical framework; reliance, common values, common goals and satisfaction with performance.

All of those 29 components measure and affect trust (Butler 1991, Mishra 1994, Mayer et al 1995 & Gillespie 2003), but the authors found 13 of them as more relevant when looking at trust in this specific company. Either the respondents refer to them directly when talking about trust, or the authors found support for them when analyzing underlying factors to trust in the empirical data. These components are openness, competence, ability, consistency, reliance, reliability, fairness, integrity, concern, benevolence, common values, common goals and satisfaction with performance. In the next section, they will be analyzed and discussed separately to fully consider and explain their impact and significance on trust in the specific company.

5.5.1 Openness

Of all components applicable, openness was found to be one of the most important ones in this case. A clear conclusion can be drawn that the organization to a large extent is built upon openness - bottom-up, top-down and among colleagues. It becomes visible in several ways, including the sharing of future plans from top management, the participation among colleagues and the open climate within the different divisions. Open is also one of the new key words (open, simple and engaged) that were implemented simultaneously with the transformation of the organization.

As Mishra (1994) argues, openness and honesty have a positive influence on trust to a certain extent. Too detailed information can sometimes lead to negative consequences (Mishra 1994).

This is agreed with by some of the respondents - they claim that all information is not to be shared and that the organization sometimes is too transparent. One of the respondents believes that top management is open to ideas, thoughts and proposals from their employees, but that there often is a lack of feedback. Given this, it appears to be important to find a balance between openness and the increased demand of feedback that it involves. If, for example, top management strives for an organization to have a more open atmosphere while they overlook the fact that this requires an increase in their feedback to their employees - the level of trust may be lowered. Mishra (1994) highlights openness as a component with a positive connection to trust, though she argues with the proviso that it only applies to a certain degree of openness. However, taking into account the empirical data in this thesis, the authors claim that more focus should be given to the negative impacts that openness can have on trust - openness seems to be a matter of balance and does not necessarily have a positive correlation to the level o trust. To solve this problem, the authors suggest that a new component should be added to separate the negative impacts that openness can have on trust. This component should include employees' and managers' ability and willingness to provide feedback - and it is proposed to be referred to as *responsiveness.* Responsiveness has a positive relation to trust, and therefore a situation with high openness and low responsiveness or vice versa, can be detected and the level of trust can be analyzed more fairly.

To what extent the degree of openness has a positive and/or negative impact on trust in the case company, is for an external eye difficult to distinguish. Openness, as stated above, does clearly have both positive and negative impacts on trust for this company. Though, a major part of the respondents' answers about openness are of a positive characteristic, and it can be assumed that the positive consequences exceed the negative. However, since the view on openness is that it is not perfect, improvements can be done to find a balance that better affects trust.

5.5.2 Competence & Ability

Butler (1991), Mishra (1994) and Mayer et al (1995) all use competence (i.e. ability) as a component of trust in their measures. It is argued that competence, skills and other capabilities of a trustee (Mayer, Davis & Schoorman 1995) will increase the level of trust for an individual (Mishra 1994). All of the respondents believe that their trust to other people within the organization partially depends on these people's competence and skills, and that a higher degree of knowledge would increase the level of trust. One of the respondents argues that it is up to every employee to ask for the right training, and another argues that the level of knowledge in the end is a financial question. With that said, an investment in human capital in the form of knowledge could also be an investment in trust. Competence is by one respondent also linked to experiences, and since the respondents all claim that employees in general stay within the company for a long time, it can be assumed that the competence within the company to a high extent derives from experiences. The overall view among the respondents is that the employees within the company are competent whilst engaged in their work, which results in a high level of trust. Based on the respondents' answers, it seems that the present theories about competence (Butler 1991, Mishra 1994, Mayer, Davis & Schoorman 1995) are consistent with reality and the component clearly has a positive impact on trust

5.5.3 Consistency (Including Reliance and Reliability)

Consistency is a central and important part when deciding whether to trust another party (Butler 1991). The components reliance (Gillespie 2003) and reliability (Mishra 1994) are, because of their resemblance to consistency, positioned under the same title. Mishra (1994) describes reliability as the consistence between words and actions, and that it affects the level of trust in a positive way. This is agreed to by all of the respondents, and they claim that consistency in their daily work is something they all try to bear in mind. Yet, it is not possible to be 100 % consistent in your work because of external factors that affect it. Many of the respondents highlight that stressful situations often conflict with consistency and that it has a significant impact on trust. When stressful situations arise, which it do periodically, it is important that everyone is aware of it if the level of trust is to be remained. This statement is in line with Mishra's (1994) theory on how inconsistent behaviour has a large impact on an individual's trustworthiness. Because of the open climate within the company and the shared core values, the respondents feel that they are often aware of the work situation among their colleagues and therefore they can rely on that everyone try to perform their job as consistent as possible. The above mentioned problems related to stress and its impact on trust make the authors suggest that stress should be seen as a separate component when measuring trust.

