

## THE EXPERIENCE AND EVOLUTION OF TRUST: IMPLICATIONS FOR COOPERATION AND TEAMWORK

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In this article we analyze the way that trust evolves in organizations and how it influences cooperation and teamwork. We propose that the experience of trust is determined by the interplay of people's values, attitudes, and moods and emotions. Then, using the perspective of symbolic interactionism, we examine how trust evolves and changes over time, describing two distinct states or forms of trust: conditional and unconditional. We look, too, at the factors involved in the dissolution of trust. Finally, we explore the relationship between trust and an important component of organizational performance and competitive advantage: interpersonal cooperation and teamwork.

Scholars have widely acknowledged that trust can lead to cooperative behavior among individuals, groups, and organizations (e.g., Axelrod, 1984; Gambetta, 1988; Good, 1988; Mayer, Davis, & Schoorman, 1995; McAllister, 1995). Today, in an era when organizations are searching for new ways to promote cooperation between people and groups to enhance the value they create, it is not surprising that interest in the concept of trust and, in particular, how to promote or actualize it is increasing (Kramer & Tyler, 1996). For example, many organizations have sought to increase cooperation between people and groups by reengineering their structures into flatter, more team-based forms, in which authority is decentralized to "empowered" lower-level employees. Empowerment is only likely to enhance cooperation and, ultimately, organizational performance, however, if trust exists in an organization. In order to promote trust between two or more parties, managers must understand how an individual experiences trust in another person, group, or organization and how trust evolves between people or groups over time. In other words, it is necessary to understand how trust in others is experienced psychologically before its impact on behavioral expectations and outcomes, such

as the level of cooperation between people in an organization, can be adequately analyzed. In this article we explore these issues.

Using a theoretical framework based on values, attitudes, and moods and emotions, we analyze how people experience trust in a psychological sense, as well as the feelings, beliefs, and meanings that underlie it. Then, based on this framework, we provide an account of the evolution of trust. We examine how trust spreads among people and is sustained or strengthened, or, conversely, how it comes to be weakened, broken, or dissolved. We also distinguish between two different states or forms of trust: conditional trust and unconditional trust. To illustrate the potential performance benefits to be derived from actualizing unconditional trust, we focus on a construct that is increasingly being used to explain differences in competitive advantage and performance between organizations: interpersonal cooperation and teamwork.

### THE EXPERIENCE OF TRUST

Researchers have devoted considerable attention to clarifying the meaning of trust in different social contexts and the conditions or determinants of trust. Commonly, they view trust as an expression of confidence between the parties in an exchange of some kind—confidence that they will not be harmed or put at risk by the actions of the other party (Axelrod, 1984; Bate-

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son, 1988; Zucker, 1987) or confidence that no party to the exchange will exploit the other's vulnerability (Sabel, 1993). Mayer et al. recently developed a model of trust in which several characteristics of the trustor and trustee (such as the trustee's benevolence and integrity) lead to trust in the trustee, trust being 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" (1995: 712). From this perspective, trust leads to a set of behavioral expectations among people, allowing them to manage the uncertainty or risk associated with their interactions so that they can jointly optimize the gains that will result from cooperative behavior.

In discussing how expectations underlying trust affect subsequent behavior, several researchers have alluded to the fact that trust is a multidimensional construct. For example, Driscoll (1978) and Scott (1980) distinguish between the generalized or global aspects of trust and the situationally specific aspects of trust. Butler (1991) identifies different conditions under which trust may occur. Barber (1983) argues that trust encompasses moral, cognitive, and emotional elements.

Despite an overall consensus that trust is a complex multidimensional construct, scholars have little discussed how the moral, cognitive, and emotional elements of trust interact to determine subsequent expectations and behavior. In particular, both the analysis of the different possible forms or states of trust that can emerge from these interactions and the role of emotion or affect in creating trust are relatively unexplored issues. In order to explore these issues, we propose that trust is a psychological construct, the experience of which is the outcome of the interaction of people's values, attitudes, and moods and emotions. We discuss the role of values, attitudes, and moods and emotions in the experience of trust below.

## Values

Values are general standards or principles that are considered intrinsically desirable ends, such as loyalty, helpfulness, fairness, predictability, reliability, honesty, responsibility, integrity, competence, consistency, and openness

(Olson & Zanna, 1993; Rokeach, 1973). Typically, people incorporate values into their value system and prioritize them in terms of their relative importance as guiding principles (Rokeach, 1973). A person's value system, thus, guides behavior and the interpretation of experience by furnishing criteria that a person can use to evaluate and make sense of events and actions in the surrounding world. That value system determines which types of behaviors, events, situations, or people are desirable or undesirable.

Researchers have shown that what people view as desirable or ideal—that is, their internalized values—conditions the experience of trust and is upheld as a standard to strive for in the future (e.g., Butler, 1991; Butler & Cantrell, 1984; Gabarro, 1978; Jennings, 1967, 1971). An individual whose value system emphasizes loyalty and honesty, for example, will strive to achieve loyalty and honesty in his or her relationships with others. Values contribute to the generalized experience of trust and can even create a propensity to trust (Mayer et al., 1995) that surpasses specific situations and relationships.

These assertions are consistent with the larger body of literature on trust. For example, Barber (1983) suggests that trust serves to maintain and express the shared values that trust originates from and, also, that shared values help create relationships characterized by trust. Another example, consistent with the research of Rotter (e.g., Rotter, 1980), comes from Good (1988), who suggests that people who are trustworthy (or endorse such values as honesty) tend to view others as trustworthy (or as endorsing similar values underlying trust). As a final example, existing theory and research on the stable underpinnings of trust inherent in the trustor, such as Mayer et al.'s (1995) notion of the propensity to trust, Rotter's (1980) notion of a general tendency to trust others, and Stack's (1978) research on trust as a somewhat stable disposition, suggest that trust is based in enduring and relatively stable characteristics of individuals.

