Trust in the context of management relationships: an empirical study

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Abstract

This paper responds to calls for exploration of the dynamics of trust in the embedded context of interpersonal managerial relationships. Building on theoretical distinctions between different types of interpersonal relationships established in social psychology, the paper proposes a generic typology of interpersonal managerial relationships, along with associated hypotheses and implications for trust. The later part of the paper then reports the results from an initial exploratory study that supports and extends the practical application of the proposed relationship typology and refines the hypotheses in the specific context of managerial work.

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Introduction

As organizational environments have become characterised by complexity, speed and fragmentation, economic efficiency and hierarchy are no longer taken as the guiding organization principles (eg, Daft & Lewin, 1993; Clegg, 1999). In their place, theorists now emphasise cooperative relationships in the context of politically driven structures, flexible networks, strategic alliances, and entrepreneurial adaptability (eg. Carney, 1998; Buckley & Casson, 1988). Whilst the relevance of co-operation to organization was highlighted by early theorists (eg Barnard, 1938), it has acquired a new significance in emerging contexts that place more emphasis on relationships and less on authority.

This relational focus has been accompanied by a growing interest in organisational social capital (Chung et al, 2000). This is evidenced by the growing number of theoretical and empirical studies of social capital appearing in the organisational and economics literature (eg Tsai & Ghoshal, 1998; Nahapiet & Ghoshal, 1998; Leana & Van Buren III, 1999; Fernandez et al, 2000; Tsai, 2000; Laurence & Prusak, 2001; Adler & Kwon, 2002; Anand et al, 2002). This stream of interest led one theorist to comment that “the concept of social capital has become one of the most popular exports from sociological theory into everyday language” (Portes, 1998).

But whilst the generic principle of social capital theory is well established, its application and operationalisation is much less advanced. As Fernandez et al (2000) note, if the term ‘social capital’ is to mean anything more than ‘networks have value’, then there should be evidence of what that value is. Indeed, whilst the evidence for linkages between networks and firm performance has been the subject of many theoretical and empirical studies (eg Zaheer & Bell, 2002; Stuart, 2000; Fischer & Pollock, 2002), the dynamics of network content have been left relatively unattended. In this sense, if the concept is to advance beyond its current state, the constituent parts, antecedents and outcomes of social capital, including trust, need to be more clearly identifiable (Zaheer & Bell, 2002).
Trust has been described as the ‘social glue’ (Fukuyama, 1995) or ‘social lubricant’ (Spreitzer & Mishra, 1999) that can hold diversified, global organisational structures together, leading to the suggestion that lack of trust between parties operating in network forms could cause those forms to fail (Creed & Miles, 1996). Indeed, the broad relational relevance of trust has been recognised across a number of social sciences. Reviewers of trust have noted that it appears to hold interest for a wide range of theorists, amongst them psychologists, sociologists, political scientists, economists, management theorists and students of organisational behaviour (eg. Lewicki et al, 1998; Hosmer, 1995). As a consequence, in the last decade there has been “a considerable rise in discourses concerning trust from a range of academic disciplines and perspectives” (Korczynski, 2000).

The particular relevance of trust for managerial relationships emerges within the literature (eg Creed & Miles, 1996). Trust is perceived as a substitute for hierarchical control (Aulakh et al, 1997; Zaheer & Venkatraman, 1995). As managers are the primary designers of the organisational form, the initiators of many vertical exchanges who control the flow of certain types of information and opportunities to share information (Creed & Miles, 1996), developing and maintaining trust is especially important to managerial and organisational effectiveness (McAllister, 1995; Daley & Vasu, 1998; Brockner et al, 1997; Davis et al, 2000).

However, empirical work on trust has been criticised for its lack of recognition of the organisational context (eg. Molm et al, 2000) and the fact that few studies of trust have been conducted on managerial relationships in situ (Kramer, 1996). The consequence of this is that there is little empirical evidence to show the dynamics of trust in managerial relationships and indeed the impact of trusting relationships on managerial and organisational performance.

The aim of this paper is therefore to contribute to the study of trust in particular, and social capital more generally, by exploring empirical dyadic managerial relationship data. Our starting point is the relational context from which implications for trust can be drawn. We propose a relationships theory, supported by
established theories in the social psychology field, together with associated hypotheses relating to trust. The theory and hypotheses are then tested and developed in the organisational context.

**Research on Managerial Relationships**

Before introducing the relationships theory, it is firstly important to note why the authors found it necessary to establish such a theory before proceeding to collect empirical data.

