Figure 3.1   Kreps's Trust-Honor Game
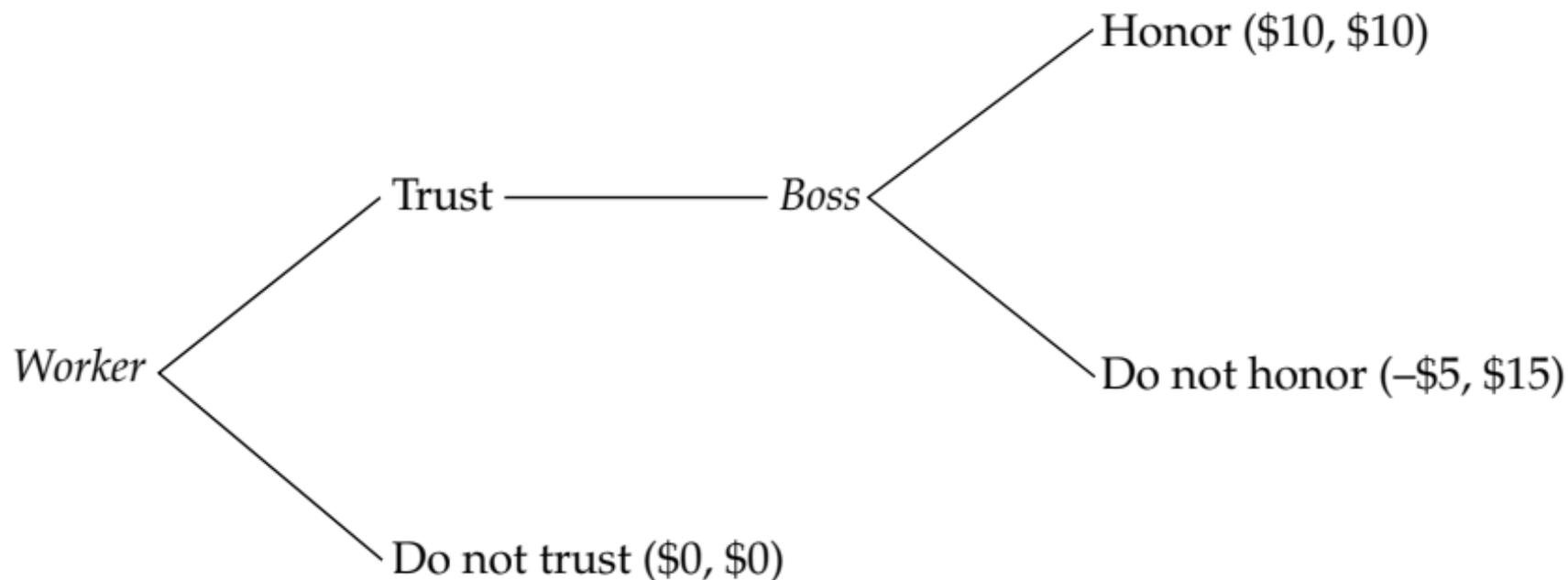
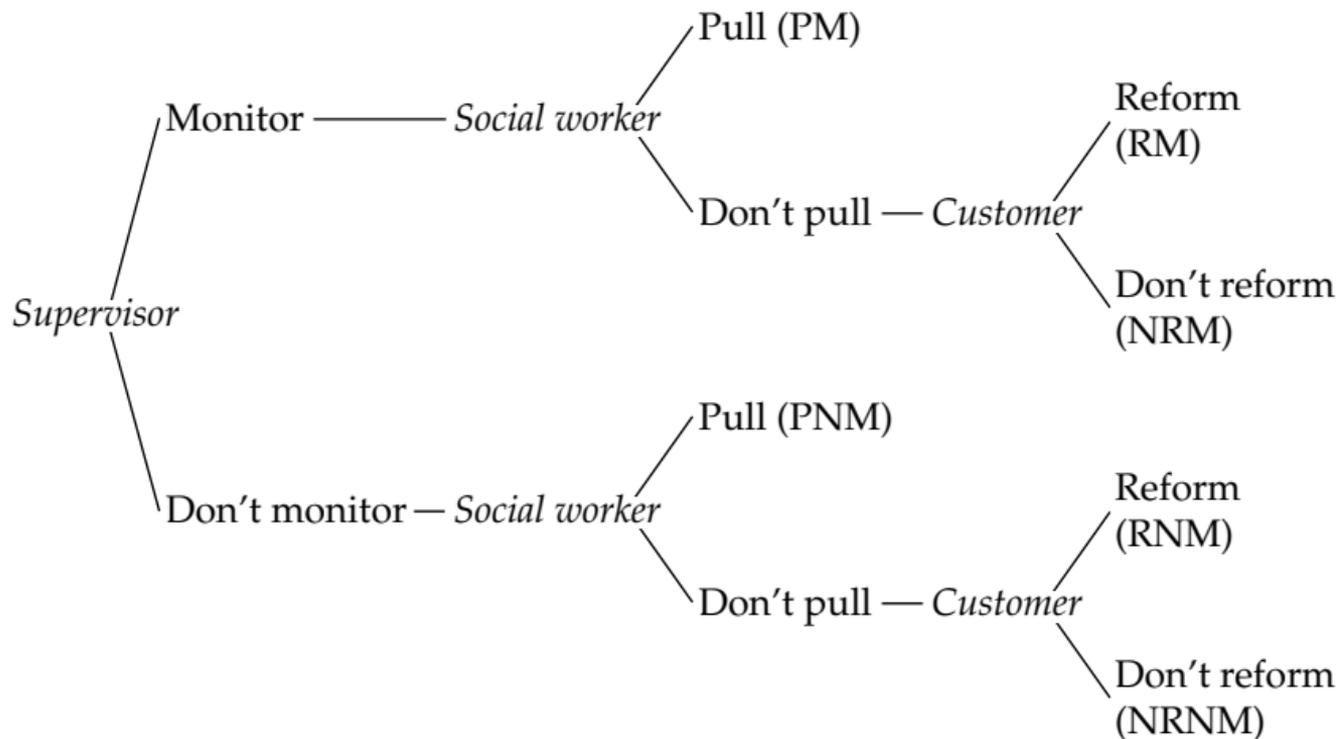**Figure 3.2   Trust-Honor-Reform Game**

Pull (PM)

Monitor ——— *Social worker*

Reform (RM)

Don't pull — *Customer*

Don't reform (NRM)

Supervisor

Pull (PNM)

Don't monitor — *Social worker*

Reform (RNM)

Don't pull — *Customer*

Don't reform (NRNM)