## Attitudes

We can view attitudes as (1) the knowledge structures containing the specific thoughts and feelings people have about other people, groups, or organizations and (2) the means



through which they define and structure their interactions with others (Anderson & Armstrong, 1989; Kruglanski, 1989; Olson & Zanna, 1993). In addition to experiencing trust in a stable and general manner through values, individuals also experience trust in a more specific mode (Butler, 1991)—that is, as part of an attitude toward another entity based on knowledge, beliefs, and feelings about the nature of that entity (e.g., McAllister, 1995; Robinson, 1996).

The attitudes that people form toward each other in an organizational context are likely to contain information concerning the other party's trustworthiness. There are three reasons for this. First, most interactions in organizations entail uncertainty, and when there is uncertainty, there must be some element of trust. Even when another party provides guarantees that something will occur, uncertainty about the exact outcome remains; for example, a supervisor may make promises to a subordinate about an upcoming promotion, but the promotion may, nonetheless, be uncertain because of organizational initiatives beyond the supervisor's control. Hence, in forming attitudes about others in an organizational context, individuals are likely to include assessments of trustworthiness. Second, interdependence is an essential feature of organizational life (Thompson, 1967). Since individuals have to depend upon one another as do groups and organizations as a whole, attitudes toward interdependent entities are likely to include feelings, beliefs, and knowledge about the entities' trustworthiness. Third, given that social interaction is built on expectations that are partially cognitive and based on past experience, it is likely that people's attitudes toward others contain beliefs about the trustworthiness of these others based on past experience, knowledge, and interactions (Rempel, Holmes, & Zanna, 1985).<sup>1</sup>

<sup>1</sup> Beliefs are a more general concept than attitudes, since they embrace both attitudes and values. For example, Sproull (1981) distinguishes between three types of beliefs: (1) descriptive beliefs, which are quasi-objective statements of fact about a person or situation (the way things are around here); (2) causal beliefs, which explain why certain events happen (things are the way they are because of . . .); and (3) normative beliefs, which specify a preference or preferred way for what should happen (things should be this way because . . .). Thus, normative beliefs are akin to values, whereas the other two are dimensions of attitudes and have a more specific focus. In this article we view attitudes as object specific and values as more general orienting factors.

Given that the specific attitudes individuals form toward other people and toward groups and organizations as a whole are likely to contain knowledge concerning the trustworthiness of the party in question, these individuals' attitudes will be an important aspect of the experience of trust—serving to define and structure social interactions and the experience of trust in ongoing relationships. As Lewis and Weigert (1985) suggest, trust develops from cognitive evaluations of the trustworthiness of other people and groups. Moreover, and as we mentioned previously, whereas trust is experienced at a general level through values, attitudes are a means through which trust is experienced at a specific level (Butler, 1991; Driscoll, 1978; Scott, 1980), since attitudes are, by definition, object specific and responsive to ongoing experiences with the attitude object. Hence, attitudes structure the experience of trust in specific ongoing relationships.

Note that attitudes and values interact and can affect one another over time (George & Jones, 1997). Attitudes are evaluative in nature, and values are a key determinant of how people come to evaluate other people and organizations. Conversely, changes in attitudes can precipitate a change in values over time so that, for example, repeated exposure to episodes of unethical behavior can change the degree to which a person believes that "honesty is the best policy."

### Moods and Emotions

Moods and emotions capture how people feel as they go about their daily activities, including interacting with other people; they are affective states or feelings that provide people with information about their ongoing experiences and their general state of being (Jacobsen, 1957; Morris, 1989; Nowlis, 1970; Pribam, 1970). The intensity of the affective state is a primary distinguishing feature between moods and emotions. Emotions are intense affective states that interrupt ongoing cognitive processes and behaviors and are tied to particular events or circumstances (Simon, 1982), whereas moods are less intense, pervasive, and generalized affective states that are not explicitly linked to particular events or circumstances. Moods capture more of the day-to-day feelings that people experience—not interrupting ongoing activities but af-



fecting them in more subtle, but also significant, ways (Clark & Isen, 1982; Thayer, 1989).

A well-accepted way of describing moods and emotions is in terms of the extent to which they entail positive or negative affect (Meyer & Shack, 1989; Watson & Pennebaker, 1989; Watson & Tellegen, 1985). Moods and emotions entailing high levels of positive affect can be described by such terms as "excited," "enthusiastic," "active," "elated," "peppy," and "strong," whereas moods and emotions entailing high levels of negative affect can be described by such terms as "distressed," "hostile," "jittery," "nervous," "scornful," and "fearful" (Tellegen, 1985; Watson, Clark, & Tellegen, 1988; Watson & Tellegen, 1985).

Emotions and moods are fundamental aspects of the experience of trust for at least three reasons. First, the experience of trust embodies affect, whether it be in terms of strong or intense feelings (emotions) or more subtle feelings (moods). People often decide if they can initially trust someone by examining the feelings they have toward that person. For example, if, when meeting a stranger, a person experiences high negative affect (e.g., feels jittery, nervous, or even afraid), he or she may initially distrust that person. However, in the presence of a trusted party, a person may experience positive affect and be excited and enthusiastic. The affectively charged nature of trust is also revealed in situations where people feel they have been taken advantage of or betrayed by others; in these situations, emotions become the means used to express feelings of distrust. Moreover, these feelings are transmitted to and recognized by other people so that one person's positive or negative emotions and moods can influence others.

