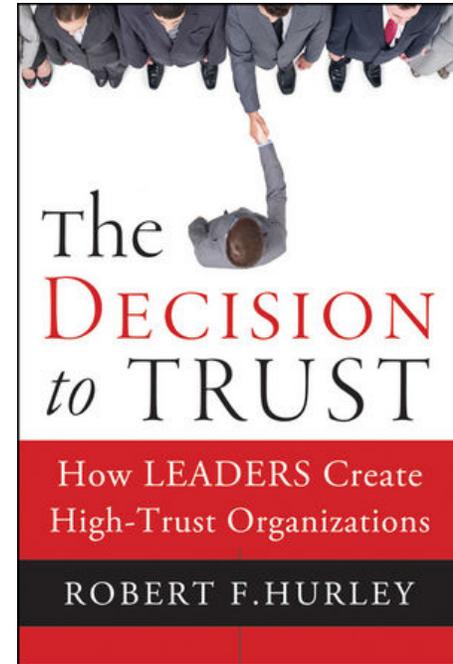
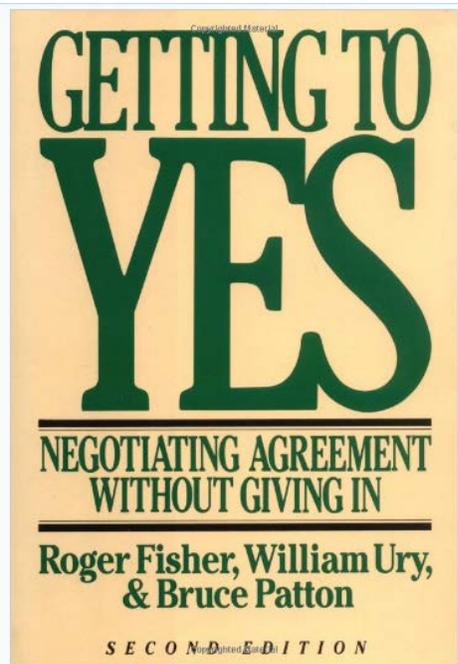


Research on Negotiation and Trust: A Reunion Long Overdue

Donald L. Ferrin, Ph.D.

Professor of OBHR

Lee Kong Chian School of Business
Singapore Management University



Origins of Negotiation Research and Trust Research

Negotiation

Trust

*What is the most
fundamental
concept in the
literature?*

Origins of Negotiation Research and Trust Research

Negotiation

Trust

Source

Theory of Cooperation and Competition
(Deutsch 1949)

*What is the most
fundamental
concept in the
literature?*

Interests

Origins of Negotiation Research and Trust Research

Negotiation

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What is the most fundamental concept in the literature?

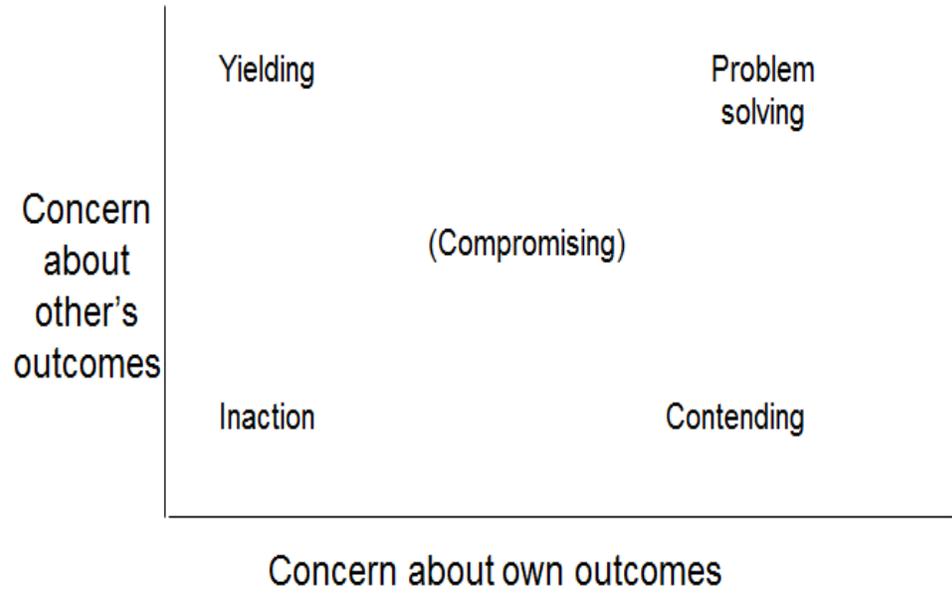
From this concept we get...

Interests

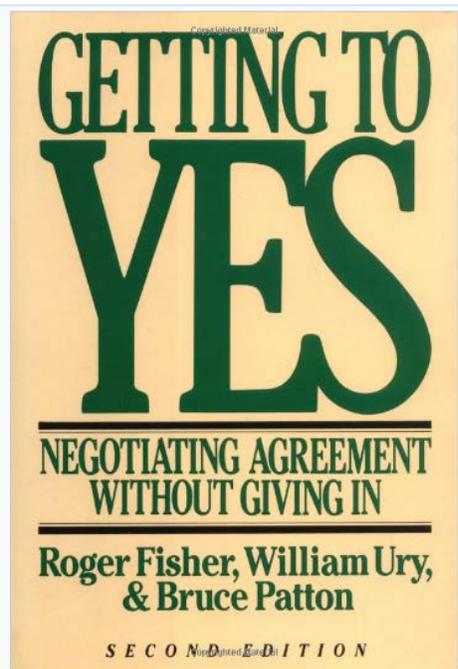
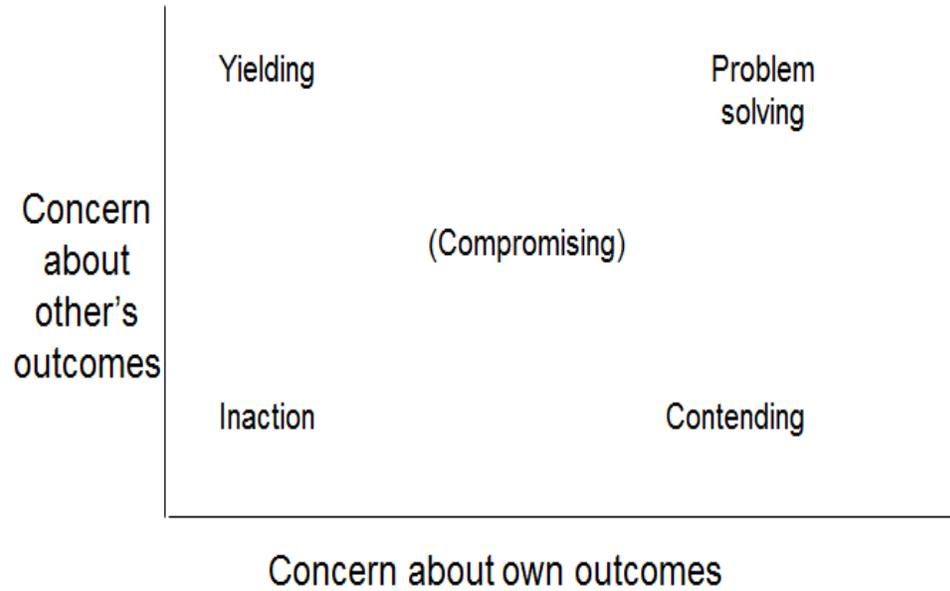
Interest-based negotiation