Figure 3.3   Model of Supervisory Trust and Subordinate Effort
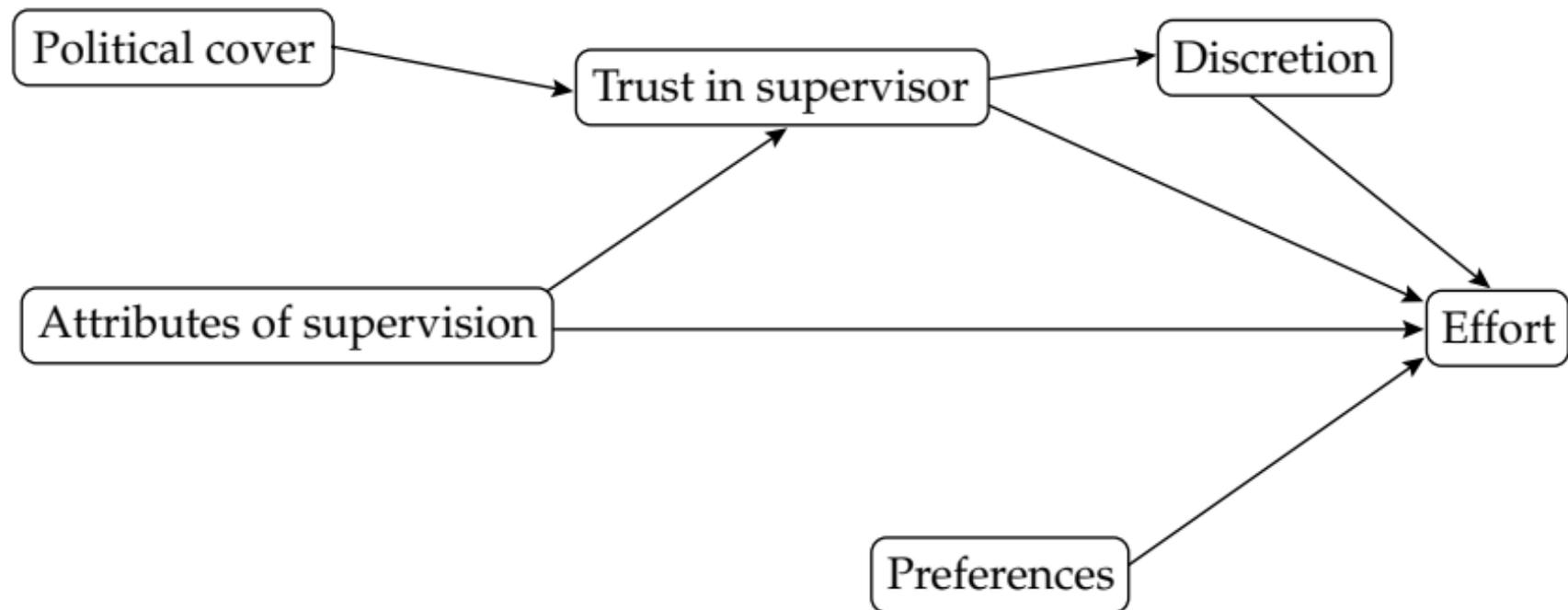
Source: Authors' compilation.

Figure 3.4   Sunflower Plots of Trust in Supervisor Versus Protection
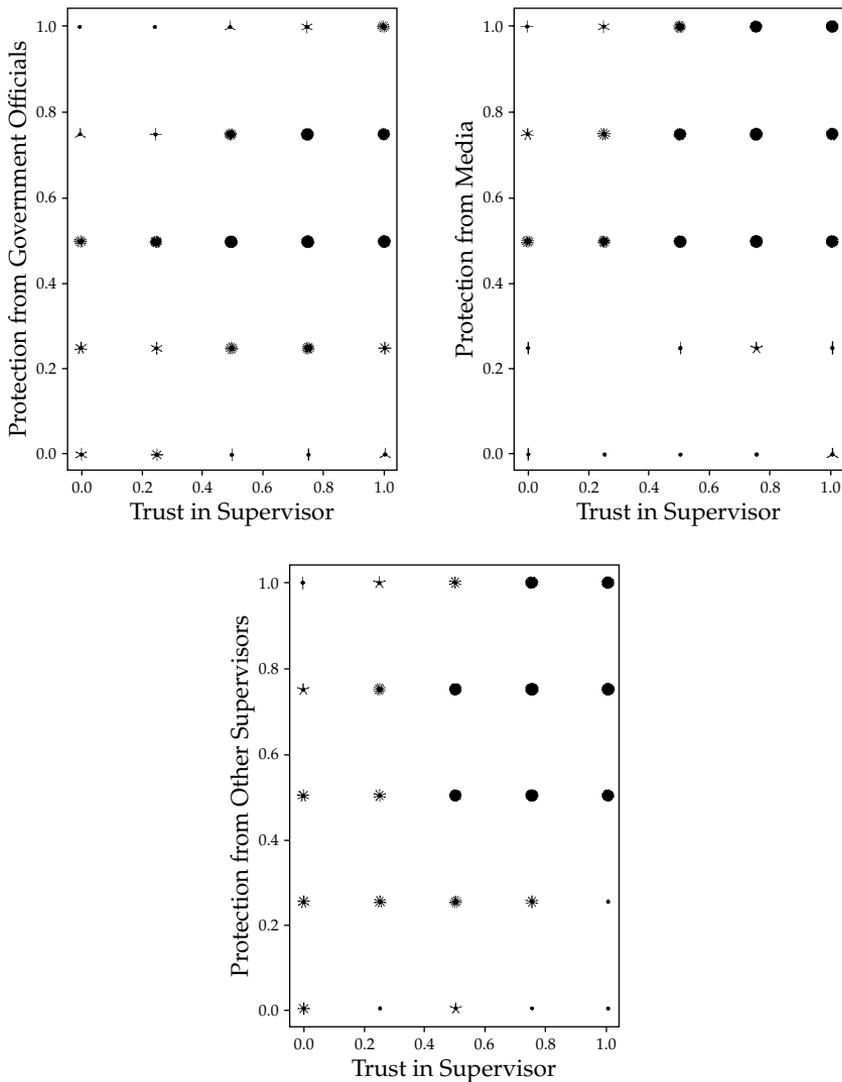
Figure 3.5   Sunflower Plots of Trust in Supervisor Versus Supervision
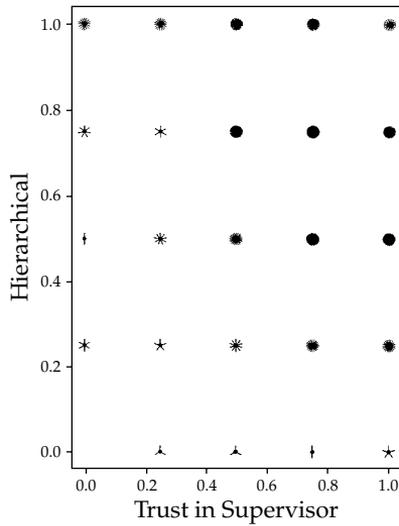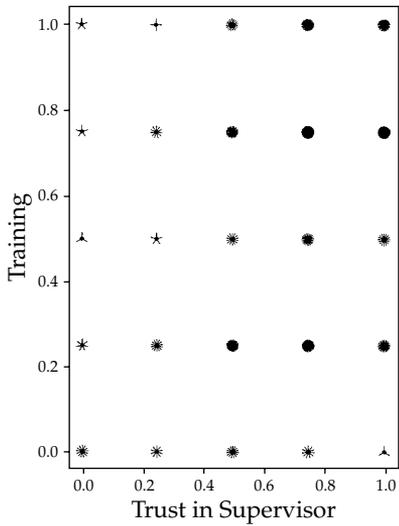
Source: 2000 survey of North Carolina social workers.

Table 3.1 Percentage Who Strongly Trust Their Supervisor, Conditional on Level of Agreement with Question

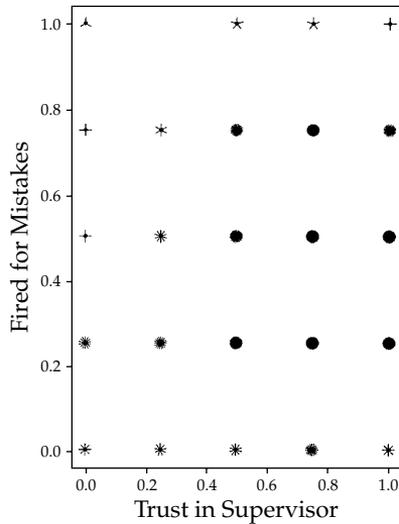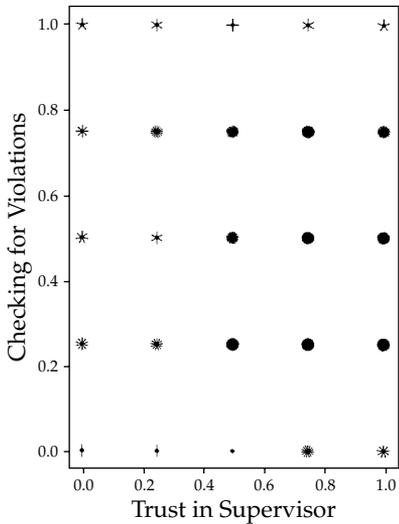| Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Protected from media?	37.5	0	18.5	21.9	40.2
Protected from government?	10.0	15.4	22.1	29.4	60.7
Protected from supervisors?	6.3	2.3	22.9	25.1	40.7
Training provided?	5.9	21.2	25.4	29.8	32.0
Classes?	14.3	10.0	25.0	26.4	34.0
Hierarchical?	38.5	32.8	34.1	22.9	12.9
Fired for mistakes?	13.0	21.8	33.8	26.0	23.5
Constantly checked?	28.6	25.1	30.3	21.1	20.0

Source: 2000 survey of North Carolina social workers.