Second, one's current affective state may color one's experience of trust and, thus, the way a person forms opinions and makes judgments about the trustworthiness of others (Schwartz, 1990; Schwartz & Clore, 1988). Suppose, for instance, that a supervisor is in a negative mood when interacting with a subordinate. In trying to assess the trustworthiness of the subordinate in carrying out an important assignment, the supervisor may question the reliability and capabilities of the subordinate, based on his or her negative mood. Similarly, suppose a manager is engaged in negotiations with a supplier while in a particularly good mood. The manager may

infer, based on the positive feelings surrounding the interaction, that the supplier is to be trusted.

Experiencing positive moods or emotions may cause one to have more positive perceptions of others and see the world through "rose-colored glasses," resulting in a heightened experience of trust in another person. Conversely, negative moods and emotions may add a negative tone to interactions and may result in an individual perceiving others as less trustworthy than they actually are. Consistent with this reasoning, researchers have shown positive moods to heighten liking for others and to cause people to have more positive beliefs about human nature (Gouaux, 1971; Veitch & Griffitt, 1976), to increase helping and generosity (Isen, 1970; Isen & Levin, 1972), and to promote more integrative as opposed to contentious bargaining in negotiations (Carnevale & Isen, 1986).

Third, trust is built on expectations that are, in part, emotional. When these expectations are broken, an individual often experiences strong emotions, which signal the individual about the violation of trust and the need to attend to the relationship (Barber, 1983; Frijda, 1988). Since they are concerned with current feelings or affective states, moods and emotions—much more so than values or attitudes—contribute to the ongoing experience of trust, providing people with signals concerning the changing nature of their ongoing experience of trust with other people or in particular situations (Frijda, 1988; Schwartz & Clore, 1988).

More so than values and attitudes, moods and emotions fluctuate over time to signal changes in the experience of trust. Also, in contrast to values, which are general in focus, and attitudes, which are object specific, moods and emotions are both general and specific. They are general in that the same kind of mood or emotion may be experienced across a variety of situations and relationships—for example, fear or joy—and they are specific in that certain people, situations, or relationships may be associated with certain kinds of feelings. For example, a person may feel scornful in the presence of a conniving colleague or enthusiastic in the presence of a highly capable collaborator. The feelings are specific to the person, interaction, or relationship but are general in the sense that the same kind of feeling will be experienced again, across people and situations (George & Jones, 1997).



Moods and emotions interact with values and attitudes to determine the experience of trust. Negative feelings arise from witnessing behaviors or activities that are inconsistent with one's values; attitudes affect how people feel, so a very positive attitude toward another can lead to a person feeling good or being in a positive mood. Conversely, if a person experiences a negative mood over a prolonged period of time, his or her attitude can become more negative, which can induce changes in values over time.

In sum, based on the preceding arguments, we propose that, psychologically, the multidimensional experience of trust evolves from the interactions among people's values, attitudes, and moods and emotions. Values provide standards of trust that people strive to achieve in their relationships with others, attitudes provide knowledge of another person's trustworthiness, and current moods and emotions are signals or indicators of the presence and quality of trust in a relationship. We now examine how trust evolves, over time, through the interactions of values, attitudes, and moods and emotions in an organizational setting.

### A MODEL OF THE EVOLUTION OF TRUST

When examining the evolution of trust, we believe it useful to model trust from a symbolic interactionist perspective (Blumer, 1962; Mead, 1934). Symbolic interactionism is based on two main assumptions that are pertinent to an analysis of trust: (1) people act in social situations based on the meanings that they have learned to associate with them, and (2) these meanings are acquired by interactions with other people so that a definition of the social situation is created over time. More specifically, in any particular encounter two (or more) parties mutually develop and negotiate a definition of the social situation.

This joint creation of the definition of a social situation involves each party trying to understand the other party's expectations, needs, and goals. As Mead (1934) puts it, a person takes the perspective or role of the other in order to call out the same response in the self. What one party says or does affects the other; the parties then adjust communication and behavior patterns to fit the unfolding, mutually determined definition of the social situation. In this way the

parties develop new definitions of the social situation and the basis of social action changes.

In the context of the evolution of trust, two or more parties are involved in creating a joint definition of the social situation. Each party brings its own set of interpretive schemes to the social situation. To the extent that they use or develop similar interpretive schemes to define the social situation, the parties will tend to agree on their perceptions of the level of trust present in the social situation, so adjustment to each other takes place. The likely nature of this adjustment depends on the degree of congruence or similarity between the values, attitudes, and moods and emotions of the two parties.

### The Creation of Conditional and Unconditional Trust

At the beginning of a social encounter, each person does not simply assume that the other is trustworthy; rather, each suspends belief that the other's values may be different from their own—that the other may not be trustworthy. This does not mean that the individual is gullible—a gullible person is one who, in the absence of any information of any kind, takes the other's trustworthiness on faith and assumes the risk of being exploited. The actor in our model simply suspends belief that the other is not trustworthy and behaves as if the other has similar values and can be trusted.

This paradoxical beginning to the experience of trust is likely because, as Luhmann (1980) suggests, trusting another and assuming the other shares one's own values is often preferred to initial distrust, since trust is the easier option; for this reason, there is a strong incentive to begin a relationship with trust. An enormous amount of time and energy would be taken up in discovering the true nature of the other's value system, leading to a major advantage associated with suspending belief that another person has sinister motives (Deutsch, 1958, 1960).

This is not to say that people do not use their own values to decide whether or not to trust another. Perceptions of value incongruence can quickly lead to distrust (Sitkin & Roth, 1993). In meeting a stranger, a person uses his or her value system to decide if the stranger is fit to transact with. In other words, people use their values to decide if others fall within the "zone of their indifference" (Barnard, 1938) and to decide



whether their values do not appear to be so divergent that they make themselves vulnerable to the other party. This does not mean, however, that each person's values need to be the same for trust to emerge in a relationship. Rather, we propose that people approach interactions based on their own orienting values, and, if they have no obvious sense that some form of value incongruence exists, they suspend their beliefs that the other party is not to be trusted.

