Trust within Organizations—Benefiting from Demographic Changes by Fostering Intra-Organizational Trust

Sven Voelpel, Postdoctoral Fellow and **Eric Kearney,** Professor of Business Administration, Jacobs Center on Lifelong Learning and Institutional Development, Bremen, Germany

ABSTRACT

If companies aim to earn the trust of customers and the general public, they must first establish a culture of trust within their own organization. From an intra-organizational perspective, trust has many benefits, including reduced transaction costs. A thus far overlooked benefit may lie in the effects that trust has on the relationship between demographic diversity and intra-organizational outcomes. Due to demographic changes, globalization, and other forces, increasing diversity (e.g., with respect to gender, age, nationality, as well as cultural, educational, and functional background) is not only inevitable, but also constitutes a potential competitive advantage, as it broadens the range of task-relevant knowledge and perspectives. Trust is likely to be one factor that helps to unlock this potential, for example by enhancing the degree of intra-organizational knowledge sharing among dissimilar individuals, which in turn may foster innovation and performance. Thus, by establishing a culture of intra-organizational trust, companies are better equipped to meet some of the most important challenges they are about to face in the upcoming years. At the same time, by fostering intra-organizational trust they establish one of the preconditions for restoring trust in their company on the part of customers and other stakeholders.

INTRODUCTION

Trust has been a topic of great importance to researchers from different scientific disciplines such as sociology (e.g., Coleman, 1990), psychology (e.g., Colquitt, Scott, & LePine 2007, 909-927), and economics (e.g., Williamson 1993, 77–140). It is recognized as an important factor influencing both organizational success in the marketplace and the well-being of the workforce (Connell, Ferres, & Travaglione 2003, 113-118). In this paper, we will focus on trust within organizations, since we argue that high levels of intra-organizational trust are a prerequisite for an organization's ability to be perceived as trustworthy by customers, shareholders, and the general public. Many organizations have in the past had great difficulties in building, retaining, or rebuilding the trust of different stakeholder groups.

These difficulties stem from a number of recent developments, with blatant cases of mismanagement (e.g., the Enron or Worldcom scandals) being only an extreme example, but certainly not the most important. Much more importantly, many organizations now view large profits as not just the main, but as the only objective of their existence. To this end, many companies no longer provide job security, benefits, and pay structures that a large section of the workforce could rely on in the past.

Globalization and rapid technological changes have done their part to increase competitiveness and fuel the scramble for survival in a business environment in which hostile takeovers or insolvency are constant threats. To be sure, the general public has contributed to this development in that it demands both low costs of products and services and at the same time high quality.

The perception that the satisfaction of employees is not at the top of the list of priorities for most organizations (which, in many contexts, it has never been) and the ubiquitous threat of downsizing, outsourcing, and offshoring and the attendant layoffs have, on the part of the employees, led to an erosion in trust in their organizations (Connell, Ferres, and Travaglione, 2003, 113-118). According to Shaw (1997), a large part of the workforce has become cynical and withdrawn. Little or no increases in inflation-adjusted salaries and large-scale dismissals of long-term employees coupled with ever-rising compensation packages for top managers and increasing organizational profit margins have done their part in diminishing employee's trust in and identification with their organizations. Davis and Landa (1999, 12-16) have found that 68% of employees do not trust their superiors and 43% of employees believe their superiors cheat and lie. Moreover, McCune (1998, 10-14) argues that trust is unlikely to emerge when there exists a power asymmetry, as in the case of employer and employee.

While this erosion in trust has often been discussed and lamented, both in the scientific literature and the public at large, there is little in the extant literature on how organizations can build, enhance, or rebuild trust and trusting informal cultures – which, due to the above developments, may be even more difficult today than in the past (Connell, Ferres, and Travaglione, 2003, 113-118). The preponderance of studies focuses on trust between persons, most notably the trustworthiness of leaders (e.g., Dirks & Ferrin 2002, 611-628). In this present paper, we will focus on trust within organizations – that is, the informal culture of trust that permeates the interpersonal relationships among members of organizations. These relationships comprise not only those between employees and their direct superiors and top management, but also those among employees. Shaw (1997) has argued that trust constitutes a "collaborative capital" that helps organizations attain success and cope with periods of high stress, environmental uncertainty, and rapid change.