Table 3.2 First Principal Component Scale Construction

Discretion[a]

For the most part, I am in charge of deciding when to complete the paperwork for my clients' cases.	.37
Employees are expected to follow orders without questioning.	-.08
My supervisor allows me to make what I think is the best decision.	.52
I don't feel that I have as much control over my cases as I would like.	.35
My supervisor micromanages everything I do.	-.43
The administration accepts the decisions that I make.	.52

Functional preferences[b]

This job provides me with a sense of accomplishment.	.56
The most rewarding part of this job is that it really makes a difference.	.58
It is encouraging to see the high level of idealism that is maintained by people in this field.	.41
A person enters this profession because he or she likes the work.	.42

Solidary preferences[c]

My coworkers take responsibility for their actions when things go wrong.	.43
I feel comfortable in confiding with coworkers about any problems I have on the job.	.41
My coworkers don't care if they create extra work for other people.	.22
Working hard on my job leads to gaining respect from coworkers.	.35
The environment of the department is one in which coworkers help each other out.	.44
The department is really very impersonal.	.25
A person gets the chance to develop good friends here.	.40
My coworkers take credit for things that I have done.	.27

Protection[d]

My supervisor does a good job of keeping members of the media from nosing around in department matters.	.54
My supervisor protects me from government officials from outside this department.	.65
My supervisor protects me when other supervisors ask me to do things that take away from my main role here.	.54

Trust in supervisor[e]

In general, how much do you trust your immediate supervisor?	.56
When my supervisor tells me about a decision he intends to make, he follows through.	.52
I feel that my supervisor generally has my interests in mind when she makes a decision.	.55
If I have a problem with someone in the department, I feel comfortable asking my supervisor for help.	.16
If I have a problem concerning a client, I talk with my supervisor before speaking with anyone else.	.30

Source: 2000 survey of North Carolina social workers.
[a]First two eigenvalues are 1.89 and 1.12.
[b]First two eigenvalues are 1.86 and .88.
[c]First two eigenvalues are 2.67 and 1.21.
[d]First two eigenvalues are 1.59 and .84.
[e]First two eigenvalues are 2.10 and 1.02.

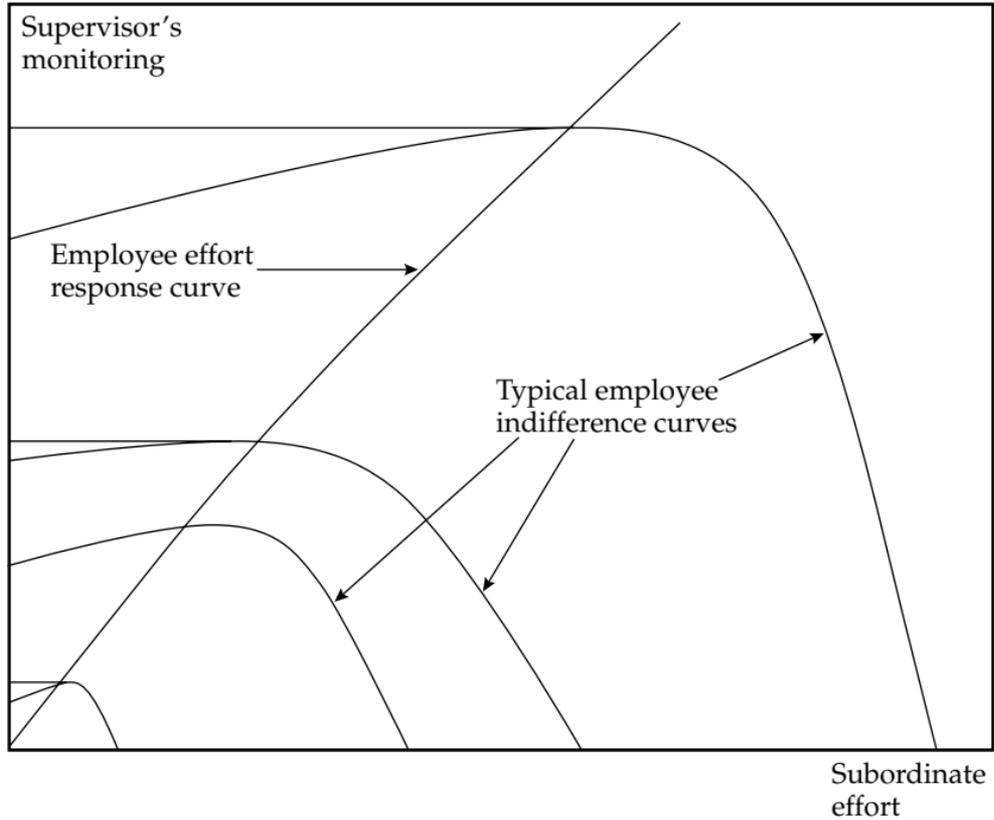**Table 3.3   Three-Stage Least Squares Estimates of Working and Sabotage as Function of Trust in Supervisor**

	Trust Supervisor	Hours	Break Rules
Work hard			
Protection	0.08**	0.08**	0.08**
Training	0.32**	0.32**	0.32**
Hierarchical	0.06	0.06	0.06
Fired	0.08*	0.08*	0.08*
Classes	0.38**	0.38**	0.38**
Too many cases	0.04	0.04	0.04
Check rules	0.03	0.03	0.03
Trial period	0.20**	0.20**	0.19**
Constant	0.05	0.05	0.05
Discretion			
Trust in supervisor	0.62**	0.62**	0.62**
Functional preferences	0.04*	0.04*	0.04*
Solidary preferences	0.05*	0.05*	0.05*
Privacy	0.04	0.04	0.04
Constant	0.41	0.41	0.41
Work			
Trust in supervisor	0.10**	13.00**	−0.17**
Discretion	−0.09**	−7.44**	0.10**
Trust in supervisor × discretion	0.19**	9.26**	−0.12**
Privacy	0.00	0.59**	0.00
Functional preferences	0.00	0.63**	0.00
Solidary preferences	0.00	0.70**	0.00
Hierarchical	0.03	2.77**	0.03
Fired	0.05	3.98**	0.05
Check rules	0.04	3.40**	−0.04
Constant	0.11	8.66	0.11

Source: 2000 survey of North Carolina social workers.
Note: N = 509. Cell entries are three-stage least squares estimates for the separate structural models.
*$p < .10$ **$p < .05$

Figure 5.1   More Monitoring Results in More Effort (in One-Shot Game)