Assuming, then, that distrust is not the outcome of the initial encounter, the experience of future trust will be determined by the content of the behavioral exchanges between the parties—exchanges experienced psychologically, through the evolving attitude developed toward the other party. If trust is to build over time, both parties must be able to take the role of the other and exchange and share the feelings and thoughts that structure the exchange relationship—literally, to develop attitudes toward the other reflecting the other as a trustworthy party. As noted earlier, attitudes have this specific focus and provide the engine of the evolution of trust, capturing the meaning of the behavioral exchanges that lead to the development of trust.

What is the role of moods and emotions in the evolution of trust? As we discussed, the ongoing evolution of trust depends on the development of favorable attitudes and expectations through behavioral exchanges. At every exchange point—from the initial encounter on—moods and emotions affect the ongoing experience and meaning of the relationship. The extent to which one or both parties experience positive moods and emotions in the context of the relationship (1) affects their immediate perceptions and judgments that the other party can be trusted, and will not harm or exploit them, and (2) enhances the likelihood that the parties will develop shared interpretive schemes. Successful behavioral exchanges are accompanied by positive moods and emotions, which help to cement the experience of trust and set the scene for the continuing exchange and building of greater trust. In contrast, negative moods and emotions accompany unfavorable evaluations of the other party, signaling a lack of trust.

Especially important is the role played by moods and emotions, as the mechanisms by which both parties continually evaluate the ongoing quality of the trust experience. More specifically, to the extent that both parties succeed

in developing a common frame of reference and can successfully take the role of the other, they promote positive moods. At significant points in the ongoing relationship, such as the achievement of significant preestablished benchmarks, both parties will experience positive emotions. These positive emotions will provide a powerful signal to them that they have succeeded in building trust and that they do, in fact, share the same attitudes and values. At this stage in the experience of trust, the parties' decisions to suspend belief transform into the desire to trust each other, because both feel secure that they will not be harmed or put at risk by the actions of the other and that the other is, in fact, trustworthy.

The point at which the parties to an exchange (1) have strong confidence in each other's values and trustworthiness, (2) have favorable attitudes toward each other, and (3) experience positive affect in the context of the relationship is crucial in the evolution of trust. In order to distinguish between the experience of trust before and after this point, we find it useful to make a distinction between the states of conditional and unconditional trust. *Conditional trust* is a state of trust in which both parties are willing to transact with each other, as long as each behaves appropriately, uses a similar interpretive scheme to define the situation, and can take the role of the other. In conditional trust attitudes of one party toward the other are favorable enough to support future interactions; sufficient positive affect and a relative lack of negative affect reinforce these attitudes.

Conditional trust usually is sufficient to facilitate a wide range of social and economic exchanges; it is consistent with the idea that one of the bases for trust is knowledge (e.g., Lewicki & Bunker, 1996; Shapiro, Sheppard, & Cheraskin, 1992; Sheppard & Tuchinsky, 1996) or positive expectations of the other (Sitkin & Roth, 1993). Indeed, the most common form of trust existing in organizational settings is probably conditional trust.

*Unconditional trust*, however, characterizes an experience of trust that starts when individuals abandon the "pretense" of suspending belief, because shared values now structure the social situation and become the primary vehicle through which those individuals experience trust. With unconditional trust each party's trustworthiness is now assured, based on confidence



in the other's values that is backed up by empirical evidence derived from repeated behavioral interactions—knowledge of which is contained in each individual's attitude toward the other (Butler, 1983). Also, positive affect increases as positive moods and emotions strengthen the affective bonds between parties and bolster the experience of trust. Thus, when unconditional trust is present, relationships become significant and often involve a sense of mutual identification (Lewicki & Bunker, 1996; Shapiro et al., 1992). For this reason, unconditional trust is something to strive for in important social situations.

In our interactionist model, therefore, we propose that there are three distinct states or forms of the trust experience: (1) distrust, (2) conditional trust, and (3) unconditional trust. Note that this model differs from other models of trust found in the literature in two significant ways. First, in this model we conceptualize distrust, conditional trust, and unconditional trust as three different states of the same construct—the trust experience—rather than different constructs. Thus, although our interactionist model shares with that of Sitkin and Roth (1993) and of Fox (1974) the proposition that shared values and expectations help determine the experience of trust, it differs from these models, for they conceptualize trust and distrust as separate constructs, each of which has a different set of determinants. For example, Sitkin and Roth (1993) see the level of trust as determined by met expectations, whereas distrust is engendered by value incongruence. In our model of trust, the interaction of values, attitudes, and moods and emotions is the mechanism by which both trust and distrust are engendered. It is the interactions among values, attitudes, and moods and emotions that determine whether or not trust exists and what state trust takes—that is, conditional or unconditional.

Second, our interactionist model of trust differs from those developed by Shapiro et al. (1992) and Lewicki and Bunker (1996), who propose that different types of trust are brought about by different kinds of determinants. For example, Shapiro et al. (1992) propose that there are three types of trust: (1) deterrence-based trust, sustained by threat of sanctions; (2) knowledge-based trust, sustained by the ability to predict the behavior of others; and (3) identification-based trust, sustained by a complete empathy

with the other party's desires and needs. Each type is quite different or may even be sequential, in a Maslovian, need fulfillment way (Lewicki & Bunker, 1996). As we noted earlier, however, few people have the time or resources to engage in the extensive information processing necessary to monitor the other party's behavior in order to apply appropriate sanctions—or to do so in a way that allows one to predict their future behavior or intentions. Furthermore, ultimately, people are "unknowable," and it is, therefore, impossible to have complete empathy with their often hidden or inexpressible desires and needs. In our model the important state of conditional trust streamlines information processing and allows people to economize on their cognitive and emotional energy while forging ongoing relationships that can lead to unconditional trust but that might also end in distrust.

