

Effects of Differentiated Leadership on Trust in the Workplace

By

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Abstract

The purpose of this study was to examine differentiated leadership and its effects on trust in the workplace. A survey was distributed to a convenient sample consisting of employees currently in the workforce. Five components of differentiated leadership (Awareness of Others, Clear Self Boundaries, Fusion, Emotional Cutoff, and Emotional Reactivity), were measured against both trust in a manager and climate of trust in the part of the organization that the respondent worked in. Awareness of Others and Clear Self Boundaries were found to positively effect trust in a manager. Clear Self Boundaries, positively effected the climate of trust and fusion negatively effected it. It was also discovered that employees perceive a climate of trust if a manager was both fused and emotionally reactive.

Dedication

To my family and closest friends who have had to listen to me talk about this project for the last six months.

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I would like to thank my two supervisors for their help and guidance with this project. It has truly been a learning experience for me.

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Review of Literature

Trust. An ambiguous concept that scholars have grappled with through the years. Numerous studies have attempted to define it, to categorize it, to make some sense of a human emotion that may never be fully understood by the human mind. What is known however, is that the presence of trust is an important factor in many relationships, including those that exist within organizations. Studies have shown that the existence of trust in organizations leads to increased cooperation and teamwork (Jones & George, 1998), confidence in coworkers and supervisors, job satisfaction, and organizational commitment (Gilbert and Tang, 1998), and risk taking, motivation, assertiveness, and personal initiative (Costigan, Ilter & Berman, 1998) By fostering trust in the workplace, one is executing a strategic move towards organizational improvement and success (Wicks, Berman, & Jones, 1999). Survival into the future is what organizations want to do, and employees' trust in management acts as a competitive advantage that organizations should not overlook. (Whitener, Brodt, Korsgaard & Werner, 1998)

One way to promote trust is through the use of leadership. Even though beliefs and approaches to studying leadership are different, quite a of number researchers at least agree that "effective leaders transform or change the basic values, beliefs, and attitudes of followers so that they are willing to perform beyond the minimum specified by the organization' (Podsakoff, MacKenzie, Moorman, & Fetter 1990, pg. 108). By this statement one can conclude that leadership style can be a very influential factor in organizations. Effects of leadership style can influence the work climate, atmosphere or attitudes of employees, including ethics, job satisfaction, organizational citizenship behavior, and organizational commitment, not to mention trust. (Podsakoff et al, 1990) Even such characteristics as the generation of more ideas and group performance are influenced by leadership style (Jung and Avolio, 1999)

In this study, an emerging theory of leadership will be explored. This theory explores the concept of differentiated leadership. Differentiated leadership involves being able to successfully communicate expectations of performance and vision, but at the same time being able to understand and listen to other's views. (Bushe, 1999) This study will attempt to find a relationship between a differentiated leadership style and trust in one's leader and a relationship between a differentiated leadership style and the climate of trust in the organization. To begin, a review of recent literature on trust and leadership will be pursued.

Trust

Reviewing the trust literature, one can see that there are many conflicting views on trust. A vast array of ideas exists. Trust is rather a difficult topic to research because there exists conflicting ideas and different ways of looking at this phenomenon. "Even though trust is important, it has appeared nebulous and seemingly intractable for study" (Whitener et. al, 1998). There is a scarcity of empirical studies of trust within organizations, there are multiple conceptualizations and operationalizations of trust by different authors" (McCauley

and Kugner, 1990). Despite the complex nature of studying trust, one common theme present in most views is the notion of risk. Risk is present in most theories because trust is often linked to a person being vulnerable in a certain way. Whether a person bases his or her trust on another's intentions, motives, behaviour, or perceptions of trustworthy characteristics, by placing trust in someone, one is willing to become vulnerable to that person. With vulnerability, comes the risk of being wrong about trusting another and undesirable consequences may ensue.

Following is a variety of research angles and views on trust that have appeared in past literature. Some ideas are similar, some are different, and others are interrelated.

Intentions and motives

Earlier researchers focused on a person's confidence in others' intentions and motives. For example Deutsch (1958) defined trust as the following: "An individual may be said to have trust in the occurrence of an event if he expects its occurrence and his expectation leads to behaviour which he perceives to have greater negative motivational consequences if the expectation is not confirmed than positive motivational consequences if it is confirmed" (Deutsch, 1958, pg. 266). Unlike later works that focused on behaviour, where a person's trust is based on the expectations of the actions of the other party, and willingness to be vulnerable (Mayer, Davis, & Schoorman 1995), Deutsch based it on expectation of intention, motive, and predictability. He saw risk-taking and trusting behaviour as "different sides of the same coin" (Deutsch, 1958, pg 266).

Behavioural Intent

Mayer et al's (1995) view is behavioral in nature. Trust is 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." (Mayer et. Al, 1995, pg. 712). In other words, the trustor is willing to place him/herself in a vulnerable position to the trustee's actions. The trustee is more willing to act cooperatively in certain situations, or is more willing to hand over control and be more open in ideas and thoughts. By being vulnerable to another person, the trustor is accepting a greater amount of risk or willing to take more risks with the trustee.

A person's willingness to trust, is also mediated by whether or not the trustor perceives the trustee to exhibit trustworthy characteristics. Mayer's three characteristics include ability, benevolence and integrity.

Ability refers to the skill sets and competencies of a person. Does a person have the capabilities to accomplish certain tasks, handle certain situations, or possess the required knowledge in certain areas. For example, if a supervisor is seen as capable in managing a certain project, he/she knows what is going on, possesses unique skills in the industry, then workers are more willing to relinquish control and trust the supervisor in his/her decisions. *Benevolence* refers to whether or not a person sees another person as kind. Does a potential trustor believe that the trustee will act in the trustor's best interests. For example,

if an employee requests flexible hours for certain days of the week because of their children's school situation, the employee can be said to trust his boss if he believes that his boss will accommodate him if it is possible. *Integrity* refers to the belief that a person consistently follows certain values or moral codes that are also in line with the trustor. Does an employee believe that his boss will never "stab him in the back" or take credit for ideas when credit is not due? If so, he can be said to "trust his boss". Similar to Mayer et al (1995), Sheppard and Sherman (1998) also believe trust is dependent upon whether or not a person exhibits trustworthy characteristics. Instead of looking at trust from a behavioural view, they study it by assessing the actual type of relationship that exists between the participants.

Relationship Theories: Interdependence, Social Exchange and Agency Theory

Sheppard and Sherman (1998) assert that risk is at the heart of how people think and act toward trust and that the risk distinctively varies as the form of relationships varies. Essentially, "trust is accepting the risks associated with the type and depth of the interdependence inherent in a given relationship" (Sheppard & Sherman, 1998, pg. 422). There are four relational forms that include:

- **Shallow Dependence:** One's outcomes are dependent on another's action. It is associated with the risk of unreliability and risk of discretion.
- **Shallow Interdependence:** Both parties must coordinate their behaviour to achieve certain goals. It includes the two risks mentioned above but also the risk of poor coordination.
- **Deep Dependence:** Includes the risks of invisibility where the trustee's behaviour cannot be monitored and therefore the risk of cheating is also present.
- **Deep Interdependence:** Where the "capacity of parties to communicate is essential" but sometimes communication is not always possible. The risk associated with this relationship is the risk of misanticipation. This refers to a situation where, without instructions, one is not able to anticipate the others' actions or needs.

