

Trust Between Managers and Subordinates in Virtual Communities

Karen South Moustafa

Indiana University and Purdue University, Fort Wayne, USA

Trust is a relationship between individuals. It requires that one individual believe that the other person or an idea is ethical based on ethical behavior (Hosmer, 1995). Trust develops as a result of an individual's propensity to trust, combined with appropriate and relatively equal exchanges of social capital over time. In the case of the manager-subordinate dyad, the subordinate exchanges services (performance) for money. If the manager determines that the subordinate is not earning the money paid for services (e.g., the subordinate performs poorly), then an unequal exchange takes place, reducing the manager's trust of the subordinate.

McGregor (1967) defined managers as one of two types: Theory X managers, who do not trust their subordinates, and Theory Y managers, who trust their subordinates. Theory Y involves the delegation of decision making to the subordinate, which requires the manager to take a risk that the subordinate will perform appropriately (Costigan, Ilter, & Berman, 1998). Most individuals prefer to deal with those they know or with those they have dealt with before (Granovetter, 1985). However, when selecting new staff or current staff for virtual work, managers must rely on reported or observed past performance to judge how much trust to give to an individual worker.

Defining, facilitating, and encouraging performance are fundamental managerial tasks essential to appropriately supervising subordinates, including virtual workers (Cascio, 2000; Knights, Noble, Vurdubakis, & Willmott, 2001). In cases where task performance is *not* well defined, monitored, and/or measured, trust would necessarily be lower than for employees viewed routinely. When virtual workers spend most of their time physically at a distance from the manager, trust becomes crucial to maintain the relationship. Otherwise, control of the work becomes a problem if there is a lack of trust within the manager-subordinate dyad (Knights et al., 2001). McAllister (1995) examined trust of coworkers and found that affective trust is positively correlated with monitoring of performance.

Once the manager has subordinate virtual workers, it is no longer possible to judge performance simply by seeing whether the employee is present and looks busy (Di Martino & Wirth, 1990). Where jobs are routine (such as typists, where the number of lines can be closely measured and monitored), trust will range from moderate to high (El Sawy, 1985; Jarvenpaa, Knoll, & Leidner, 1998).

Where outcomes are creative or nonroutine and, therefore, more difficult to measure and/or monitor (such as software development), trust is most likely to range from moderate to low. It is difficult to accurately measure creative and/or nonroutine jobs, even with good organizational measurement systems, so initial trust is unlikely to be high.

In the manager-subordinate dyad, trust often develops from beliefs that the subordinate can and will perform to the manager's expectation (Harrington & Ruppel, 1999). Work performance, as social exchange from the subordinate, will likely determine the level of the manager's trust, restricted by the manager's initial propensity to trust.

In managing virtual workers, the manager may only be able to measure outputs of task performance. Much social capital exchange is in terms of intangibles. For example, employees exhibit most organizational citizenship behavior or contextual performance (job dedication and interpersonal facilitation, e.g., Van Scotter, Motowidlo, & Cross, 2000) in face-to-face situations. Social capital exchange antecedents of trust are more likely to be demonstrated in face-to-face communication, probably because this type of communication allows not only data, but also symbols to be sent to the receiver, such as body language, tone of voice, facial expressions (Daft & Lengel, 1986). McAllister (1995) examined trust of coworkers and found that both affective and cognitive trust is correlated positively with citizenship behavior.

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KEY TERM

Trust: A relationship between individuals. It requires that one individual believe that the other person or an idea is based on ethical behavior (Hosmer, 1995).

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