At the time of writing, the company is undergoing a transformation, which makes it inevitable that the degree of consistency is affected. One of the respondents argues that when keystones are changed, the level of trust is threatened. Although the level of trust seems to be higher than it was a couple of years ago, a transformation often comes with insecurity and can have a negative impact on trust. To reach the same level of trust that the company experienced right before the transformation may prove to be a challenge. This should according to the authors be a matter of priority for top management since consistency is found to have a strong impact on trust.

5.5.4 Fairness

To have equal rules and goals for every employee are according to Butler (1991) of great importance in terms of trust. This view seems to be shared by all of the respondents, and it is claimed by several that justice characterizes the organization. They highlight the importance of fairness and one of the respondents states that he/she never even thought about whether his/her manager treats all the employees equal or not. This makes the respondents self draw the conclusion that the level of fairness within the company is satisfying. The fact that fairness permeates the organization to this large extent has a positive impact on the high level of trust.

5.5.5 Integrity

It is expressed that high levels of integrity exist in the organization and this is visible in all of the answers connected to integrity. Mayer et al (1995) claim that integrity has a positive impact on trust and that it implies that people act and behave in a manner that is tolerable for all parties. The respondents have some different definitions of the term - some explain it as definitely positive whilst others refer to it as negative and enclosed in some situations. Because of the warm work environment the respondents operate in, one of them considers integrity to be a positive factor in the organization. In the theoretical framework, both Mayer et al (1995) and

Butler (1991) state that a high level of integrity has a positive impact on trust, which can be questioned because of the scattered answers from the respondents. Integrity is clearly a broad term and it does not naturally seem to affect trust in a positive way. Common in the responses is that integrity is important for the organization, especially since they operate in the finance sector where integrity is claimed to be a condition. If integrity is a condition, it could be assumed that the level of trust automatically would be higher in the finance sector. This statement does not receive support from the respondents since it is referred to as a natural part of companies operating in the sector and nothing that necessarily can be connected to trust. Evidently there are different opinions on integrity and the authors do not find any conclusive proofs on the relation between integrity and trust. Whether the connection is positive or negative, the authors' conclusion is that integrity does not affect trust to the same extent as other components.

5.5.6 Concern & Benevolence

The component concern is described as responsibility for the interest and welfare of others (Mishra 1994), while benevolence is referred to as to behave with loyalty and kindness (Mayer, Davis & Schoorman 1995). Due to their likeness, they will be analyzed and interpreted together. The nature of the relationships at the company is explained as not only very professional but also personal, which gives raise to the fact that benevolence and concern about others well being are parts of the organizational environment. The respondents tell that they frequently ask questions about each other's personal lives and how they actually feel. A receipt of the warm and friendly environment is according to one of the respondents that they often turn into close friends. Concern and benevolence have according to Mishra (1994), Mayer et al (1995) and Dietz & Den Hartog (2006) a positive impact on trust, which is supported by the respondents who in general believe that the high level of benevolence within the organization contributes to a high level of trust. The authors conclude that the components concern and benevolence are present, however, they arise as underlying factors in the respondents' answers and are not always referred to directly. Taken together, there seems to be a distinct positive relation between trust and concern/benevolence.

5.5.7 Common Values and Goals

Gillespie (2003) argues that with strong common shared values and goals comes a higher level of trust, since it increases the willingness to act trustworthy towards others. Several of the respondents describe how important it is with common values and that it is something that the company constantly works with. According to one respondent, the employees have very similar values. Further, one of the respondents claims that because of how important it is, you either follow the organization's values or you leave the organization. This shows how highly they appreciate the fellowship that common values give and by knowing that their co-workers mindsets and values are close to their own, it gives them a certain security. One might conclude that this security raises the level of trust within the company, which then makes it consistent with the theory.

According to the respondents, two important words for a big organization as theirs are participation and information. Some of the respondents argue that divisions within the company have been or still are competing with each other. However, this becomes a problem first when

the different divisions do not have the same interest and goals in front of them. One of the respondents claims that the company consciously has put down a lot of work to make everyone strive for common goals. Because of this great effort, it can be argued that it is of great importance for the organization that all employees and managers work in the same direction and have common goals. Summarized, common goals appear to be important for the organization, though the link to trust is weaker compared to the link between common values and trust.