Supervisor's monitoring

Employee effort response curve

Typical employee indifference curves

Subordinate effort

Figure 5.2   Stackelberg Equilibrium (E) and Pareto-Preferred Region

Supervisor's monitoring

Employee effort
response curve →

Sample owner indifference curves

E

Pareto-preferred to E

T   C   U

Subordinate effort
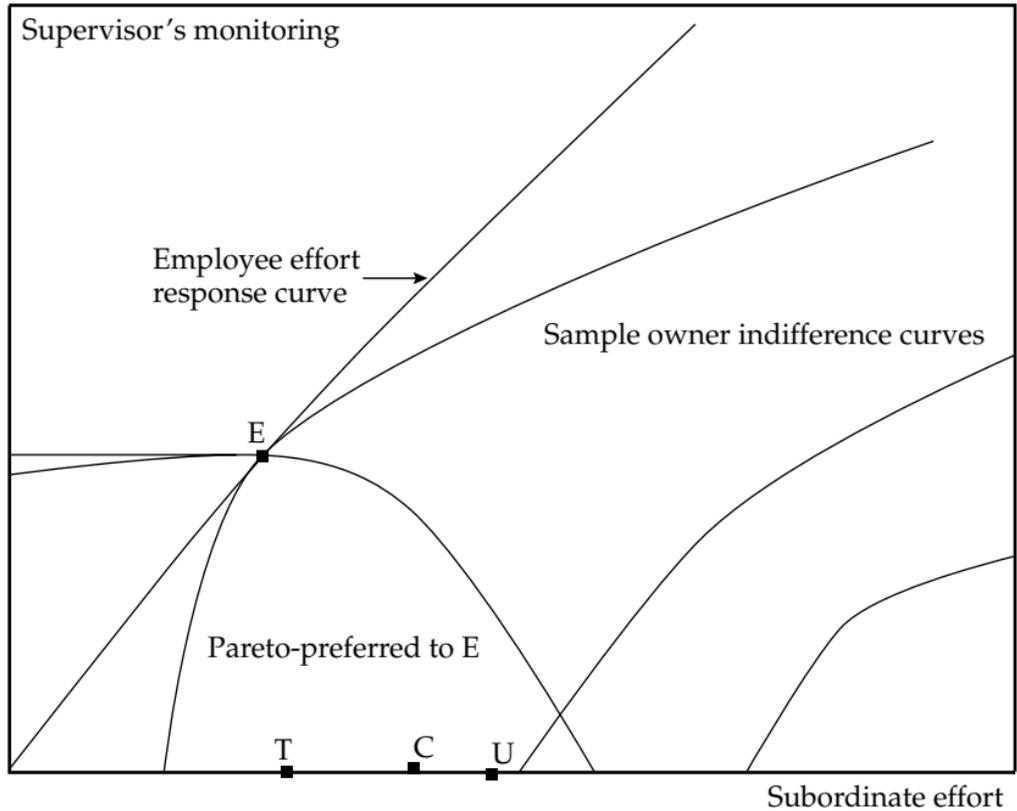
Figure 8.1   Theoretical Model of Network Facilitation

Actions Taken   **Context Created**

Identifying shared interests → *Interdependence*

Developing common expectations → *Risk*

Leveraging a critical mass of influence → *Social capital*

Compressing networks → *Physical space*

Network facilitator → **Interorganizational trust**
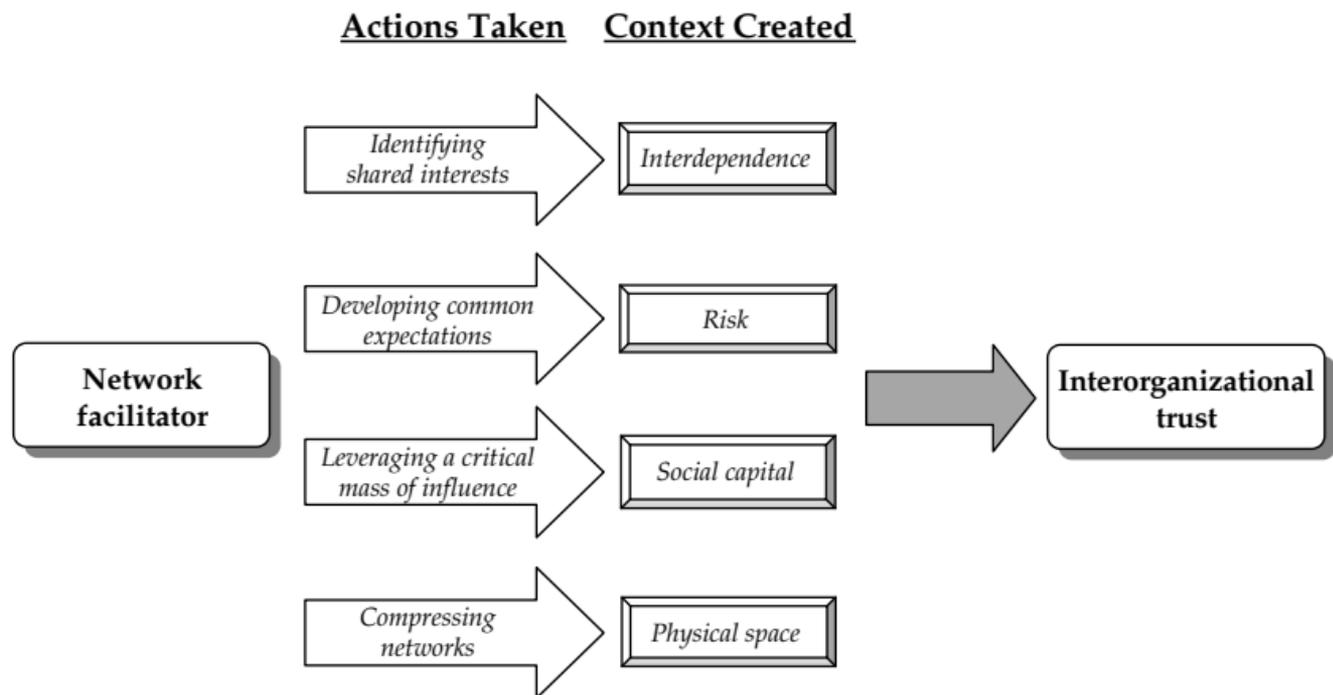
Source: Authors' compilation.

Table 8.1   Industry Standards Created by the OFIC

| Standard	Description
Packaging	Prior to the packaging standard, each of the manufacturers had different requirements for packaging, labeling, and delivering products. As a result of the inherent diseconomies of operating several packaging operations at relatively low scale, rather than a single packaging system, the opportunities for suppliers to improve delivery performance and to reduce lead times were limited.
Quality assurance	Similar efficiencies were attained by standardizing supplier quality assurance. Each manufacturer had its own separate auditing system and each would individually qualify a supplier on the basis of different criteria. For a supplier, this meant incurring the costs of being certified many times each year, maintaining separate sets of inspection records, and having multiple procedures manuals and other documentation demonstrating adherence to different interpretations of quality manufacturing principles. With only one set of expectations, suppliers would find the process less burdensome than before, and would be more likely to meet the standards (see "Area Furniture Industry Lauds Streamlining," *Grand Rapids Press*, May 27, 1994, p. 64).
Electronic data interchange	Although many of the manufacturers had been using EDI with suppliers for years, broadly following the ANSI X.12 standard, each company had developed its own unique, customized, transaction conventions. This meant that each time a supplier acquired a new trading partner, new software would have to be purchased or existing software modified. Consequently, many suppliers kept separate terminals for each customer and would print out new orders and then re-key them into their own computer system. The OFIC developed a standard set of transaction conventions, each with a single format, that would allow manufacturers and suppliers to exchange all stages of procurement information from request for quotes to payment orders, thus allowing suppliers to dispense with multiple terminals for each customer ("Information Interchange Builds Path for Suppliers," *Grand Rapids Business Journal,* May 1994, p. 81).
Color	The most recent effort undertaken by the OFIC was to create a common method for documenting and measuring color. A subcommittee of representatives from manufacturers and suppliers developed standards that would minimize redundancy, establish a common language for describing color, and reduce color ordering time.

Source: Authors' compilation.