We argue that one important aspect has hitherto been ignored in the extant literature on trust within organizations, namely its promise with respect to unlocking the

potential entailed by diversity within the workforce. Due to increasingly globalized markets, greater mobility of both companies and workers facilitated by political, economic, and technological changes, as well as laws aimed at furthering fairness in hiring practices, rising levels of diversity are an inevitable trend in today's organizations (Williams and O'Reilly 1998, 77–140). The workforce in most of today's organizations is becoming more and more diverse with respect to demographic variables such as gender, age, race, ethnicity, nationality, as well as cultural and educational background (Streb, Voelpel, and Leibold 2008, 1-10; Van Knippenberg and Schippers 2007, 515-541). It is important to note that this diversity is not only a result of the developments as mentioned above, but is also actively fostered by many organizations. Diversity is often viewed as an organizational asset, as it constitutes a broadening of directly or indirectly task-relevant resources such as knowledge, skills, abilities, experience, perspectives, and social network ties (Van Knippenberg, De Dreu, and Homan 2004, 1008-1022). While this positive potential entailed by diversity has often been acknowledged in theory (e.g., Milliken and Martins 1996, 402–433; Williams and O'Reilly 1998, 77–140), the extant literature has been unable to confirm consistent and generalizable main effects of diversity on the performance of organizations or organizational subunits such as teams (Van Knippenberg and Schippers 2007, 515-541). There is a large body of literature that shows either minor positive effects, no effects, or even negative effects of diversity on organizational outcomes (Jackson, Joshi, and Erhardt 2003, 801-830; Stewart 2006, 29-54). Thus, while diversity may be a potentially valuable resource that organizations have at their disposal, it seems that very few organizations have found ways of leveraging this potential to bolster their competitive position. This failure to reap the benefits that diversity could conceivably engender is not only disadvantageous for companies. It may also be a missed opportunity with respect to more general societal consequences, since evidence that heterogeneity is linked to better performance and greater employee satisfaction in organizations would be a powerful argument for and example of social integration among dissimilar individuals. Identifying ways in which organizations can realize the positive potential afforded by a heterogeneous workforce therefore may have ramifications that extend well beyond increases in revenues and profit margins.

In the following, we will first take a closer look at diversity in organizations. We will examine the theories that explain diversity's effects in the workforce and summarize the literature in this domain. Next, we will suggest ways in which organizations can help

the potential entailed by diversity to come to fruition. Most importantly, we will argue that organizational leaders must establish a strong culture of trust to foster communication, cooperation, and a synergistic combination of resources among all organizational members. Finally, we conclude by briefly mentioning some of the benefits that high levels of intra-organizational trust would have for an organization's relationship with other stakeholders such as customers, partners, shareholders, and the public at large.

DIVERSITY IN ORGANIZATIONS

Diversity can be conceptualized as a characteristic of a social grouping (such as an organization or an organizational subunit) that reflects the degree to which there are objective or subjective differences among the members of this grouping (without presuming that members are at all times aware of objective differences or that subjective differences are associated with more objective differences) (Van Knippenberg and Schippers 2007, 515 - 541). The most commonly studied diversity variables are gender, age, race/ethnicity, nationality, tenure, education level, educational specialization, and functional background within the organization (Jackson, Joshi and Erhardt 2003, 801-830). There are undoubtedly other important differences with respect to, for example, values and worldviews, religious beliefs, and sexual orientation that are defining elements of an individual's self-concept, but have received far less research attention. One reason for this lack of attention concerning several important diversity dimensions is that they may be either difficult to measure or too sensitive to study. Particularly the sensitivity of analyzing these types of diversity may reduce the willingness of organizations to allow such studies to be conducted.