Each relational form is associated with the trustor's view on how trustworthy the trustee is. For each relational form, there are different trustworthy characteristics to consider. For example, for deep dependence a trustee must show certain behavioural qualities that mitigate against the risk of cheating, this includes the characteristic of honesty and integrity.

A few of the researchers draws on social exchange and economic theories to explain the phenomenon of trust. These two theories also study the interdependence of relationships, however, unlike Sheppard and Sherman (1998), these two theories highlight an exchange factor. Agency theory is the structuring of economic relationships between two parties (Eisenhardt, 1989). This theory identifies a principal, an agent, and the relationship between them. The principal is a person that contracts with another person (the agent) for certain tasks that entails decision-making and in return, the agent receives

compensation. The underlying position of agency theory revolves around the belief that each party in the relationship strives to maximize their gains while minimizing their risks. The concept of self-interest is the central theme in this theory. Whitener et al. (1998) apply Agency theory to the manager/employee relationship, where the manager takes on the principal role and the employee takes on the agency role. There is only a weak form of trust here, where monitoring of behaviour, actions and accomplishments takes place. Earlier works of Blau (1964), state that purely economic exchanges do not involve any form of trust because there is no personal obligation or gratitude involved. He uses an example of a banker and an individual.

An individual is obligated to the banker who gives him a mortgage on his house merely in the technical sense of owing him money, but he does not feel personally obligated in the sense of experiencing a debt of gratitude to the banker, because all the banker's services, all costs and risks, are duly taken into account and fully repaid by the interest on the loan he receives.

(Blau, 1964, pg 94)

The form of exchange that Blau (1964) believes does involve trust, that is somewhat similar to Agency theory is Social Exchange theory. The similarity exists around an exchange principle. However, where agency theory addresses extrinsic compensation or benefits, social exchange theory also covers intrinsic benefits. "In a social exchange one individual voluntarily provides a benefit to another, invoking an obligation of the other party to reciprocate by providing some benefit in return" (Whitener et. Al, 1998, pg. 515). These benefits, that are intrinsic in nature, have no economic gain and therefore can have a strong influence on the social aspect of a relationship. Furthermore, social exchanges are often voluntary whereas in economic exchanges, the benefits provided are obligatory because it is based on a contractual relationship.

Because social exchanges are voluntary in nature, the element of risk in terms of uncertainty of reciprocation is high, especially at the beginning of a relationship. Therefore, the natural progression of social exchanges begins with the lower valued benefits, progressing to higher and higher value benefits as time goes by and both parties prove that they are trustworthy. (Blau, 1964)

Whitener et al (1998) use both agency theory and social exchange theory to further explain the concept of trust formation in organizations. The researchers utilize agency theory to explain the static features of relationships and the social exchange theory the dynamic features such as the development of a trusting relationship over time. In agency theory, risk for the agent comes in the form of outcomes that are beyond his/her control that effects his/her compensation. For the principal, there is a risk in incompetence and opportunism on the part of the agent.

All the above mentioned theories have defined trust as trust as a singular construct, however, others believe that trust is multidimensional and that it can be broken down into two parts; namely, cognitive and affective trust.

Cognitive and Affective Trust

Weigert (1985) proposed that first, trust is based on a cognitive process “which discriminates among persons and institutions that are trustworthy, distrusted, and unknown” (Weigert, 1985, pg. 968). Sound evidence is taken into account when deciding whom to trust and under what circumstances to trust. However, Weigert also proposes that no matter how much knowledge or evidence one has gathered, this knowledge is not enough to cause a person to trust. Trust forms only when a person is no longer in need of any new reasons to trust a specific other. From this point, a cognitive “leap” is made beyond rational reasoning and the person is able to trust. Each person is able to make this leap on the assumption that others around him or her are making this leap. Despite the presence of individual differences that affects trust “the cognitive content of trust is a collective cognitive reality that transcends the realm of individual psychology” (Weigert, 1985, pg. 968).

Complementing the cognitive base of trust is what Weigert refers to as an emotional base. “The emotional content of trust contributes to the cognitive platform from which trust is established and sustained” (Weigert, 1985, pg 971) An emotional base is the affective component of trust. In other words, “trust creates a social situation in which intense emotional investments are made”. There exists an emotional bond between the parties involved, bonds that can be characterized as similar to friendship and love. It is most intense in close interpersonal trust but is present in all types of trust. Finally, a third base of trust is behavioral. “Behaviorally, to trust is to act as if the uncertain future actions of others were indeed certain in circumstances wherein the violation of these expectations results in negative consequences for those involved” (Weigert, 1985, pg. 969). This is where the concept of risk arises, where risk is taken upon a trusting action.

Weigert (1985) studied trust on a general sociological level, placing trust in broad societal terms. A more recent study, conducted by McAllister (1995) on a sample of 194 managers and professionals, found that there was indeed a distinction between cognitive-based trust and affect-based trust in organizations. His definition of the two components is the same. Cognitive trust is associated with rational decisions. A person will perceive another person as trustworthy based on certain trustworthy characteristics he/she exhibits. For example, benevolence, ability and integrity are three trustworthy characteristics a person considers when the decision to trust or not to trust surfaces (Mayer et al, 1995). Objective and measurable criteria is key. Affective based trust is more of an emotional investment (Costigan et al 1998). Trust stems from a “deep caring and concern” exhibited by both parties. An emotional bond rather than a relationship based on knowledge of reliability is present. Each partner believes in the intrinsic value of the relationship. (McAllister, 1995). McAllister found that the level of cognition based trust was higher than the levels of affective based trust, supporting the view that there must be some presence of cognition based trust before an affect-based trust relationship can develop. Apparently, for some people, there exists baseline expectations. These expectations are based on

reliability and dependability. A person is only willing to further or deepen a relationship, only if these baseline expectations are met.

Costigan studied three different trust perspectives. Trust of the supervisor, trust of co-workers, and trust of top management. Using a sample of employees that were also taking graduate degrees in nursing and their MBA, Costigan found time was a major factor. The longer a person was on the job, the higher the level of affective based trust. This makes sense because the longer two people know each other, the greater the probability of forging a deeper relationship, as in a more trusting relationship.