5.5.8 Satisfaction with Performance

Because of the ongoing and comprising transformation, the structures and processes are constantly changing which causes the respondents to be quite scattered in their responses to whether they are satisfied with the organization's performances. According to the theory (Gillespie 2003), if an individual is satisfied with the performance of another party, it will automatically increase his/her willingness to trust that person. When the respondents were asked about the effectiveness and capacity of the organization, the overall view is that improvements can be done, for example recruiting new individuals that can contribute with new expertise and experiences. However, they state that there is a high level of trust to the top management and throughout the organization as a whole. In the empirics it can be found that the respondents in general are satisfied with top management's performances and a parallel can be drawn between this satisfaction and the high level of trust for them. As Gillespie (2003) argues, there seems to be a positive relation between satisfaction with performance and trust – though the authors of this thesis question it's impact on trust when compared to the other components.

5.5.9 Table of Selected Components

Table 1 summarizes the components analyzed and discussed above. All of them are considered as relevant in this context, but since they are found by the authors to measure and affect trust to different degrees they are stated to have either high or low relevance. Five of the components are argued to have a high relevance, which means that they where found to measure and affect trust in the company more directly. Fairness, integrity, common goals and satisfaction with performance were all found to have a clear and positive impact on trust, but when put in comparison with the other components, their influence is not as strong and direct and therefore not as relevant.

Table 1. Impact on Trust

Component	Relevance	High	Low
Openness		X	
Competence & Ability		X	
Consistency (Reliance & Reliability)		X	
Fairness			X
Integrity			X
Concern & Benevolence		X	
Common Values		X	
Common Goals			X
Satisfaction with Performance			X

6. Conclusion

The purpose of this essay was to investigate a Swedish company in the finance sector to identify how trust is experienced and what role it has in the organization. Further, the study aimed to examine existing models and theories in the area of trust by linking them to the case company and find possible gaps between theory and reality. In this final chapter, the research question will be answered by summarizing the most significant conclusions that can be drawn from the empirics. This will be followed by the authors' conclusions regarding the theories and their applicability to reality, which in this case is limited to one company.

6.1 How is trust experienced and what role does it have in a large Swedish company operating in the finance sector?

The five respondents work at the head office of the case company and all of them are at different levels of managing positions. Openness, participation and engagement are argued to be key words when the respondents describe the organization. The overall perception of trust seems to be high and all of the respondents agree that trust plays an important role. Control systems are used, but they are not experienced to be in a monitoring purpose. Frequent follow-ups and close relations to the employees, together with a high level of trust, contributes to a well-functioned organization. One of the underlying factors to the high level of trust and the engagement from the employees is that the employee turnover is relatively low. The channels between top management and the employees are explained as transparent and they frequently communicate the current situation and future plans of the company.

Some areas for improvement regarding trust can be found. First, the high transparency gives room for opinions, ideas and suggestions for improvements from employees. In turn, employees get expectations about feedback and responses from top management. When these expectations are not met, it can have a negative impact on the level of trust for top management. This suggests that there is a need for the company to develop a better routine for how communication from the bottom up should be structured. For the company to increase the level of trust, a possible way can be to make stops with middle managers before opinions or proposals reach top management. By doing so, the expectations from the employees could be better met.

Further, because of the many mandates that are required to make some decisions, the decision process is viscous. This can have an impact on the trustworthiness of managers since they get limited in their work and the employees' expectations might not be met. Again, trust is much about expectations and by streamlining the decision-making process; they can better meet the expectations and thereby raise their trustworthiness.

Finally, the ongoing transformation has contributed to a decline in the level of trust, as claimed by one of the respondents. As well as changes can bring freshness and positive factors; it appears that it often brings uncertainty, which in turn can lower the level of trust. Hence, essential in times of transformation is to constantly and intentionally work with trust as a priority. For the case company, considering their current situation, this is a time of good opportunities to build a strong base and increase the level of trust, both internal and external.

Though, this require that they work with trust-building intentionally given that times of transformations are stated as sensitive in terms of trust.