There are essentially three different theoretical perspectives that explain the effects of diversity in organizations. First, the information/decision-making perspective assumes that diversity enlarges the pool of either directly or indirectly task-relevant resources (Williams and O'Reilly 1998, 77–140). In other words, heterogeneity among its members broadens the range of skills, knowledge, abilities, experience, perspectives, and social network ties that organizations draw on to solve problems, devise new or improve existing products and services, and optimize workflow processes. The higher the complexity of tasks, the greater is the potential benefit of a combination and cross-fertilization of ideas (Van Knippenberg, De Dreu, and Homan 2004, 1008-1022). Given that more and more tasks are becoming knowledge-intensive (Probst, Raub, and Romhardt 1999), the potential value of diversity is bound to increase in years to come. Moreover, innovation is frequently viewed as the key means whereby organizations can

retain or promote their competitive position (Tushman and O'Reilly 1997). Since innovation is often defined as the generation of new and useful knowledge that results from either completely new ideas or a new combination of existing knowledge, under the right circumstances there are likely to be many benefits of diversity in various stages of the innovation process. This "value in diversity" perspective that not only acknowledges fairness among the members of distinct social categories (e.g., gender, age, race) but emphasizes diversity's potential for enhancing performance, is frequently offered by organizational consultants. While the logic of this perspective is intuitively appealing, it neglects the reality of diversity's negative effects, whose existence has been documented in a large body of literature and is explained by the other two theoretical perspectives on organizational diversity.

Second, the similarity/attraction-paradigm shows that all other things being equal, persons tend to prefer to work with similar rather than dissimilar others (Byrne 1971). Communicating with others who share one's views and values or who have a similar cultural or educational background is reinforcing and rewarding. By contrast, associating with dissimilar others more often entails the need to explain one's opinions and attitudes, being exposed to other ideas that one may disagree with, and the risk that the dissimilar parties will be unable to reconcile their discordant perspectives. The hope that mere contact between dissimilar individuals will invariably foster mutual understanding and unreserved cooperation and thus pave the way for synergistic effects reflects wishful thinking rather than a description of actual empirical findings. A number of conditions must be met to enable such beneficial effects.

Third, the social categorization perspective – which is applied to both inter- and intra-group relations – posits that dissimilarities among group members tend to give rise to negative social categorization processes that impair communication and cooperation (Williams and O'Reilly 1998, 77–140). According to this view, individuals categorize both themselves and others into groups and distinguish between similar in-group members and dissimilar out-group members. Consequently, larger groups can be composed of a number of different subgroups based on intra-subgroup similarities and between-subgroup differences. People tend to regard and treat in-group members more favourably than out-group members (Brewer and Brown 1998, 554-594). Consequently, organizational units may function better and their members tend to be more satisfied when these units are composed of similar rather than dissimilar persons. Thus, both the

similarity-attraction and the social categorization perspective predict that diversity will have predominantly negative effects.

The inconclusive overall picture that has emerged in the literature seems to support the assumption that the information/decision-making effects on the one hand and the similarity-attraction and social categorization effects on the other may offset each other. Despite occasional findings of both positive and negative main effects of diversity on team outcomes, the preponderance of the literature shows no systematic relationship between diversity and organizational unit outcomes (Jackson, Joshi, and Erhardt 2003, 801-830; Stewart 2006, 29-54; Webber and Donahue 2001, 141–162). Van Knippenberg and Schippers (2007, 515-541) attribute this rather bleak picture of our current knowledge in this domain to the fact that, until a few years ago, most studies of organizational diversity have examined only main effects, without taking into account moderating variables. In recent years, however, much progress has been made with respect to identifying the conditions under which and the processes through which different types of diversity have either beneficial or detrimental effects on team outcomes. For example, the negative effects of surface-level diversity (i.e., heterogeneity with respect to immediately visible characteristics such as gender, race, and age) appear to diminish over time (Harrison, Price, Gavin, and Florey 2002, 1029–1045), and positive effects of diversity are more likely to ensue when tasks are complex and nonroutine (Pelled, Eisenhardt, and Xin 1999, 1-28) when there exists a collectivistic organizational culture (Chatman, Polzer, Barsade, and Neale 1998, 749-780) or an integration-and-learning perspective on diversity (Ely and Thomas 2001, 229-273), and when there are high levels of collective team identification (Van der Vegt and Bunderson 2005, 532-548), interpersonal congruence (Polzer, Milton, and Swann 2002, 296-324), outcome interdependence (Schippers, Den Hartog, Koopman, and Wienk 2003, 779-802), and task interdependence (Jehn, Northcraft, and Neale 1999, 741-763), respectively. Hence, it appears that, while diversity is not generally associated with positive outcomes, given the right conditions it is possible to tip the balance between the positive and the negative effects of diversity in favour of the former.

