The Impact of Relational Demographics on Perceived Managerial Trustworthiness: Similarity or Norms?

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ABSTRACT. Perceived trustworthiness is a critical antecedent of interpersonal trust, yet researchers have a limited understanding of how such perceptions are generated. The authors used 2 competing perspectives within the relational demography literature—similarity–attraction and relational norms—to empirically examine the effect of demographic differences. Whereas the similarity–attraction account suggests that subordinates will perceive their managers as more trustworthy when managers and staff are similar in demographic attributes, the relational norms account proposes that subordinates will perceive their managers as more trustworthy when their demographic differences follow normative expectations. Data collected from a field study of 178 manager–subordinate dyads in Hong Kong and Macau support the relational norms account in terms of education and organizational rank. The authors discuss the theoretical and practical implications of the study.

Keywords: organizational behaviors, relational demography, trustworthiness, vertical dyads

EMPLOYEES’ TRUST IN THEIR LEADERS has been found to have important benefits to organizations, such as improving organizational commitment, organizational citizenship behavior (e.g., Dirks & Ferrin, 2002), team performance (Dirks, 2000), and organizational performance (Davis, Schoorman, Mayer, &
Researchers dedicated to understanding how trust develops and how it can be fostered and repaired in the workplace have accumulated considerable evidence regarding the positive consequences of trust in management (e.g., Kim, Cooper, Ferrin, & Dirks, 2004; Kim, Dirks, Cooper, & Ferrin, 2006).

Trust researchers have found that perceived trustworthiness is a key antecedent of trust: Individuals are more likely to trust others when they evaluate others’ trustworthiness more favorably (e.g., Gillespie, 2003; Mayer & Davis, 1999; Mayer, Davis, & Schoorman, 1995). To date, however, relatively few researchers have theoretically or empirically examined the antecedents of such perceptions. In particular, researchers have yet to examine the effect of demographic attributes on beliefs about trustworthiness. Without such studies, not only is researchers’ understanding of how trust develops limited, but so is their ability to provide useful guidance to managers and practitioners on how to cultivate positive perceptions of trustworthiness in their organizations.

In the present study, we examined the impact of relational demographics on employees’ perceptions of their managers’ trustworthiness. Relational demographics refers to the comparative demographic characteristics of members of dyads or groups (Tsui & O’Reilly, 1989). Researchers have found that relational demographics significantly affect how superiors perceive their subordinates (e.g., Williams & O’Reilly, 1998), but to date little systematic attention has been paid to the impact of relational demographics on subordinates’ evaluations of their managers (Goldberg, Riordan, & Zhang, 2004). In particular, there has been a paucity of research examining how relational demographics affect subordinates’ perceptions of their supervisors’ trustworthiness in subordinate–supervisor dyads.

We examined the effect of relational demographics on perceived managerial trustworthiness by drawing on two competing theoretical accounts that have recently been counterposed (Tsui, Porter, & Egan, 2002): similarity–attraction and relational norms. The similarity–attraction account implies that similarity in demographic characteristics has a uniformly favorable effect; that is, subordinates perceive their managers as more trustworthy when they are more similar in their demographic attributes. In contrast, the relational norms account posits that, in the presence of certain relational norms, dissimilarities in some demographic attributes lead to more positive evaluations than do similarities.

The specific demographic differences we investigated in this study were in education, tenure, and organizational rank. We selected these demographic characteristics because they are appropriate for testing both the similarity–attraction and relational norms accounts. Education, tenure, and rank are surface-level demographic attributes: Both managers and staff can readily identify whether they are similar or dissimilar along these characteristics (Harrison, Price, Gavin, & Florey, 2002). These characteristics are also likely to be associated with relational norms: Managers with higher education levels, longer tenure, and more senior rank may be viewed as more trustworthy because of their potentially greater knowledge, capability, and experience.
**Relational Demography: The Similarity–Attraction Account**

Much of the work in relational demography is based on the similarity–attraction paradigm (Byrne, 1971), which has been supported by a voluminous body of empirical research findings indicating people’s tendency to be drawn to those who are similar to them in demographic attributes. Researchers have also found similarity to affect communication and integration in social groups (Jackson, Brett, Sessa, & Cooper, 1991; O’Reilly, Caldwell, & Barnett, 1989; Zenger & Lawrence, 1989). Zenger and Lawrence (1989) found that group members who were different from others in their age and tenure communicated less with other team members. Along similar lines, Jackson et al. (1991) and O’Reilly et al. (1989) found that individuals most distant from others in demographic characteristics were the least socially integrated into the group and the most likely to leave it.