**Figure 9.1   Comparisons of Mean Levels of Trust for Distributed and
Collocated Dyads for Months 1 and 3 on Scale of 1 to 5**
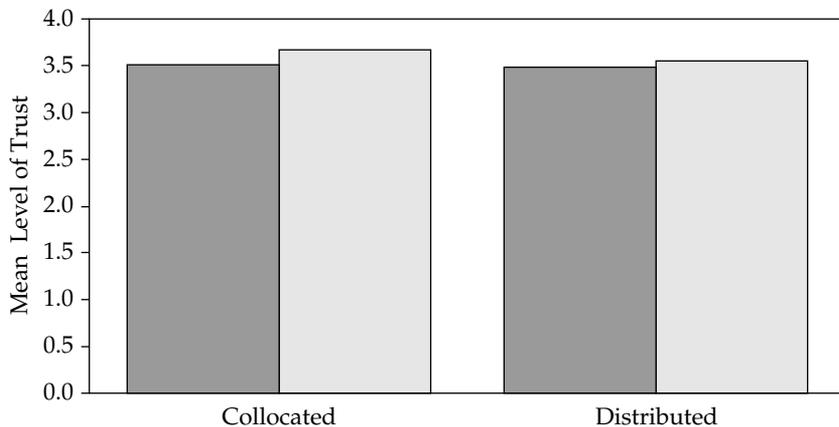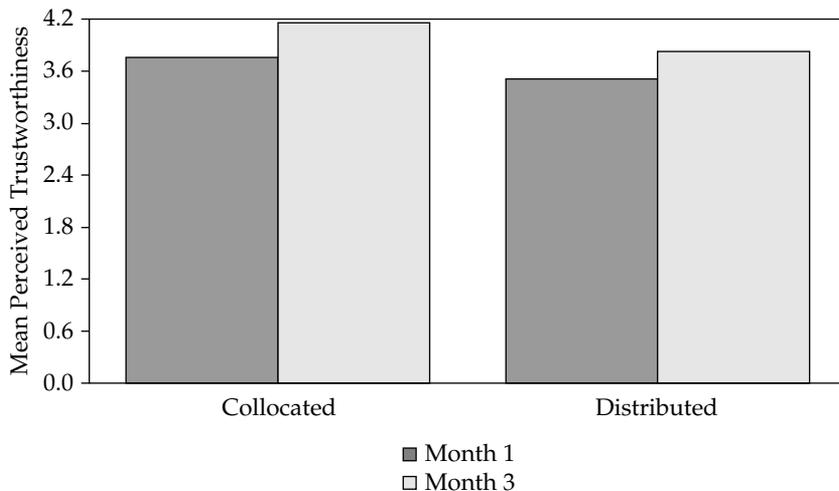
Figure 9.2   Structural Equation Models Predicting Perceived Trustworthiness and Trust

Model 1: Collocated (N = 31)

| Perceived follow-through (month 1) | →.26* | Perceived trustworthiness (month 1) | →.46* | Trust (month 3) |

chi square = .023, df = 1, p = .879,
NFI= 1.000, RFI= 1.000, CFI= 1.000

Model 2: Distributed (N = 77)

| Perceived follow-through (month 1) | →.59*** | Perceived trustworthiness (month 1) | →.40*** | Trust (month 3) |

chi square = 8.916, df = 1, p = .003,
NFI= .988, RFI= .931, CFI= .990

Model 3: Distributed (N = 77)

| Perceived trustworthiness (month 1) | →.63*** | Perceived follow-through (month 1) | →.52*** | Trust (month 3) |

chi square = 3.297, df = 1, p = .069,
NFI= .996, RFI= .974, CFI= .997

Figure 9.3   Structural Equation Models Predicting Trust Development

Model 4: Collocated (N = 31)

Perceived follow-through (month 1) → .34* → Perceived trustworthiness (month 1) → −.03 → Trust (month 1)

Perceived follow-through (month 1) → −.14 → Perceived follow-through (month 3)

Perceived trustworthiness (month 1) → .21 → Perceived trustworthiness (month 3)

Trust (month 1) → .18 → Trust (month 3)

Perceived follow-through (month 3) → .53*** → Perceived trustworthiness (month 3) → .38* → Trust (month 3)

chi square = 38.677, df = 8, p = .000,
NFI= .947, RFI= .860, CFI= .957

Model 5: Distributed (N = 77)

Perceived trustworthiness (month 1) → .63*** → Perceived follow-through (month 1) → .44*** → Trust (month 1)

Perceived trustworthiness (month 1) → .57*** → Perceived trustworthiness (month 3)

Perceived follow-through (month 1) → .26** → Perceived follow-through (month 3)

Trust (month 1) → .36*** → Trust

Perceived trustworthiness (month 3) → .66*** → Perceived follow-through (month 3) → .61*** → Trust

chi square = 18.776, df = 8, p = .016,
NFI= .989, RFI= .971, CFI= .994

Figure 9.4 Structural Equation Model Predicting Performance

Model 8: Effects of Being Trusted (N = 41)

chi square = 4.622, df = 3, p = .202,
NFI= .994, RFI= .980, CFI= .998, RMSEA= .113
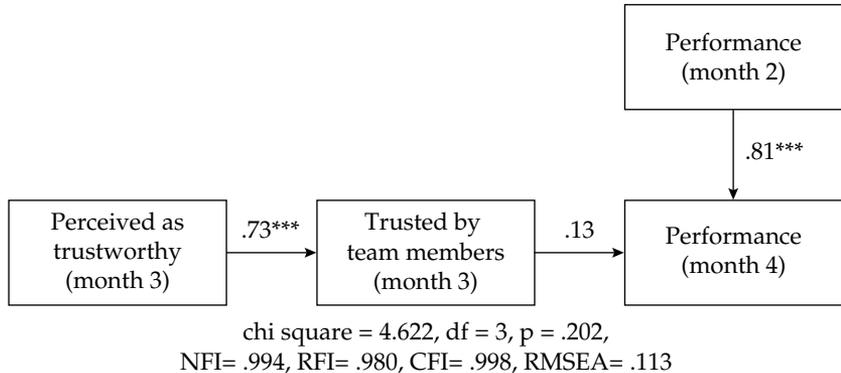
Model 9: Effects of Trusting (N = 41)

chi square = .893, df = 3, p = .827,
NFI= .999, RFI= .996, CFI= 1.000, RMSEA= .000
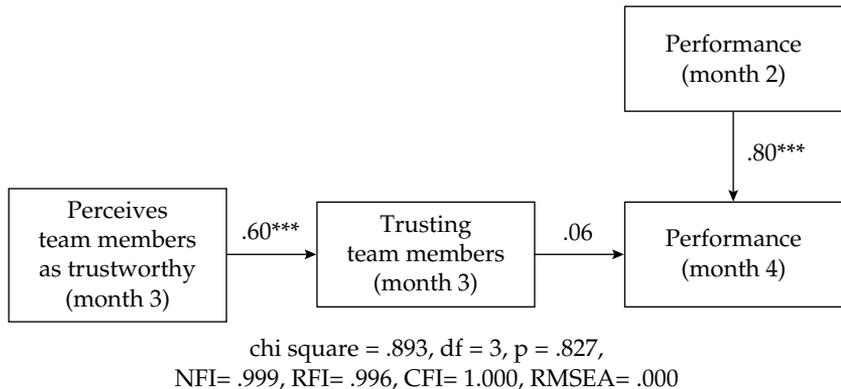
Table 9.1 Survey Questions

Trust

   1. How often have you needed to check or ask to see if this team member had completed her or his commitments?[a]

   2. How often have you counted or compared to see if this team member was contributing to the group?[a]

   3. How often have you worried about this team member's performance?[a]

   4. How often have you checked on this team member's progress on the deliverables promised?[a]

Risk

   1. How much is at stake for you (what do you have to lose) if one team member does not do his or her job?

Reward

   1. What goals do you hope to achieve with this project? (Not directly used)

   2. How important are those goals?

Perceived trustworthiness

  Care

   1. How often has this team member made an extra effort to make your job easier?

   2. How often has this team member listened carefully to hear your problems or concerns?

   3. How often has this team member notified you when she could not meet a commitment?

   4. How often has this team member passed on new information or ideas that may be helpful to you or the group?

   5. How often does this team member check to make sure that communication was received or understood?

  Ability

   1. How often has this team member exhibited technical or project competence?

   2. How often have you noticed that team member exhibit professional behavior?

  Integrity

   1. To what extent is this team member honest or dishonest?[a]

   2. To what extent is this team member virtuous or sinful?[a]

Follow-through

   1. How often did this team member follow through on work commitments?

   2. How often did this team member fail to follow through on work commitments?[a]

   3. How often did this team member complete work commitments on time?

   4. How often did this team member fail to complete work commitments on time without good reason?[a]

Source: Based on Zolin et al. 2004.
[a]These items were reverse-coded.