The Dual Concerns Model



The Dual Concerns Model



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Vulnerability

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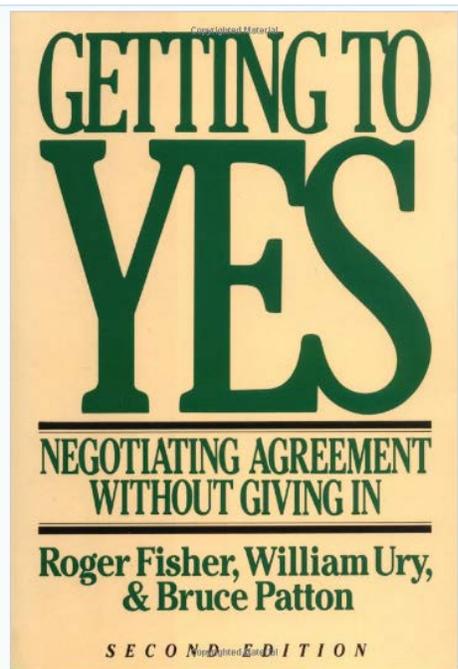
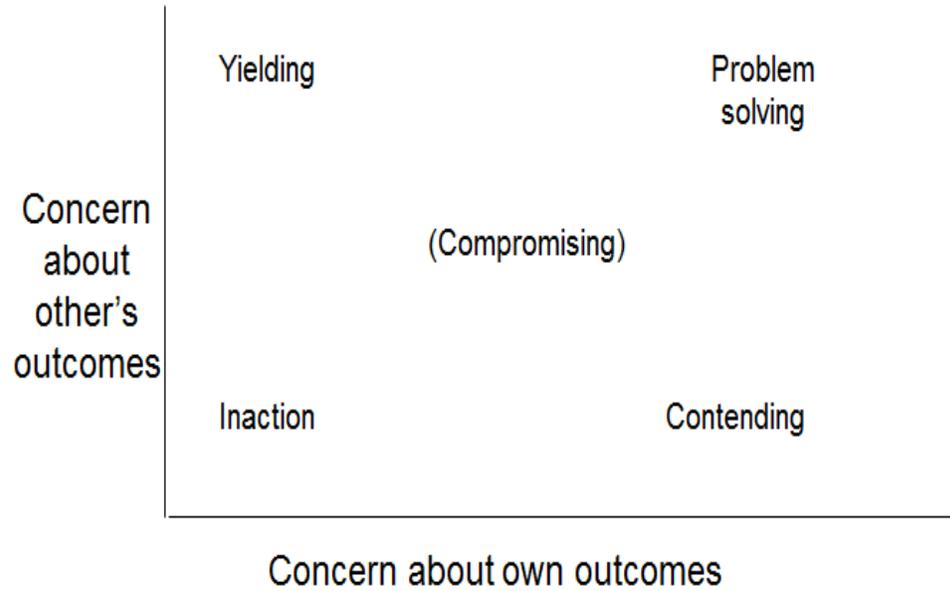
Interest-based negotiation



Vulnerability

Trust \equiv “Willingness of a party to be vulnerable to the actions of another party based upon 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)

The Dual Concerns Model



The Dual Concerns Model

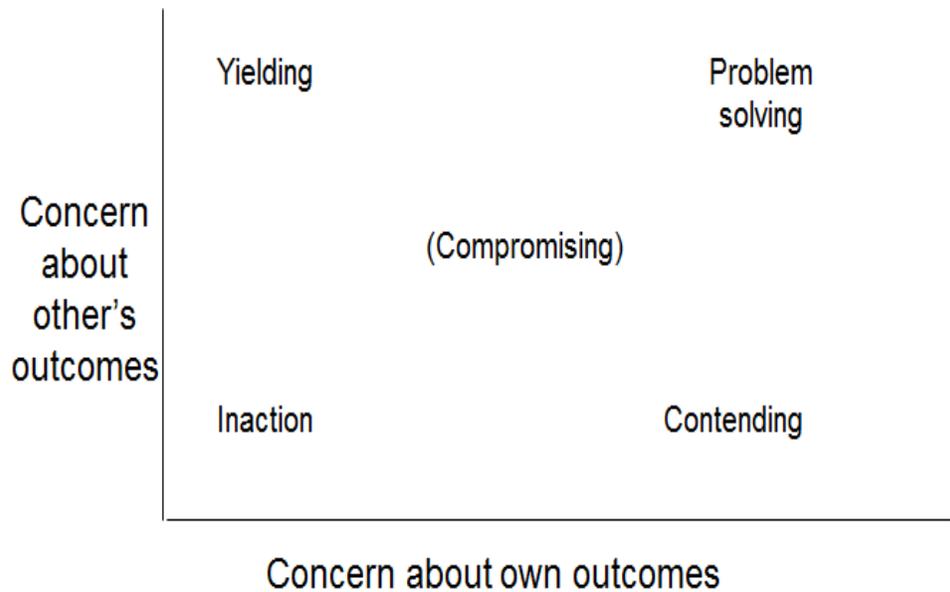
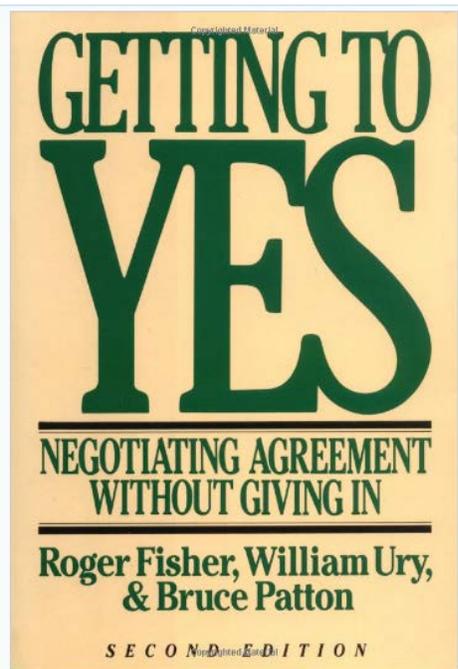
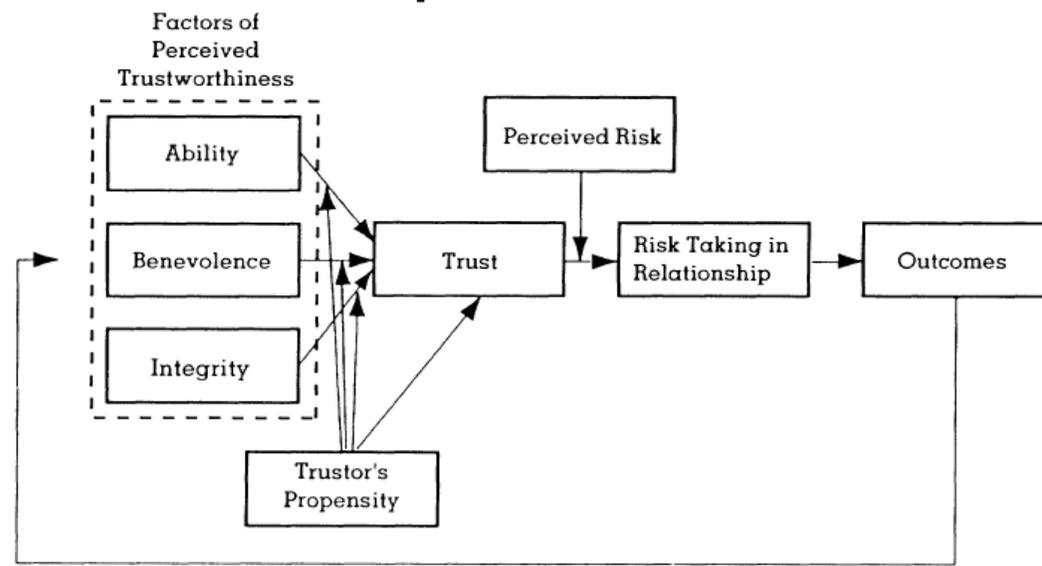