In the last ten years there has been an increase in empirical evidence for the organisational benefits of managerial relationships, albeit in limited contexts. Empirical studies have demonstrated the organisational benefits of effective relationships, eg. employee-customer relationships (Corsun & Enz, 1999), CEO – Board relationships (Gulati & Westphal, 1999). The growing stream of interest in trust has also highlighted trusting relationships (eg Child, 2001; Blois, 1999; Brockner et al, 1997) as being organisationally significant. However, whilst trust is explicitly acknowledged to be a relational phenomenon (eg. Case & Selvester, 2002), most writers stop short of attending to the conceptual work required to define the relational context. This has therefore meant that specific attention to interpersonal managerial relationships per se has been relatively modest (Harrington, 2002) and there is very limited empirical work in this area.

This lack of research on dyadic relationships and their outcomes seems oddly scant when juxtaposed against the considerable interest in managerial and organisational networks and their contribution to social capital. Furthermore there have been few attempts to fill this gap or to explain its existence. As a consequence, and also a likely contributory factor is the lack of available theory upon which to base empirical studies. Our review of the management and organisational literature revealed a general lack of theoretical frameworks with which to analyse interpersonal relationships. Indeed, despite significant advances in work on cognitive structure in close relationships in social psychology, there are few accepted generic frameworks within which to locate managerial relationships (Harrington, 2002).

Furthermore, the socially constructed nature of relationships and their cognitive frameworks implies that a
detailed generic model is likely to be of only narrow application, as relationships are in reality to a great extent formed in the minds of the parties involved therein (Fletcher & Thomas, 1996).

As a starting point in making a contribution to the study of trust and interpersonal managerial relationships, we therefore propose an initial conceptual model, drawing on work in the social psychological field, upon which to base empirical studies. The next section describes the theoretical derivations for this model and goes on to propose some working assumptions that form the basis for the empirical research.

**Towards a typology of interpersonal managerial relationships – the utility-personal distinction**

It is acknowledged within the social psychological literature that different types of relationships exist (eg Greenhalgh, 1995; Clarkson & Shaw, 1992), yet there are few theoretical typologies (Fletcher & Thomas, 1996). Given the complexity of relational experience, it is unsurprising that there is a dearth of well-elaborated theory, as any model would risk being either too simple or abstract to be reflective of lived experience. Personal relationships are not abstract constructs or attitudinal products of various precipitating factors, but lived experiences of social life (Acitelli et al, 2000). Such difficulties of theory construction are well illustrated by Greenhalgh (1995) who proposes a simple model based on a linear continuum of positive and negative response dispositions. Nevertheless the value of this linear approach is undermined by the same author, who simultaneously suggests that “it may be unwise to array the spectrum of relationships on a continuum” on the basis that “human beings are complex, and so are their relationships”.

Notwithstanding these difficulties, there are broad areas of agreement. Early social psychological research on personal relationships was dominated by social exchange theory (Ickes & Duck, 2000). Out of this emerged a broad relationship typology based on the process of transaction within the relationship that has been generally accepted within the social psychology literature (Clark, 1984). This typology consists of two generic types: *communal* relationships, which are characterized by members’ obligations
and their desire to be especially responsive to each others’ needs; and exchange relationships where benefits are given with the expectation of reciprocity based on self-interest.

The difficulty with the communal-exchange typology in its absolute form is that relationships are not easily polarized in such a way, and such a categorization does not form part of normal cognitive processing. For instance, communal relationships do not axiomatically imply responsiveness, whilst exchange relationships may not be the mere sum of calculative self-interest. Furthermore, there is evidence to suggest that most relationships are predicated on some form of exchange. For example, it is suggested within the romantic relationships literature that the communal relationship stage, associated with intense passion or limerence, does not endure, and as the passion wanes, returns to a relationship based on mutual exchange (Zak et al, 1998). Similarly, the goal in friendships is to maximize outcomes for both parties involved (Campbell et al, 2000) and hence is not purely communal in nature.

Consequently, the pure form communal-exchange typology is considered unsuitable as a basis for direct empirical research. Nonetheless, this transaction-based distinction does provide a starting point for proposing a universal relationship model in the context of management, albeit with further refinement. Although the principle of exchange appears common to all relationships, there is an important distinction to be drawn between relationships where the goal of both parties is just instrumental, and those where the goal also involves the development of relational products such as trust and friendship, or ‘relational capital’.