Table 9.2   Descriptive Statistics and Correlations for Variables

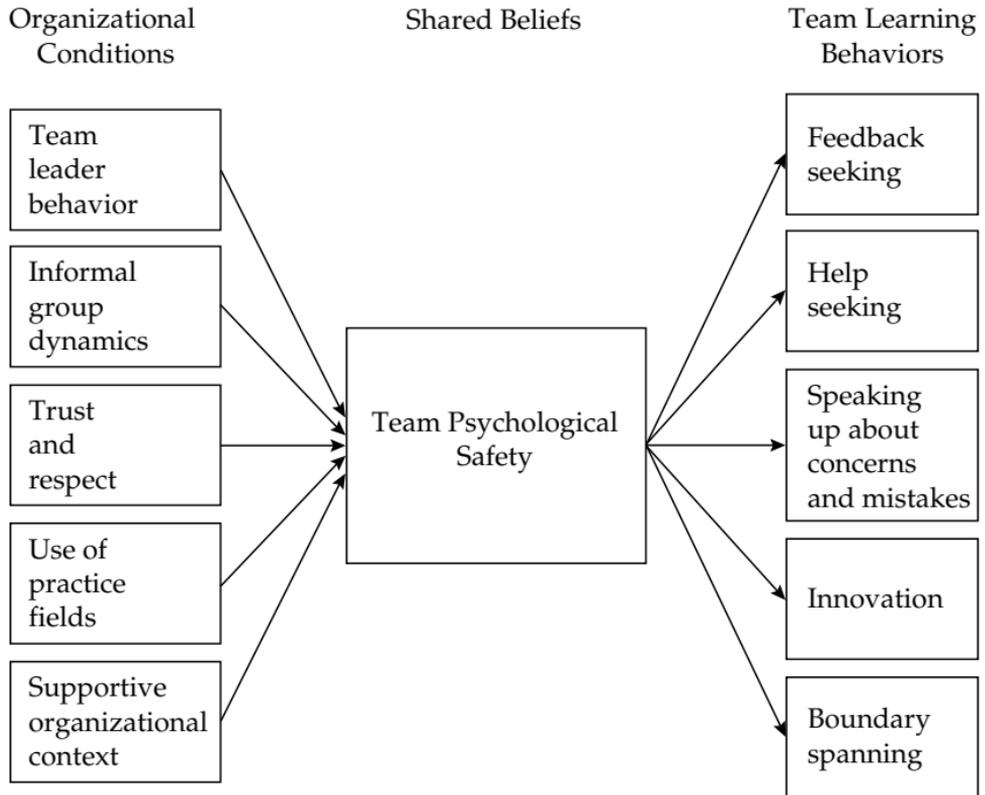|	Mean	Standard Deviation	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
1. Trust (month 1)	3.49	.87											
2. Geographic distribution	.71	.45	−.02										
3. Risk	3.68	.71	.12	.06									
4. Reward	4.19	.91	.13	.16	−.08								
5. First-quarter grade	3.71	.50	.02	.02	−.17+	−.08							
6. Perceived trustworthiness (month 1)	3.58	.75	.22*	−.15	−.26**	.13	−.23*						
7. Perceived follow-through (month 1)	3.94	.82	.47***	−.13	−.18+	.23*	−.05	.59***					
8. Trust (month 3)	3.58	.70	.32***	−.08	−.17+	.16+	−.02	.44***	.44***				
9. Second-quarter grade	3.80	.46	−.07	−.11	−.13	−.11	.79***	−.12	−.01	.03			
10. Perceived trustworthiness (month 3)	3.93	.68	.16+	−.22*	−.38***	.05	.01	.55***	.46***	.60***	−.01		
11. Perceived follow-through (month 3)	3.99	.67	.04	−.17+	−.30**	.17+	−.03	.50***	.50***	.66***	.07	.76***	
12. Courses taken	11.49	5.41	−.22*	−.05	−.33***	−.13	.04	.27**	.11	.15	.18+	.18+	.13

Source: Authors' compilation.
Note: N = 108.
+*p* < .10 **p* < .05 ***p* < .01 ****p* < .001

Figure 10.1   Model of Antecedents and Consequences of Team Psychological Safety

Organizational Conditions	Shared Beliefs	Team Learning Behaviors
Team leader behavior		Feedback seeking
Informal group dynamics		Help seeking
Trust and respect	Team Psychological Safety	Speaking up about concerns and mistakes
Use of practice fields		Innovation
Supportive organizational context		Boundary spanning

Table 10.1   Survey Scales Used to Measure Psychological Safety

Edmondson (1996)
  If you make a mistake in this team, it is held against you.

Edmondson and Woolley (2003)
  If I make a mistake in this job, it is often held against me. (Reverse scored)
  It is difficult to ask others in this department for help. (Reverse scored)
  My manager often encourages me to take on new tasks or to learn how to do things I have never done before.
  If I was thinking about leaving this company to pursue a better job elsewhere, I would talk to my manager about it.
  If I had a problem in this company, I could depend on my manager to be my advocate.
  Often when I raise a problem with my manager, she or he does not seem very interested in helping me find a solution. (Reverse scored)

Edmondson (1999a)
  If you make a mistake on this team, it is often held against you.
  Members of this team are able to bring up problems and tough issues.
  People on this team sometimes reject others for being different.
  It is safe to take a risk on this team.
  It is difficult to ask other members of this team for help.
  No one on this team would deliberately act in a way that undermines my efforts.
  Working with members of this team, my unique skills and talents are valued and utilized.

Anderson and West (1994b; as used by Kivimaki et al. 1997)
  We share information generally in the team rather than keeping it to ourselves.
  We have a "we are together" attitude.
  We all influence each other.
  People keep each other informed about work-related issues in the team.
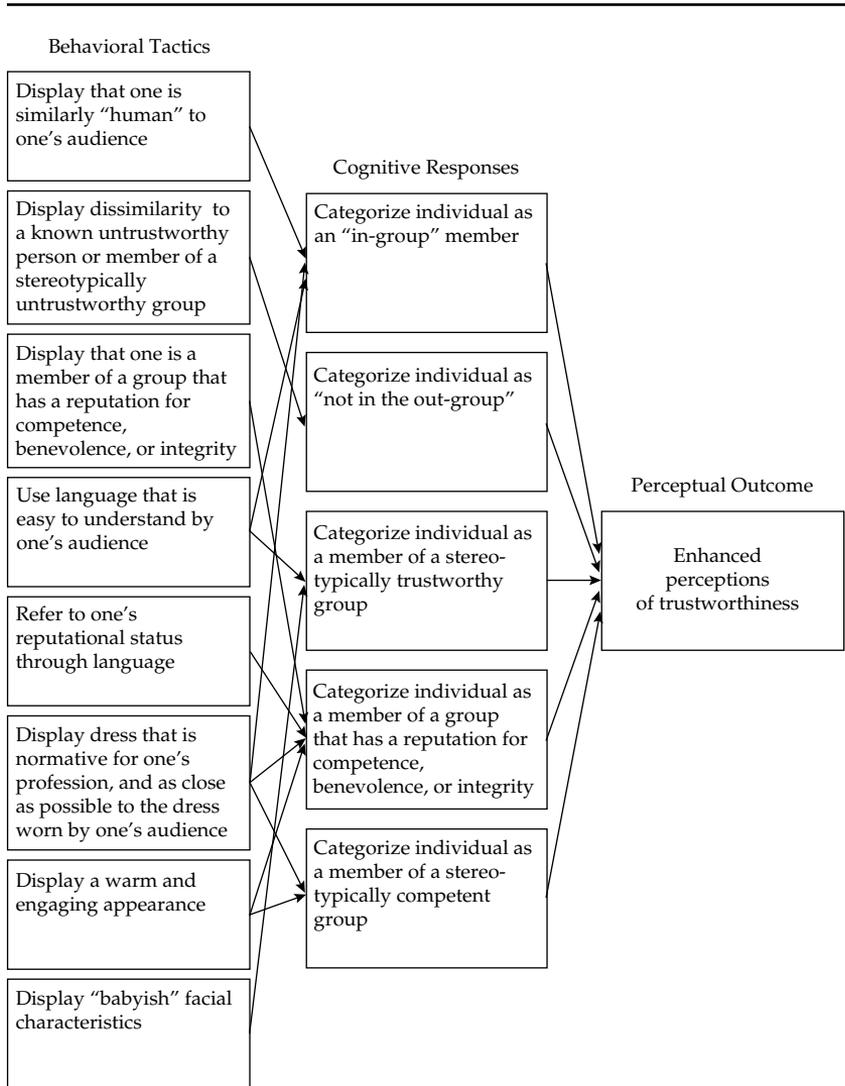 People feel understood and accepted by each other.
  Everyone's view is listened to, even if it is in a minority.
  There are real attempts to share information throughout the team.
  There is a lot of give and take.