Third Parties

Other than just focusing their efforts on studying parties in a relationship and factors of trust attributable only to the parties involved, some researchers have also recognized the importance that third parties play in the development of a trusting relationship. Deutch (1958) believes that relations between two people can be very influenced by their relationships to a third party. An experiment was conducted where a two people would play a game. The purpose was to see if two individualistically oriented players would “trust each other more if they each knew that they both disliked a third person” (Deutch, 1958, pg. 277) The third person was actually an accomplice of the researcher, who was instructed to act loud and obnoxious. It was found that if two people are aware that each dislikes the third party involved, the two original people have a greater motivation to be trustworthy and trust the other because of this common bond.

It is also believed that the involvement of third parties will create a diffusion of trust relevant information within an organization due to the spreading of knowledge or gossip. Uzzi (1997) found that third parties act as “go-betweens” in new and developing relationships, allowing a person to take information from well established relationships and apply it to other relationships where information may not be so clear. What one has to be careful of is that the influence of third parties could be dangerous if the trust relevant information diffused is not true, made up of gossip and half truths.

Trust and Leadership

Trust is vital to leadership, both ways. If you can't trust your followers you have to bury them in instructions and inspections and controls which slows down everything, increases cost, lowers morale and invites disobedience. Similarly, if we can't trust our leader we will be suspicious, on our guard, will hold back information or provide only that which will go down well. Trust-less organizations reek of fear they creek with bureaucracy and controls and are low in energy. You can almost feel it when you walk in.

(Handy, 1999)

There have been a few studies conducted on leadership and trust in the past. Podsakoff, MacKenzie, Moorman, Fetter, (1990) studied transformational leader behaviours and their effects on followers' trust in leader, satisfaction, and organizational citizenship behaviours. Here, trust was defined as a person's faith and loyalty in the leader. It was found that transformational leader behaviours influenced followers' citizenship behaviours indirectly through trust. In other words, trust played a mediating role. In addition to this finding, leader behaviours also had positive effects on trust. Three core behaviours of transformational leadership *include identifying and articulating a vision, fostering acceptance of group goals, and providing an appropriate model* (behaviour of leader sets example for followers that is consistent with values espoused by leaders). One behaviour, intellectual stimulation, had a negative effect on trust. One explanation is that role ambiguity, conflict and stress are increased in the short run when leaders "continually exhort followers to search for new and better methods of doing things" (Podsakoff et al. 1990, pg. 135).

Mayer and Davis'(1999) studied the effects of performance appraisal system on trust for management. A 9 month quasi-experiment was tested in a manufacturing firm where trust was measured with a change to a better performance appraisal system. It was found that a better performance appraisal system increased trust in top management, raising the issue of fairness and trust. Previous performance appraisals were perceived to be inaccurate, not allowing for performance based rewards and recognition. However, with the new system that did allow for it, trust for management increased significantly. In this study, trustworthy characteristics of management also played a part. Ability, benevolence and integrity of the manager mediated the perception of the appraisal system and trust.

Other dimensions of trustworthy behaviour can be found in a study conducted by Whitener et al (1998). From an economic and social context, managerial behaviour is an important influence on trust. "Managers initiate and build relationships by engaging in trustworthy behaviour as a means of providing employees with social rewards" (Whitener et al, 1998) Whitener mentions five factors (taken from a compilation of other studies) some similar to Mayer's (1995) factors for trustworthy behaviour such as *behavioural integrity and demonstration of concern (benevolence)*. Different ones include *Behavioural consistency* where the manager's behaviour remains consistent over time and situations, allowing employees to better predict future behaviour; *sharing and delegation of control* where employees' trust is higher if they are able to have say in their work roles and participate in decision making; and *communication* which include accuracy, openness. (Whitener et al, 1998).

From Mishra and Morissey (1990) open communication, sharing of critical information, giving workers greater share in decision making and true sharing of perceptions and feelings are mentioned.

Examining McAllister's (1995) study, it seems that from the list of trustworthy dimensions covered above, some induce cognitive based trust, others, transforming to affective based trust. For example, in McAllister's scale measuring cognitive based trust, there are items that test perceived ability

(“given this person’s track record, I see no reasons to doubt his/her competence and preparation for the job”, “I can rely on this person not to make my job more difficult by careless work”). There is also an item that tests integrity. (“This person approaches his/her job with professionalism and dedication”)

In McAllister’s affective based trust scale, items reflect dimensions of benevolence (“If I shared my problems with this person, I know (s)he would respond constructively and caringly”) and sharing of perceptions and feelings (We have a sharing relationship, We can both freely share our ideas, feelings, and hopes”).

Therefore, a way a leader leads, the way he/she behaves has been shown to effect the level of trust employees have for him/her. Managers must exhibit certain characteristics that create a positive image of themselves to their employees. The more that leaders seem trustworthy through their actions, the greater the chances of developing trusting relationships with subordinates. This highlights the importance of leadership style. Leaders should strive to manage their organization by incorporating characteristics that creates trusting relationships and a trusting atmosphere in the workplace.

Differentiated Leadership

“Effective leadership is vital for the survival and success of an organization...it involves influencing people to exert more effort in some task or to change their behaviour” (Wexley and Yukl, 1977, pg. 143).

There is a new style of leadership that is emerging in recent literature, that of differentiated leadership. According to Bowen’s theory, differentiation of self is defined as “the degree to which one is able to balance (a) emotional and intellectual functioning and (b) intimacy and autonomy in relationships” (Skowron and Friedlander, 1998, pg. 235). Furthermore, the more one is able to be differentiated in intimate relationships, the better one is at being flexible, logical and able to deal with stress, all the while handling one’s rational and emotional sides. The idea of a person being differentiated is not recent. It has been embedded in the investigation of family theory for years. Basically, differentiation of self “refers to the ability to experience intimacy with and independence from others” (Skowron and Friedlander, 1998, pg. 235)

In contrast, someone low in differentiation is said to be experiencing *fusion*. Fusion refers to a state of being that a person is in where “emotions and intellect are so fused that their lives are dominated by the automatic emotional system.” (Bowen, 1981, pg. 26) People who experience fusion are less adaptable, less flexible, and are more emotionally dependent on others. The intellect is so flooded by emotionality “that the total life course is determined by the emotional process and by what feels right, rather than by beliefs or opinions” (Bowen, 1981, pg. 27). As a result, fused persons are trapped in an emotional world, forever trying to gain emotional closeness, increasing the fusion and increasing alienation from others.

An additional concept was added to the Bowen’s Theory in 1975, that of emotional cutoff. This concept deals with the degree of unresolved emotional

attachment people have to their parents. To some degree, everybody experiences unresolved attachment, however, it is the way in which people handle it that is important. "The concept deals with the way people separate themselves from the past in order to start their lives in the present generation" (Bowen, 1981, pg. 54).

A person low in differentiation will have a more intense unresolved attachment. "The degree of unresolved emotional attachment to the parents is equivalent to the degree of undifferentiation that must somehow be handled in the person's own life and in future generations" (Bowen, 1981, pg. 54). Unresolved emotional attachments are handled by denial and isolation of self while still living with the parents, a physical running away, or moving away from parents, or a combination of both. The more intense the cutoff with the parents, the more a person will have an exaggerated view of family difficulties in his/her own marriage.