Thus, rather than asserting that different determinants lead to different types of trust, our interactionist model conceptualizes trust as a changing or evolving experience, in which values, attitudes, and moods and emotions operate simultaneously to produce an overall state of trust or distrust. Hence, we view trust as a more dynamic kind of experience—one that can shift or change, sometimes quickly, among trust states. Indeed, one important implication of the analysis is that conditional trust can change into unconditional trust, but it is also possible for unconditional trust to change into conditional trust or even distrust.

### The Dissolution of Trust

Researchers have given the ways in which trust can dissolve or disappear over time considerable attention. For example, Butler (1983) found that when one party signals positive expectations or favorable attitudes to another and the other reciprocates those expectations, trust spirals upwards; when expectations are not reciprocated, trust spirals downwards. The symbolic interactionist model of trust sheds additional light on the process by which trust spirals down or dissolves because it conceptualizes trust as a construct that has three principal states and because it focuses on the interactions among values, attitudes, and moods and emotions as determinants of which state currently exists.



At the beginning of a relationship, for example, if experiencing trust between the parties appears impossible because obvious value differences preclude the ability of each to take the role of the other, trust will not develop; distrust will be engendered if obvious value incongruence exists (Sitkin, 1995; Sitkin & Roth, 1993). Assuming that trust evolves into conditional trust, any subsequent discrepant behavioral exchanges or violations of mutually agreed upon expectations will cause trust to be reduced (Sitkin & Roth, 1993), thus putting the trust relationship in jeopardy. In terms of the present model, what were once favorable attitudes toward the other become increasingly unfavorable, positive affect disappears, and negative affect is experienced. In this scenario conditional trust can quickly spiral downward and dissolve, and distrust will appear at the point where the ability to suspend belief that the other is not trustworthy is lost.

If trust has become unconditional, however, the dissolution process becomes more complex. When unconditional trust exists, the exchange relationship is infused with meaning and positive affect derived from value sharing. Now, short-term behavioral lapses by one party are likely to be forgiven by the other, because shared values orient the parties to the future and condition the prospective exchange relationship. Behavioral lapses, thus, may not dissolve the trust bond, but emotional outbursts will be likely since they are the means by which parties signal the experience of broken trust and its accompanying negative affect. The wronged party's negative emotions signal to him or her that the relationship is in need of attention (Frijda, 1988), and the expression of these feelings via emotional outbursts signals to the other party that a lapse in trust has occurred.

In this case emotion is the signal that triggers a reappraisal of the relationship; it brings to consciousness again the question of whether or not one party might be put at risk by the actions of the other. Responses of both parties to this signal, therefore, can quickly change the quality of the experience of trust, and potentially destroy it. Emotional outbursts may cause unconditional trust to shift to conditional trust, but under certain circumstances, they can also cause unconditional trust to shift to distrust.

The strength of the perceived violation that puts trust to the test is the key contingency in

determining whether unconditional trust shifts to conditional trust or distrust. Sometimes, the magnitude of the discrepant behavior can be so enormous that it precipitates an immediate collapse of trust: the injured party is assured that discrepant values exist, attitudes become unfavorable, and negative emotions signal the end of the trust experience. For example, a small business owner who discovers that a trusted employee has been embezzling funds may experience an immediate breakdown in trust. In this case the business owner's strong negative emotions (Lewicki & Bunker, 1996) are accompanied by a realization of value incongruence and the development of a very negative attitude toward the other party; distrust is immediately engendered (Sitkin & Roth, 1993).

In other situations an individual may perceive repeated lapses to be minor enough to be forgiven in the context of shared values and favorable attitudes. Indeed, one of the purposes of an individual's emotional outburst—and, thus, a key role affect plays in the model—is to signal strongly to the other party the need to change specific behaviors in order to maintain the experience of unconditional trust. Over time, if such changes in behavior do not occur, negative moods and emotions begin to pervade the relationship, and attitudes evolve to be more and more unfavorable, in line with observed behavioral lapses.

When the change in attitudes, accompanied by negative affect, alters an individual's perceptions of shared values, the interactions among these constructs precipitate a downward spiral, and unconditional trust turns into conditional trust. Finally, if trust continues to deteriorate, a party can no longer take the role of the other and believe in the other's trustworthiness, which results in conditional trust shifting to distrust. Common expressions, such as "that was the last straw," capture how a wronged party, who has sought to recreate or perpetuate a trust relationship through successive behavioral lapses, eventually finds it impossible to keep taking the role of the other. At this point distrust appears, as parties feel they have reason to believe they might be exploited by the other in the future.

Trust cannot be reestablished until either both parties willingly renegotiate the relationship or the injured party willingly reconciles him or herself to the violation(s) and is able to restore the former positive attitude toward the other. Our



interactionist model thus differs from others because all three factors—values, attitudes, and moods and emotions—are needed to analyze the transformation of trust among the conditional trust, unconditional trust, and distrust states.

### TRUST AND COOPERATION IN ORGANIZATIONS

In the 1990s scholars have given considerable attention to the importance of increasing the level of interpersonal cooperation and teamwork in organizations. The increased use of self-managed work teams in organizations, combined with the elimination of middle management positions as a result of organizational restructuring, has highlighted the importance of interpersonal cooperation and teamwork for organizational effectiveness (Cohen, Ledford, & Spreitzer, 1996; Dunphy & Bryant, 1996). In addition, many researchers have argued that extra-role behavior and organizational citizenship behavior can be promoted by raising the level of cooperation (e.g., Katz, 1964; Organ, 1988; Organ & Ryan, 1995; Van Dyne, Cummings, & Parks, 1995). Others have argued further that the organizational capabilities that can give an organization a sustainable competitive advantage are embedded in the skills and knowledge of organizational members (Amit & Schoemaker, 1993) and in the interactions among them—particularly in groups and teams.

