Trustworthiness and Social Loafing: An Examination of Austrian and American Students

Susan M. Murphy
California Lutheran University

Harry Domicone
California Lutheran University

Abstract

Technological advances in the areas of transportation and communication have led to an increasing global workplace. As a result, employees around the world are often confronted with co-workers from diverse cultural and socio-demographic backgrounds. Moreover, groups are becoming ubiquitous, so the use of cross-functional teams that are comprised of individuals from different cultural backgrounds has become widespread. The importance of member cultural differences to the effective functioning of work groups has been demonstrated by numerous organizational researchers, as have perceptions of trustworthiness. In this study we surveyed Austrian and American students regarding trustworthiness and social loafing in three different trustworthiness scenarios. We found significant differences between populations with regard to comfort level in trusting other group members, but not with intentions to social loaf. Implications of this research for organizations and business educators who are utilizing cross cultural or multi-national teams are discussed as are future research directions.

Keywords: trustworthiness, social loafing, cross-cultural teams
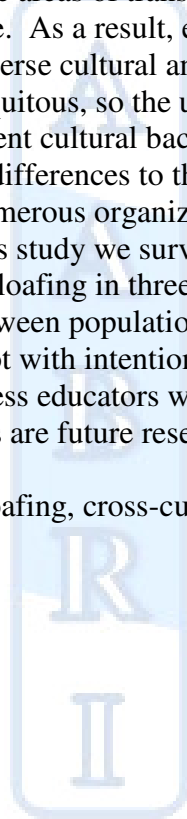
Introduction

The world economy is becoming increasingly global due to advances in technology in the areas of transportation and communication. As a result, employees around the world are frequently confronted with co-workers from diverse cultural and socio-demographic backgrounds. Moreover, groups have become ubiquitous, making the use of cross-functional teams comprised of individuals from different cultural backgrounds widespread. Given this, the factors impacting the effective functioning of cross-cultural teams take on increased importance. An examination of the available literature suggests that two of these factors are perceptions of trustworthiness and social loafing. In this effort, Austrian and American students were surveyed with regard to perceptions of trustworthiness and social loafing in work groups. Significant differences were found in several areas. The implications of these outcomes are discussed and present some avenues for future research.

The elements of trustworthiness

The importance of expectations of others' actions on the behavior of work group members has been well documented (Olsen 1971, Earley, 1989). An impressive stream of research supports the notion that trust and perceptions of trustworthiness are fundamental factors in understanding interpersonal behavior in a group setting (Hosmer, 1995; Hirsch 1978). Specifically, perceptions of trustworthiness with regard to effective organizational and work group functioning has been explored by numerous researchers. Flaherty and Pappas (2000) found support for a link between employee trust in management and satisfaction and commitment. Spreitzer and Mishra (1999) concluded that manager's trust in employees is related to an increase in the manager's inclusion of lower level employees in decision making, which is, in turn, associated with higher productivity and employee morale. Further, there is some evidence that employee adjustments to organizational change may be facilitated by higher levels of interpersonal trust (Raghuram, Gamd, Wiesenfeld, & Gupta, 2001).

The concepts of trust and trustworthiness have been defined by researchers in a number of ways. Luhmann (1988) suggested that trust is related to situations that involve recognized risk, while Deutsch (1960) equated trust with confidence in another's ability and intentions. Dasgupta (1988) and Gabarro (1978) emphasized the idea of predictability in their definitions. Mayer, Davis and Schoorman (1995), defined trust, as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party (p.712)". This definition was also adopted by Mayer and Norman (2004), and will be used for purposes of this paper.

An important distinction between trust and trustworthiness has been made by several authors, including Mayer et al. (1995) and Mayer and Norman (2004). As defined above, they characterize trust as essentially a behavioral intention, whereas they propose that trustworthiness is a judgment about that party consisting of several key dimensions, which may subsequently impact behaviors. An individual makes an assessment of the trustworthiness of another party when determining how much to trust that other party.