Kerr and Bowen (1988) found that a person who is overwhelmed by emotionality in their family may have a tendency to engage in either fusion or emotional cutoff (Bowen, 1981). People who are fused seek approval, and acceptance above other goals, and people who experience emotional cutoff are aloof, distant, and act as though they are extremely independent. Both fused and emotionally cutoff persons are low in differentiation, engaging in emotional reactivity; the former finding any sort of separation unbearable and the latter finding intimacy unbearable. When people are emotionally reactive, they find it challenging to remain calm and collected when faced with the emotionality of others.

A new interpretation of Bowen's Theory, is the concept of a person being differentiated in a leadership role. Instead of studying differentiation in a family therapy context, differentiation is applied to persons holding leadership positions. Is practicing differentiated leadership an effective style to adopt? According to Bushe (1999) it is. Bushe believes that human interaction is marred in what he calls "*interpersonal mush*". This is where people are not getting a clear picture of the situation at hand because they tend to not describe what is going on in them, or tend not to describe what they are experiencing right at that moment. By not being direct about what one is thinking or experiencing, other people around make guesses about what is going on. These guesses, based on clues, such as a person's outward behaviour or body language, all could be very misleading, resulting in people misinterpreting the situation and the other person's experience. Ideally, instead of interpersonal mush, human interaction should be characterized by "*interpersonal clarity*". This is a situation where everyone is clear about everyone else's experience and feelings. People actually tell others what their experience is, and therefore the situation at hand will not be misinterpreted. (Bushe, 1999) People's thoughts, behaviours, and reactions will stem from the reality of the circumstances rather than from a fantasy, dreamed up by people having to guess what is going on.

Considering the confusion that arises with interpersonal mush and the simplicity associated with interpersonal clarity, one can see that these two states of interaction have implications for the running of organizations. An organization

where employees are bogged down with interpersonal mush may not function or thrive as well as an organization where its employees engage in interpersonal clarity.

The way a leader manages his/her relationships in organizations has an impact on the level of interpersonal mush. According to Bushe (1999), authority compounds the problem because authority, in itself, makes people anxious. Because of the power associated with authority, people are more cautious “about being real”. Furthermore, authority creates the problem of fusion. Employees may be a tad more emotionally dependent. People tend to be more fused with authority because the desire for approval from authority is high. Similarly, leaders could also be fused with their employees, not being able to make independent decisions stemming from a fear of rejection or disapproval.

Interpersonal mush can also be exacerbated by the problem of *disconnection*, similar to emotional cutoff. Bushe (1999) introduces this new term to explain another kind of emotional reactivity. Disconnection is what Bushe (1999) refers to as the opposite of fusion. Where fusion refers to a person not able to detach him/herself from another person “I don’t know where you end and I begin” (Bushe, 1999, pg. 44), disconnection is where a person feels no connection to others and chooses “extreme individuality”. Disconnection stems from a fear of intimacy or separation anxiety. “I have no sense of you at all. I don’t wonder what your experience is, or if I do, my sense-making is totally driven by internal stimuli. I don’t much care what effect I am having on you but not because I’ve decided to not care” (Bushe, 1999, pg. 44). It is important to note that both fusion and disconnection are unconscious reactions. People are not aware of their responses, and are basically, controlled by their emotions.

With this in mind, Bushe believes that differentiation is the key to “resolving the paradox”. By practicing differentiation, a person seems to be walking the middle road. There is a recognition of both a sense of individuality and independence but also a sense of connection with others and interdependence. There is the presence of healthy boundaries. There are five elements that Bushe (1999) refers to as differentiated acts of leadership:

1. A manager knows what her experience is. She is aware of the choices she has made.
2. A manager is clear about his scope of authority, what decisions are made, how much input he seeks from others and delegation decisions
3. A manager openly seeks to understand the experience of others, what impact she is having on them, what is really going on, and lets them know that she is interested to know the truth.
4. A manager lets other people know what is going on with him by describing his own experiences

5. A manager is clear about the basis of her actions and describes this to others. Emotion does not control her decision but is used to greater understand experiences.

Due to the power of authority, and the influence of a leader, practicing differentiation could be a powerful tool in successfully managing organizational relationships. For the purposes of this study, it is recognized that there are five components of Differentiated Leadership:

- *Awareness of Others*: A differentiated leader is high in awareness. Awareness of his/her feelings, others' feelings and gives clear feedback. It seems that the communication comes easier to a manager who is differentiated. This leader pays attention to others' experiences, being able to see self, system and relationships. This leader has a greater clarity about what is useful to do and is more likely to inquire about differences than to judge others (Rein, 1997). Therefore demonstration of concern can also be seen as part of the awareness component of differentiation.
- *Taking an "I Position"*: A manager who takes an "I Position" is clear on the basis of her actions and is able to describe them to others. A differentiated leader would be able to follow through on visions and goals that he/she strongly believes without being swayed or influenced by others. In other words, this manager maintains healthy boundaries. He/she has the ability to separate what is inside from what is outside and the past from the present.
- *Emotional Reactivity*: Emotional Reactivity is when a person is overly emotional and overly sensitive to criticism. A differentiated leader is low in emotional reactivity. Instead, a differentiated leader is able to reduce anxiety in the workplace by being less emotionally reactive and more in charge of him/herself. He/she has an expanded sense of what is possible in relationships and reduces anxiety by practicing such behaviours and basing decisions on facts rather than perceptions (Rein, 1997).
- *Fusion*. A fused leader constantly seeks the approval of his/her employees. He/she wants everyone to be happy all of the time. A differentiated leader would be low in fusion. His/her decisions will not be easily swayed by emotional pleas from others and he/she would not feel the need to please everyone around him.
- *Disconnection(Emotional Cutoff)*: Disconnection is characterized by aloofness, coldness and when a manager never seeks the input of others. A differentiated leader would also be low in disconnection. He/she will not alienate or remain aloof because of a fear of intimacy or separation anxiety.

By examining certain literature on trust and leadership, one can see that selected characteristics or attributes that managers possess and practice can lead to more trustful relationships in the workplace. It can be seen that the attributes that have historically been associated with trust, are also present in the components or characteristics that make up a differentiated leader. It can be said that "differentiation is a psychological state that lays the foundation for managers in ways that others have found induces trust" (Bushe, 1999)

Evidence of attributes related to trust that are present in differentiated leaders can be seen in Mayer and Davis' (1999) study on performance appraisal systems and trust. When an improved performance appraisal system was implemented (clear feedback, provided performance based rewards and recognition) in a manufacturing firm, employees trust for management increased, highlighting the role of fairness. Mishra's and Morissey (1990) and Whitener et al (1998) found that open communication and sharing of critical information were factors that effected trust. Demonstration of concern or benevolence is also a key factor in fostering of trust (McAllister 1995, Whitener et al, 1998, Mayer et al, 1995). These attributes (fairness, open communication, and showing concern) are all associated with the differentiation component, *Awareness of Others*.