As we noted earlier, scholars have widely acknowledged that trust can lead to cooperative behavior in organizations (Axelrod, 1984; Mayer et al., 1995; McAllister, 1995). Using the model of trust described above, we can examine how the substantive differences between conditional and unconditional trust have different implications for the level of cooperative behavior and associated performance benefits in group and organizational settings. As a case in point, we focus here on an important kind of cooperative behavior in organizations: interpersonal cooperation and teamwork. Although both conditional and unconditional trust may result in interpersonal cooperation and teamwork, we propose that the nature of organizational cooperation will be fundamentally different under these two forms of trust.

As we stated previously, conditional trust—in which developing attitudes are favorable enough to support future interactions—is suffi-

cient to facilitate many kinds of exchanges between coworkers in organizational settings or between business acquaintances. When unconditional trust exists—in which shared values create a common bond—a different scenario occurs; people begin to feel that they are not mere coworkers or business acquaintances but colleagues, friends, or team members. In other words, although the presence of conditional trust allows a group to work toward a common goal, the existence of unconditional trust can fundamentally change the quality of the exchange relationship and convert a group into a team. With teamwork what one person does is determined by what all others are doing, and the parties must be constantly alert to the ways others are behaving in order to be able to respond appropriately.

In terms of the model of trust described above, if only conditional trust exists and attitudes primarily govern the exchange process, parties to an exchange are likely to cooperate to maintain their own good standing in the eyes of others. However, because they lack the same stake or investment in the relationship that is present when unconditional trust exists, parties are less likely to cooperate in ways that entail considerable personal costs or self-sacrifice; the assurance of shared values that orient the parties to the future is absent, and positive affect is less likely to infuse relationships.

In contrast, if unconditional trust exists, parties' shared values determine their behavioral expectations as they invest in their relationship and look more to the future than the present when deciding how to behave (Dasgupta, 1988). Shared values and positive moods and emotions are manifested in interpersonal cooperation and teamwork and the strong desires of team members to contribute to the common good. Cooperative acts themselves often make people feel good and stimulate others to act in a similar fashion, reinforcing shared values and positive attitudes and affect.

Additionally, researchers have found that positive affective states promote social interaction and creativity (e.g., Isen & Baron, 1991; Isen, Daubman, & Nowicki, 1987)—two important contributors to the development of synergistic team relationships. Shared values result in strong desires to cooperate, even at personal expense, which overcomes problems of shirking and free riding.



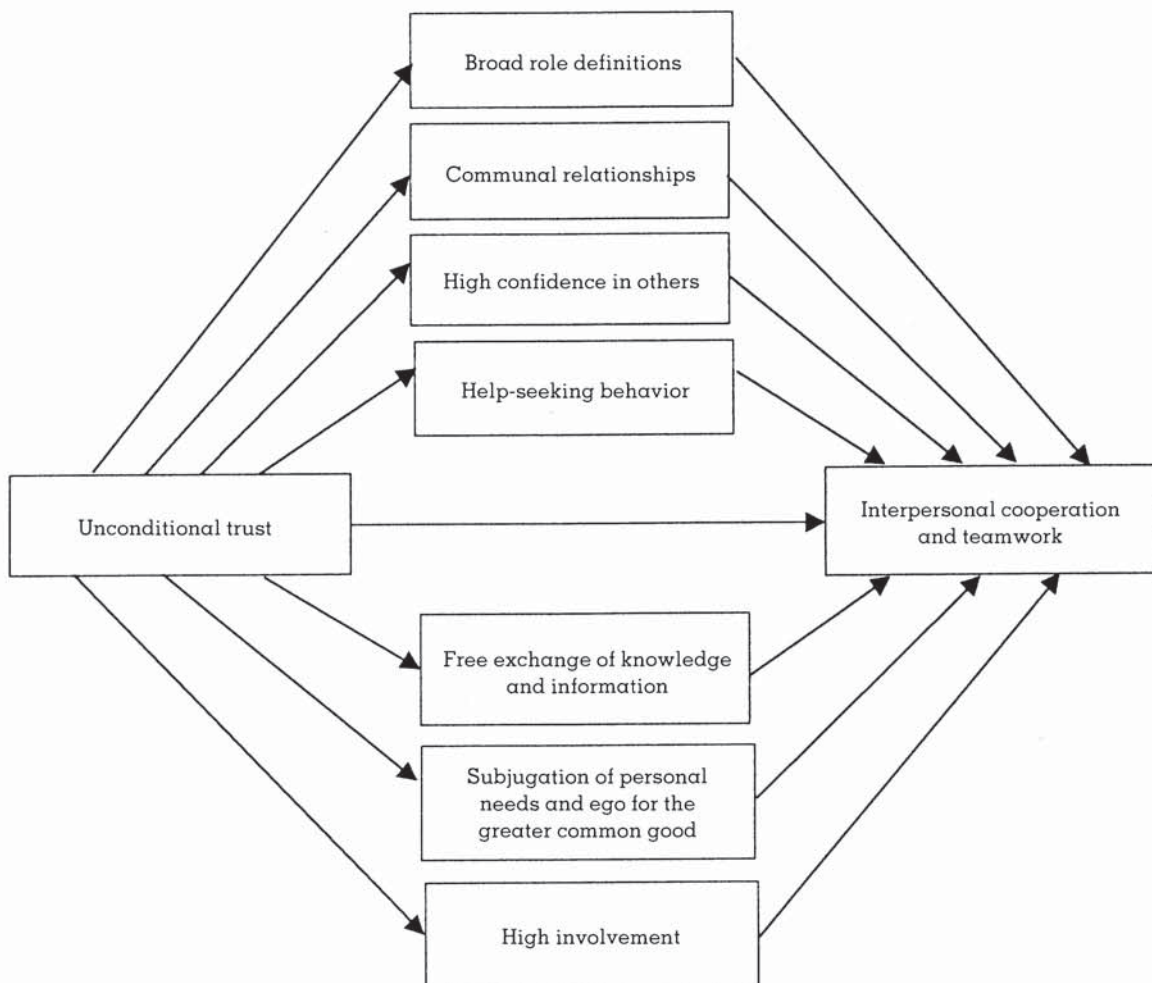
Although unconditional trust has direct effects on interpersonal cooperation and teamwork, it can have indirect effects as well. This is because the sharing of values characteristic of unconditional trust also promotes seven kinds of social processes that can lead to the development of synergistic team relationships in an organizational setting, which, in turn, can lead to superior performance. These include (1) broad role definitions, (2) communal relationships, (3) high confidence in others, (4) help-seeking behavior, (5) free exchange of knowledge and information, (6) subjugation of personal needs and ego for the greater common good, and (7) high involvement (e.g., Anderson & Williams, 1996; Clark, Ouellette, Powell, & Milberg, 1987; Morrison, 1994). We consider each of these social processes in turn (Figure 1).