Relatively few researchers have examined the effects of relational demographics in manager–employee dyads (e.g., Goldberg et al., 2004; Shore, Cleveland, & Goldberg, 2003; Tsui & O’Reilly, 1989; Tsui et al., 2002; Vecchio & Bullis, 2001). Tsui and O’Reilly (1989) found that differences in education, sex, and race between members of supervisor–subordinate dyads were related to increased role ambiguity, unfavorable performance evaluations, and a lower level of attraction on the part of managers to their corresponding subordinates. In addition, research on supervisors’ ratings of employee performance has demonstrated that demographic similarity has a favorable influence on such ratings (e.g., Judge & Ferris, 1993). Research on leader–member exchanges has shown that perceived demographic similarity of supervisors and subordinates is positively associated with the quality of their exchange (Liden, Wayne, & Stillwell, 1993). Finally, Vecchio and Bullis (2001) found some evidence that gender, racial, and ethnic similarities were associated with subordinates’ satisfaction with their supervisors in a military setting.

Although the literature provides little systematic examination of the effect of demographic similarity or dissimilarity on the development of trust, a similarity-trust/dissimilarity-distrust paradigm seems to dominate the trust literature (for an exception, see Williams, 2001). It has been widely proposed that trust often builds between two people who are attracted to one another and perceive that they have similar attributes (e.g., Creed & Miles, 1996; Giffin, 1967; Larzelere & Huston, 1980; McAllister, 1995; McKnight, Cummings, & Chervany, 1998; Zucker, 1986). This proposition often draws on social identity theory, which suggests that individuals have a tendency to categorize themselves and others on the basis of some salient attributes, of which demographic characteristics are popular choices (Tajfel & Turner, 1986). This process of categorization often creates an “us” versus “them” scenario. To enhance the status of the “us” group, members will likely favor those who belong to the same in-group (Abrams, Wetherell, Cochrane, Hogg, & Turner, 1990) and perceive in-group members more favorably (Lau & Murnighan, 2005), including by forming a trustworthy impression.
Whitener, Brodt, Korsgaard, and Werner (1998) proposed that perceived similarity may influence the extent to which managers’ trustworthy behavior affects employees’ trust in them, a proposition more recently supported by Duffy and Ferrier (2003). Similarly, McAllister (1995) suggested that if subordinates perceive a supervisor to be similar to themselves, they will perceive that supervisor as demonstrating higher levels of benevolence. To date, however, few researchers have directly investigated the effect of specific comparative demographics on perceptions of trustworthiness. In the following sections, we develop our hypotheses on the demographic differences investigated in this paper: education, tenure, and organizational rank.

**Education Similarity**

When members of a dyad attain a relatively similar education level, they tend to share a “language of compatibility” that allows them better communication. Differences in levels of education, in contrast, may widen both the cognitive and emotional distances between dyad members (Tsui & O’Reilly, 1989). Consistent with the similarity–attraction argument, research findings have indicated that educational differences in vertical dyads are negatively associated with supervisors’ liking of subordinates (Tsui & O’Reilly, 1989). Interestingly, empirical results do not support the proposition that a similar level of education positively affects supervisors’ ratings of subordinates’ in-role and extra-role performance (Tsui et al., 2002).

Although researchers to date have rarely investigated how education similarity affects subordinates’ perceptions of their supervisors, recent findings suggest that education dissimilarities negatively affect subordinates’ ratings of their supervisors’ participative leadership (Somech, 2003). *Participative leadership* refers to members’ overall ability to influence decisions and offer opinions and suggestions to the leader. These findings are consistent with the similarity–attraction argument that dissimilarity in education leads to greater cognitive and affective distances and thus to poorer interactions between supervisors and their subordinates. Thus, it is sensible to theorize that the more similar are the educational levels between managers and subordinates, the more favorable will be subordinates’ perceptions of their managers’ trustworthiness. This became our first hypothesis:

\[ H_{1a}: \text{Differences in education levels between managers and subordinates are negatively related to perceived managerial trustworthiness.} \]

**Tenure Similarity**

Tenure is an important attribute because it represents experience and localized knowledge in organizations. Dyad members with similar tenure typically
share similar experiences in the organization—a critical basis for forming more similar interpretations of and expectations about behavior in the organization (Wiersema & Bird, 1993). Sharing similar views can, in turn, smooth interactions and provide opportunities for positive social exchanges between members of the dyad.