THE ROLE OF TRUST IN LEVERAGING DIVERSITY'S POTENTIAL
Trust has been defined as the "expectancy held by an individual or a group that the word, promise, verbal or written statement of another individual or group can be relied upon" (Rotter 1967: 651). In addition, Mishra (1996) states that trust entails the willingness of a

trusting person to feel vulnerable to another party. While trust is an intention to accept vulnerability to a trustee based on the expectation that the trustee will not exploit this vulnerability, the literature further distinguishes between trustworthiness and trust propensity (Colquitt, Scott, and LePine 2007, 909-927). Trustworthiness reflects the ability, benevolence, and integrity of a trustee, and trust propensity constitutes the dispositional willingness to rely on others (Colquitt, Scott and LePine 2007, 909-927). There is ample evidence in the literature that trust among the members of an organizational unit foster that unit's performance, primarily by enhancing motivation and channeling the unit members' efforts towards reaching the prescribed objectives (e.g., Dirks 1999, 445-455).

As noted above, trustworthiness comprises competence, benevolence, and integrity (Colquitt, Scott and LePine 2007, 909-927). While these characteristics are typically attributed to individuals, they could also be seen in relation to an organizational culture. For example, an organization (or an organizational sub-unit) can be perceived as competent, and its culture can be more or less benevolent with respect to the needs of its employees. Routinized procedures, visions, leadership styles, and the pervading climate of interpersonal relations can be indicative of high or low integrity. Thus, an organization as a whole, as well as its constituent subunits, can be characterized by certain levels of competence, benevolence, and integrity, respectively.

In light of the importance of trust with respect to organizational success (Connell, Ferres, and Travaglione 2003, 113-118) as well the increasing levels of diversity in today's organizations, it seems somewhat surprising that these two fields of research have, to the best of our knowledge, never been systematically linked. It appears sensible to assume that, given high levels of trust, the positive effects of diversity (as predicted by the information/decision-making perspective) would be more likely to prevail over the negative effects of heterogeneity (as predicted by the similarity-attraction and social categorization perspective, respectively).

Indirect evidence for this assumption can be inferred from a study by Simons and Peterson (1999, 795-808), who examined the interplay of task and relationship conflicts in top management teams. While task conflicts reflect differences of opinion regarding how best to pursue a particular goal, relationship conflicts reflect interpersonal tensions and dislikes (Jehn 1995, 256–282). It has often been assumed that task conflicts constitute creative tensions that enable the utilization and cross-fertilization of different ideas and perspectives (e.g., Pelled, Eisenhardt, and Xin 1999, 1-28). Hence, task

conflicts are often viewed as desirable. Relationship conflicts, on the other hand, serve no purpose with respect to the tasks at hand, but are seen as impediments to communication and cooperation (Pelled, Eisenhardt, and Xin 1999, 1-28). Consequently, it seems sensible to attempt to promote task conflicts and at the same time curtail relationship conflicts. The problem is, however, that these conflict types are highly correlated (De Dreu and Weingart 2003, 741-749). Thus, it appears difficult to reap the benefits attributed to task conflicts without, at the same time having to contend with the drawbacks associated with relationship conflicts.

This dilemma resembles that of the positive and negative effects of diversity offsetting each other. Diversity can be assumed to promote both desired task conflicts (as predicted by the information/decision-making perspective) and relationship conflicts (as predicted by the similarity-attraction and social categorization perspective, respectively). The overarching question therefore is: How can organizations succeed in benefiting from the positive, without having to suffer from the negative effects of diversity. In other words, what are the conditions under which the benefits associated with the enlarged pool of task-relevant resources that diversity entails will prevail over the adverse social categorization effects that diversity may engender? Simons and Peterson (1999, 795-808) have found that the positive relationship between task and relationship conflicts is stronger when trust is low, and weaker when trust is high. In other words, high levels of trust seem to enable a partial separation of task from relationship conflicts.