The distinction between these two relationship categories implies a different locus of cognition as well as calculative reciprocity. The notion of categorical cognition (McRae & Bodenhausen, 2000; Sedikides et al, 1983) is supported within the psychology literature. In instrumentally-based relationships, the focus of perceptual attention is the other person and what he or she can provide, rather than the relationship itself. These are termed utility relationships, and they are theoretically grounded in the long tradition of research on social exchange. In utility relationships, the relationship provides a necessary vehicle for accessing
what one person requires of the other person but the relationship itself does not have great intrinsic value or ‘relational capital’. In other words, the relationship is purely a means to an end. It is likely that utility relationships are characterized by low psychological attachment because the relationship is incidental to the parties’ personal needs, and thus are not be experienced as close or committed.

The second relational type is termed personal relationships. These are characterized by recognition of intrinsic interpersonal benefits accruing from the relationship itself. Parties choose to give time, commitment and emotional attachment to the relationship which in turn yields relational benefits such as loyalty and personal commitment. These are collectively termed ‘relational capital’. Constituents of relational capital may extend from friendship and trust to self-identity and confidence. The focus of attention is the relationship rather than just the other person, and the relationship has meaning because it is seen to exist in its own right. Like utility relationships, personal relationships have also been the subject of extensive research, although much of it has taken place in the particular context of romantic attachment (eg. Murray et al, 1996; Zak et al, 1998).

A greater theoretical exposition of the utility-personal relationships typology is outside the scope of this paper and can be found elsewhere (Butcher & Atkinson, 2002).

**Hypotheses relating to trust and the relationships typology**

It has been previously established that trust has different forms (eg Lewicki & Bunker, 1996), but there is no clear view about the bases of trust in a managerial context. We posit, however, that there are two predominant bases applicable to trust in managerial relationships – task-based competence; and personal motives. In essence this distinction is very similar to recent psychological theories of managerial effectiveness that distinguish between task and relationship conflict (Simons & Peterson, 2000).

The first focuses on the task in hand, and is based on perception of the others’ competence to fulfil the role or task. This characterised by an impersonal process. As Jeffries and Reed (2000) point out, it is
perfectly possible to have respect for and trust in another’s abilities without having any emotional attachment. The existence of a competence-based view of trust is uncontroversial, being widely supported within the literature (eg, McAllister, 1995; Harrison et al, 1997; Zand, 1997; Doney et al, 1998). There is also support for the view that competence-based trust is more cognitive in nature and can emerge relatively quickly, as it is not predicated on emotional attachment (Jeffries & Reed, 2000).

The second basis for trust in managerial relationships is an interpersonal process involving judgements about the motives of the trustee, in the sense that the trustee has the opportunity to use the risk taken by the trustor to create harm. Motives are central to trusting and determinations of trustworthiness (Doney & Cannon, 1997) and the political nature of managerial behaviour emphasizes the importance of motive-based trust in managerial relationships. Motives underlie an intentionality process in which trust formation is influenced by one party’s perception of the intentions of the other party (Doney et al, 1998). Writers noted the importance of motive in understanding organisational action as early as Barnard (1938) who argued that:

“we have to clearly distinguish between organization purpose and individual motive. It is frequently assumed in reasoning about organizations that common purpose and individual motive are or should be identical. With the exception noted below, this is never the case; and under modern conditions it rarely even appears to be the case. Individual motive is necessarily an internal, personal, subjective thing; common purpose is necessarily an external, impersonal, objective thing even though the individual interpretation of it is subjective. The one exception to this general rule, an important one, is that the accomplishment of an organization purpose becomes itself a source of personal satisfaction and a motive for many individuals in many organizations.” (p 89)

As Kramer (1996) points out, this in turn implies a process of trust development that turns on construal. Problems of construal permeate all of the dilemmas that attend deciding who can be trusted and how much in organisations. Such judgements turn on individuals’ abilities to construe accurately not only others’ motives and intentions but also how their own motives and intentions are construed, and misconstrued, by others. We see motive as the starting point for understanding personal managerial trust, rather than focusing on the external cues that may reveal underlying motives, such as openness, honesty and reliability.
Further discussion of the theoretical basis for the competence-motive trust distinction is outside the scope of this paper and can be found elsewhere (Atkinson & Butcher, forthcoming).

Assuming this distinction between competence-based and motive-based trust, our first two hypotheses refer to the bases of trust at play in different relational types. We hypothesise that competence-based trust is of high importance in utility relationships, where the raison d’être is predicated on that competence. We therefore expect the foundation of functional utility relationships to be high mutual levels of competence-based trust. The development of competence-based trust, which is cognitive and task-based in nature, is also congruent with the limited relationship development activity associated with utility relationships.