Dyad members with similar tenure are also likely to come from the same cohort of employees during initial recruitment. Cohort members typically receive the same training and orientation and consequently are likely to hold similar views of the organization. Research has shown that workers of different generations have unique sets of work values (Smola & Sutton, 2002), which supports the view that workers of the same cohort tend to share a similar outlook. In addition to sharing similar views, members of the same cohort often form stronger affective bonds among themselves than with members of other cohorts. Subordinates will therefore be inclined to believe that managers will take care of them if they were once members of the same cohort. These cognitive and affective elements associated with similar tenure are thus likely to engender perceptions of trustworthiness.

$H_{1b}$: Differences in tenure between managers and subordinates are negatively related to perceived managerial trustworthiness.

**Organizational Rank Similarity**

Recent trust researchers have highlighted the importance of taking organizational and cultural contexts into account when attempting to understand trust formation (Ferrin, Dirks, & Shah, 2006; Huang & Van de Vliert, 2006). An organizational member’s rank, or hierarchical position, is an example of a structural variable that may affect trust. Specifically, individuals with different organizational ranks tend to have different expectations and beliefs, which may affect how they evaluate the other’s trustworthiness. Researchers have found, for example, that supervisors and subordinates have different definitions of the scope of citizenship behaviors (Lam, Hui, & Law, 1999; Morrison, 1994). In addition, consistent with a long tradition in sociology that connects social status to beliefs related to fairness (Blauner, 1964), recent findings indicate that lower-rank organizational members differ from those in high ranks in the signals they decode and the types of fairness they evaluate, such that higher-rank employees are more concerned about distributive outcomes whereas lower-rank employees are oriented toward fairness in procedures (Begley, Lee, & Hui, 2006). Together, these findings suggest that differences in expectations and beliefs are potential sources of disagreement and conflict between individuals with dissimilar ranks and, therefore, may influence employees’ evaluation of managerial trustworthiness.

Researchers studying social networks have suggested that employees occupying structurally equivalent positions share similar affect and perceptions
Structurally equivalent employees are those who have similar patterns of relationships (i.e., they interact with similar people). Often, structural equivalence is associated with organizational rank. For example, all senior managers will interact with the CEO and various department heads, whereas junior employees will not have such access. As a result, information, perceptions, and even affect will likely be shared among employees of similar rank. Members with similar rank are also more likely to socialize with one another, thus further reinforcing similar beliefs and expectations. On the basis of the similarity account, we therefore expected that the larger is the difference in rank between managers and subordinates, the lower the perception of managerial trustworthiness would be:

\[ H_1c: \text{Differences in organizational rank between managers and subordinates are negatively related to perceived managerial trustworthiness.} \]

Relational Demography: The Relational Norms Account

The relational norms account suggests that evaluations of individuals that are based on their demographic characteristics are highly dependent on social norms (e.g., Lawrence, 1998; Parsons, 1942). For example, social norms typically exist about the level of status that individuals in certain age categories can be expected to attain. Individuals who attain a certain status will therefore be evaluated more favorably if they are ahead of the perceived age norm for that status.

Tsui et al. (2002) recently extended the literature on relational demography by highlighting that the direction of the demographic differences matters. They suggested that beyond the social norms for a particular status and roles associated with a given demographic characteristic, there are also relational norms—norms concerning how social categories relate to one another. In particular, they proposed that, to remain consistent with notions of meritocracy and justice, organizational members expect differences between those in positions of authority and their followers. The relationship between a supervisor and a subordinate therefore should be more positive when the demographic differences between them are consistent with relational norms (e.g., the supervisor is older, better educated, or has longer job tenure) than when the differences violate relational norms. Applying the relational norms argument to the context of trust suggests that dissimilarities that follow normative expectations should lead to more favorable perceptions of trustworthiness.