FIGURE 1
Proposed Model of Trust



The Dual Concerns Model

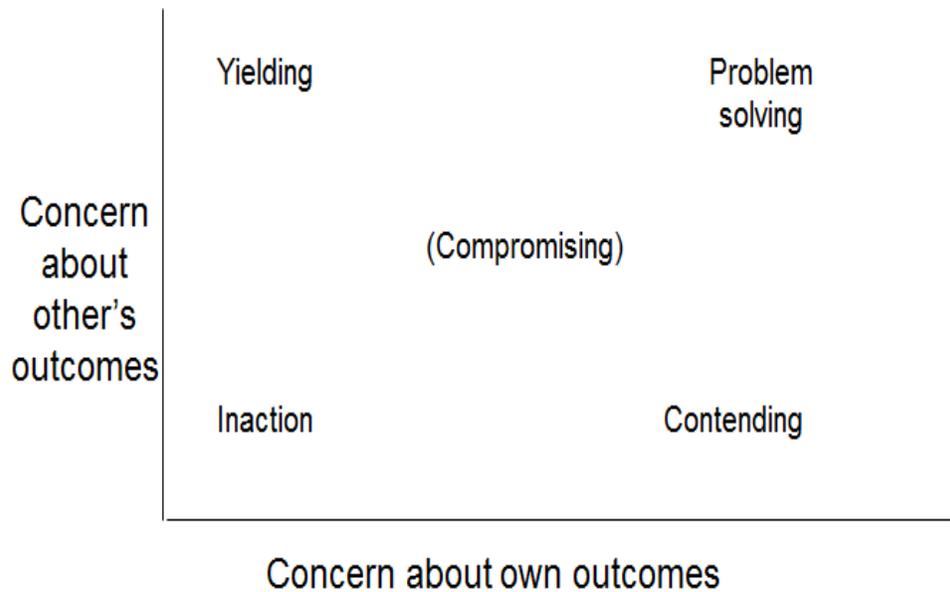
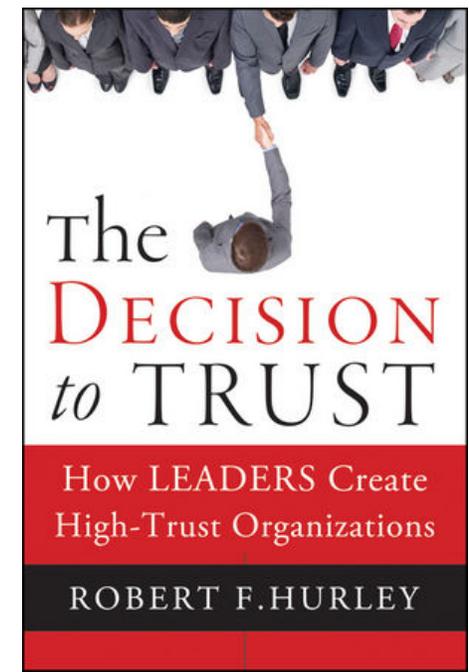
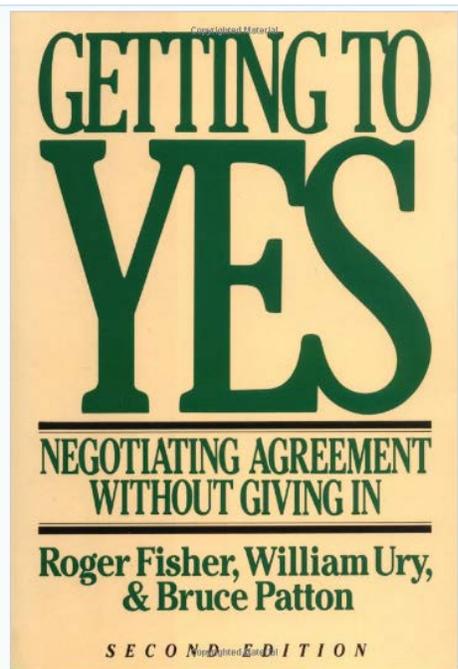
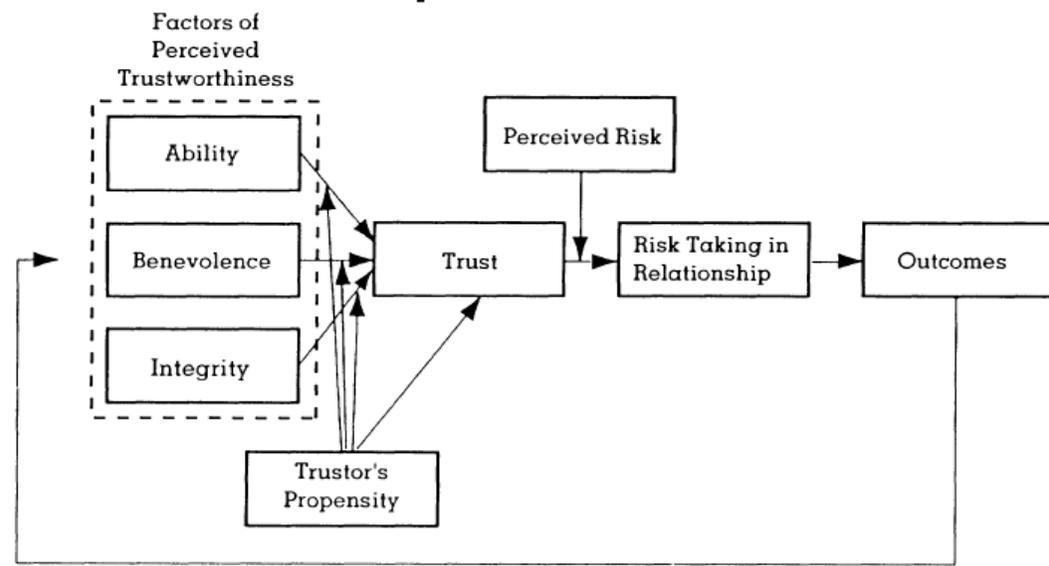


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Trust

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Origins of Negotiation Research and Trust Research

Negotiation



Morton Deutsch
(1920-2017)

Trust

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Is Trust Relevant in the Context of Negotiation and V.V.?

Why Should Trust Researchers be Interested in Negotiation?

- Negotiation \equiv “A social process that occurs whenever people cannot achieve their goals without the cooperation of others” (Thompson, Wang & Gunia 2010).
- So, a great deal of what constitutes leader-follower & peer relations with organizations can be understood as “negotiation.”
- And also cross-functional teams, performance review, managers as third parties, coalitions, teams, interdepartmental relations, employment terms, job roles, etc.
- These relations involve social exchange processes, fairness, coordination, helping, communication, non-verbal communication, reputation, persuasion, influence, emotions, power, gender and demographics, culture, cognition, decision making, collaboration, person perception, all of which are of interest to trust researchers.

Is Trust Relevant in the Context of Negotiation and V.V.?