When examining the behavior and behavioral intentions of individuals, the concept of trustworthiness is factor with regard to work group functioning because of its relationship to the behavior of members.

The elements of trust and perceptions of trustworthiness with regard to effective organizational and work group functioning has been explored by numerous researchers. The importance of expectations of others' actions on the behavior of work group members has been well documented (Olsen 1971, Earley, 1989). Flaherty and Pappas (2000) found support for a link between employee trust in management and satisfaction and commitment. Spreitzer and Mishra (1999) concluded that managers' trust in employees is related to an increase in the manager's inclusion of lower level employees in decision making, which is, in turn, associated with higher productivity and employee morale. Further, there is some evidence that employee adjustments to organizational change may be facilitated by higher levels of interpersonal trust (Raghuram, Gamd, Wiesenfeld, & Gupta, 2001).

At the organizational level, sales, profits and employee turnover have been shown to be related to trust (Davis, Shoorman, Mayer, and Tan, 2000). Greater trust between firms involved in alliances has been connected to higher performance and satisfaction (Cullen, Johnson, & Sakano, 2000; Mohr & Spekman, 1994). Trust has also been shown to encourage helpful behaviors such as open communication and information sharing (Curall & Judge, 1995; Silvadas & Dwyer, 2000) while lessening the need for monitoring and other control mechanisms (Inkpen & Li, 1999; Volery & Mensik, 1998) between partners.

In surveying the relevant literature, there appears to be some agreement with regard to the principal dimensions of trustworthiness (e.g. Cook & Wall, 1980; Griffin, 1967; Good, 1988, Nooteboom, 1996; Lieberman 1981; Ring & Van deVen, 1992; Cook and Wall, 1980; Deutsch, 1960; Griffin, 1967; Kee & Knox, 1970). For purposes of this research we chose to adopt the three factor model of interpersonal trustworthiness (ability, integrity, benevolence) established by Mayer et al. (1995), which draws upon much of this research.

Trustworthiness and culture

Substantial evidence has been gathered of culturally based differences in values and individual perceptions (Hofstede, 1980, 1991, 1994, 2001), as well as work group functioning and related outcomes. For example, Primeaux, Katti, and Caldwell (2003) found that important work place perceptions such as perceptions of justice are determined by individualized beliefs, with cultural attributes and demographic characteristics play an integral part in determining perceptions. Research has also determined that the concepts of work and family have different significance and importance in different cultures (Polemans, Spector, Cooper and Allen, 2003).

There is also considerable support for the role of individual differences in the formation of perceptions of trustworthiness. Caldwell and Clapham (2003), suggest that trustworthiness is individually determined and based upon variables such as the individual's perceptions regarding the relationship with others, and Caldwell and Jeffries (2001), identify the subjective nature of the interpersonal trustworthiness process as a factor in differing interpretations of others' trustworthiness. McKnight, Cummings, &

Chervany (1998) observed that levels of trust are related to individual factors including personality, group membership and stereotypes.

Culturally based differences in the ways that individuals form perceptions of co-workers' trustworthiness are well documented. North Americans and Asians have been found to differ with regard to formation of perceptions of trustworthiness and to the importance of components of trustworthiness (Caldwell & Clapham, 2003). Kim, Ferrin, Cooper and Dirks (2004), cite variation in work relationships across cultures to support the notion of individualized reactions to violations of trust. Particularly relevant is the work of Dunkel and Meierewert (2004) who examined the impact of different cultural standards on the processes and performance of Austrian, German and Hungarian task groups. They concluded that there are significant differences between cultures with regard to behaviors impacting group dynamics. Given the evidence presented by these streams of research, the following hypothesis is proposed:

Hypothesis 1: For the same scenario, Austrian and American students' perceptions of co-worker trustworthiness will be significantly different.