In contrast we hypothesise that personal relationships are associated with high levels of both types of trust. This is because competence-based trust is a sine qua non at managerial level, whilst motive-based trust is a relational good deriving directly from the personal nature of the relationship. The existence of a personal relationship will be predicated on and will have given rise to high levels of motive-based trust. However, most managerial relationships start as utility relationships, because of the task-based context, and then will be selectively developed by the parties involved.

Our second set of hypotheses relates to the differential value of the relationship types in the context of managerial work. Given that both types of relationship serve a task-based purpose, there has to be some perceived value in the maintenance of any relationship or else the relational connection would be severed. This is particularly the case for utility relationships because of their need-based focus. The importance of positive satisfaction of needs as the raison d’être for the relationship implies that maintaining utility relationships where the personal costs outweigh the benefits is unlikely. Given the perceived high importance of competence-based trust in utility relationships, we can hypothesise that the utility relationships with the most perceived value will be characterised by the highest levels of competence-based trust, and vice-versa.
In the case of personal relationships, the theoretical value is both in the task achievement and also in the relational goods accruing from that relationship. Elements such as motive-based trust, openness, honesty, co-operativeness, friendship, loyalty, and social support are all of potential personal and organisational value to the manager because they present the possibility of achieving more than just the task. The principal of greater closeness and social cohesion leading to positive organisational benefit is already established in the managerial literature (eg Shah, 1998; Bouty, 2000; Westphal, 1999). Furthermore, it is well established in the social psychological literature that self esteem is often derived from close relationships (eg Agnew et al, 1998) and it is likely that personal relationships in the work domain would also perform this function.

Personal relationships require more personal time for development, alongside expectations of loyalty and commitment to the relationship. In return for this higher level of investment, there is a logical expectation of a higher level of relational return. This is the premise of relational capital. Should this return on effort not be perceived as worthwhile, it is assumed that one or both of the parties would reframe the relationship as utilitarian. The potential for reframing unsatisfactory personal relationships thus negates the perceived downside risks associated with the emotionality of some personal relationships in the organisational context (eg Bies & Tripp, 1996).

We therefore hypothesise that generally, personal relationships containing high levels of both types of trust will be of greater perceived value to the parties involved than utility relationships. Furthermore, we expect that one or both parties will reframe dysfunctional personal relationships where motive-based trust is lacking to a utility basis, so that there will be little or no evidence of dysfunctionality amongst personal relationships.
Methodology

This exploratory study sought to test the above assumptions about the nature and framing of managerial relationships and to determine whether the template of utility and personal relationships can be used as a robust typology for managerial relationships in practice.

The question of context was carefully considered. Personal relationship studies in the social psychological arena have been criticised for ignoring an embedded social context (Kramer, 1996). Many studies utilise ‘first impression’ relationships which have been established purely for research purposes (Sillars, 1984). Although the settings in which social interaction research are conducted are rarely ‘natural’ (Kenny, 1996), it is considered preferable to achieve a context which is as close as possible to managerial reality. This is because the social construction of relationships means that there embedded context is critical to their functioning and framing. In order to make assertions about managerial relationships, it was therefore important to get access to data about relationships that have been established and function in the managerial rather than the research or academic context.

One-to-one interviews were carried out with thirty senior managers from a range of organisations including retail, financial services, hospitality, academia, manufacturing and not-for-profit. The rationale for choosing senior managers is that relationships at this level are frequently the most visible and are perceived to have greatest organizational impact. Furthermore, as network theories of organization suggest, it is the functioning of top management dyads that drives organizational performance (eg. Westphal, 1999), and thus it is at this level that there is likely to be the most direct correlation between relationship form and business effectiveness. Focusing the respondent population on top management is therefore likely to shed most light on what the links are between trusting relationships and organisational value.
The interviews were carried out by the same researcher, in order to ensure consistency of style. Each interviewee was firstly asked to name the people with whom they spend their time. This followed the assumption that these would be the relationships that would be most easily described by the respondents. Each interviewee was then asked to consider their relationship with each of these people, one by one, and to rate each relationship against a set of relational continua. These continua were derived from the assumptions associated with the relationship typology. Continua rated were on a 1-5 scale for the following categories: utility vs. personal relationship; low vs. high maintenance (in terms of personal attention to the relationship); high mistrust vs. neutral vs. high trust; low vs. high organisational value; few key incidents vs. rich range of relationship incidents.