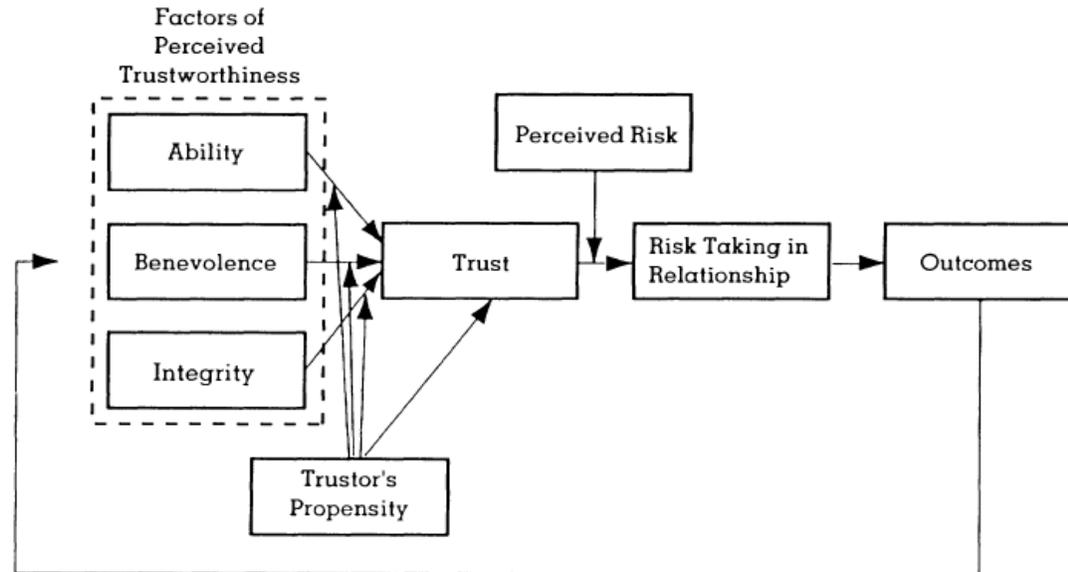
Why Should Negotiation Researchers be Interested in Trust?

1995

Mayer, Davis, and Schoorman

715

FIGURE 1
Proposed Model of Trust



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How Much Research is there on Trust in the Context of Negotiation?

Answer 1: Meta-analyses

- Effects of trust on negotiation behaviors and outcomes: 32 studies (Kong, Dirks & Ferrin 2014)
- Determinants of trust in the context of negotiation: 25 studies (Lyu, Kong, Ferrin & Dirks 2017)

Answer 2: My non-systematic search of 24 OB/Psych/IO journals for the last 15 years turned up 37 peer-reviewed articles studying trust in the context of negotiation.

Putting that in context:

- The First International Network on Trust (FINT) attracts ~90 researchers biannually. (Mostly European trust researchers).
- IACM attracts hundreds (?) of researchers annually.
- I estimate that there are now approximately 40-60 peer-reviewed articles on trust published annually in the top 15 OB/IO/HR journals.

A Reunion Long Overdue: Weaknesses and Frontiers

Weaknesses and Frontiers of Trust Research

- Causality: Few studies that assess causality except in very abstracted lab tasks
- Trust development: Few studies of trust development as a process
 - Spirals, Phases, Trajectories
- Rudimentary and unsystematic understanding of the effects of culture
- Samples: Studies of executive participants are nearly always correlational

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Weaknesses and Frontiers of Negotiation Research (with respect to Trust)

- Oversimplified understanding of what trust is
- Lack of theoretical precision and richness regarding the role of trust in negotiation
- Weak measurement of trust
- Silo paradigm: Negotiation research seems somewhat stand-alone from other areas of e.g. OB

A Reunion Long Overdue: Opportunities!

Opportunities for Trust Research

- Demonstrate causality
- Study trust development
 - Spirals, Phases, Trajectories
- Study culture systematically
- Study trust dynamics, including causality, trust development, and culture among others, in Executive samples
- Advance the scientific understanding of negotiation!

A Reunion Long Overdue: Opportunities!

Opportunities for Trust Research

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- Study trust development
 - Spirals, Reciprocation, Trajectories
- Study culture systematically
- Study trust dynamics, including causality, trust development, and culture among others, in Executive samples
- Advance the scientific understanding of negotiation!

Opportunities for Negotiation Research (with respect to Trust)

- Add theoretical richness, precision, and explanatory power regarding the role of trust in negotiation
- Employ state of the art measures
- Advance the scientific understanding of trust!

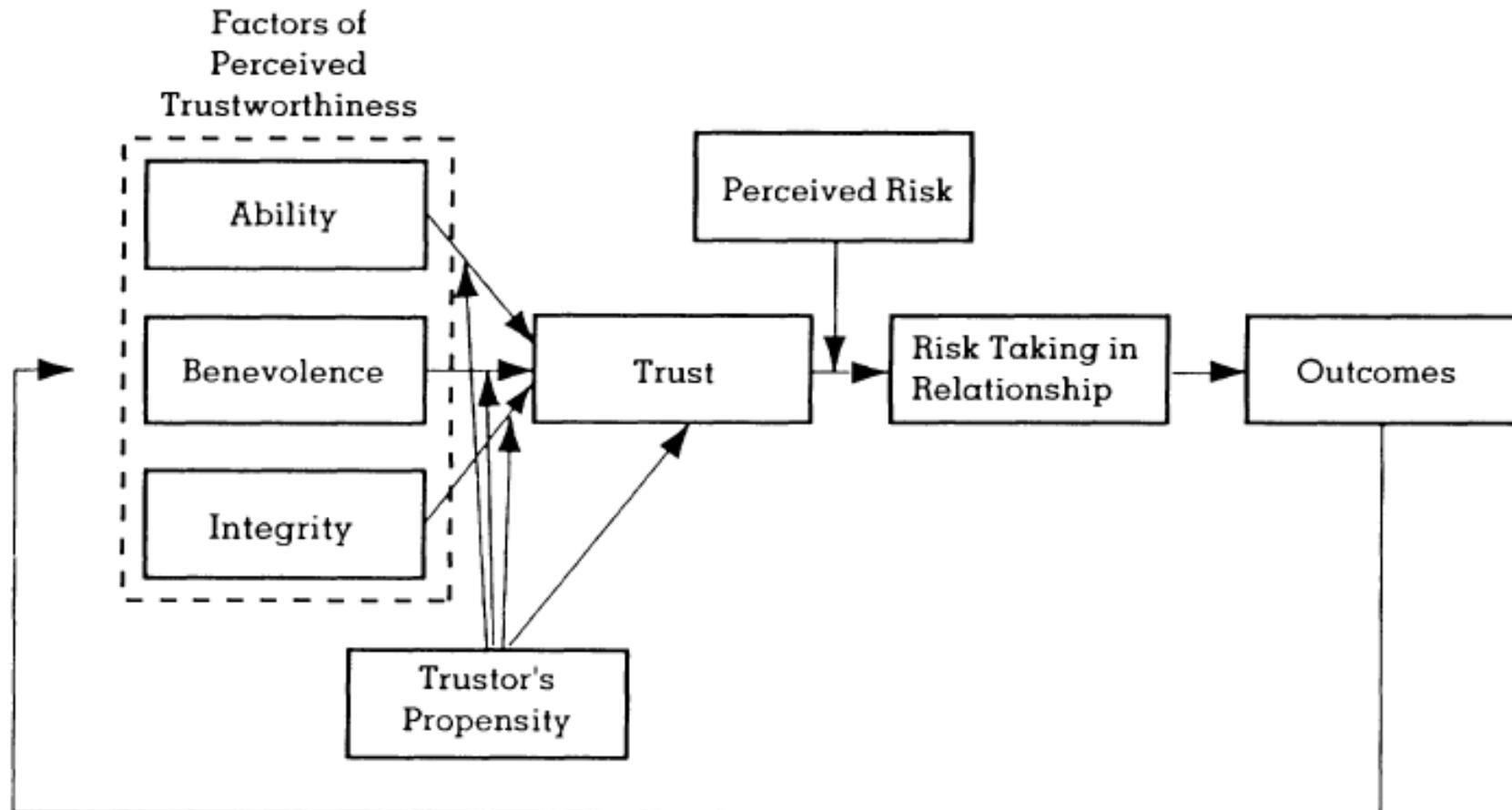
Understanding Trust Conceptually (1)