Social loafing and culture

Defined as the decrease in the amount of individual effort put into a task while doing the task with other people (Latane, Williams and Harkins, 1979), social loafing is another important variable that may be impacted by group member individual difference. There is considerable support for the contention that social loafing is related to culturally based differences. For example, research has compared the effect of collectivistic and individualistic orientation on the presence and extent of social loafing (Earley, 1989, 1993; Gabrenya, Latane, and Wang, 1983). Earley (1989) found the dimension of individualism-collectivism to be relevant to social loafing, observing the social loafing phenomenon for American managers holding individualistic beliefs but not for Chinese managers holding collectivist beliefs. Jackson and Harkins (1985) found that individuals in groups contributed effort in relation to the anticipated contributions of other group members. For example, they found that individuals did not loaf if they worked with others whom they expected to work hard, but did loaf if they expected their partners to loaf. Based upon these findings, it seems clear that the conditions under which individuals exhibit loafing is related to the value orientation of their culture. It is therefore reasonable to conclude that an individual's behavior when working with a group is influenced by their cultural background and by the cultural values of other work group members.

Hypothesis 2: For the same scenario, Austrian and American students' intention to social loaf will be significantly different.

Method

The sample consisted of 100 undergraduate and MBA students at Universities in Austria and the United States. Respondents had worked in cohort groups in several classes prior to administration of the survey. Of the total sample 74 were Austrian, and 26 were American.

Measures

Subjects were asked to complete a survey which included scenarios adapted from a measure developed by Mayer and Norman (2004). Each scenario represented a different trustworthiness condition for a coworker, with three elements of trustworthiness (ability, benevolence, integrity) portrayed as either high or deficient. Participants provided responses to two dependent variables (perceived trustworthiness and intention to social loaf) after reading each of the hypothetical situations. A single item was used to assess perceived trustworthiness. To assess intention to social loaf we modified a 6 item scale from George (1992).

Analysis

The research design utilizing multiple scenarios and students grouped by nationality dictated that a repeated measures design be used to remove variability among subjects due to individual differences. (Stevens, 1992). With the assumption of sphericity upheld, a repeated measures design in combination with one-way ANOVAs was used to test the hypotheses.

Results

Table 1 presents descriptive statistics for the sample. Means for perceived trustworthiness and intention to social loaf for the Austrian and American student populations are reported for each scenario. The repeated measure design multivariate test found support for a significant difference in perceptions of trustworthiness by nationality ($F=4.37$, $p=.000$) but not for intention to social loaf ($F=6.40$, $p=.256$).

The use of post-hoc analysis provided additional support for hypothesis one (see table 2). Perceptions of trustworthiness were found to be significantly different for Austrian and American students for scenario 1,where benevolence and integrity were high, and ability was low ($F=5.080$, $p=.027$).

For scenario 2, where benevolence was deficient and ability and integrity were high, a significant difference was found between means ($F=22.045$, $p=.000$). The mean for the American sample was 2.58 and for the Austrian sample 2.09. This suggests that for Austrians, a lack of benevolence attributed to a coworker is associated with a decrease in perceptions of trustworthiness. Finally, no support was found for a significant difference between means for scenario 3.

Little support was found for hypothesis 2. The multivariate analysis did not indicate a significant difference for intention to social loaf by nationality. The post-hoc analysis of variance, however, indicated that the difference between Austrian and American students' intention to social loaf for scenario 3, ($F=6.158$, $p=.015$) approaches significance. Overall, only weak support can be ascribed to this hypothesis.

Discussion

This preliminary study suggests that the cultural profile of the members of the work group may impact the development of perceptions of trustworthiness and, to a lesser extent, member intention to social loaf. The relatively strong support for the

differences between American and Austrian students with regard to perceptions of co-worker trustworthiness suggests that integrity and benevolence are differentially important to individuals form diverse cultural backgrounds. The generally weak support for the intention to social loaf hypothesis, where only one scenario-specific relationship was found, suggests that variable may have a more complicated relationship with individual difference factors than is indicated by the current research model. Therefore, we conclude that there is some evidence for relationship between culture and perceptions related to effective work group functioning.