These ratings were used to access relational level thinking in order to lead into relationship narratives. It is therefore assumed that the narrative content has more explanatory value than the ratings themselves, which at best serve as a mechanism for internal comparison for within-respondent cases and at worst are merely a means of prompting respondent opinions. It is noted that an increasing number of researchers in the social psychology field have been using autobiographical narratives to learn how people make sense of past relationship events (Bersheid, 1994). Previous studies (for example, Baumeister et al, 1990; Harvey et al, 1990; Baumeister & Newman, 1994; Kramer, 1996) have shown that personal narratives can provide rich sources of data on the ways that individuals frame social experiences, and the decisions that they make based on those experiences. Indeed narrative methodologies have recently also found favour amongst organisational researchers seeking to express practical knowledge and understand socially constructed organisational processes (eg. Ng & De Cock, 2002; Pentland, 1999).

All interviews were tape recorded and transcribed, collating the detailed narratives from each respondent for each of their relationships. These narratives was subsequently content analyzed to determine the extent to which they did or did not support the relationship typology and to ascertain which factors captured managers’ attention in term of relationship framing. Pursuant to a grounded theory approach, as
each transcription was analysed, the emerging themes and frameworks were then applied and amended in the light of the next transcription.

Interview duration was on average 70 minutes and the mean number of relationships covered in each interview was six. Approximately 180 relationships therefore form the basis for this study.

**Results and Discussion**

The analysis of the narratives revealed a limited number of recurring themes amongst respondents. These themes suggest that the broad categorisation of utility and personal relationships can be subdivided into a more sophisticated typology. These subcategories are characterised by a different locus of relational attention, which we have labelled the relationship ‘driver’. Relationship drivers are defined as the elements that most influence a relationship in the minds and actions of the parties to that relationship. The existence of these relationship drivers has significant implications for the study of trust, as they reveal the extent to which trust is and is not relevant in the framing and dynamics of the relationship. For this reason we will discuss the results in terms of these drivers.

**Sub categories of utility relationship**

*a) Preference-driven*

The first utility relationship driver is the personal style of relationship management preferred by at least one of the parties. In other words, irrespective of any other consideration, one or both of the parties involved prefers to keep the relationship on a utility footing. This finding is consistent with existing social psychological studies showing the impact of individual preferences on relationship management (eg Feeney & Noller, 1990). The root of this driver lies in the individual’s personal preference for managing relationships generally, based on their preference for attachment (Bowlby, 1982). Attachment theory, now a well established premise of relationship research, asserts that early mental relational working models based on expectations of caregivers go on to influence relationships in adulthood. Preference-driven utility relationships account on average for only one of the relationships per respondent.
Most respondents considered trust to be of little relevance in preference-driven utility relationships. In fact trust, or lack of it, only appeared in the narrative when one party had trouble ‘reading’ the other, usually when the former had a stronger need for attachment and the latter did not. Many respondents recognised that trust was of neutral consequence because they knew very little about the other. Relational histories were scant, with any relational events usually relating to confirmatory evidence of the others’ preference for limited attachment. For example:

“Andrew is a man of few words and totally task orientated. He is not interested in small talk or social niceties, so apart from jokes, which he likes, the conversation is focused around actual problems that need solutions. He is not someone that likes to get involved in big debates. He doesn’t welcome personal relations with anybody in the office, and doesn’t ever join in any of the social activities. It would be a thankless task to try and develop a relationship with him because he wouldn’t welcome it. I tried once and he couldn’t handle it. He avoided me for weeks.” (Legal Director, Insurance Services, referring to his relationship with the Finance Director)

Whilst trust was not of consequence in the first subcategory, it emerged as having great significance in the remaining three subcategories of utility relationships. This finding suggests that the significance of trust has not been underestimated (eg Bachmann, 2001); indeed the trust driver is the driver in the majority of managerial relationships. However trust needs to be understood in its relational context in order to determine the extent to which it drives the relationship. Both the second and third types of utility relationship driver are based on levels of competence-based trust. In the former the level of competence-based trust is positive, whilst in the latter, that level is very low or negative. This finding also supports our hypothesis that competence-based trust would be of high importance in utility relationships.

b) High levels of competence-based trust

This second category encompassed on average two relationships per respondent, thus forming the largest single sub-category. These relationships are generally perceived to function well because task has priority over relationship and no further relationship development is necessary. They therefore represent a purely instrumental view of a utility relationship.
Respondents often reported archetypal utility relationships which were based on high levels of mutual competence-based trust but very low levels of interpersonal warmth and liking. What was striking that these relationships were perceived to be entirely unproblematic in task terms, despite the absence of positive relational interaction. For example:

“Basically we just get on and do the job. There’s no personal interaction at all. That’s probably because we dislike each other. We rub each other up the wrong way. But he’s a good manager. Surprisingly, there’s a very high degree of trust. He’s good and he plays a straight game. I don’t play a highly political game with him either.” (Group Finance Director, Technology, referring to his relationship with the Managing Director of one of the group companies)

This finding refutes the argument that utilitarian senior management relationships have to be interpersonally positive to be productive, and again supports the hypothesis that competence-based trust is of particular significance in utility relationships.

c) Lack of competence-based trust

The third subcategory did not occur in all accounts and where it did, was usually found only once. These relationships are driven by a lack of competence-based trust, where basically at least one party to the relationship considers the other party not ‘up to the job’. In support of our hypothesis, competence-based trust emerged as a sine qua non in developing senior management relationships. Nonetheless, several respondents reported having to maintain very unsatisfactory relationships, usually archetypal utility relationships, purely for reasons of political expediency. For example:

“We are polite to each other and that’s really as far as it goes. The owning company employs him – he is the owner’s representative. By his own admission he has very little idea about how a hotel operates. I make no effort to see him because it would be a complete waste of my time. If I were to describe him as a sleeping partner it would be a rather cruel way of putting it, but he does very little. The poor man is not equipped. I just keep the relationship because politically I can’t afford not to.” (General Manager, Hospitality, referring to his relationship with the Group Managing Director)

Relational histories in this category were also scant, but for different reasons than in the second category. Whereas high levels of competence-based trust appear to lead to a minimal relationship because there is no need for one, low levels of competence-based trust are characterised by evidence of lack of competence leading to an emotional dismissal of the other parties’ actions. For example
“On one occasion his incompetence caused a complete breakdown in the relationship. The upshot was that I lost my temper with him because over a period of months he was managing a project and basically didn’t take on the responsibility and to a large extent assumed that I was running his department. And it came to a crunch when things that should have been done hadn’t been done, the attention to detail hadn’t been given, and I lost my temper with him. As a result of that he considered resigning, and I considered firing him frankly.” (Deputy General Manager, Hospitality, referring to his relationship with the Chief Engineer)

d) Lack of motive-based trust

The fourth utility relationship driver is a low or negative level of motive-based trust. This was more common than the third subcategory but did not occur in all accounts. This subcategory may or may not be accompanied by low levels of competence-based trust. Like the third subcategory which was also driven by a low level of trust, the accounts of respondents describing these relationships use emotional language to describe these relationships. Relational histories are usually punctuated with events confirming the need for wariness or mistrust. And in contrast to the other subcategories of utility relationships these histories are characterised by a rich range of such events. For example

“Andrea only sees her own personal targets and will get there by driving hard come what may. She doesn’t take anybody else into account along the way so she’s very difficult to work with. She doesn’t engender trust in me or in other people. The trouble is Andrea plays a game where she pretends to be personally interested, but she betrays herself by moving on to the next subject too quickly. But I’m aware of that and I resent it, and her. Her style causes a lot of hassle in the business. I have to spend a lot of time dealing with her fall-out. It becomes very wearing. There’s so much picking-up-the-pieces after she’s been through a situation. I’m worn out just talking about her! For the benefit of the tape I’m slumped forward, I’m leaning on the table, I’m on my elbows!” (Senior Manager, Food Retail, describing his relationship with a fellow Senior Manager)

This example also illustrates a common theme in this subcategory which is that the level of dysfunctionality in the relationship has a negative personal and task impact. Whilst lack of competence-based trust is an annoyance but doesn’t have a substantial negative relational impact, lack of motive-based trust appears to cause greater suspicion and extra work. This subcategory is therefore unsurprisingly a source of negative relational capital and is a drain on the organisation’s resources. Politics again emerged as a strong influence here. Negative politics in the sense of self-motivated agendas were the most commonly cited reason for low levels of motive-based trust. This finding is supported by theorists who have emphasized the political nature of management work (Buchanan & Badham, 1999; Butcher & Clarke, 2001). Political expediency was cited as the main reason why such damaging relationships were maintained, adding an extra element to our hypothesis about the maintenance of dysfunctional relationships. It appears therefore that dysfunctional relationships will be maintained, even at personal
cost, if it is politically expedient to do so. Thus the negative relational capital represented by the lack of trust, is compensated for in terms of political agendas. This finding raises a question about the organisational implications of tolerating senior level relationships that are directly detrimental to the business and lends itself to further empirical investigation.