1995

Mayer, Davis & Schoorman 1995:
Trust as Willingness to Accept Vulnerability

715

FIGURE 1
Proposed Model of Trust



Understanding Trust Conceptually (2)

McAllister 1995:
Trust as Confident
Positive Expectations

Cognition-
Based Trust

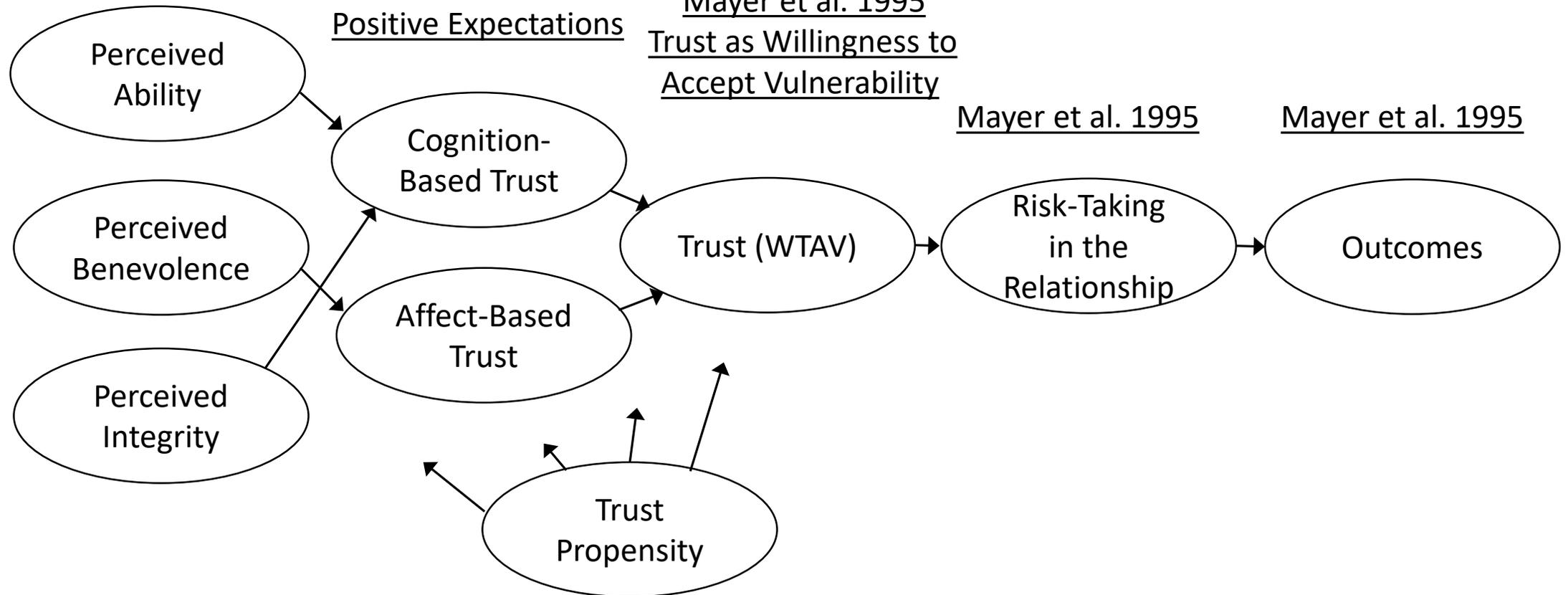
Affect-Based
Trust

Melding the Two Primary Models and Measures of Trust

Mayer et al. 1995
Perceived Trustworthiness

McAllister 1995:
Trust as Confident
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Mayer et al. 1995
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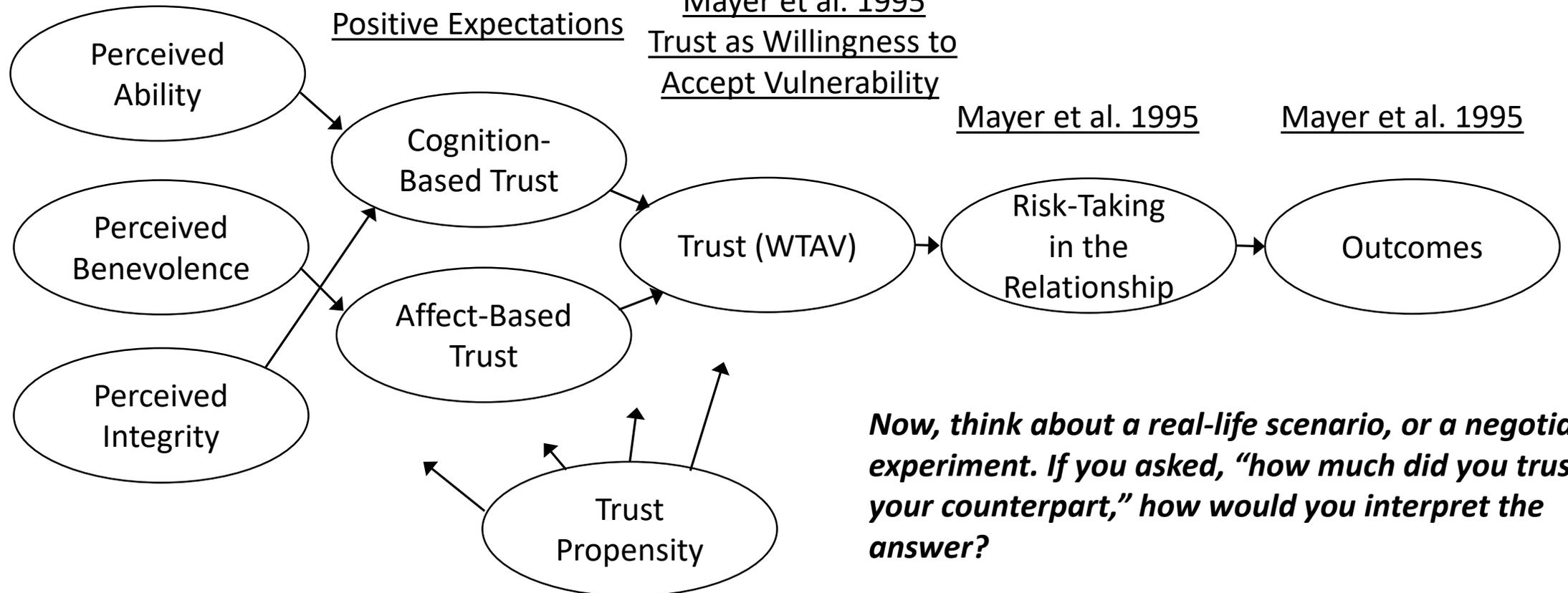