In addition to other cultural backgrounds, future research should examine heterogeneous and homogeneous work groups to assess the impact of demography on group process variables. Research in an organizational setting is needed to replicate these finding as a student work group population may be substantially different from one with full time working adults. Further, our student population was somewhat unequally distributed with regard to nationality, and this could have impacted the results. A final limitation of the current study is the use of exclusive use of self-report measures, which may not accurately reflect actual behavior.

Conclusion

With the world economy becoming increasingly global and the use of teams becoming pervasive, organizations must pay attention to the impact of employee cultural background on variables associated with effective group functioning. This research suggests that culture is related to how individuals form perceptions of trustworthiness and possibly intention to social loaf.

The implications for business and business educators are clear. It is likely that employees will work in groups with individuals that process trust related information differently. Knowledge about how perceptions of trustworthiness are formed may allow manages to foresee issues related to work group functioning. For example, freely sharing information about ability or integrity among work group members with different cultural backgrounds or encouraging team building to enhance perceptions of benevolence for intercultural teams may be useful to enhance perceptions of trustworthiness.

In sum, in a global economy that utilizes teams in a number of contexts, identifying how individuals decide whom they trust may be increasingly important. Being aware of the issues involved in forming perceptions of trust may facilitate more effective functioning of the organization.

Table 1: Means and Standard Deviations for Trustworthiness and Social Loafing

Independent variable manipulations	American				Austrian			
	Trustworthiness		Social Loafing		Trustworthiness		Social Loafing	
	$\underline{M}$	SD	$\underline{M}$	SD	$\underline{M}$	SD	$\underline{M}$	SD
Scenario 1 Ability = deficient Benevolence= high Integrity = high	2.55	1.10	4.0	.95	2.09	.71	3.74	.67
Scenario 2 Ability = high Benevolence = high Integrity = deficient	2.73	1.17	3.59	1.29	3.96	1.02	3.51	.86
Scenario 3 Ability = high Benevolence = deficient Integrity = high	3.27	1.09	4.15	.98	3.26	.98	3.62	.83

Table 2: Analysis of Variance for Trustworthiness and Social Loafing

Source of Variation	Trustworthiness			Social Loafing		
	Sum of Squares	F	Sig	Sum of Squares	F	Sig
Scenario 1	3.45	5.08	.027	1.09	1.97	.164
Scenario 2	24.63	22.05	.000	.101	.109	.742
Scenario 3	.000	.00	.992	4.65	6.16	.015

References

Butler, J.K. (1991). "Toward understanding and measuring conditions of trust: Evolution of a conditions of trust inventory", *Journal of Management,* Volume 17, 643-663.

Caldwell, C., & Clapham, S.E. (2003). Organizational trustworthiness: An international perspective. *Journal of Business Ethics*, Volume 47, 349-358.

Caldwell, C. & Jefferies, F.L. (2001) "Ethics, norms, dispositional trust, and context: Components of the missing link between trustworthiness and trust", presented at the Eighth Annual International Conference on Ethics in Business (DePaul University, Chicago, Il.).

Cook, J. & Wall, T. (1980) "New work attitude, measures of trust, organizational commitment and personal need non-fulfillment", *Journal of Occupational Psychology,* Volume 53, 39-52.

Cook, T, & Elmer, N. (1999). "Bottom-up versus top-down evaluations of candidates' managerial potential: An experimental study", *Journal of Occupational and Organizational Psychology*, Volume 72, 423-439.

Cullen, J.B., Johnson, J.L., & Sakano, T. (2000). "Success through commitment and trust: The soft side of strategic alliance management". *Journal of World Business*, Volume 35, 223-240.

Curall, S.C. & Judge, T.A. (1995). "Measuring trust between organizational boundaries role persons". *Organizational Behavior & Human Decision Processes*, Volume 64, 151-170.