Two core behaviours of transformational leadership, identifying and articulating a vision and promotion of group goals, have been found to foster trust in organizations (Podsakoff et. Al, 1990). A manager who takes an "I position", would be able to accomplish this because this manager knows his/her goals and is able to describe them to others. By staying strong in his/her convictions, he/she will be able to successfully communicate the company's vision and goals to employees.

Two other factors that increase trust is integrity (Mayer et al, 1995, Whitener, et. Al, 1998) and behavioural consistency (Whitener, et al, 1998). These two factors can be associated with differentiated leadership because the presence of these two factors in a leader may reduce anxiety in the workplace. Instead of being emotional, actions are based on facts instead of perceptions. Employees have an idea of their leader's behavioural patterns and have confidence that the rationale behind his/her actions stem from a person who exercises integrity.

As a result of examining attributes that have been shown to increase trust in past literature and recognizing that some of these same attributes are present in a leader with high differentiation, it is hypothesized that differentiated leadership will have a positive effect on trust.

Hypothesis 1: Practicing differentiated leadership increases the trust of the employee towards the manager that most influences the work environment

In other words, fusion, emotional reactivity, and emotional cutoff (characteristics of low differentiation) would have a negative effect on employee trust. Awareness of Others and having an "I position" (characteristics of high differentiation), would have a positive effect on employee trust. This study chose to focus on the manager that most influences the work environment and not necessarily a direct supervisor because a direct supervisor may not carry the authority or have the most influence on employees.

Expanding on this hypothesis of trust been two parties, it is also hypothesized that:

Hypothesis 2: Practicing differentiated leadership increases the trust climate of the organization.

That is to say, the presence of a differentiated leadership style would not only effect the two way relationship between manager and subordinate, but because this leader will have similar relationships with many subordinates, this

will affect the entire immediate work environment. One can compare this to a diffusion effect. Third parties will act like “go-betweens”, spreading expectations from already established relationships to others who may not have knowledge of certain things. Therefore, trust can be diffused and developed as people relate to each other (Uzzi, 1997). Not only vertical trust will be fostered (trust between focal employee and manager), but lateral trust as well (focal employee and co-workers). If a leader is supposed to lead by example, then others will follow and start treating each other the same.

An overview of trust and differentiated leadership has been given. Hopefully the results of the research would act as a directive tool and shed some light on this new topic. Following is an explanation of the methods used to carry out this exploratory study.

Methodology

Sample

Data was collected from a convenient sample over a two week period. The sample consisted of people in the provinces of British Columbia and Ontario who were part of the workforce at the time of data collection. 108 surveys were filled out. Age of the participants ranged from 19-58, the mean being 32. Around 41% of these were male and the rest were female (4 surveys were left blank). The majority worked full time (77.8%) compared to part time (19.4%). 59.3% worked in the business sector, 29.6% worked for the government, 6.5% worked in education, 1.9% in non-profit organizations and the rest was other.

Data was gathered by a paper and pencil questionnaire, distributed to persons familiar with the researchers. E-mail was also the other medium of distribution and collection. Attached to each survey was a cover letter with a brief synopsis of the purpose of the study, instructions, assurances of anonymity and confidentiality, and researcher contact information.

Measurement

The distributed questionnaire contained three sections. The first section contained questions regarding the participant's manager (the manager the participant thinks most influences or sets the tone of the workplace). More specifically, the questions contained items that assessed whether the manager practiced differentiated leadership and the nature of the trust relationship between this manager and the participant. Some items that assessed differentiated leadership were adapted from Skroran and Friedlander's scale, the Differentiation of Self-Inventory. (Skroran & Friedlander, 1998) Appropriate changes were made to those items, in order for them to better represent a measurement of another person's differentiation rather than just one's own differentiation. Other items that assessed differentiated leadership included items from a previous MBA project on Communication Competency. These items represented categories of *awareness and anxiety* (Rein, 1997). Originally, there

were five scales used to describe differentiated leadership: Awareness of Others, I position, Fusion, Emotional Cutoff, and Emotional Reactivity (The number of items and factor loadings are explained in the results section). After the data was factor analyzed using Varimax Rotation, certain items seemed to fit better under a different scale than was originally placed and other items were deleted from the study. The five scales still remained in the study but the label "I position" was changed to "Clear Self Boundaries". The label "I position" was Bowen's preferred choice, but for the purposes of this study, it was decided that the "Clear Self Boundaries" was more of a clear definition of the items left in the specific category. (A more in depth explanation will be given in the results section of this study)

The first section of the survey also included trust items. These items were directly taken from McAllister's (1995) study on Affective and Cognitive trust. Five items measured cognitive based trust, and another five, affective. These items were chosen for validity and reliability purposes. The reliability estimate from McAllister's (1995) study for cognitive-based trust was .91 (Chronbach alpha) and the reliability estimate for affective-based trust was .89. One item on fairness was taken from Robinson's (1996) study on trust and breach of the psychological contract.

The second part of the questionnaire assessed the climate of the organization the respondents worked in. The trust climate was assessed using 4 adapted items from Cook and Wall's (1980) scale that measured interpersonal trust at work. Words were slightly changed to better represent this study's objective. For example, the reference to "workmates" was changed to "people in the area that I work in". Again, an adaptation of previous work was utilized for reliability purposes. "The internal homogeneity data together with cross-validated and test-retest data substantiate the claim for the trust and organizational commitment scales that they are psychometrically adequate, stable and reliable" (Cook & Wall, 1980, pg. 45)

These measures, were all 7-point Likert scales that ranged from 1: *Strongly disagree* to 7: *Strongly agree*. Other items in section one and two included items from a fellow researcher conducting a project parallel to mine. We were both studying differentiated leadership; however, her focus lay in the relationship between leadership and conflict management, whereas mine lay in leadership and trust.

The third section contained demographic inquiries. This section was further broken down into 3 parts:

1. Information on the actual participant that included, age, gender, ethnicity, length of time the person has been in his/her current position, length of time the person has been with the company, full or part time, and type of function (ex. Marketing, human resources, MIS) the person works in.
2. Information on the manager the participant is describing including, the manager's age, gender, ethnicity, length of time in job, number of people who report to him/her, level in company that he/she is in, whether this manager is the respondents direct manager, and number of levels this manager is above the respondent

3. Information on the organization the participant is employed at, including, type of organization, size of organization and size of location (as in number of people) the respondent works in.

As a pre-test, the survey was given to several people of varying educational backgrounds to gauge their level of understanding the contents of the survey. Changes were made accordingly.

Note: Please see copy of entire survey in Appendix.

Results

Factor Analysis

As stated in the methodology, a factor analysis of the differentiated scales was conducted using Varimax rotation to verify the study's five original differentiation scales (Awareness of Others, I position, Fusion, Emotional Cutoff, and Emotional Reactivity). After examining the results of the factor analysis, it was decided that the five scales would remain in the study, however, certain items were removed and other items were placed in a different scale.