**Broad Role Definitions**

How broadly or narrowly individuals define their work roles has been shown to influence cooperative behaviors (Morrison, 1994). When conditional trust exists, individuals define their roles in accordance with expected job behaviors and assigned duties. When unconditional trust exists, the interactions among values, attitudes, and moods and emotions are likely to lead individuals to define their roles more broadly.

For example, shared values and expressions of positive affect typically result in individuals wanting to cooperate and to do whatever they can for the common good; hence, they will define their roles broadly to include whatever acts they are capable of performing that contribute to common goals and raise performance and com-

**FIGURE 1**  
Proposed Effects of Unconditional Trust on Interpersonal Cooperation and Teamwork





petitive advantage. Thus, organizational citizenship behavior improves in a climate of unconditional trust.

### **Communal Relationships**

Many exchange relationships in organizations are driven by a *quid pro quo* orientation, in which individuals cooperate and help each other to compensate for past help received or in anticipation of future help needed. Cooperation driven by conditional trust is likely to involve such a calculative mentality, and, as long as behavioral expectations are realized, attitudes sustain the cooperative behavior.

Researchers have contrasted these kinds of exchange relationships with communal relationships, in which people not only feel obligated to help each other and cooperate but also want to and feel responsible for doing so, thus leading to increased helping and cooperation (Clark & Mills, 1979; Clark et al., 1987). The shared values underlying unconditional trust guide people to strive for communal relationships characterized by helpfulness and responsibility, and to contribute to the development of such relationships. Communal relationships, in turn, are likely to promote interpersonal cooperation and teamwork.

### **High Confidence in Others**

Positive attitudes characteristic of conditional trust may provide an individual with a certain degree of confidence in others, but this confidence is guarded, in that the individual can never be sure about the others' real intentions or ultimate goals (Dasgupta, 1988). In contrast, the shared values that underlie unconditional trust provide individuals with the high degree of confidence in each other necessary for synergistic team relationships to emerge. The sharing of values promotes high confidence in others, because one can be assured of others' ultimate intentions and objectives (Bateson, 1988); moreover, consequent displays of positive affect promote social bonding. Hence, people are more likely to engage in synergistic social behaviors and make organizational-specific investments.

### **Help-Seeking Behavior**

Whether or not cooperation and teamwork occur depends upon group members being aware

of opportunities for them. When members of a group actively seek help, this increases other members' awareness of opportunities for cooperative behavior (Anderson & Williams, 1996). However, there are sometimes powerful constraints against help seeking. For example, when conditional trust exists, people may refrain from seeking help because they do not want others to think they are inadequate, they do not want to be indebted to another person, or they do not want to feel threatened by being dependent upon another person (e.g., Brehm, 1966; Greenberg, 1980; Nadler, 1991; Walster, Walster, & Berscheid, 1978).

Unconditional trust is likely to remove these constraints against help seeking. When trust is unconditional, feelings of indebtedness are irrelevant, as shared values and reciprocated feelings underlie cooperation and make people want to cooperate. Seeking help is not threatening under unconditional trust because interdependence is seen as a positive force—not something to be avoided—and shared values and positive attitudes ensure against attributions of inadequacy. Hence, we propose that individuals will be much more likely to seek help under conditions of unconditional, as opposed to conditional, trust. Also, help seeking contributes to cooperative interpersonal behavior and teamwork and their consequent benefits (Anderson & Williams, 1996).

### **Free Exchange of Knowledge and Information**

Knowledge and information are not likely to be exchanged freely when one party cannot be sure about the moral basis of another party's actions or the values that are prospectively guiding that party's behavior. Positive attitudes characteristic of conditional trust will promote the sharing of knowledge to accomplish ongoing tasks, but little more (Williamson, 1985). When people are unsure of others' values, they will refrain from freely exchanging knowledge and information because of their uncertainty about how the others will use this information (e.g., for their own benefit) and because possessing that knowledge (particularly if it is hard to come by) is a source of power (Fama & Jensen, 1983a,b). Under conditions of unconditional trust, however, shared values underlying trust provide individuals with the assurance that knowledge and information will be used for the



greater good and that one need not exercise power to protect one's own interests.

### Subjugation of Personal Needs and Ego

Individuals are unlikely to subjugate their own needs and egos to pursue a common goal when only conditional trust exists, because they cannot be sure if others will be doing the same. There is always the potential that some individuals will passively shirk or free ride on the efforts of others (Holmstrom, 1979) or that individuals will seek their own gain at the expense of the greater good (e.g., Alchian & Demsetz, 1972; Hill, 1990). The "sucker effect" (e.g., Jackson & Harkins, 1985; Kerr, 1983) suggests that, in such circumstances, people will subjugate their needs and egos so as not to be taken advantage by others.