Dasgupta, P. (1988). Trust as a commodity. In D.G.Gambetta (Ed.), Trust (pp.49-72). New York: Blackwell.

Davis, J.H, Shoorman, F.D., Mayer, R.C., & Tan, H.H. (2000). "The trusted general manager and business unit performance: Empirical evidence of a competitive advantage". *Strategic Management Journal*, Volume 21,563-576.

Deutsch, M. (1960). "The effect of motivational orientation upon trust and suspicion". *Human Relations*, 13,123-140.

Dunkel, A. & Meierewert, S. (2004). "Culture Standards and their impact on Teamwork: An empirical Analysis of Austrian, German, Hungarian and Spanish Culture Differences", *Journal for East European Management Studies Chemnitz* , Volume 9, (2) 147-174.

Earley, P.C. (1989). "Social Loafing and Collectivism: A comparison of the United States and the People's Republic of China", *Administrative Science Quarterly*, 34, 565-581.

Earley, P.C. (1993). "East meets West meets Mideast: Further explorations of collectivistic and individualistic work groups". *Academy of Management Journal*, Volume 36, 319-348.

Flaherty, K.E., & Pappas, J.M. (2000). "The role of trust ion salesperson-sales manager Relationships". *Journal of Personal Selling & Sales Management*, Volume 20, 271-278.

Gabarro, J.J. (1978) "The development of trust, influence, and expectations". In A.G. Athos and J.J. Gabarro (eds.), Interpersonal behavior: Communication and understanding in relationships: 290-303. (Englewood Cliffs, NJ: Prentice Hall).

Gabrenya, W.K., Jr., Latane, B., & Wang, Y. (1983). "Social loafing in cross-cultural Perspective". *Journal of Cross-Cultural Psychology*, 14, 368-384.

.Good, D. (1988). "Individual, interpersonal relations and trust". In D.G. Gambetta (Ed.), Trust (ppp.131-185), New York: Blackwell.

Giffin, K. (1967). "The contribution of studies of source credibility to a theory of interpersonal trust in the communication department". *Psychological Bulletin*, 68, 104-120.

Hofstede, G. (1988) "Motivation, leadership, and organization: Do American theories apply abroad?" *Organizational Dynamics* (1), 42-63.

Hofstede, G. (1994) Uncommon sense about organizations: Cases, studies, and field observations (Sage Publications, Thousand Oaks, CA.).

Hofstede, G. (1997) Cultures and Organizations: Software of the mind (McGraw-Hill, New York).

Hofstede, G. (2001) Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations (Sage publications, Thousand Oaks, CA.).

Hosmer, L., T. (1995) "Trust: The connecting link between organizational theory and behavior", *Academy of Management Review,* 20(2), 379-404.

Jackson, J.M., & Harkins, S.G. (1985). "Equity in effort: An explanation of the social loafing effect". *Journal; of Personality and Social Psychology*, 49, 1199-1206.

Kee, H.W., & Knox, R.E. (1970) "Conceptual and methodological considerations in the study of trust and suspicion", *Conflict Resolution,* Vol 14, 357-366.

Kim, P.H., Ferrin, D.L., Cooper, C.D., & Dirks, K.T. (2004). "Removing the shadow of suspicion: The effects of apology versus denial for repairing competence-versus integrity-based trust violations", Journal *of Applied Psychology*, Volume 89, 104-118.

Latane, B, Williams, K.D., & Harkins, S. (1979). "Many hands make light the work: The causes and consequences of social loafing". *Journal of Personality and Social Psychology*, 37, 822-832.

Lieberman, J.K. (1981). The litigious society. New York: Basic books.

Luhmann, N. (1979) Trust and Power (Wiley, Chichester, MA.)

Madon, S. Jussim, L., & Eccles, J. (1997). "In search of the powerful self-fulfilling Prophesy". *Journal of Personality and Social Psychology*, Vol 72, 791-809.