Source: Author's compilation.

Behavioral Tactics

Display that one is similarly "human" to one's audience

Cognitive Responses

Display dissimilarity to a known untrustworthy person or member of a stereotypically untrustworthy group

Categorize individual as an "in-group" member

Display that one is a member of a group that has a reputation for competence, benevolence, or integrity

Categorize individual as "not in the out-group"

Perceptual Outcome

Use language that is easy to understand by one's audience

Categorize individual as a member of a stereotypically trustworthy group

Enhanced perceptions of trustworthiness

Refer to one's reputational status through language

Categorize individual as a member of a group that has a reputation for competence, benevolence, or integrity

Display dress that is normative for one's profession, and as close as possible to the dress worn by one's audience

Display a warm and engaging appearance

Categorize individual as a member of a stereotypically competent group

Display "babyish" facial characteristics

Source: Author's compilation.

Table 11.1   Research on Perceptions of Interpersonal Trustworthiness

Citation	Factors Enhancing Trustworthiness Images	Factors Reducing Trustworthiness Images	Categorizations Suggested[a]
Self-presentation behaviors			
Bless et al. (2000)	Reference to one untrustworthy exemplar in category (such as politicians) increases trustworthiness of other contrasting category members.	Reference to one untrustworthy exemplar in category (such as politicians) reduces trustworthiness of general category.	Members of stereotypically untrustworthy group (politicians). Members of group dissimilar to out-group.
Newcomb et al. (2000)	Rock stars' testimonials in antidrug-use commercials.		Members of in-group. Members of group with competent reputation.
Lundeen and Schuldt (1989)	Therapist's self-disclosure about similar problems in videotaped mock-therapy session.		Members of in-group.
Arokiasamy et al. (1994)	Good attending skills by counselor in videotaped therapy session: attended to client's feelings, asked pertinent questions, made responses reflective of client's feeling statements.		Members of stereotypically legitimate group. Members of in-group.
Hayslip, Schneider, and Bryant (1989)	Client's ability to identify with individual counselor.		Members of in-group.
Myers and Dugan (1996)		Sexist behavior by professors in real-life classroom experiences (use of stereotypical examples of male and female roles, sexist language, calling only on males).	Members of stereotypically untrustworthy group (for example, bigots, sexists). Members of out-group.
Redfern, Dancey, and Dryden (1993)	Empathetic treatment of client by counselor.		Members of in-group.

Language

Hurwitz, Miron, and Johnson (1992)	Words that connote power, status.	Passive voice.	Members of competent group.
Elsbach and Elofson (2000)	Easy-to-understand, colloquial language used by an expert communicating a decision explanation.	Hard-to-understand, technical language used by an expert communicating a decision explanation.	Members of in-group or out-group. Members of stereotypically untrustworthy group.

Physical appearance

|			
Roll and Roll (1984)	Informal dress.	Formal dress.	Members of in-group or stereotypically competent group. Members of out-group or stereotypically incompetent group.
Carter and Motta (1988)	Informal dress, counselors address others by first name.	Formal dress, counselors address others by surname.	Members of in-group or stereotypically competent group. Members of out-group or stereotypically incompetent group.
Heitmeyer and Goldsmith (1990)	Moderately formal dress.	Overly formal or informal dress.	Members of out-group or stereotypically incompetent group.
Brownlow (1992)	"Baby-faced" speaker.	"Mature-faced" speaker.	Members of stereotypically trustworthy or untrustworthy groups.
Lee, Uhlemann, and Haase (1985)	Perceptions by client: warm, concerned facial expression; spontaneous head nod; soft, pleasing voice; expressive gesture; timely smile; slow fluent speech; relaxed, approaching posture; steady eye contact for beginning counselors.		Members of stereotypically competent group.

