

Contents lists available at ScienceDirect

Research in Organizational Behavior

journal homepage: www.elsevier.com/locate/riob



Workplace trust as a mechanism of employee (dis)advantage: The case of employee socioeconomic status



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ARTICLE INFO

Article history: Available online 16 November 2017

Keywords: Trust Disadvantage Socioeconomic status

ABSTRACT

Early work on trust in social science highlighted how the lack of trust between individuals can cause social division, contribute to social stratification, and reduce economic opportunities for people from all social groups. We integrate this work with organizational research on antecedents of trust to generate predictions explaining when and why low employee socioeconomic status (SES) can be a barrier to trust. We discuss how this process can impair the success of both organizations as well as their lower-SES employees. We present a model, and data, suggesting that lower-SES employees will be both more distrusted as well as more distrustful relative to their higher-SES colleagues. This, in turn, locks them out of potentially advantageous social and economic exchanges. Our theory adds precision in detecting when and why lower-SES employees face barriers to success in organizations, as well as provides a blueprint for studying the impact of trust on socially disadvantaged groups in organizations.

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1 Aims and overview

Trust has been one of the most widely studied phenomena by organizational behavior scholars in recent decades. Trust is commonly defined as "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, p. 712). This definition highlights the importance of trust in the central challenge of organizations and economies, whereby actors must rely on others to accomplish their own and organizational goals while being uncertain about whether others will behave as expected (McEvily, Perrone, & Zaheer, 2003). Given the importance of trust to organizational functioning, organizational behavior research focused on identifying factors that may increase trust among organizational members, with the ultimate goal of improving organizational performance (see Section 2 for a more detailed review of organizational research on trust).

The tremendous interest in trust in organizational science was inspired by a growth in interest in trust in related disciplines, such as sociology (Bourdieu, 1986; Putnam, 1995). However, the disciplinary research on trust had a much more socially engaged agenda, conceptualizing trust as an antecedent to and consequence of social divisions, and examining its role in stratification, social justice, and equality of opportunity (Bourdieu, 1986; Putnam, 1995). This line of research claimed that if trust is undermined among certain groups of people, it can become a powerful mechanism of disadvantage of these groups. As an illustration, consider a study by Falk and Zehnder (2013). These authors conducted a city-wide field experiment on trust and found that people are more likely to trust residents of high-income districts with their money. These findings mean that residents of lowerincome districts are less likely to receive economic opportunities because they are trusted less. In this manner. trust becomes a mechanism through which existing socioeconomic disadvantage is perpetuated.

In the current review, we aim to motivate and help guide *organizational* research on trust as a precursor to disadvantage. We argue that, in addition to focusing on the role of trust in organizational performance, organizational scholars are uniquely positioned to contribute to the understanding of trust as a source of disadvantage. Employees who are trusted gain valuable opportunities in organizations. Much of organizational life depends on relying on others without having control over or being able to monitor them. People will be more willing to rely on and engage with trusted others in such situations. Thus, being trusted is an advantage. In addition, trusting others can be a source of advantage because it allows trustors to engage with as opposed to shy away from potentially

advantageous (but uncertain) exchanges. Our overarching point is thus that trust can be a powerful mechanism of advantage versus disadvantage in organizations.

We illustrate this point by considering how trust might reproduce the disadvantage of employees of lower socioeconomic status (SES). We focus on SES for three reasons. First, SES is perhaps the most relevant social category to consider as it is correlated with all other social categories that represent a basis of disadvantage. For example, to the extent that people are disadvantaged due to their ethnicity or race, this would on average imply that they are also disadvantaged in terms of SES. Thus, our focus on SES as a basis of disadvantage provides a relatively general model that can be developed and extended to consider the role of trust in disadvantage based on other social categories (by modeling unique factors stemming from membership in other social groups) over and above those stemming from SES. Second, as we elaborate in more detail in Section 3, relative to other disadvantaged social groups, lower-SES employees have been neglected in organizational behavior research. We thus hope to promote and facilitate empirical research in organizational behavior on this group of employees. And third, most of the disciplinary research on trust differences as a determinant of social stratification has focused on SES. We use findings from this work to develop our ideas about the perpetuation of disadvantage in organizations.

By bringing in the perspective that trust can be a powerful mechanism underlying disadvantage to organizational research, we expand the scope of organizational scholarship on trust. Given the importance of trust at the workplace for the attainment of work goals in organizations, and given the importance of how one fares within organizations for overall socioeconomic success, understanding how trust dynamics in the course of everyday work in organizations contribute to or undermine the goal of equality of opportunity is a major social concern. Organizations are the primary vehicles of economic advancement and as such they are perhaps the most important context within which to investigate the question of trust as a source of disadvantage. Organizational scholars are thus uniquely suited to contribute to solving this social challenge. In addition, specifying why trust might be lower in relation to or among certain social groups in organizations would add precision to the current models of trust in organizations. Current models, which focus on the performance implications of trust, overlook the fact that trust may be predictably lacking as a function of employee social group membership. They are therefore somewhat imprecise about the antecedents of trust.

The reverse, i.e., bringing the nuanced and multifaceted conceptualization of trust from the organizational literature to the general social science literature on SES and trust, is also a useful enterprise as it can resolve some empirical inconsistencies in the literature. For example,

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