Furthermore, the label "I position" was changed to the label "Clear Self Boundaries."

The final scales from the factor analysis are shown below:

FACTOR 1 – CLEAR SELF BOUNDARIES

Factor Loading	Item/Question
-.793	This manager tends to be pretty stable under stress.
-.785	This manager tends to remain pretty calm under stress.
.686	This manager bases his/her decisions on perceptions rather than facts. (Reversed)
-.651	This manager does not get upset over things he/she cannot change.
.567	At times this managers feelings get the best of him/her and he/she has trouble thinking. (Reversed)
-.551	When this manager is having an argument with someone, he/she seems to separate his/her thoughts about the issue from his/her feelings about the person.

FACTOR 2 – AWARENESS OF OTHERS

.698	This manager seeks to understand me.
.658	This manager provides me with clear feedback regarding my contribution to the work process.
.616	This manager invites me to talk about our working relationship.
.593	This manager wants to know what others want.
.456	This manager makes it easy to understand where he/she is coming from.
.402	This manager is aware of how he/she impacts others.

FACTOR 3 – EMOTIONAL CUTOFF

.794	It's hard to know what this manager feels about anything.
.746	This manager tends to distance him or herself when people get too close.
.692	It's hard to know what this manager thinks about anything.
.642	This manager acts uncomfortable when people get too close.
.626	This manager has a hard time letting in praise.
.606	It's hard to know what this manager wants about anything.

FACTOR 4 – FUSION

.748	This manager has a hard time saying no.
.743	This manager is easily swayed by an emotional appeal.
.725	This manager wants to please everyone.
.688	This manager tends to get too close to people.
.513	This manager is easily hurt by others.
.471	This manager wants everyone to be happy all the time.
.461	When there is conflict in the workplace, it really affects this manager emotionally.

FACTOR 5 – EMOTIONAL REACTIVITY

.800	This manager is overly sensitive to criticism.
.653	If someone is upset with this manager, this manager can't seem to let it go easily.
.606	This manager is overly emotional.
.519	This manager seems to take comments personally.

A second factor analysis using Varimax rotation was conducted on the three trust scales (Cognitive trust, Affective trust and Climate of trust). Only two of the components were recognized. The first component described *Trust in Manager* and the second component described the *Climate of Trust*. Contrary to previous studies (Lewis & Weigert, 1985, McAllister, 1995), this study did not find a difference between cognitive and affective trust. This may have occurred due to the difference in survey methods. McAllister surveyed managers and their peers (not subordinates). Perhaps the nature of the relationship had an effect on whether people separate trust into a cognitive and affective component, or whether they view trust in a holistic light. With the evaluation of peers, a person may be on a more familiar basis; therefore, they can separate whether they trust their peers on a cognitive level and affective level. However, with the evaluation of a person in authority, the decision to trust may take place only on one level. Not being comfortable or familiar enough with a manager (that may not necessarily even be the respondent's direct supervisor) may be a factor. Therefore, for this study, the two original scales (cognitive and affective) were collapsed into one and the Climate of Trust scale remained unchanged. The two trust scales are shown below:

TRUST IN MANAGER

Factor Loading	Item/Question
.868	I can talk freely to this individual about difficulties I am having at work and know that he/she will want to listen.
.855	Most people, even those who aren't close friends of this individual, trust and respect him/her.
.833	If I shared my problems with this person, I know he/she would respond constructively and caringly
.826	We have a sharing relationship. We can both freely share our ideas feelings and hopes...
.804	Given this person's track record, I see no reason to doubt his/her competence and preparation for the job
.794	Other work associates of mine who must interact with this individual consider him/her to be trustworthy.
.762	This person approaches his/her job with professionalism and dedication
.745	I don't think this manager treats me fairly.
.688	We would both feel a sense of loss if one of us was transferred and we could not longer work together.
.655	I would have to say that we both made considerable emotional investments in our working relationship.
.560	I can rely on this person not to make my job more difficult by careless work.

CLIMATE OF TRUST

.846	I have full confidence in the skills of my workmates in my part of the organization.
.810	I can trust the people in this part of the organization to lend me a hand if I needed it.
.791	Most of my workmates can be relied upon to do as they say they will do.
.774	If I got into difficulties at work I know people in this part of my organization would try and help me out.

Correlations and Reliabilities

Next, a reliability analysis was conducted to test the reliability of the adjusted scales and Correlations were then conducted. The results can be seen in Table 1.

TABLE 1: CORRELATIONS (DIFFERENTIATION AND TRUST SCALES)

	1	2	3	4	5	6	7
1. Awareness of Others	(.91)						
2. Clear Self Boundaries	.685**	(.89)					

3. Fusion	.132	-.071	(.77)				
4. Emotional Reactivity	-.527**	-.693**	.246*	(.87)			
5. Emotional Cutoff	-.679**	-.468**	-.087	.493**	(.84)		
6. Trust in Manager	.875**	.695**	.107	-.540**	-.645**	(.94)	
7. Climate of Trust	.389**	.483**	-.309**	-.280**	-.268**	.363**	(.84)

Note. Cronbach's alpha values are given in parentheses

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

All the adjusted scales were high in reliability. Overall, most scales correlated with each other as hypothesized. Clear Self Boundaries and Awareness of Others (scales that described high differentiation) were both positively correlated with Trust in Manager and Climate of Trust. In fact, these two scales had the highest correlation with Trust in Manager among all other factors (.695 and .875 respectively). Clear Self Boundaries was also negatively correlated with Emotional Cutoff and Emotional Reactivity as predicted. Emotional Cutoff and Emotional Reactivity (scales that show low differentiation) were negatively correlated with Trust in Manager and Climate of Trust. Surprisingly however, Fusion was not significantly correlated with any of the items except Emotional Reactivity and Climate of Trust. To further investigate the results found in the correlations table, regressions were run.

Regression

TABLE 2A. MODEL SUMMARY (DIFFERENTIATED LEADERSHIP AND TRUST IN MANAGER)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.888*	.789	.778	.6837

*. Predictors: (Constant), Emotional Reactivity, Fusion, Emotional Cutoff, Clear Self Boundaries, Awareness of Others.