Education Dissimilarity

Education is associated with prestige and is a proxy for training and knowledge (Tsui et al., 2002). Because relational norms prescribe that managers should be better educated than their subordinates, subordinates who are less educated
than their supervisors may be more likely than are better-educated subordinates to perceive their supervisors as trustworthy. Better-educated managers should give subordinates the comfort of the belief that their bosses can provide them with effective guidance and directions, thus enabling them to perform better on the job. However, when employees are better educated than their managers, they should view their supervisors as less knowledgeable and competent and thus less able to help subordinates. Therefore, we proposed the following:

\[ H_{2a}: \text{When managers are better educated than subordinates, perceived managerial trustworthiness is likely to be higher than if the managers were equally or less educated that their subordinates.} \]

**Tenure Dissimilarity**

Tenure is associated with experience and knowledge. The relational norms account suggests that managers should have more experience and knowledge than their subordinates so they can lead and mentor the subordinates (Tsui et al., 2002). When managers have longer tenure than their staff, staff will likely perceive their managers to have greater experience and ability to effectively manage their units. In contrast, when managers and subordinates have similar tenure or when subordinates have longer tenure than managers, there will likely not be similar positive attributions of capability.

In addition, more-experienced managers and less-experienced subordinates fit the root meaning of the concept of a mentor (i.e., more-experienced individuals helping less-experienced colleagues learn to adapt to the work world with greater satisfaction and better career outcomes; Allen, Eby, Poteet, Lentz, & Lima, 2004; Kram, 1985). Protégés may attribute these positive outcomes in their personal relationship with their mentors to the caring guidance such mentors provide. As a result, we proposed the following:

\[ H_{2b}: \text{When managers have longer tenure than subordinates, perceived managerial trustworthiness is likely to be higher than if managers had equal or shorter tenures than their subordinates.} \]

**Organizational Rank Dissimilarity**

Multiple ranks of managers are common in organizations. Typically, managers are promoted from junior to senior grades on the basis of past success and a supporting track record. Senior managerial rank represents an individual’s efforts and strong performance along with an organization’s recognition of a candidate’s managerial ability and leadership. Thus, all else being equal, subordinates should likely perceive senior managers as being more capable than are junior managers. The more senior are the managers, the bigger should be the difference in rank between managers and nonmanagerial staff. In addition, senior managers have
more experience and greater access to information and resources than do junior managers. A mentoring perspective (Allen et al., 2004; Kram, 1985) suggests that subordinates should be more likely to seek work-related advice from senior than from junior managers. Thus, following the relational norms account (Tsui et al., 2002), we expected that in vertical dyads, the more senior are the managers, the more trustworthy they would be perceived as by their staff.

\[ H_{2c}: \text{Perceived managerial trustworthiness is positively associated with managerial rank.} \]

**Method**

**Sample**

We collected data from one of the largest retail fashion chains in Hong Kong and Macau. Chains are collections of horizontally linked stores that provide similar products or services and have a central coordinating headquarters (Ingram & Baum, 1997). Fashion chain stores typically have a small number of staff. Most stores in Hong Kong have one store manager and 3–10 full-time employees. Store managers have many opportunities to interact with their staff and vice versa. Staff members depend on each other for help with daily work, especially during busy shopping seasons. As a result, fashion chain stores provide an ideal setting for studying trust among employees.

The fashion chain that participated in our study has operated for almost 20 years. It has significant operations in Hong Kong, Macau, China, Taiwan, and Singapore. We selected Hong Kong and Macau because of their proximity to the chain’s headquarters. Although all five areas are predominantly Chinese, people in Hong Kong and Macau are close to one another in political and work values. Altogether there were 28 retail stores in this chain in Hong Kong and Macau, and we surveyed them all.

Hong Kong and Macau provide a particularly relevant and interesting context in which to examine the competing theoretical frameworks used in this study. On the one hand, within the Chinese context, similarities and common social identities are highly valued as a basis of trust (Tsui & Farh, 1997). On the other hand, Chinese society is characterized by high power distance (Hofstede, 1980) and paternalistic leadership (Farh & Cheng, 2000), which are associated with strong norms for interactions with authority figures in which dissimilarity fosters trust.