Figure 12.1 Traditional Model of Trust Development
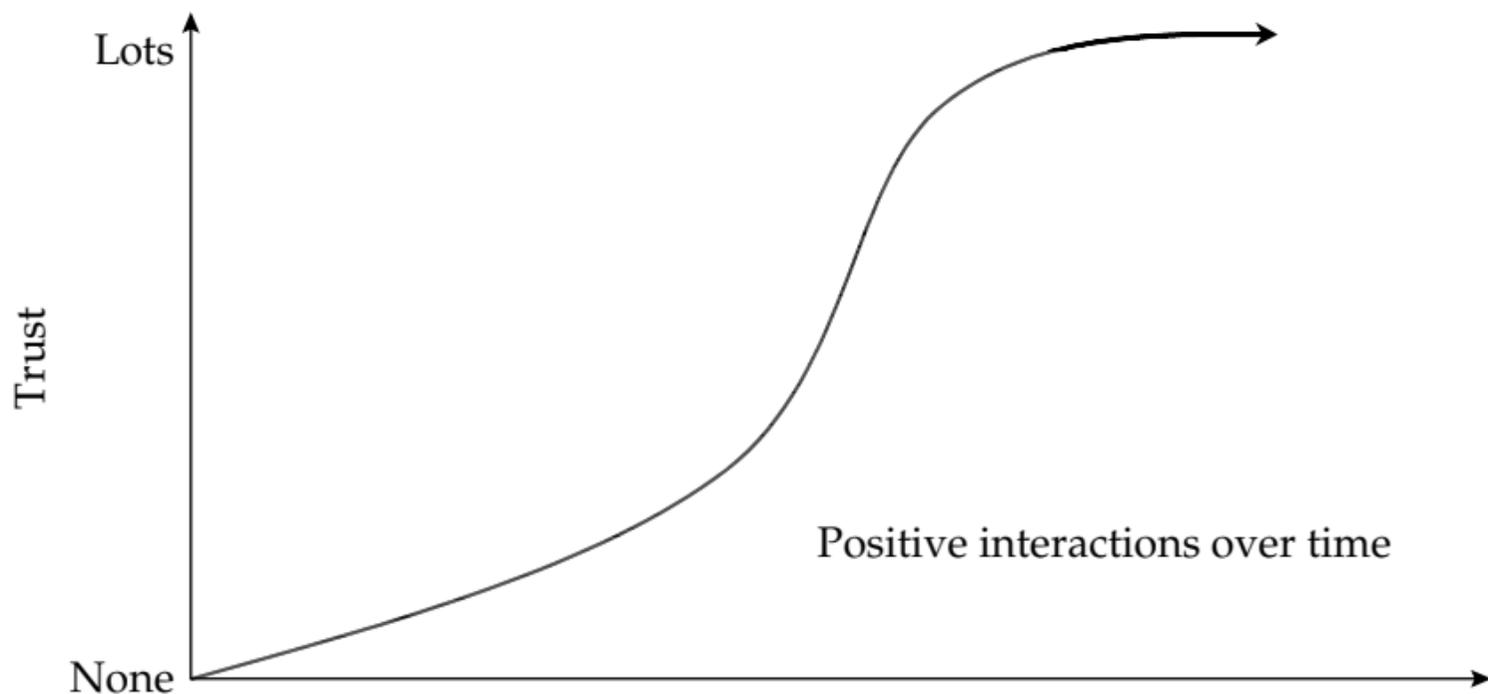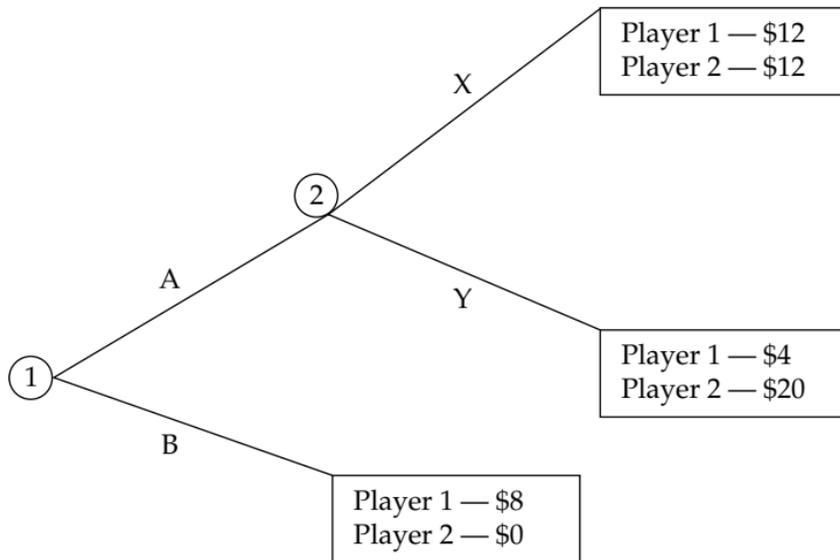
Figure 12.2 The Impact of a Breach of Trust
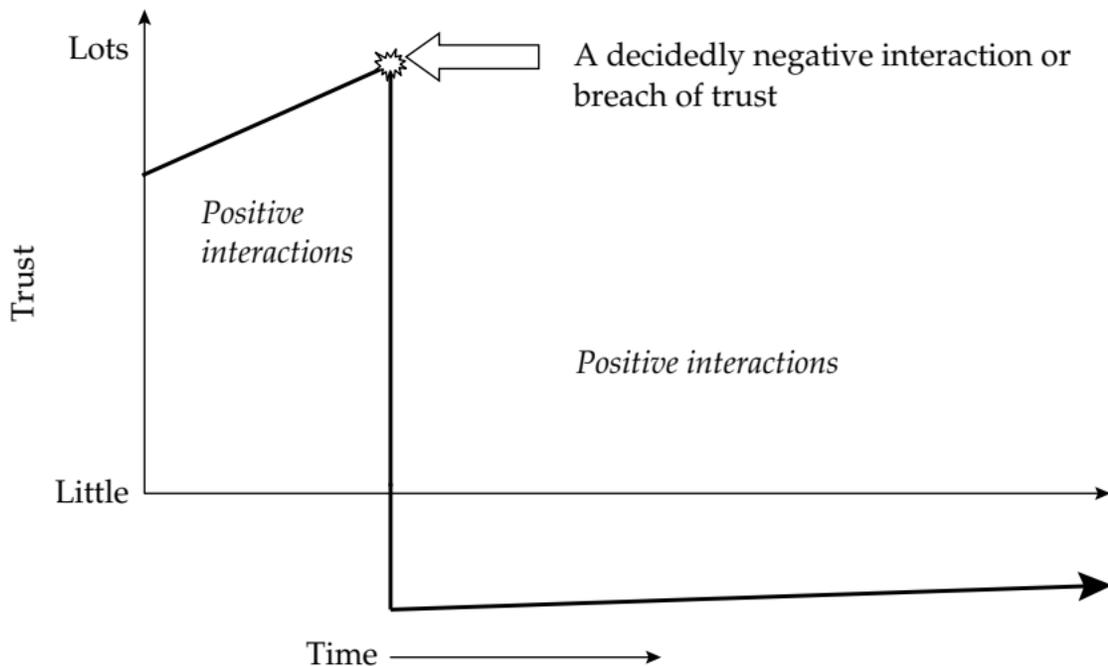

Source: Authors' compilation.

Figure 12.3 Structure of the Game

The figure is interpreted by reading it from left to right. Each node in the figure is a decision made by one of the players (identified by a circled number). Player 1 makes the first choice by choosing A or B. If player 1 chooses B, the game ends, since there are no more nodes after we follow the B path. The payoffs are in the boxes at the end nodes. If player 2 chooses A, then player 2 makes a choice of X or Y. The payoffs for each player are listed in the end nodes following each path.

Figure 12.4   Data from Key Conditions in Malhotra and Murnighan (2002)
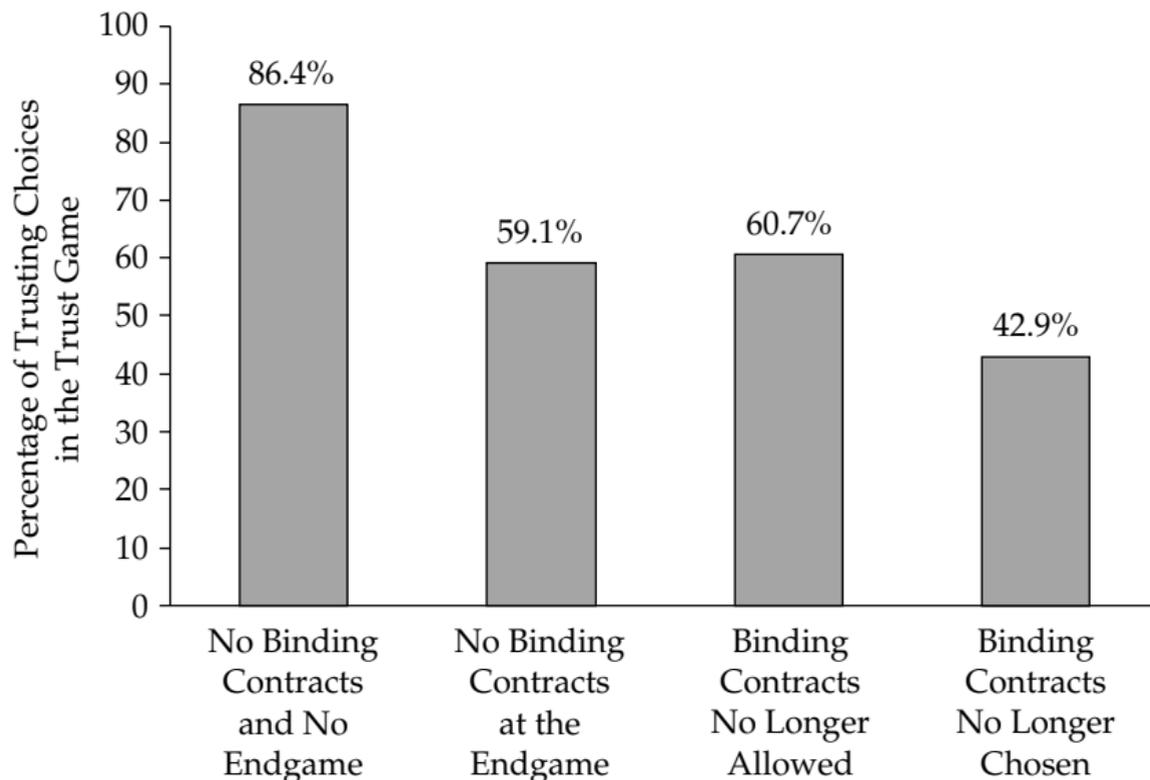
Source: Malhotra and Murnighan (2002).

Table 12.1   The Profit Table in the Gas Station Game

		Team 2	
		Maintain Price (Cooperate)	Cut Price (Compete)
Team 1	Maintain price (cooperate)	Team 1: $1,200 Team 2: $1,200	Team 1: $400 Team 2: $1,600
	Cut price (compete)	Team 1: $1,600 Team 2: $400	Team 1: $800 Team 2: $800

Source: Authors' compilation.