However, the shared values underlying unconditional trust provide individuals with greater assurance that others will act in good faith and will be guided by the same prospective standards as oneself. Hence, unconditional trust is more likely to lead people to subjugate their own needs and egos for the greater good because of the greater assurance that others are doing the same.

### High Involvement

Interpersonal cooperation and teamwork necessitate a high degree of involvement on the part of individuals. Each individual must not only contribute fully but also must be highly involved in the activities of others; high involvement requires members of a team to commit fully to the team endeavor. Conditional trust is unlikely to promote high involvement because, although positive attitudes may facilitate communication and the sharing of information, uncertainty about others' ultimate intentions are likely to cause an individual to refrain from getting too highly involved.

The sharing of values characteristic of unconditional trust provides individuals with the assurance they need to become fully involved in a team endeavor. As Mead notes, "The sense of teamwork is found when all are working towards a common end and everyone has a sense of the common end interpenetrating the particular function which he [she] is carrying on"

(1934: 276); unconditional trust can produce this feeling of high involvement.

In sum, we propose that when unconditional trust is present in relationships, organizational members are more likely to cooperate and develop synergistic team relationships. In turn, these synergistic team relations lead to superior performance benefits, such as the development of unique organizational capabilities and extra-role behaviors that can give an organization a competitive advantage.

## IMPLICATIONS AND CONCLUSIONS

We can use the theoretical distinction between conditional and unconditional trust, rooted in the interactions among values, attitudes, and moods and emotions, to explain why organizational cooperation does and does not occur, as well as why different kinds and degrees of cooperation develop. Conditional trust promotes those cooperative behaviors not entailing significant personal costs or self-sacrifice. However, when an organization needs employees to perform cooperative behaviors that are arduous and time consuming and that entail considerable self-sacrifice and no tangible reward, conditional trust may not be enough.

We propose that in these cases unconditional trust is key; when it exists people want to perform these acts. The psychological experience of unconditional trust, accompanied by the positive feelings that flow from its actualization, is its own reward. At the organizational level the performance benefits deriving from unconditional trust include the competitive advantage that accrues from an organization's ability to reap the value added produced by teamwork, synergy, and the development of valuable organizational capabilities.

Indeed, many researchers have argued that one of the sources of an organization's competitive advantage is its organizational capabilities producing tacit knowledge—the unspoken, implicit knowledge embedded in the interactions among people in teams that contributes to superior performance (Amit & Schoemaker, 1993; Prahalad & Hamel, 1990). One of the central characteristics of organizational capabilities that contributes to their value is the extent to which they are unique and cannot be imitated. To the degree that other organizations can copy or mimic a focal organization's capabilities,



these capabilities will not be a long-term source of competitive advantage. Hence, researchers have focused on identifying the "isolating mechanisms" that make it difficult or impossible for competitors to imitate organizational capabilities (Rumelt, 1984). One of these isolating mechanisms is trust (Barney & Hansen, 1994).

Based on our analysis of trust, we propose that the development of the unique capabilities that lead to tacit knowledge depends on the existence of unconditional, rather than conditional, trust between people. Conditional trust develops as people exchange information and develop positive attitudes toward each other, allowing them to take the role of the other. Through conditional trust people develop stable expectations of each other that routinize their interactions and make them predictable and reliable. Yet, the emergence of these stable, routine interactions is a necessary but not sufficient condition for the emergence of tacit knowledge, because such routine interactions can be systematized into sets of rules and procedures, which, by definition, can be copied and imitated by other organizations (Granovetter, 1985; Mahoney, 1996).

We propose that in order for organizations to have the capability for real synergy among their members, leading to the development of tacit knowledge that cannot be translated into rules or routines, individuals must develop unconditional trust. This is because only unconditional trust promotes the kind of intense interpersonal cooperation and synergistic relationships discussed above. The tacit knowledge that results from real synergy is often taken for granted by organizational members (Itami, 1987; Polyani, 1962). But it is difficult and extremely time consuming to translate into standards or procedures or to explain to people who are not involved in the interactions themselves. The intense interactions in teams, facilitated by unconditional trust, are both the generators and actualizers of tacit knowledge. Hence, a real source of competitive advantage deriving from organizational capabilities is an organization's ability to create the conditions that allow its members to experience unconditional trust.

However, the development of trust (conditional or unconditional) is a function of an organization's ability to create the setting within which trust can develop over time. Does the work environment and context promote positive

attitudes and positive moods and emotions? Does the organizational culture endorse and encourage the expression of the values underlying trust (Fiol, 1991)? Are individuals given the opportunity to explore shared values? Does the organization's structure provide the appropriate set of task and reporting relationships that facilitates the development of positive attitudes and moods?

We need to make an important distinction between organizations that strive to create unconditional trust versus those that are content simply to operate with a predominance of relationships built on conditional trust. Although significant advantages may accrue from the state of unconditional trust—heightened cooperative behavior leading to synergistic team relationships, for one—unconditional trust does not come without costs (Jones, 1983). It takes time, effort, and considerable resources to build and maintain unconditional trust. For example, a relationship of unconditional trust between a supervisor and a subordinate necessitates that the supervisor be supportive of the subordinate and look out for the subordinate's well-being (Eisenberger, Fasolo, & Davis-La Mastro, 1990).

Some organizations may not be willing to make investments in their employees or to provide the kinds of organizational support that will promote the development of unconditional trust. Other organizations may want or need the flexibility to lay off employees as economic conditions warrant. Within these kinds of organizations, unconditional trust is not a viable option, and conditional trust will remain the more common state of trust. But, for organizations that can choose to encourage the development of unconditional trust among their employees, the benefits can be many, especially in terms of cooperation and teamwork that promote high performance and competitive advantage.

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