TABLE 2B. COEFFICIENTS*

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	STD. ERROR	Beta	T	
(Constant)	1.010	.596		1.695	.093

Awareness of Others	.676	.076	.681	8.850	.000
Clear Self Boundaries	.179	.077	.172	2.307	.023
Fusion	3.855E-02	.069	.028	.556	.579
Emotional Reactivity	-2.626E-02	.072	-.025	-.364	.716
Emotional Cutoff	-9.735E-02	.072	-.087	-1.348	.180

*Dependent Variable: Trust in Manager

Through analyzing the regression performed on Differentiated Leadership and Trust in Manager, it can be seen that this model was a good predictor of Trust in Manager (R Square: .789 from Table 2A). Only Clear Self Boundaries and Awareness of Others were significant. Awareness of Others (Beta: .681) was the biggest predictor of trust which lends support for Hypothesis 1. This indicates that if a manager is aware of his/her subordinates, as in their thoughts, feelings, and situations, subordinates are more likely to trust this manager. Projecting the perception of being a calm presence and reducing anxiety, Clear Self Boundaries also aids in the development of some form of trust. These two scales clearly were the drivers in this model, accounting for the largest variance explained. Although both Emotional Reactivity and Emotional Cutoff were negatively correlated with Trust in Manager, indicating that they did have an influence on whether or not an employee trusted his/her manager, these two scales' impact are explained by Awareness of Others and Clear Self Boundaries.

TABLE 3A: MODEL SUMMARY (DIFFERENTIATED LEADERSHIP AND CLIMATE OF TRUST)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.609*	.371	.340	.8413

*. Predictors: (Constant), Emotional Reactivity, Fusion, Emotional Cutoff, Clear Self Boundaries, Awareness of Others.

TABLE 3B. COEFFICIENTS*

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	STD. ERROR	Beta		
1 (Constant)	3.966	.733		5.409	.000
Awareness of Others	.153	.094	.216	1.628	.107
Clear Self Boundaries	.353	.095	.478	3.705	.000
Fusion	-.382	.085	-.384	-4.476	.000
Emotional Reactivity	.221	.089	.298	2.494	.014
Emotional Cutoff	-6.247E-02	.089	-.078	-.703	.484

*Dependent Variable: Climate of Trust

Although not quite as strong a predictor, this model was still a relatively good predictor of Climate of Trust (R square .371). This time, three of the independent variables were significant (Clear Self Boundaries, Fusion, and Emotional Reactivity). Clear Self Boundaries had a Beta of .478, indicating that this characteristic is important in the cultivation of a trusting atmosphere. Fusion was a negative predictor of climate of trust, indicating a person who is lower in differentiation does not help in creating an atmosphere of trust.

What was surprising however, was that Emotional Reactivity was a positive predictor of the trust climate. Examining the Correlations table, Emotional Reactivity was negatively correlated with Climate of Trust at $-.280^{**}$, but it had a Beta of .298. As a result of this surprising outcome, partial correlations were run in an attempt to uncover whether other variables were influencing the results. Partial correlations were run, first, controlling for Clear Self Boundaries, and then for Fusion. It was discovered that Clear Self Boundaries explained the relationship between Emotional Reactivity and the climate of trust. When Clear Self Boundaries was controlled for, it changed the relationship between Emotional Reactivity and Climate of trust from a negative one, to an insignificant one (.0868). When Fusion was added in, the partial relationship between Emotional Reactivity and Climate of Trust became positive and almost reached significance at .052. (.1894).

These two findings imply that the negative effect that Emotional Reactivity had on Climate of trust is related to a manager having a lack of clear self boundaries. However, in a situation where a manager has clear self boundaries and is fused with his/her employees, being emotionally reactive actually increases the climate of trust.

Demographic Variables

It was hypothesized that certain demographic variables could have an effect on either a differentiated leader, trust in manager or climate of trust. It was hypothesized that gender would have an effect on whether a leader was differentiated or not. From previous studies, female managers have a tendency to be more participatory in their leadership style than men. “Many of the women’s descriptions reflect an implicit or explicit belief that greater productivity is the result of developing good relationships with employees, setting clear expectations...” (Osland, Snyder, & Hunter, 1998). Since a huge part of being a differentiated leader is being able to have *awareness of others*, women may tend to be better at this.

It was also hypothesized that the manager’s age would have an effect on the level of trust. The older one is, perhaps the more experienced one is at the job and how to handle people effectively. Through time, managers may have gathered enough knowledge to conduct themselves in a way that makes their employees trust them. Time was another factor that was thought to have an effect on both trust in manager and climate of trust. The longer an employee has held a job in the same company, the more he/she is able to get to know the manager. Costigan et al (1998) found this. “The longer one is in the job, the higher the level of dyadic trust of the supervisor. Apparently, employee trust of one’s manager can be expected to increase as they forge a relationship over the years” (pg. 314). Time allows relationships to develop, including co-worker relationships, therefore, not only will the employee have more trust in the manager, but also in their co-workers, effecting the entire trust climate.

TABLE 4A CORRELATIONS (SELECTED DEMOGRAPHICS AND TRUST)

	1	2	3	4	5
1. Manager’s age					
2. Gender	-.007				
3. Length of time in company	.184	-.025			
4. Length of time in position	.193	-.123	.619**		
4. Trust in manager	-.054	.191	-.078	-.161	
6. Climate of Trust	-.005	.089	.102	-.047	.363**

** . Correlation is significant at the .01 level (2-tailed).

T-tests were conducted on such demographic variables as respondent’s gender, whether they worked full or part time, and whether they were describing their immediate supervisor or not. None of these variables had an effect on the trust in manager or climate of trust.

From a regression analysis, all demographic variables that were tested using interval scales such as respondent’s age, length of time in position, length

of time in company, manager's age, length of time manager has held his/her position, organization size, and size of location respondent was describing did not significantly effect trust in manager.

When a regression was run on Climate of Trust (independent as well, as demographic variables), the R squared increased from .371 to .590, indicating that some of the demographic variables added to the variance explained and were significant predictors (Table 4B). The only two variables that actually were significant was the respondent's length of time in the company (Sig. Of .025, Beta: .34 from Table 4C) and Size of location respondent worked in (Sig. Of .046, Beta: -.210 from Table 4C)

TABLE 4B: MODEL SUMMARY (DIFFERENTIATED LEADERSHIP, DEMOGRAPHICS AND CLIMATE OF TRUST

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.768*	.590	.482	.7925

*. Predictors: (Constant), Size of location, Size of part of organization respondent is referring to, Emotional Cutoff, Length of time in position, Organization size, Manager's age, Fusion, Length of time manager has held position, Clear Self Boundaries, Length of time in company, Emotional Reactivity, Awareness of Others, Age.

TABLE 4C: COEFFICIENTS*

MODEL	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	STD. ERROR	Beta		
1 (Constant)	4.057	.958		4.234	.000
Awareness of Others	.122	.121	.156	1.002	.321
Clear Self Boundaries	.489	.113	.629	4.336	.000
Fusion	-.443	.113	-.405	-3.911	.000
Emotional Reactivity	.213	.108	.276	1.961	.056
Emotional Cutoff	-6.653E-02	.113	-.081	-.587	.560
Size of part of Organization's respondent referring to	4.385E-04	.002	.028	.274	.785
Age	-1.967E-02	.019	-.160	-1.009	.318
Length of time in position	-9.042E-05	.005	-.002	-.020	.984
Length of time in company	4.856E-03	.002	.342	2.287	.027
Manager's age	7.514E-02	.066	.119	1.145	.258
Length of time manager held position	-2.200E03	.002	-.126	-1.127	.265
Organization's size	-1.124E-05	.000	-.157	-1.120	.268

Size of location	-3.386E-04	.000	-.210	-2.050	.046
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*Dependent Variable: Climate of Trust

A regression was then conducted to observe the effect of the respondent's length of time in the company, and organization location with the three significant differentiation factors (Fusion, Self Boundaries, Emotional Reactivity). .386 of the variance was explained (Table 4D), however, length of time in the company and size of organization location became insignificant.