In addition to the above-mentioned improvements, the authors also find that some comments about the relation between trust and control are worth mentioning. In this thesis, evidence for trust and control as both substitutes and complements were found. However, the most interesting conclusion can be drawn when looking at trust and control as substitutes. According to some of the respondents, the level of trust is sometimes too high which makes control systems, like follow ups and performance measuring, suffer. This derives from the view that trust and control are substitutes. Hence, the use of effective control systems in an organization that is built upon trust can be challenging. This shows that it is possible that a too high level of trust can exist. However, this does not seem to be the case for this specific company since the respondents all agree that improvements in the area of trust could be done.

6.2 Contributions to the Theoretical Framework

Trust can obviously be defined as a multidimensional phenomenon that can take different forms and shapes. A relationship between two parties is described as a spectrum of different levels of trust depending on various factors. The authors found evidence for relationships from most of the different theories' phases, including deterrence-based and knowledge-based trust (Lewicki & Bunker 1994) and affect-based trust (Das & Teng 2001). Further, theories describing trust as a process over time could be identified (Dietz & Den Hartog 2006, Lewicki & Bunker 1994). However, the theories viewing trust as a multidimensional phenomenon can also be questioned since the empirical data shows that the view on trust can be black or white. Arguing that either you trust or you do not, grey areas do not exist. To seek clarification in this question, further research is required.

Furthermore, the authors did not find uncertainty as a way of defining trust when analyzing the respondents' view on trust. Instead, certainty is claimed to be a contributing factor to why people trust each other in the company. This suggests that some of the existing definitions of organizational trust are not accurate in every situation, and in this context uncertainty would preferable be changed to certainty.

In the analysis the measurements presented in the theoretical framework were examined and compared to the empirics. The authors found a few of the measurement components applicable and relevant for the purpose of this essay. From the respondents' answers the chosen components were frequently mentioned or could be read between the lines. These components are openness, competence & ability, consistency (including reliance and reliability), fairness, integrity, concern & benevolence, common values & goals and satisfaction with performance. Nevertheless, the authors question some of these components and their impact on trust. First, the component openness is in the theory concluded to have a mostly positive impact on the level of trust (Butler 1991, Mishra 1994). Though, in the empirics it was found that with a high degree of openness come expectations on feedback and a need to feel heard. This makes the authors argue that it is a question about balancing openness with a capacity to provide feedback to keep the level of trust. Thus, when measuring trust, the component openness should be thought as to have both positive and negative impacts on trust. The authors suggest that another

component is required to discern the negative impact that a high degree of openness can give. The suggested component is *responsiveness,* which reflects the ability and willingness to provide feedback.

Finally, the authors want to highlight another yet not mentioned component that appears to have a strong impact on trust - *stress.* Throughout the interviews, parallels between stress and trust were drawn frequently and stress was argued to be an essential factor when estimating a person's trustworthiness. In stressful situations, an individual's trustworthiness is substantially affected in a negative way. Compared to the other components, stress will have a negative relation to trust.

6.3 Suggested Model for Measuring Trust

The final conclusion in this thesis is a suggested model for measuring trust, designed by the authors. This model includes the components that in Table 1 are stated to have a high relation to trust together with the authors' contribution - the components responsiveness and stress. This summarizes the most prominent and relevant conclusions that have been drawn in contribution to the theoretical framework.

Figure 2.
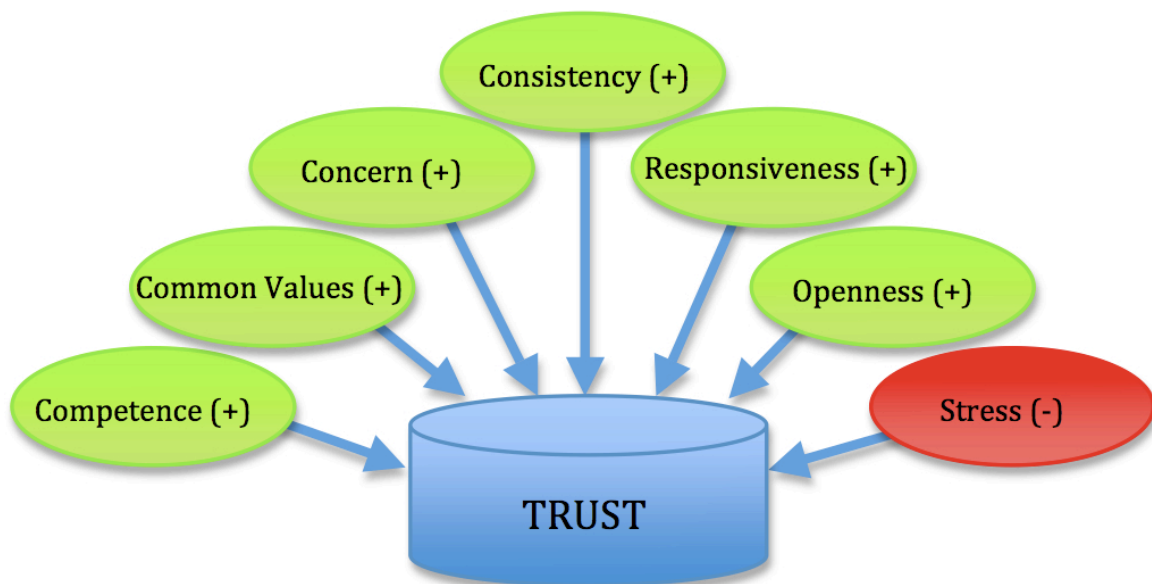
In this case study, the authors have drawn several conclusions on organizational trust. Considering that it is a case study, the results are limited in their applicability. However, the results include some thoughtful aspects that the authors suggest to be an inspiration for future research. This can potentially contribute to a better understanding of organizational trust.