It was important to have a sample of manager–subordinate dyads who did not know each other well to enable a fair assessment of the similarity–attraction effect, which may become less significant in deeper and longer relationships (Harrison et al., 2002). We deemed our retail fashion chain suitable to this condition for several reasons. First, this retail fashion chain, like other retail fashion
chains in Hong Kong and Macau, suffered from very high employee turnover rates. Store managers in our sample therefore did not have much time to build deep relationships with their staff. Second, this chain was rapidly adding new units, so staff and managers frequently made internal moves. Therefore, it was common to have staff who did not know their managers well. Third, retail staff in the stores we studied worked in shifts. Because there was only one manager per store, store managers were often absent, thus limiting the opportunities to interact with all their staff.

Procedure

We designed two sets of pretested questionnaires, one for store managers and one for staff. We visited the company headquarters and participated in a business meeting that all the store managers attended. After a brief introduction to the objectives of this research, store managers completed the manager questionnaires. We collected a total of 28 manager surveys (100% response rate). We then asked store managers to take the staff questionnaires and distribute them to their store staff. On average, 10 staff questionnaires were distributed per store because approximately 10 staff members worked in each store. For stores with more than 10 employees, we randomly selected 10 of them, whereas for those with less than 10 employees, every staff member was asked to participate. To protect data confidentiality, staff were asked to mail completed responses in stamped envelopes to the first author. We reminded nonrespondents by phone 2 weeks after initial delivery of the questionnaires. Staff questionnaires were coded for subsequent matching between managers’ and staffs’ responses.

Of the 234 staff questionnaires distributed, we received back 201, representing an 85.8% response rate. Out of the 201 staff questionnaires we got back, we were able to successfully match 178 with their manager’s survey (an average of 178 ÷ 28 = 6.4 staff per store). Of the 28 managerial respondents, 3 (11%) were men, and their average age was approximately 35 years. There were 5 men (2.8%) among the 178 staff, and the average age of staff members was approximately 22 years, making them younger on average than managers.

Variables and Measures

Perceived trustworthiness of managers. We asked staff members to evaluate the trustworthiness of their managers. We used Mayer and Davis’s (1999) scale measuring trustworthiness, which contains 17 items on the ability, benevolence, and integrity of the individual. Sample items included “My store manager is very capable of performing his/her job” and “My store manager would not knowingly do anything to hurt me.” Participants rated each item on a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). Initial statistical analyses suggested that the results did not differ significantly among the three subscales.
Therefore, we combined the items into one scale of trustworthiness. In the present study, inter-item reliability of this scale (Cronbach’s alpha) was 0.92.

**Education difference.** On the basis of self-reported questionnaire data, we coded managers’ and staffs’ education levels into three categories (1 = primary school, 2 = high school, 3 = post-high-school education). To test the similarity–attraction account on education effects, we measured the absolute difference between managers’ and staffs’ education levels. Value in absolute terms measures the degree of dissimilarity between dyad members regardless of the direction of difference. To test the relational norms account, we measured the simple difference by subtracting managers’ education from subordinates’ education to capture the directional difference.

**Store tenure difference.** Both managers and staff reported the number of years they had worked in the chain stores. To test the similarity–attraction account on tenure effects, we measured the absolute difference between managers’ and staffs’ store tenure. As previously mentioned, value in absolute terms measures the degree of dissimilarity between dyad members regardless of the direction of difference. To test the relational norms account, we measured the simple difference by subtracting supervisors’ store tenure from subordinates’ store tenure to capture the directional difference.

**Organizational rank and organizational rank difference.** The company provided the job title of all employees, which we used to determine their ranks in the organization. The ranks, in ascending order, were (a) sales, (b) senior sales, (c) staff supervisors, (d) shop-in-charge, (e) assistant shop managers, (f) shop managers, and (g) senior shop managers. In this company, employees with the rank of shop-in-charge or above were considered to have reached the managerial level and were eligible to become store managers. For stores with more than one employee holding managerial rank, the most senior staff member served as the store manager and was invited to complete the manager questionnaire.