Based on these findings, it appears reasonable to assume that trust may also function as a resource that helps to unlock the positive potential of diversity with respect to different organizational outcomes such as performance and employee satisfaction. If there is a lack of trust, diversity can be expected to primarily engender the dysfunctional effects predicted by the similarity-attraction and the social categorization perspective, respectively. High levels of relationship conflicts are one example of such adverse effects. Under these circumstances, organizational units will be divided along social categorization lines, and there will be low levels of interpersonal helping and constructive collaboration among members of different subgroups. Conversely, when levels of trust are high, diversity is unlikely to be perceived as a nuisance or as a threat, and dissimilar individuals may be more inclined to communicate and cooperate constructively. Trust decreases the likelihood with which dissimilar individuals are categorized as out-group members and may serve as the basis for a superordinate

common identity. One of the primary benefits of such a superordinate common identity may be the enhanced willingness to share knowledge and exchange task-related resources freely. Both the quantity and quality of knowledge sharing are likely to improve significantly when trust is high (Voelpel, Dous, and Davenport 2005, 9-23; Voelpel, Eckhoff and Förster 2008, 273-297).

Levels of diversity partly determine the degree to which knowledge sharing can benefit performance (Brodbeck, Kerschreiter, Mojzisch, and Schulz-Hardt 2007, 459-479). If organizational units are homogeneous, with members sharing the same values, experience, perspectives, and knowledge bases, the potential for useful new combinations of ideas and cross-fertilization of ideas is greatly reduced. In such homogeneous units, discussions naturally tend to focus on shared knowledge. In other words, members talk about what everyone already knows. In diverse groups, on the other hand, this risk of discussions focusing on shared knowledge is significantly reduced, simply because diversity entails less shared and more unshared and unique knowledge. As noted previously, however, the problem is that the innovative potential afforded by diversity often remains unrealized. We argue that trust is a precondition for overcoming the dysfunctional social categorization effects that often derail diverse teams. By removing this impediment, it becomes more likely that organizational units will succeed in fully leveraging the potential inherent in a broader range of task-relevant resources.

Procedural justice may be viewed as a suitable means for conducting relations with units comprising members of different demographic categories. While past research had suggested that procedural justice (i.e., transparent and clear rules on how to deal with employees, allocate resources fairly, or resolve conflicts) positively affects behavioural outcomes in organizations, more recent research has shown that this is primarily the case when perceived trustworthiness is high (De Cremer and Tyler 2007, 639-649). Thus, in and of itself, procedural justice does not have the desired positive effect, but is contingent on levels of trust. In other words, it is not enough for organizations to treat their employees fairly and equitably, since organizations have to first make sure that the employees trust them. Only then will procedural justice foster outcomes such as high levels of commitment and performance.

FOSTERING INTRAORGANIZATIONAL TRUST
Possible ways in which organizations can enhance their trustworthiness in the perception of their employees include establishing an organizational and leadership culture in which all top

and middle managers are held to high standards concerning behavioural integrity (i.e., word-action consistency). This is particularly important with respect to diversity, because research has shown that different demographic groups exhibit differential sensitivity to behavioural integrity and, in turn, differ with respect to their trust in the organization, commitment, satisfaction, and intention to remain (Simons, Friedman, Liu, and Parks 2007, 650-665). Some demographic groups ostensibly require stronger displays of trustworthy behaviors than do others. For example, a study conducted in the U.S. has found that Black employees consistently rate their managers as displaying lower levels of behavioural integrity than did non-Black employees (Simons, Friedman, Liu, and Parks 2007, 650-665). Especially interesting was a reverse in-group effect, consisting of Black employees being substantially more critical of Black managers than were non-Black employees. Further research is needed to ascertain whether this tendency to perceive lower behavioural integrity or to doubt the trustworthiness of an organization's management is more pronounced in members of minority groups in general or whether this is specific to Black employees in the U.S. Assuming it is more likely that this finding might also hold for other minority groups in other parts of the world, an organization stands to benefit greatly from making its top and middle managers aware of this need to be particularly sensitive with respect to displaying behavioural integrity when dealing with employees who belong to minority groups.