TABLE 4D: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.622*	.386	.350	.8594

*. Predictors: (Constant), Length of time in company, Fusion, Clear Self Boundaries, Emotional Reactivity.

TABLE 4E: COEFFICIENTS*

MODEL	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	STD. ERROR	Beta		
1 (CONSTANT)	3.97	.661		6.002	.000
Self Boundaries	.473	.088	.616	5.348	.000
Fusion	-.390	.096	-.370	-4.068	.000
Emotional Reactivity	.178	.092	.230	1.929	.057
Length of time in company	1.991E-03	.001	.142	1.647	.103
Size of organization location	2.204-E04	.000	-.124	-1.398	.166

* Dependent Variable: Climate of Trust

Discussion

The major purpose of this study was to examine differentiated leadership and its effects on trust in the workplace, both subordinate trust in his/her manager and climate of trust. It has been found that certain components of differentiation effected the level of trust in a particular manager more than others. More specifically, Awareness of Others was the largest predictor of trust in a manager. Positively correlated, the more a manager showed an interest in others, and an awareness of employees' thoughts and feelings, the more employees felt that they could trust their manager. This finding can be linked back to other studies that found benevolence an important factor in the development of trust (Mayer et al 1995, Whitener et al 1998).

Clear Self Boundaries also predicted employee trust in a manager. This may be an indication that confidence in a manager's ability to perform his/her duties and ability to lead, taps into employee trust as well. The perceived ability of a manager has already been linked to employee trust as seen in Mayer et al's (1995) work, and also McAllister's (1995) study. These results support hypothesis one: *Practicing differentiated leadership increases the trust of the employee towards the manager that most influences the work environment.*

There were different factors effecting the climate of trust. Instead of Awareness of others being the best predictor, Clear Self Boundaries emerged as the best. This could imply that on a one to one basis, employees feel that a manager's concern for them is more important to their relationship. Perhaps it is associated with sincerity and closeness on an individual level. On the other hand, when actually cultivating a trust climate, this one to one caring relationship may not be as important as the *image* of a capable manager. The more a manager can exhibit that he/she makes smart decisions, is decisive, confident in his/her actions, and not easily influenced by others, the more the atmosphere is effected. Employees have confidence that someone is in charge and because of this, employees are more willing to trust each other. This can be related with the finding that fusion had a negative impact on climate of trust. Employees who perceived that their manager was too fused with them, that their decisions were easily swayed by emotional appeals, and that they always wanting to please everyone did not indicate an atmosphere of trust within the organization. A fused manager may be perceived as weak and not in possession of the necessary leadership qualities. If a leader is thought of as weak, the whole atmosphere of trust may suffer. This lends support to hypothesis two: *Practicing differentiated leadership increases the trust climate of the organization.*

Although directly, Fusion had a negative impact on the climate of trust, it indirectly had a positive influence on the climate of trust through Emotional Reactivity. The third factor that effected climate of trust was Emotional Reactivity. Rationally, it was believed that Emotional Reactivity would also be a negative predictor of climate of trust (Emotional Reactivity was negatively correlated with trust climate). In one way, this was true. Emotional Reactivity did have a negative correlation with the climate of trust. However, it was discovered that an emotional reactive leader could actually increase the climate of trust if this leader

was also fused with his/her employees. This discovery suggests that on one hand, employees would not feel that they work in a climate of trust if their manager exudes an anxious presence and is emotional. On the other hand, a manager who is emotionally reactive could only instill trust in his employees if he was *also* fused with them. One explanation for this discovery could be that employees perceive a fused manager who is emotionally reactive as a concerned manager. It is not a threat or weakness that this manager has an anxious and emotional presence because this manager is emotionally concerned about employees. Employees may find comfort in this thought and therefore more maybe more likely to report a trusting climate.

Limitations and Implications for Future Research

Several limitations of this study including the use of a convenience sample for simplicity purposes. With a convenience sample, there may have been a bias in terms of who participated since there existed personal links with the researchers. Secondly, the sample was also not big enough to run certain tests. There may be differences across industries and type of function which were not taken into account. As a result of these two limitations, the generalizability of the survey could be questioned.

In this study, there was an attempt to also measure ethnicity against trust. However, because of the way the question of ethnicity was asked, it was impossible to gauge. The question of ethnicity was left as an open ended question without any guidelines on how to respond. Consequently, some participants chose to describe their citizenship (ie. Canadian) and others chose to describe their race (ie. Chinese).

This study was conducted to shed some light on an emerging topic in leadership research. From this study, one can ascertain that differentiated leaders do have an impact on trust in the workplace. These findings contribute to the body of trust and leadership literature already in existence, providing some new insights on leadership but also supporting past research findings. The results of this study is useful in the way that it helps to confirm the importance of a leader's role in influencing both manager-employee relations and overall work atmosphere, at least in terms of trust.

A leader who is differentiated is able to instill trust in the workplace; a finding that could be valuable to organizations which recognize the importance of trust and want to promote it throughout the firm. From past research, trust is a factor of company success. With the results of this study, organizations possibly have another avenue that can be pursued if they want create or maintain it.

In the future, an area of research that could be investigated is the source of a differentiated leader's characteristics. Are differentiated leaders born or made. According to family therapy research, differentiation is a psychological state derived from childhood/family experiences. Do organizations hire persons already high in differentiation or is there a possibility that the qualities of a differentiated person could be taught or instilled. This has implications for training and development in organizations.

In the future, a larger, random sample could be taken in order to gauge if there are indeed any differences across such variables as industries, or type of function. Do different industries and functions impact the relationship between differentiated leaders and trust. On a larger scope it would also be interesting to see if differentiation is effected by culture. This study focused on the relationship of leadership and trust in a North American context. However, would the results be different if this study was conducted in a country with different cultural values, norms, working relationships and structures. Are the effects of differentiation on trust universal or culturally specific?

Furthermore, is trust the only element that a differentiated leader has influence over in the workplace? Other studies such as Podsakoff et al. (1990) found that transformational leadership had an effect on other elements such as ethics, job satisfaction, organizational citizenship behavior, and organizational commitment. What are the effects of differentiated leadership on these behaviours and conditions?

Like many research topics, there is both an academic interest and a practical interest in the further understanding of trust and leadership. As stated before, discoveries in this area are boundless. Although there have been several suggestions made for future research and the method for following through on some of them may be challenging, perhaps the most difficult part is the decision on which path of discovery to pursue.

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