It should be noted that we operationalized rank differently than tenure and education. For tenure and education, there were three potential types of dyads: (a) supervisors who were more experienced or better educated than their counterparts, (b) supervisors and subordinates who were similar in terms of tenure and education level, and (c) supervisors who were less experienced or educated than their counterparts. This was not the case for rank, however, because supervisors are always of higher rank than their subordinates. Because of this particular aspect of rank, we compared the degree of organizational rank difference between supervisors and subordinates. We could conclude in favor of the similarity–attraction account if perceptions of trustworthiness were negatively related to rank difference, and in favor of the relational norms account if the reverse were true.
To capture differences in organizational rank, we used two measures: simple difference and categorical difference. For the simple-difference measure, we first coded the rank of each staff member and manager in the order provided (1 = sales, 2 = senior sales, 3 = staff supervisors, 4 = shop-in-charge, 5 = assistant shop managers, 6 = shop managers, 7 = senior shop managers). We then measured differences in organizational rank by subtracting managers’ rank from staffs’ rank. For instance, the organizational difference in rank between a senior shop manager and a salesperson is 6 (7 – 1) and that between an assistant shop manager and a staff supervisor is 3 (5 – 2). We could conclude in favor of the similarity–attraction account if differences in organizational rank were negatively related to perceptions of managers’ trustworthiness, and in favor of the relational norms account if differences in organizational rank were positively related to perceptions of managers’ trustworthiness.

This simple measure is intuitively appealing and easy to follow. However, there is an inherent assumption, which may not be true, that the difference between every rank is the same—for example, that the difference between salespeople (rank 1) and senior salespeople (rank 2) is equivalent to that between shop managers (rank 6) and senior shop managers (rank 7). As a precaution, we created two alternative categorical measures to deal with this issue. Each categorical measure corresponds to one of the accounts.

We referred to the first categorical measure as rank similarity. We coded rank similarity as 1 if the store manager was paired with staff members equal to or higher than the level of staff supervisor, and as 0 if the store manager was paired with staff members lower than the level of staff supervisor (i.e., senior sales or sales). We chose the rank of staff supervisor as the comparison point because people who held it typically assumed some supervisory duties and we expected that store managers would see themselves as more similar to staff supervisors than to salespeople or senior salespeople. We could conclude in favor of the similarity–attraction account if similarity in rank had a positive influence on perceptions of managerial trustworthiness.

We referred to the second categorical measure as senior store manager. To test for the normative effects of organizational rank, we created a dummy variable for the highest managerial rank (senior shop manager), such that the difference in rank within these manager–staff dyads was higher than that in other dyads with different managerial ranks. Dyads with senior shop managers and salespeople have a larger rank difference than those with assistant shop managers and salespeople. We could conclude in favor of the relational norms account if the dummy variable had a positive influence on managerial trustworthiness.

Control Variables

Propensity to trust. Because one’s disposition to trust in general may affect trustworthiness beliefs toward specific individuals (McKnight et al., 1998), we used the Trust scale within the Revised Neuroticism-Extraversion-Openness
Personality Inventory (NEO-PI-R; Costa & McCrae, 1992) to control for subordinates’ disposition to believe that others are honest and good-natured. Respondents rate items on the Trust scale on a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). A sample item is “I believe that most people are basically well-intentioned.” In the present study, inter-item reliability of this scale (Cronbach’s alpha) was .77.

Interaction frequency. Previous researchers have suggested that frequency of interaction affects perceptions of trustworthiness (Becerra & Gupta, 2003). We therefore controlled for this variable by using the Interaction Frequency Scale (McAllister, 1995). In the present study, inter-item reliability of this scale (Cronbach’s alpha) was .80.

Translation

All measures and scales were originally in English. We translated them into Chinese because Chinese is the major language used in Hong Kong and Macau and we were concerned that some respondents might not fully understand the questions in English. Two authors whose native language is Chinese translated the questionnaires individually, then compared their versions and resolved the differences between them. Two pretests were conducted to ensure the reliability of the translation. First, we asked a small sample of managers and staff to complete the translated questionnaires. On the basis of respondents’ feedback, we clarified ambiguous wordings and unclear meanings. Second, we asked another small sample to complete this new version of the questionnaires, and we verified the convergent validity of our measures. On the basis of past studies of trust (e.g., Dirks & Ferrin, 2002; McAllister, 1995), we checked the direction of the relationship between our measures of trust and other attitudinal factors, including job satisfaction, affective commitment, and intention to leave. Correlation results indicated that they were consistent with past results, such that trust in a supervisor was positively related to job satisfaction and affective commitment and negatively related to intention to leave. Through these two pretests, we ensured that the translated versions were clear and the measures of trust were consistently related to other variables when compared to past research on trust.

