

# IMPERSONAL TRUST: A REVIEW OF LITERATURE

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## ABSTRACT

*In the era of virtualisation and project based working environment where employees rarely interact with each other and with their superiors, limited opportunity is provided for the natural evolution of interpersonal trust. Organisations require employees with high levels of trust more than ever in order to gain competitive advantage. Focus is shifting toward the trust which is not based on the direct personal interaction, but develops based on the outcomes of the decisions of management, the processes and policies adopted, organisations' capabilities and the overall reputation of the organisation. This impersonal approach to trust is now being considered as the most important in the context of strategic Human resource management. The primary aim of this review is to examine the recent progress in the conceptualisation of this form of trust in organisational context. The present review of literature is based on peer-reviewed journal articles, working papers and other published resources. s*

**Keywords:** *Impersonal trust, interpersonal trust, competitive advantage, human resource management.*

## INTRODUCTION

The concept of impersonal trust has gained attention of academicians and professionals as a strategy in the recent past. However, some of the dimensions of impersonal trust were studied with the overall organisational trust. Most researches in the field of HRM have interpreted Trust as an interpersonal phenomenon, consisting of lateral trust (trust among employees) and Vertical trust (trust on immediate supervisor, top management or the organisation as whole. For instance, Previous studies (like, Buttler, 1991[1]), identified ten conditions of Managerial Trust viz; availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfilment, and receptivity. Similarly, to capture the Content domain of trust, Mishra (1996) [2] proposed four dimensions, as competence, openness, concern and reliability. Recently,[3] Vanhala et al, 2011 argued that natural evolution of interpersonal trust is more challenging due to globalisation and virtualisation that is accompanied with temporary and technology-enabled tasks, projects, and virtual teams, dual-roles of supervisors which hinders the natural evolution of interpersonal trust. Furthermore, the lack of interaction and communication between operational-level employees and top-level management provides limited opportunities for the development of interpersonal trust and thus organisations cannot rely only on trust between particular persons [4] (Vanhala and Ritala,2016). Impersonal trust is the employees' confidence that the employer will

perform the actions that are beneficial, or at least not harmful and can be defined as the individual employees' expectations about the organisations' Capability and Fairness, [3] Vanhala et al. (2011). Differentiating it from interpersonal approach, impersonal trust is not based on the direct personal experience of the character among employees or between employees and managers, rather this trust stems from the outcomes of decisions taken by the top management. Impersonal trust is recently recognised as an equally important or even more important in the context of human resource management practices. Studies [3] (like, Vanhala et al, 2011) have already emphasized its impact more or less explicitly. In fact, scholars like [4] Vanhala & Paavo, 2016 consider it as the most relevant type of organisational trust in the context of Strategic management of HRM. In spite of its importance, the concept of Impersonal trust has only just emerged and has been studied very little in the organisational context [4] (Vanhala and Ritala, 2016). The present study is an effort to review the literature in order to access the evolution of impersonal approach to organisational trust and present the same in a systematic manner.

## **METHODOLOGY**

According to [5] Chermack and Passmore, (2005), literature review is a distinguished form of research for summarising and synthesising some phenomena from an extended body of knowledge. The review aims to analyse the historical evolution of the construct impersonal trust and how the definition of the construct evolved over time in different contexts. The present review explores several definitions of the construct in a chronological order to help in understanding the development of the construct.

## **EVOLUTION**

Most of the previous research conceptualised the trust in top management as distinguished from the trust among employees and between employees and their superiors. [6] McCauley and Kuhnert (1992) argued that trust between employees and management is not interpersonal in nature, it is derived from roles, rules and structured relationships of the organisations. They asserted that they monitor the work environment in order to assess whether they will trust management or not. [7] Brockner et al, 1997 linked trustworthiness of organisations to the outcomes of their decisions. Similarly, [8] Costingen et al, 1998 contended that for most employees the decision to trust top management is based more on the outcomes of organisational decisions made by these top managers and less on direct personal experience of their character, words and actions. [9] Daley and Vasu (1998) studied the attitudes of organisational trust towards those in top management and contended that job characteristics (like benefits, rewards, work environment) and work characteristics (job satisfaction, supervisory evaluation and political interference) are major determinants of organisational trust. Based on the work of [10] Rousseau and House (1994) and [11] Wayne et al (1997), [12] Whitenor (1997) argued that the experience of decisions, routines and activities related to fairness in HRM practices has an impact on organisational trustworthiness. Moreover, employees interpret managerial actions and decisions and organisational policies and procedures as manifestations of the organisations commitment to and support of them. Similarly, [13] Kim and Mauborgne (2003) argue that fair process refers to the human need to be valued as human beings and not as mere personnel or human assets. [14] Mayer and Davis (1999) conducted a longitudinal study and provided rare evidence that trust might be effectively managed through theoretically developmental efforts like replacing in accurate performance appraisal system with more accurate and unbiased performance system. [15] Shockley-Zalabak et al. (2000), linked organisational trust with the organisations' capability of producing quality goods in

terms of reliable production. A good external reputation as perceived by employees leads to trust in the employer [16,17] (Gillespie and Dietz, 2009; Atkinson and Butcher, 2003).[18] Krammer, (1999), inferred from their study that employees trust in organisation can be influenced by the behaviour of persons in the top management. Trusting a person and trusting an organisation are two different things, [19] Blomqvist (1997). Vanhala et al, (2011), developed the construct of impersonal trust and provided scale for its measurement. Vanhala et al (2011), defined impersonal trust as “the individual employees’ expectations about the employer organisations’ capability and fairness”.In this definition, capability refers to the employee’s perception of the organization’s effectiveness in terms of the top management, organizing of the work, the organization’s sustainability and competitiveness and technological reliability. Further, fairness refers to the employee’s perception of fairness concerning HRM practices, communication and fair play in the organizational principles. This definition is considered to be the most comprehensive as it covers every aspect of the impersonal dimension of organisational trust.

## SUMMARY AND CONCLUSIONS

Trust is one of the most complex concepts and has been researched extensively across disciplines. Trust can be seen as a measure of confidence or belief that the other party will refrain from opportunistic behaviour and behave in an expected manner, thereby fulfilling the trusting party’s expectations without exploiting its vulnerabilities Therefore, trust enables situations that one can neither completely predict nor control. As far as the impersonal approach to the trust is concerned, there is little consensus on the universal definition. Most researchers believe that it is the trust on top management. Some are of the view that employees base their trust according to the behaviour of their immediate supervisor. One of the important contributions to the development of the construct was concept of ‘Fair processes. Scholars shifted their focus from outcomes of the managements’ decisions to the processes they used to take those decisions. As discussed above, a number of definitions have been proposed by various authors and have tried to explain the term impersonal term differently. The meaning of impersonal trust is ambiguous among academicians. The reason for ambiguity might be drawn from multifaceted nature of trust.

Further development and conceptualisation of impersonal trust may be productive for the policy makers and decision-making experts in order to reap the benefits of high levels of trust among employees. Empirical studies are required to test the validity and reliability of the construct in different contexts. Furthermore, there is a need to cross check the scale developed for measuring the construct, or if required to formulate a new scale to measure its effects on various organisational and individual outcomes.

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