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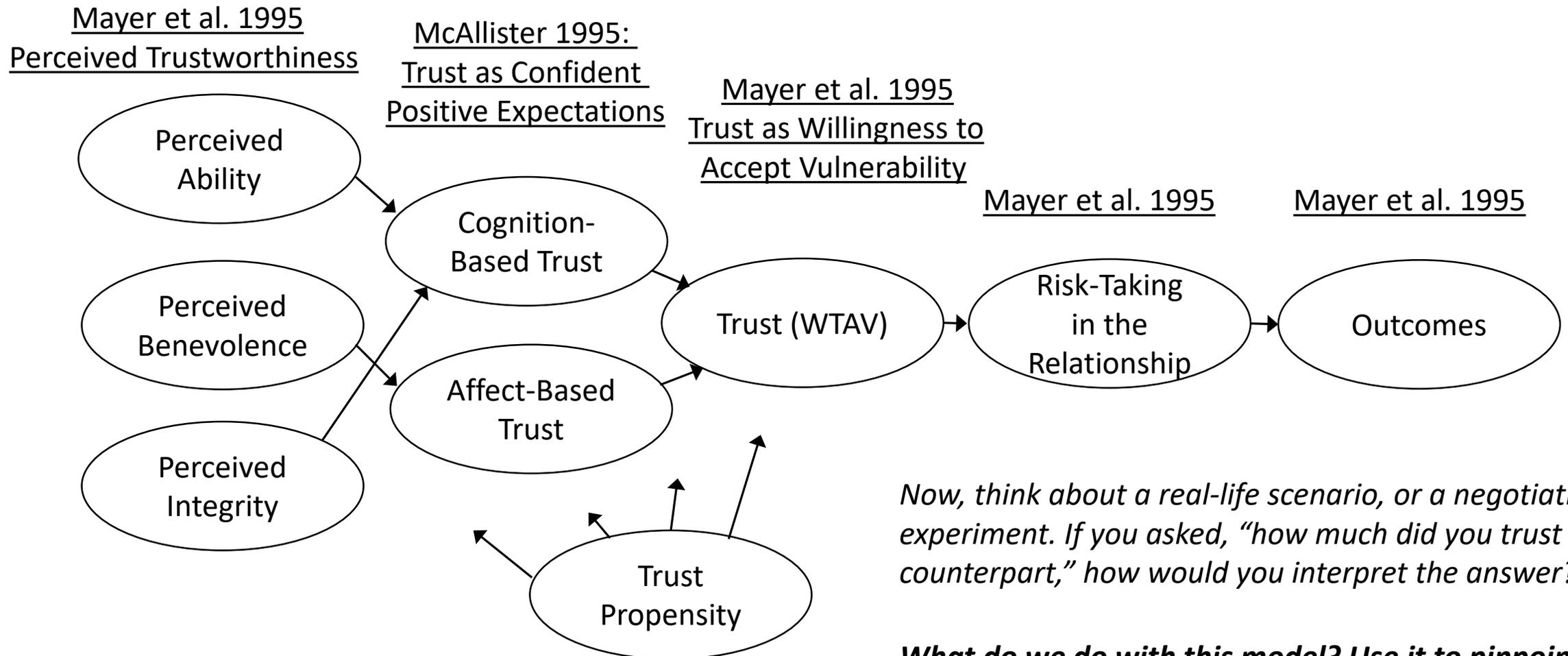


Mayer et al. 1995

Mayer et al. 1995

Now, think about a real-life scenario, or a negotiation experiment. If you asked, "how much did you trust your counterpart," how would you interpret the answer?

Melding the Two Primary Models and Measures of Trust



Now, think about a real-life scenario, or a negotiation experiment. If you asked, “how much did you trust your counterpart,” how would you interpret the answer?

What do we do with this model? Use it to pinpoint the constructs that are of theoretical and empirical interest.

How Can We Measure Trust?

Appendix

Measures of Trust, Trustworthiness, and Performance Appraisal Perceptions

The following instructions preface the scales. The anchors shown below were consistent throughout. Headings of construct names are for clarity of exposition, and were not included in the surveys. Indicate the degree to which you agree with each statement by using the following scale:

1	2	3	4	5
Disagree strongly	Disagree	Neither agree nor disagree	Agree	Agree strongly

Think about [company name]'s top management team (names listed in parentheses for clarity). For each statement, write the number that best describes how much you agree or disagree with each statement.

Ability

Top management is very capable of performing its job.
 Top management is known to be successful at the things it tries to do.
 Top management has much knowledge about the work that needs done.
 I feel very confident about top management's skills.
 Top management has specialized capabilities that can increase our performance.
 Top management is well qualified.

Benevolence

Top management is very concerned about my welfare.
 My needs and desires are very important to top management.
 Top management would not knowingly do anything to hurt me.
 Top management really looks out for what is important to me.
 Top management will go out of its way to help me.

Integrity

Top management has a strong sense of justice.
 I never have to wonder whether top management will stick to its word.
 Top management tries hard to be fair in dealings with others.
 Top management's actions and behaviors are not very consistent.*
 I like top management's values.
 Sound principles seem to guide top management's behavior.

Propensity

One should be very cautious with strangers.
 Most experts tell the truth about the limits of their knowledge.
 Most people can be counted on to do what they say they will do.
 These days, you must be alert or someone is likely to take advantage of you.
 Most salespeople are honest in describing their products.
 Most repair people will not overcharge people who are ignorant of their specialty.
 Most people answer public opinion polls honestly.
 Most adults are competent at their jobs.

Trust

If I had my way, I wouldn't let top management have any influence over issues that are important to me.*
 I would be willing to let top management have complete control over my future in this company.
 I really wish I had a good way to keep an eye on top management.*
 I would be comfortable giving top management a task or problem which was critical to me, even if I could not monitor their actions.

Think about the performance review system at [company name], and answer the following questions.

Accuracy

The evaluation of what skills I have is pretty accurate.
 How much work I get done is important to my performance review.
 How many mistakes I make in my work is important to my performance review.
 Whether or not my supervisor likes me is important to my performance review.*
 How much effort I put into my job is important to my performance review.
 How many "extra" things I do is important to my performance review.
 Finding ways for the company to save money is important to my performance review.
 Coming up with good ideas for the company improves my performance review.

Outcome instrumentality

Whether or not I get a raise depends on my performance.
 If you are one of the better performers in this company, you will get one of the better raises.
 If I perform well, my chances of moving up are improved.
 *-Reverse-scored item.