Analysis

To test and compare the similarity–attraction and the relational norms accounts, we conducted three hierarchical regressions for each. We tested each hypothesis in two steps: We entered the control variables in Step 1 and the hypothesized predictor variables in Step 2. We tested each hypothesis in a separate model. When there were multiple measures for each hypothesis, we ran them in separate models to avoid high intercorrelation among predictors. Significant
regression coefficients would indicate support for the corresponding hypotheses and accounts.

Results

We found that store staff generally perceived their managers to be trustworthy ($M = 3.59$, $SD = 0.69$). Table 1 lists zero-order correlation analyses.

Similarity–Attraction Account

Table 2 summarizes our findings on $H_{1a}$, $H_{1b}$, and $H_{1c}$. As shown, our control variables (staff propensity to trust and interaction frequency) were statistically significant in all models, suggesting they are strong predictors of how staff evaluate managers’ trustworthiness. As indicated in Models 2 (testing $H_{1a}$), 3 (testing $H_{1b}$), and 4a and 4b (testing $H_{1c}$) in Table 2, absolute difference in education, absolute difference in store tenure, and organizational rank similarity between staff and managers were not statistically significant. Difference in organizational rank was significantly related to managerial trustworthiness, but, contrary to the similarity–attraction account, the two variables were positively related. This result suggests that when managers and staff are different rather than similar in their organizational rank, the staff perceive their managers as trustworthy. Hypotheses $H_{1a}$, $H_{1b}$, and $H_{1c}$, which were derived from the similarity–attraction account, were therefore not supported.

Relational Norms Account

We report our findings on $H_{2a}$, $H_{2b}$, and $H_{2c}$ in Table 3. As indicated in Model 2 (testing $H_{2a}$), the normative effect of education was statistically significant ($p < .05$), indicating that staff perceive more-educated managers as more trustworthy than those with the same or less education. The results offered strong support for $H_{2a}$.

We hypothesized in $H_{2b}$ that when store managers have longer tenure than staff, staff perceive their managers as more trustworthy. Although we found significant effects of the difference score ($p < .05$), the direction was opposite to that hypothesized (see Model 3). Therefore, $H_{2b}$ was not supported.

As shown in Model 4 (testing $H_{2c}$) in Table 3, for dyads in which senior shop managers were the store managers, staff provided significantly higher ratings on the manager’s trustworthiness ($p < .01$) than on other managerial ranks. In addition, we found that difference in organizational rank (Model 4b in Table 2) was positively related to managerial trustworthiness (i.e., the larger was the difference in rank between the managers and the staff, the more favorable were the perceptions of managerial trustworthiness). The results confirmed our speculation that normative difference in rank within dyads is positively related to perceptions of managerial trustworthiness. Therefore, $H_{2c}$ was supported.
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<th>Variable</th>
<th>M</th>
<th>SD</th>
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<th>2</th>
<th>3</th>
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<td></td>
<td>.22</td>
<td>.06</td>
<td>.03</td>
<td>.05</td>
<td>.03</td>
<td>.10</td>
<td>-.00</td>
<td></td>
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<tr>
<td>9. Store tenure</td>
<td>0.07</td>
<td>2.27</td>
<td></td>
<td>-.21</td>
<td>-.14</td>
<td>-.27</td>
<td>.03</td>
<td>.30</td>
<td>-.19</td>
<td>-.15</td>
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<tr>
<td>10. Organizational rank</td>
<td>0.13</td>
<td>0.34</td>
<td></td>
<td>.19</td>
<td>.05</td>
<td>.14</td>
<td>-.09</td>
<td>-.16</td>
<td>-.59</td>
<td>-.11</td>
<td>-.06</td>
</tr>
</tbody>
</table>