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8. Appendix 1 - Interview Questionnaire

1. Vad innebär förtroende inom en organisation för dig?
2. Ser du någon skillnad på förtroende privat och på en arbetsplats?
3. Vilken nivå anser du att förtroendet ligger på i företaget generellt?
4. Litar du på dina anställda/din chef? Vad tror du dina kollegor känner?
5. På vilka plan/vilket sätt känner du samhörighet till de anställda/kollegor/din chef/organisationen? Anser du att ni har samma värderingar?
6. Känner du att de anställda/chef bryr sig om ditt välmående? Hur visas detta?
7. Hur pass professionella/personliga är relationerna?
8. Anser du att de anställda har hög integritet?
9. Skulle du säga att ni delar med er mycket av framtidsplanerna till era anställda?
10. Ger ledningen direktiv och klargör saker innan man startar nya projekt?
11. Upplever du att anställda, även längre ner i organisationen är engagerade/involverade i företagets framtid eller jobbar man mer för nuet?
12. Hade du önskat att du visste exakt vad din chefs intentioner var hela tiden? Att din chefs arbete var helt transparent?
13. Delar anställda/chef viktig information med dig? Känner du att något undanhålls?
14. Lyssnar ni på era anställdas behov och funderingar/förslag på förbättringar? Hur följer ni upp och går vidare?
15. Upplever du att din chef lyssnar på dina behov och funderingar/förslag på förbättringar?
16. Tror du att de anställda känner sig säkra på att de kan komma till dig när de stöter på problem i sitt jobb? Hur känner du själv när du ska gå till din egen chef?
17. Upplever du att dina anställda/din chef uttrycker vad de egentligen känner? Är de 100 % ärliga med sina känslor, även när de inte är positiva?
18. Hur beredd är du att lita på att din chef eller kollegor redovisar/representerar ditt jobb på ett rättvist sätt till andra?
19. Om du gör ett misstag - hur hanteras detta av dina kollegor?
20. Erkänner de anställda/din chef sina misstag? Hur jobbar ni för att hålla så pass öppna relationer som möjligt?
21. Har ni rutinmässiga kontroller för att se att de anställda utför sitt jobb korrekt?
22. Känner du dig bevakad? Är det alltid någon som kontrollerar ditt arbete?
23. Om du hade velat - hade du kunnat komma undan med misstag/fuffens lätt?
24. Är ni nöjda med hur effektivt ni sköter er verksamhet? Vad skulle ni kunna förbättra?
25. Är ni nöjda med kapaciteten hos era anställda?
26. Tror du att de anställda/chef skulle göra personliga uppoffringar för att hjälpa organisationen? Har detta hänt?
27. Anser du att de anställda får rätt utbildning och resurser (och därmed rätt kompetens) för att utföra sitt jobb? Påverkar det ditt förtroende till dem?
28. Hur bra tycker du att toppledningen presterar? Har de mycket kunskap om vad som behövs göras? Har de specialiserade kvalifikationer som kan öka företagets prestationer?
29. Upplever du att din chef har samma regler för samtliga anställda? Är han/hon rättvis?
30. Anser du att du är konsekvent i ditt arbete och hur du bemöter dina anställda varje dag?
31. Känner du någonsin att det är någon form av tävling mellan din och de andra avdelningarna? Känner du säkerhet i att man strävar efter organisationens gemensamma mål och inte enbart avdelningens?