If there is high variance within an organizational unit with respect to levels of trust in and identification with their organization, this may complicate communication and cooperation in a number of ways. In teams, for example, those with high trust might openly and freely share their information with all other team members and might expect or, at some point, even demand that others do the same. If these expectations and demands are not met, the high trust individuals might adapt their behaviour accordingly and might themselves become less helpful and committed. Differences in trust among members of an organizational unit might thus prevent these units from establishing adequate divisions of labour and responsibilities. Moreover, it might prevent them from optimizing their transactive memory (Wegner 1987, 185–208) and from developing shared mental models (Mathieu, Goodwin, Heffner, Salas, and Cannon-Bowers 2000, 273-283), both of which have been shown to be important determinants of high levels of unit performance.

Exhibiting behavioural integrity (i.e., word-action consistency) is particularly important in the early stages of relationships, as perceived trustworthiness in this phase

depends to a large extent on demographic similarities (Levin, Whitener, and Cross 2007, 1163-1171). In order to attenuate the salience of demographic dissimilarities in diverse groups, organizations would do well to establish a culture in which a superordinate identity is emphasized. Transformational leadership that communicates a compelling vision that can serve as a basis for a shared social identity is a particularly promising means in this regard (Shin and Zhou 2007, 1709-1721). Research suggests, however, that this superordinate social identity should not be presented as a means to replace or make superfluous other markers of social identity such as demographic characteristics. In other words, organizations should recognize the existence and value of demographic differences, but neither glorify and overemphasize nor downplay or negate these differences.

If trust violations do occur, even if only in the perception of the employees, these must actively be addressed. Reticence is the worst response, inferior to both apology and denial. (Which of these latter two is preferable depends on what has actually occurred) (Ferrin, Kim, Cooper, and Dirks 2007, 893-908).

CONCLUSION

In a climate of increasing global competitiveness, organizations must find ways of retaining or bolstering their competitive position. One of the ways in which organizations can do this is by being innovative with respect to their products, services, and processes. The innovative potential of an organization to a large extent depends on the range of task-relevant resources such as skills, abilities, knowledge, experience, perspectives, and social network ties that it can draw on (Nonaka, von Krogh, and Voelpel 2006, 1179-1208). Diversity broadens this pool of task-related resources and thus enhances an organization's innovative potential. Past research has shown, however, that few organizations succeed in leveraging this potential. We have argued that high levels of trust within an organization are a necessary condition that must be met in order for this potential to be realized. Preventing differences from impairing communication and cooperation and turning these differences into an asset rather than a liability with respect to innovations may be one of the most important effects that intra-organizational trust may help catalyze. In light of prospective increases in both the level of organizational diversity and the need to be innovative, this function of trust is likely to gain steadily in importance in the future.

If high levels of trust were indeed instrumental in realizing the potential inherent in the greater levels of diversity in the workforce of most of today's organizations, this

success could serve as an important model for social integration for society as a whole. Many Western European countries are experiencing great difficulties with respect to integrating into society individuals from different cultural backgrounds, which arguably is in part due to a failure to see value in diversity. Thus, organizational research could be particularly important as it offers the potential to provide objective evidence that diversity can, under certain circumstances, indeed have more beneficial effects than homogeneity. Moreover, besides putting an organization into a better position to be innovative by benefiting from the enlarged pool of task-relevant resources that diversity affords, an organizational climate of high trust would likely also benefit an organization's market position. Many Customers and investors increasingly demand that the companies they support will conduct their business in an ethical, socially responsible, and sustainable manner. In sum, therefore, the topic of intra-organizational trust is likely to be of utmost importance in the future, both to help organizations remain competitive and to build, enhance, or restore the trust of not only employees, but also all other stakeholder groups.

*****

REFERENCES

Brewer, M. B. and Brown, R. J. 1998. „Intergroup relations". In *Handbook of social psychology*, ed. D. T. Gilbert, S. T. Fiske, & G. Lindzey , Vol. II. Boston: McGraw-Hill.

Brodbeck, Felix. C., Rudolf Kerschreiter, Andreas Mojzisch, and Stefan Schulz-Hardt. 2007. Group decision making under conditions of distributed knowledge: The information asymmetries model. *Academy of Management Review* 32: 459-479.