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Mayer & Davis (1999); also see Mayer & Gavin (2005)

TABLE 1
 Results of Confirmatory Factor Analysis for Behavioral Response and Interpersonal Trust Measures*

Items	Loadings
Affect-based trust	
We have a sharing relationship. We can both freely share our ideas, feelings, and hopes.	.89
I can talk freely to this individual about difficulties I am having at work and know that (s)he will want to listen.	.82
We would both feel a sense of loss if one of us was transferred and we could no longer work together.	.81
If I shared my problems with this person, I know (s)he would respond constructively and caringly.	.78
I would have to say that we have both made considerable emotional investments in our working relationship.	.84
Cognition-based trust	
This person approaches his/her job with professionalism and dedication.	.84
Given this person's track record, I see no reason to doubt his/her competence and preparation for the job.	.86
I can rely on this person not to make my job more difficult by careless work.	.81
Most people, even those who aren't close friends of this individual, trust and respect him/her as a coworker.	.77
Other work associates of mine who must interact with this individual consider him/her to be trustworthy.	.73
If people knew more about the individual and his/her background, they would be more concerned and monitor his/her performance more closely. ^b	.69
Need-based monitoring	
Even when others think everything is fine, I know when (s)he is having difficulties.	.76
This person doesn't have to tell me in order for me to know how things are going for him/her at work.	.72
Altruistic citizenship behavior	
I take time to listen to this person's problems and worries.	.79
I have taken a personal interest in this individual.	.79
I frequently do extra things I know I won't be rewarded for, but which make my cooperative efforts with this person more productive.	.72
I pass on new information that might be useful to this person.	.65
I willingly help this individual, even at some cost to personal productivity.	.62
When making decisions at work that affect this individual, I try to take his/her needs and feelings into account.	.40
I try not to make things more difficult for this person by my careless actions.	.17
Assistance-oriented citizenship behavior	
I help this person with difficult assignments, even when assistance is not directly requested.	.90
I assist this person with heavy work loads, even though it is not part of my job.	.64
I help this person when (s)he has been absent.	.71
Monitoring and defensive behavior	
I find that this person is not the sort of coworker I need to monitor closely. ^b	.85
The quality of the work I receive from this individual is only maintained by my diligent monitoring.	.81
I have sometimes found it necessary to work around this individual in order to get things done the way that I would like them to be done.	.73
I keep close track of my interactions with this individual, taking note of instances where (s)he does not keep up his/her end of the bargain.	.72
I have found it necessary to make inquiries before responding to this person's requests for assistance. This ensures that my interests are protected.	.62
Rather than just depending on this individual to come through when I need assistance, I try to have a backup plan ready.	.56

*The loadings are reported from the completely standardized solution. Chi-square with 361 degrees of freedom is 601.04 ($p < .001$). Comparative fit index is .90. Calculated from null of 3,646.90 with 998 degrees of freedom.

^bItem was reverse-coded.

McAllister (1995)

Development and validation of a propensity to trust scale

M. Lance Frazier^{a*}, Paul D. Johnson^b and Stav Fainshmidt^a

^aDepartment of Management, College of Business and Public Administration, Old Dominion University, Norfolk, VA, USA; ^bGlobal Management and Strategy Department, Western Carolina University, Cullowhee, NC, USA

(Received 9 April 2012; final version received 15 May 2013)

Though trust researchers recognise the importance of a dispositional component to forming trusting relationships in the workplace, there has been comparatively little research on propensity to trust in the literature. We review the literature, discuss prior measures of propensity to trust, and integrate them to develop a propensity to trust scale. Results of four validation studies suggest that this propensity to trust scale demonstrates strong psychometric properties and is empirically related to other constructs within a theoretically derived nomological network of trust. The consequence is a concise, rigorously developed, and consistently reliable scale of propensity to trust. Scholarly and practical implications are discussed along with several avenues for future research.

Keywords: propensity to trust; scale development; trust; trustworthiness

Introduction

As a mechanism for facilitating social exchange (Cropanzano & Byrne, 2000), trust in the workplace impacts overall organisational functioning through its influence on relationship quality (Lau & Cobb, 2010; Tan & Lim, 2009). Empirical research on trust among individuals shows that trust leads to improved performance, more citizenship behaviours, improved job satisfaction and greater organisational commitment (Colquitt, Scott, & LePine, 2007; Dirks & Ferrin, 2002). Despite the proliferation of research on antecedents to trust, the dispositional component to forming trust-based relationships has received comparatively little attention (Berneth & Walker, 2008; Kramer, 1999). Consequently, despite its importance as a construct theoretically and empirically related to many organisational phenomena, propensity to trust remains an underdeveloped area of investigation (Colquitt et al., 2007; Schoorman, Mayer, & Davis, 2007).

The importance of propensity to trust in organisations may increase as a result of the dynamic nature of today's workplace. Organisational restructuring, decreased employee loyalty, the use of temporary workers and technological advancements make social exchanges with leaders, subordinates and co-workers more complicated. In turn, this may create ambiguities in trustworthiness perceptions and subsequent decisions to trust (Alge, Ballinger, & Green, 2004; McKnight, Cummings, & Chervany, 1998). Further, research on virtual teams suggests that trust is increasingly important because of the lack of social controls necessary for effective team

Frazier, Johnson & Fainshmidt (2013)

How Can We Measure Trust (2)?

15

The Organizational Trust Inventory (OTI)

Development and Validation

L. L. CUMMINGS
PHILIP BROMILEY

The purpose of this chapter is to present the conceptual and empirical development, including validation, of a measure of organizational trust. Organizational trust refers to the degree of trust between units of an organization or between organizations.

A number of conceptual and empirical perspectives have been taken on trust, ranging from interpersonal (Helgeson, 1994; Wrightsman, 1991) to intergroup (Zander, 1994) to organizational (Bradach & Eccles, 1989; Gambetta, 1988; Granovetter, 1985; Hosmer, 1995) to societal (Lewis & Weigert, 1985). In addition, trust has been conceptualized as both a behavior and a belief (Shoda, Mischel, & Wright, 1994).

AUTHORS' NOTE: We wish to thank the following for their assistance: Lian Van Dyne, Don VandeWalle, Kathryn Brewer, Hyoung Moon, Seog Kwun, Kimberly Barron, Shoba Das, Charles Flaherty, Tanya Kostova, Mike Latham, and R. P. McDonald.

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Cummings & Bromiley
(1996)

Journal of Trust Research 1(1), 2011: 23–63

Routledge
Taylor & Francis Group

Measuring trust in organisational research: Review and recommendations

Bill McEvily^{a*} and Marco Tortoriello^b

^aRotman School of Management, University of Toronto, Canada; ^bIESE Business School – Madrid, Spain

(Received 17 February 2010; final version received 23 November 2010)

Although the organisational literature is increasingly converging on common definitions and theoretical conceptualisations of trust, it is unclear whether the same is true for the measures used to operationalise trust. In this paper, we review the organisational literature to assess the degree of sophistication and convergence across studies in how trust has been measured. Our analysis of 171 papers published over 48 years revealed that the state of the art of trust measurement is rudimentary and highly fragmented. In particular, we identified a total of 129 different measures of trust. Moreover, in only 24 instances were we able to verify that a previously developed and validated measure of trust had been replicated verbatim, and 11 of these replications were by the same authors who originated the measure. In addition to the limited degree of replication, the measurement of trust in the organisational literature is characterised by weak evidence in support of construct validity and limited consensus on operational dimensions. What makes these findings even more surprising is that our review also identified several measures of trust that have been carefully developed and thoroughly validated. We profile those measures with strong measurement properties and discuss their trade-offs. We also present a framework for measuring trust that provides guidance to researchers for selecting or developing a measure of trust and propose an agenda for future research with an emphasis on resolving enduring debates in the literature.

Keywords: trust; measurement; validity; organisational; psychometric

The need for a review

Research on the role of trust in an organisational context has expanded considerably in recent years. Apart from the increasing number of journal articles, there have also been several special issues¹ and books² devoted to the topic of trust in and between organisations. While this literature has made important theoretical and conceptual advances, the literature as a whole is not well integrated and lacks coherence (McEvily, Perrone, & Zaheer, 2003). In part, this may be due to the fact that most research tends to embed trust into existing theories of organisations, resulting in a diverse and eclectic mix of findings. However, we believe that this is also due to a fragmentation in the literature in the way that trust is measured.