This point leads on to the most striking finding of all in terms of trust and utility relationships. Whilst the third and fourth subcategories, ie those driven by low levels of trust, tended to attract low value ratings, those in the second subcategory often rated very highly and there was no clear pattern regarding those in the first subcategory. This is itself is not a surprise. What was striking however was that functional utility relationships with high levels of competence-based trust sometimes rated as highly or even more highly than personal relationships. There is a clear linkage here between perception of value and high levels of competence-based trust, which supports our hypothesis. When questioned about this, respondents consistently related the reportedly high value of utility relationships to competence, hierarchical position and political capital. In other words, from an individual manager’s perspective, it is preferable to have a functional utility relationship with someone who is a powerful political player, than to have a personal relationships with someone who is of less political consequence. This finding is echoed in the next section on personal relationships.

### Subcategories of personal relationships

Analysis of the narratives referring to personal relationship revealed three subcategories, driven by personal relationship preference, task/role requirements and relational history respectively. As hypothesised, personal relationships are all associated with high levels of both competence and motive-based trust, and therefore trust is not a relationship driver in the sense that it does not differentiate between different types of relationships and is a taken-for-granted facet of the relationship.

#### a) Preference driven

As with utility relationships, personal relationships are influenced by individual preferences for attachment (Bowlby, 1982). On average, one relationship per respondent fell in to this subcategory.
Several respondents reported that their own preference was for working through personal relationships, so inevitably many of their ratings reflected this preference. Others noted that their preference was for utility relationships, but that they had to develop some relationships to be more personal because of the other’s needs. For example:

“There’s always a business reason for the conversation or the meeting or whatever it might be. But Jon is somebody who works through personal relationships - they are important to him. He isn’t somebody who works well with people he doesn’t get on with. So you have to have a personal relationship with Jon or you haven’t got a relationship. I respond to his needs rather than my own, because I don’t need things to be that personal.” (Group HR Director, Leisure describing her relationship with the Managing Director of one of the divisions)

b) Task/role imperative

The second subcategory is driven by a task/role imperative, ie where there is a perceived need for a strong partnership, usually where there are very high levels of interdependence. Under these circumstances, relationship development is not perceived as a ‘nice to have’ or the product of a personal preference or indulgence, but a task priority in its own right. Less than half the respondents reported relationships of this type and the typical context was where one party was expected to deputise for the other, or in the case of a senior manager and their PA. For example

“Because of our roles in the organisation, we absolutely need to be like-minded on a lot of things. He has to deputise for me and me for him. If we didn’t see absolutely eye to eye we would both be completely at sea. A lot of the work in the charity is personally focused. It’s a people business and so relationships within those activities generally have to be strong. Stephen and I don’t actually work hard at it because we get on well but we do work on it. I suppose we’re lucky in that respect, because if we didn’t get on we have to work really hard at it – it’s that important.” (Chief Executive, Charity, describing his relationship with the Deputy Chief Executive, rated 5)

There are two issues arising from this finding. Firstly, it appears that under certain circumstances it is possible for the task imperative to override the personal imperative. Secondly, this is the only relational subcategory where the respondents specifically recognised the value of relational capital and were prepared to invest in personal relationships for the sake of the organisation. The difficulties of achieving the former and the relative weakness in practice of the latter are implied in the very small numbers of relationships represented by this subcategory. Furthermore, it emphasises the fact that motive-based trust cannot always be assumed at senior levels, although it is not impossible.

c) Relational history
The final subcategory of personal relationships is driven by relational history. Most respondents reported one relationship of this subcategory. These relationships are opportunistically developed because of work-based projects, cemented by a memorable relationship history. In these relationships neither party sets out to create the personalisation in the relationship, but it is a natural outcome of ‘winning out’ or going through the mill together. This process is predicated on high levels of competence-based trust and produces high levels of motive-based trust. The most striking example of this came from the hospitality sector, where the Food and Beverage Director described a close personal ‘5’ rated relationship with the Head Chef. Management –chef relationships are anecdotally problematic due to the independence and power of top chefs in the hotel hierarchy. However in this case the relational history has allowed the personal relationship to override these issues:

“Our relationship is very personal. It’s because of the way that the relationship has evolved. It just happens that we started working together here years ago. I used to be in banqueting and so I spent a long time working with Oskar before he became Head Chef. There is a lot of camaraderie, bravado and repartee in banqueting. That’s because it’s a bit like Challenge Anneka! The list of defining moments is endless. Five o’clock on a Friday night getting a ‘phone call saying, ‘His Majesty is in town’ so we’ve got to organise 300 covers on a Sunday lunchtime. We literally had to get in the car, go to Windsor, find the boat company, look at the boat that’d been hired, book the food, get the food there, get the staff, all that sort of stuff.’” (Food and Beverage Director, Hospitality, describing her relationship with the Head Chef)