Marin, C., Spears, R., & Van der Plight, J, & Jacobs, E. (1992). "Negativity and positivity effects in person perception and inference: Ability versus morality", *European Journal of Social Psychology*, Vol 22, 453-463.

McKnight, D.H, Cummings, L.L., & Chervany, N.L. (1998). "Initial trust formation in new organizational relationships". *Academy of Management Review*, 23:473-490.

Mayer, R.C., Davis, J. H., & Schoorman, F.D. (1995) "An integration model of organizational trust", *Academy of Management Review*, Vol 20, 709-729.

Mayer R.C. & Norman, P.M. (2004). "Exploring Attributes of Trustworthiness: A Classroom Exercise", *Journal of Management Education*, Vol 28, number 2, 224-249.

Meyerson, D., Weick, K.E., & Kramer, R.M. (1996) "Swift trust and temporary groups", in R.M. Kramer and T.R. Tyler (eds.), Trust in Organizations: Frontiers of Theory and Research (Sage publications, Thousand Oaks, CA.) 256-260.

Mohr, J., & Speckman, R. (1994). "Characteristics of partnership success: Partnership attributes, communication behavior, and conflict resolution techniques". *Strategic Management Journal*, Volume 15, 135-152.

Nooteboom, B. (1996). "Trust, opportunism, and governance: A process and control Model". *Organization Studies*, 17, 985-1010.

Olsen, M. (1971). The logic of collective action. Cambridge Ma: Harvard University Press.

Pancer, S., Brown, S., &Barr, C. (1999). "Forming impressions of political leaders: A cross-cultural comparison", *Political Psychology*, Volume 20, 345-368.

Primeaux, P., Karri, R, and Caldwell, C. (2003) *Journal of Business Ethics*. Dordrecht: Volume 46, 2pp 187-195.

Poelmans, S., Spector, P.E., Cooper, C.L., & Allen, T. D.(2003). "A Cross-national Comparative Study Work/Family Demands and Resources", *International Journal of Cross cultural Management;* CCM, London, Volume 3, 3, pg. 275-289.

Raghuram, S., Gamd, R., Wiesenfield, B., & Gupta, V. (2001). "Factors contributing to virtual work adjustment". *Journal of Management*, Volume 27, 383-405.

Robbins, S.P. (2001), Organizational Behavior (9th ed.). Upper Saddle River, NJ: Prentice Hall.

Ring, P.S., & Van de Ven, A.H. (1994). "Developmental processes of cooperative interorganizational relationships". *Academy of Management Review*, Volume 19:90-118.

Schindler, P.L., & Thomas, C.C. (1993). "The structure of interpersonal trust in the Workplace", *Psychological Reports*, Volume 73, 563-573.

Silvadas, E., & Dwyer, F.R. (2000). "An examination of organizational factors influencing new product success in internal and alliance-based processes". *Journal of Marketing*, Volume 64, 31-49.

Spreitzer, G.M., & Mishra, A.K. (1999). "Giving up control without losing control". *Group and Organization Management*, Volume 24, 155-187.

Stevens, J., (1992). Applied Multivariate Statistics for the Social Sciences (2nd ed.).Hillsdale, NJ: Lawrence Erlbaum Associates.

Strickland, L.H. (1958). "Surveillance and trust". *Journal of Personality*, 26,200-215.

Volery, T. & Mensik, S. (1998). "The role of trust in creating effective alliances: A managerial perspective". *Journal of Business Ethics*, Volume 17, 987-994.

Whitener, E.M., Brodt, S.E., Korsgaard, M.A., and Werner, J.M. (1998). "Managers as initiators of trust: an exchange relationship framework for understanding managerial trustworthy behavior", *Academy of Management Review*, Volume 23 3, 513-530.

William, M. (2001) "In whom we trust: Group membership as an affective context for trust development", *Academy of Management Review*, Volume 26, 3, 377-396.

Wilpert, B. (1984). "Participation in organizations: Evidence from international comparative research". *International Social Science Journal*. Volume 36, 355-366.