Byrne, Donn. 1971. *The attraction paradigm*. New York: Academic Press.

Chatman, Jennifer A., Jeffery T. Polzer, Sigal G. Barsade, and Magaret A. Neale.1998. Being different yet feeling similar: The influence of demographic composition and organizational culture on work group processes and outcomes. *Administrative Science Quarterly*. 43: 749-780.

Coleman, James S. 1990. *Foundations of social theory*. Cambridge: Harvard University Press.

Colquitt, Jason A., Brent A. Scott, and Jeffery A. LePine. 2007. Trust, trustworthiness, and trust propensity: A meta-analytic test of their unique relationships with risk taking and job performance. *Journal of Applied Psychology* 92: 909-927.

Connell, Julia, Natalie Ferres, and Anthony Travaglione. 2003. Trust in the workplace: The importance of interpersonal and organizational support. *Journal of Management Research* 3: 113-118.

Davis, Tom, and Michael J. Landa. 1999. The trust deficit. *Management Accounting* 71: 12-16.

De Cremer, David, and Tom R. Tyler. 2007. The effects of trust in authority and procedural fairness on cooperation. *Journal of Applied Psychology* 92: 639-649.

DeDreu, Carsten K. W., and Laurie R. Weingart. 2003. Task versus relationship conflict, team performance, and team member satisfaction: A meta-analysis. *Journal of Applied Psychology* 88: 741-749.

Dirks, Kurt. T. 2000. The effects of interpersonal trust on work group performance. *Journal of Applied Psychology* 84: 445-455.

Dirks, Kurt T., and Donald L. Ferrin. 2002. Trust in leadership: Meta-analytic findings and implications for research and practice. *Journal of Applied Psychology* 87: 611-628.

Ely, Robin J., and David A. Thomas. 2001. Cultural diversity at work: The effects of diversity perspectives on work group processes and outcomes. *Administrative Science Quarterly* 46: 229-273.

Ferrin, Donald L., Peter H. Kim, Cecily D. Cooper, and Kurt T. Dirks, 2007. Silence speaks volumes: The effectiveness of reticence in comparison to apology and denial for responding to integrity- and competence-based trust violations. *Journal of Applied Psychology* 92: 893-908.

Harrison, David. A., Kenneth H. Price, , Joanne H. Gavin, and Anna. T. Florey. 2002. Time, teams, and task performance: Changing effects of surface- and deep-level diversity on group functioning. *Academy of Management Journal* 45: 1029–1045.

Jackson, Susan E., Aparna Joshi, and Niclas L. Erhardt. 2003. Recent research on team and organizational diversity: SWOT analysis and implications. *Journal of Management* 29: 801-830.

Jehn, Karen A. 1995. A multimethod examination of the benefit and detriments of intragroup conflict. *Administrative Science Quarterly* 40: 256–282.

Jehn, Karen E., Gregory B. Northcraft, and Margart A. Neale.1999. Why differences make a difference: A field study of diversity, conflict, and performance in workgroups. *Administrative Science Quarterly* 44: 741-763.

Levin, Daniel Z., Ellen M.Whitener, and Rob Cross. 2006. Perceived trustworthiness of knowledge sources: The moderating impact of relationship length. *Journal of Applied Psychology* 91: 1163-1171.

Mathieu, John E., Gerald F. Goodwin, Tonia S. Heffner, and Janis A. Cannon-Bowers,. 2000. The influence of shared mental models on team process and performance. *Journal of Applied Psychology* 85: 273-283.

McCune, Jenny. 1998. That elusive thing called trust. *Management Review* 87: 10-14.

Milliken, Frances, and Luis Martins. 1996. Searching for common threads: Understanding the multiple effects of diversity in organizational groups. *Academy of Management Review* 21: 402–433.

Mishra, Aneil K. 1996. Organizational responses to crisis: The centrality of trust. In *Trust in organizations: Frontiers of theory and research,* ed. R. Kramer and T. Tyler, 261-287. Thousand Oaks, CA: Sage.

Nonaka, Ikujiro, Georg F. von Krogh, and Sven C. Voelpel 2006. Organizational knowledge creation theory: Evolutionary paths and future advances. *Organization Studies* 27: 1179-1208.