This finding challenges the practice of trying to develop personal trusting relationships through the medium of non-workplace based development events, by showing that it is success in the workplace that breeds success in the relationship. Whilst the focus of the research was not specifically on relationship development processes, we found no evidence to suggest that ‘contrived’ development events had produced advancement in motive-based trust, and plenty to suggest that intense workplace projects had achieved this. This finding warrants further empirical investigation focusing specifically on the relationship development process.

The personal and organisational value of personal relationships was generally high, but not always at the top end of the scale, and not always comparatively greater than utility relationships. The reason for this was the unanticipated impact of political capital and hierarchy, as reported in the section on utility relationship subcategories. It is therefore not true to say that a functional personal relationship is always
more valuable than a functional utility relationship. However, the theoretical notion of relational capital, ie the added value to be generated in task terms from relational benefits ensuing from personal relationships, was generally supported in the accounts. In other words, as we had anticipated, if the impact of political expediency is removed, functional personal relationships are more valuable than functional utility relationships. Many respondents reported specific benefits accruing from these relationships, which could not be achieved in any other way. For example

“What’s happened over time is that I’ve realised that she has just the same challenges and issues that I have, it’s just that she’s been dealing with them for a longer period of time. We share a lot with one another about how we’re feeling. That’s because there’s a lot of trust there. As a consequence the relationship has very high value for both of us. One of the key things that’s been important to us is that the extreme of work that’s she’s been doing and that I’ve been doing are quite closely related and in working together we’ve ensured that they dovetail together and therefore it makes the two pieces stronger as a result. It doesn’t leave a point of weakness. We are entirely consistent and they build up one another. So we can show business consequences as a direct result of our collaboration.” (Senior Manager, Retail, referring a his relationships with a fellow Senior Manager)

In summary therefore, it is clear to see that our hypotheses were strongly supported. As a general rule, utility relationships are predicated on competence-based trust (or lack of it), whereas personal relationships lead to and are based on motive and competence-based trust. Those relationships that have high levels of both types of trust are likely to be more valuable because of the ‘extra mile’ that can be achieved through greater levels of collaboration, honesty and disclosure. What we had not anticipated, however, was the crucial impact of political capital on perceptions of organisational value of particular relationships.

Conclusion

This paper establishes a framework for the study of interpersonal relationships in the context of management. The contribution of this study is to establish an empirically supported typology that can serve as a starting point for further exploration of the dynamics of relational work in the context of management. The study is of course limited in the sense that all participants were in senior management roles and it is not clear whether the findings would be replicated at other managerial levels. However, whilst the utility-personal typology in its archetype form leads to the formation of assumptions which are
on the whole too simplistic to support empirically, the emergence of the relational subcategories provides a more realistic framework on which to base further studies.

The empirical findings place trust at the centre of the majority of senior management relationships, being the largest driver of utility relationships. However, it also emerges from the narratives that trust is a multidimensional phenomenon, and that different bases of trust operate in different relational subcategories. Furthermore, the hypothesis that organisational relationships of the highest value are based on motive-based trust is shown to be flawed, as the relative value ascribed to utility and personal relationships was often assessed by respondents in the context of political and hierarchical position. This suggests that perceived relationship value is not just a product of trust and relational capital but also depends on the perceived status of the other party and the extent to which they personally have an instrumental value. Thus a productive personal relationship with another party of low perceived instrumental status is of less organisational value than a productive utility relationship with another party of high perceived instrumental status. Other researchers have suggested that the political nature of senior management work has a consequent impact on relational work (eg. Buchanan & Badham, 1999) but the specific dynamics of the two remain relatively unexplored.

Overall, the findings suggest that further exploration of managerial relationships in their embedded context would help to shed light on the extent to which trust is relevant to managerial and organisational performance. What is clear is that in many utility relationships, motive-based trust is neither necessary nor relevant.

In a wider sense the findings summarised in this paper suggest there is a great need to understand the reality of managerial social action, including the operation of trust, at the micro level. Whilst social capital theory has wide and growing empirical support, the notion of relational capital and its constituent parts, together with the outcomes achieved therefrom, has featured far less on the research agenda. We
hope that the findings and relationship typology in this paper will contribute to filling this important theoretical and empirical gap.

References