Although the organisational literature is converging on common definitions and

McEvily & Tortoriello
(2011)

Existing Approaches to Measuring/Studying Trust in Negotiation Research

Room for Improvement 😊

- Single item non-dimensional measure
“How much did you trust the other party?”
- Single item dimensional measure: “I can depend on my partner to have my best interests at heart” (ABT)
- Short unsourced multi-item scale that measures multiple trust dimensions as a single dimension.
- Hotchpotch items that don’t clearly link to trust dimensions: “I felt on the same page with the other person”; “cooperative”; “helpful”; “considerate”

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Exemplary 😊!!!

- Campagna, Mislin, Kong & Bottom (2015): Perceived benevolence and perceived integrity from Mayer & Davis (1999) scale.
- Naquin & Paulson (2003); Naquin & Kurtzberg (2009): OTI short-form
- Caspi, Olekalns & Druckman (2016): Manipulated ABT & CBT based on McAllister (1995)

How Can We Approach the Study of Culture
in the Context of Trust and Negotiation (1)?

How Can We Approach the Study of Culture in the Context of Trust and Negotiation (1)?

Ferrin & Gillespie (2010) review of 50+ empirical studies that examined trust across cultures concluded that trust is:

- a variform universal (Lonner 1980): The general principle of trust exists around the world but some manifestations vary around the world.
- a variform functional universal (Bass 1997): similar relationships of trust with other variables are found around the world, but magnitudes (and sometimes directions) sometimes differ.

How Can We Approach the Study of Culture in the Context of Trust and Negotiation (2)?

Examples already in use! (Based on my review of 24 journals)

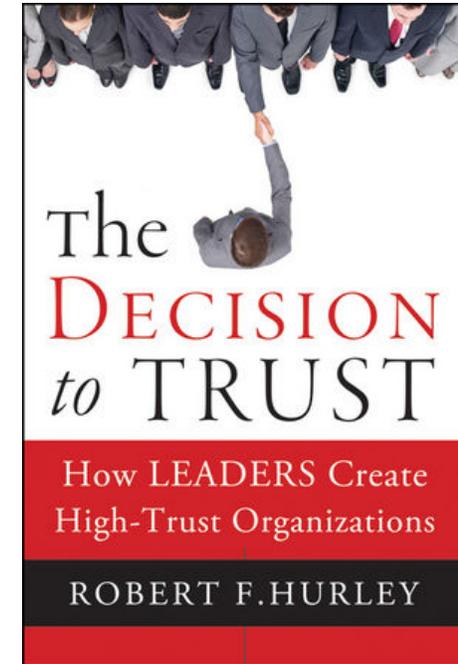
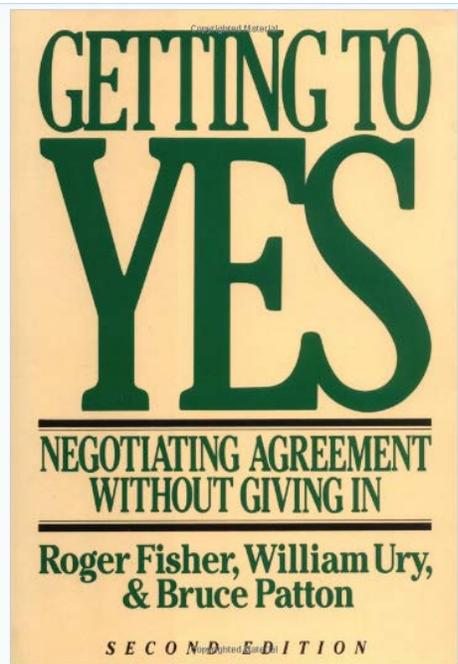
- Cross-cultural generalizability: Numerous studies use non-US samples: Chinese, Dutch, British, Australian, Hong Kong, etc. Even without a culture research question, these expand evidence of generalizability.
- Cross-cultural comparisons using negotiation simulations
 - Tightness-Looseness; Indian & American (Gunia, Brett, Nandkeolyar & Kamdar, 2011)
- Intercultural analyses using negotiation simulations
 - Interpersonal (Mediation of American vs. Turkish conflict) (Salmon, Gelfand, Celik, Kraus, Wilkenfeld & Inman, 2013)
 - Team vs. Team (Anxiety in American vs. HK Chinese) (Lee, Yang & Graham, 2006)
- Cross-cultural comparisons using surveys
 - Negotiation Orientations Inventory compared trust foundations in Finnish, Mexican, Turkish, and US businesspeople (Metcalf, Shankarmahesh, Bird, Lituchy & Peterson, 2007)
- Within-country analysis using interviews
 - Interviews to understand HQ-subsiary negotiations in Japanese MNEs (Ott & Kimura, 2016)
- Within-country analysis using archival negotiation data
 - Discourse analysis of Philippines company-union negotiation to understand how Face culture communication overcame low trust (Teng-Calleja, Baquiano & Montiel, 2015)
- Meta-analytic approaches
 - Tightness-Looseness effects on trust in negotiations (Lyu, Kong, Ferrin & Dirks, 2017)

Research on Negotiation and Trust: A Reunion Long Overdue

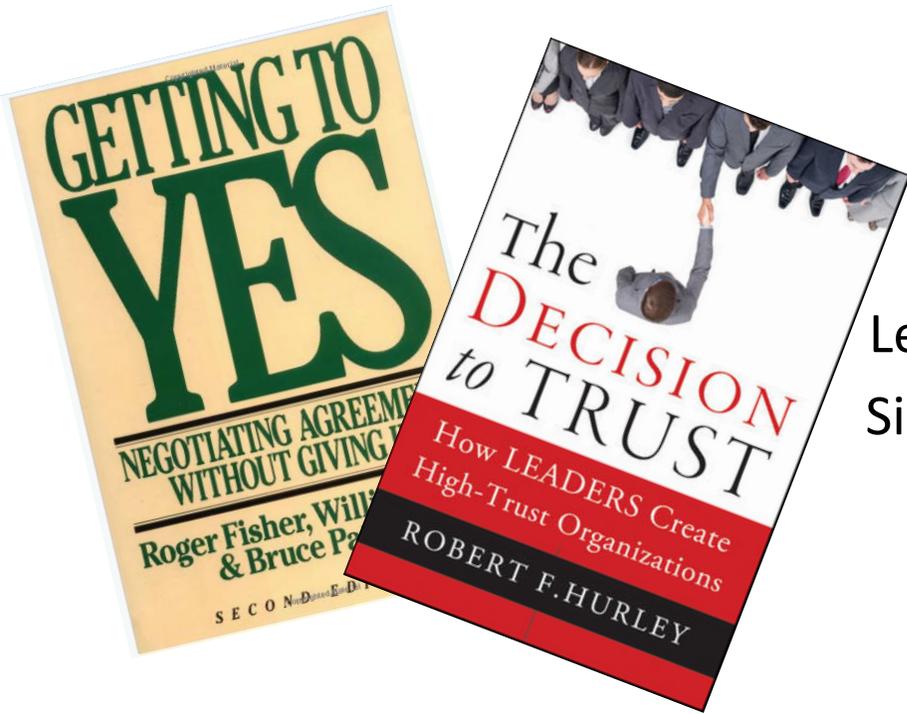
Donald L. Ferrin, Ph.D.

Professor of OBHR

Lee Kong Chian School of Business
Singapore Management University



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Lee Kong Chian School of Business
Singapore Management University