Pelled, Lisa Hope, Kathleen M. Eisenhardt, and Katherine R. Xin. 1999. Exploring the black box: An analysis of work group diversity, conflict, and performance. *Administrative Science Quarterly* 44: 1-28.

Polzer, Jeffrey T., Laurie P Milton, and William B. Swann. 2002. Capitalizing on diversity: Interpersonal congruence in small work groups. *Administrative Science Quarterly* 47: 296-324.

Probst, Gilbert, Steffan Raub, and Kai Romhardt. 1999. *Managing knowledge. Building blocks for success.* Chichester: John Wiley & Sons.

Rotter, Julian B. 1967. A new scale for the measurement of interpersonal trust. *Journal of Personality* 35: 651-655.

Schippers, Michaela C., Deanne N. Den Hartog, Paul L. Koopman, and Janique A. Wienk, 2003. Diversity and team outcomes: The moderating effects of outcome interdependence and group longevity and the mediating effect of reflexivity. *Journal of Organizational Behavior* 24: 779-802.

Shaw, Robert B.1997. *Trust in the balance: Building successful organizations on results, integrity and concern*. San Francisco: Jossey-Bass Publishers

Shin, Shung Jae and Jing Zhou. 2007. When is educational heterogeneity related to creativity in research and development teams? Transformational leadership as a moderator. *Journal of Applied Psychology,* 92: 1709-1721.

Simons, Tony, Raymond Friedman, Leigh A. Liu, and Judi McLean Parks. 2007. Racial differences in sensitivity to behavioral integrity: Attitudinal consequences, in-group effects, and "trickle down" among Black and non-Black employees. *Journal of Applied Psychology* 92: 650-665.

Simons, Tony. L., and Randall. S. Peterson, 2000. Task conflict and relationship conflict in top management teams: The pivotal role of intragroup trust. *Journal of Applied Psychology* 88: 795-808.

Stewart, Greg L. 2006. A meta-analytic review of relationships between team design features and team performance. *Journal of Management* 32: 29-54.

Streb, Christoph, Sven C. Voelpel, and Marius Leibold. 2008. Managing the aging workforce: Status quo and implications for the advancement of theory and practice. *European Management Journal*, 26: 1-10.

Tushman, Michael. L., and Charles. A. O'Reilly. 1997. *Winning through innovation: A practical guide to leading organizational change and renewal*. Boston: Harvard Business School Press.

Van der Vegt, Gerben S. and J. Stuart Bunderson. 2005. Learning and performance in multidisciplinary teams: The importance of collective team identification. *Academy of Management Journal* 48: 532-548.

Van Knippenberg, Daan, Carsten. K. W. De Dreu, and Astrid C. Homan. 2004. Work group diversity and group performance: An integrative model and research agenda. *Journal of Applied Psychology* 89: 1008-1022.

Van Knippenberg, Daan, and Michaela C. Schippers. 2007. Work group diversity. *Annual Review of Psychology* 58: 515-541.

Voelpel, Sven C., Malte Dous, and Thomas H. Davenport. 2005. Five steps to creating a global knowledge-sharing system: Siemens Share-Net. *Academy of Management Executive* 19: 9-23.

Voelpel, Sven C., Robert Eckhoff, and Jens A. Förster. 2008. David against Goliath? Group size and bystander effects in virtual knowledge sharing. *Human Relations* 61: 273-297.

Webber, Sheila. S., and Lisa M. Donahue. 2001. Impact of highly and less job-related diversity on work group cohesion and performance: A meta-analysis. *Journal of Management* 27: 141–162.

Wegner, Daniel M. 1987. Transactive memory: A contemporary analysis of the group mind. In *Theories of group behavior, ed.* B. Mullen and G. R. Goethals, 185–208. New York: Springer.

Williams, Katherine, and Charles. A. O'Reilly. 1998. Demography and diversity in organizations: A review of forty years of research. In *Research in organizational behavior,* Vol. 20, ed. R. I. Sutton & B. M. Staw, 77–140. Greenwich, CT: JAI Press.

Williamson, Oliver. E. 1993. Calculativeness, trust and economic organization. *Journal of Law and Economics* 36: 453-486.