*aAbsolute difference.  
**Simple difference.  
*Category difference (senior store manager).  
*p < .05.  **p < .01.  ***p < .001 (all two-tailed).
### TABLE 2. Results of Regression Analysis of Variables Predicting Managerial Trustworthiness in the Similarity–Attraction Account

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th></th>
<th></th>
<th>Model 2</th>
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<th></th>
<th>Model 3</th>
<th></th>
<th></th>
<th>Model 4a</th>
<th></th>
<th></th>
<th>Model 4b</th>
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<tbody>
<tr>
<td></td>
<td>B</td>
<td>SE</td>
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<td>B</td>
<td>SE</td>
<td>β</td>
<td>B</td>
<td>SE</td>
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<td>B</td>
<td>SE</td>
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<td>B</td>
<td>SE</td>
<td>β</td>
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<td><strong>Step 1</strong></td>
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</tr>
<tr>
<td>Staff propensity to trust</td>
<td>0.39</td>
<td>0.10</td>
<td>.28 ***</td>
<td>1.17</td>
<td>0.30</td>
<td>.28 ***</td>
<td>0.37</td>
<td>0.10</td>
<td>.27 ***</td>
<td>0.39</td>
<td>0.10</td>
<td>.28 ***</td>
<td>0.38</td>
<td>0.10</td>
<td>.27 ***</td>
</tr>
<tr>
<td>Interaction frequency</td>
<td>0.17</td>
<td>0.07</td>
<td>.18 *</td>
<td>0.52</td>
<td>0.22</td>
<td>.17 *</td>
<td>0.18</td>
<td>0.07</td>
<td>.18 *</td>
<td>0.20</td>
<td>0.07</td>
<td>.18 *</td>
<td>0.20</td>
<td>0.07</td>
<td>.20 **</td>
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<tr>
<td><strong>Step 2</strong></td>
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<tr>
<td>Education^a</td>
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<td></td>
<td></td>
<td></td>
<td>0.25</td>
<td>0.46</td>
<td>.04</td>
<td></td>
<td></td>
<td>0.01</td>
<td>0.03</td>
<td>.02</td>
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<tr>
<td>Store tenure^a</td>
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<tr>
<td>Rank similarity</td>
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<tr>
<td>Organizational rank^b</td>
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<tr>
<td></td>
<td>0.10</td>
<td>0.04</td>
<td>.16 *</td>
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</tbody>
</table>

Note. Model 1 tested control variables only; Model 2 tested $H_{1a}$; Model 3 tested $H_{1b}$; Models 4a and 4b tested $H_{1c}$. For Model 1, $F(2, 171) = 10.85 (p < .001), R^2 = .11, \text{Adj. } R^2 = .10$. For Model 2, $F(3, 170) = 7.30 (p < .001), R^2 = .11, \text{Adj. } R^2 = .10, \Delta R^2$ (due to relational demographic differences) = .00. For Model 3, $F(3, 168) = 6.85 (p < .001), R^2 = .11, \text{Adj. } R^2 = .10, \Delta R^2 = .00$. For Model 4a, $F(3, 170) = 7.68 (ns), R^2 = .12, \text{Adj. } R^2 = .10, \Delta R^2 = .01$. For Model 4b, $F(3, 170) = 9.11 (p < .001), R^2 = .14, \text{Adj. } R^2 = .12, \Delta R^2 = .03$.

^aAbsolute difference. ^bSimple difference.

*p < .05. **p < .01. ***p < .001 (all one-tailed).
### TABLE 3. Results of Regression Analysis of Variables Predicting Managerial Trustworthiness in the Relational Norms Account

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th></th>
<th></th>
<th>Model 2</th>
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<th></th>
<th>Model 3</th>
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<th>Model 4</th>
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<tbody>
<tr>
<td></td>
<td>B</td>
<td>SE B</td>
<td>β</td>
<td>B</td>
<td>SE B</td>
<td>β</td>
<td>B</td>
<td>SE B</td>
<td>β</td>
<td>B</td>
<td>SE B</td>
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<td>Step 1</td>
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</tr>
<tr>
<td>Staff propensity to trust</td>
<td>0.39</td>
<td>0.10</td>
<td>.28***</td>
<td>1.11</td>
<td>0.30</td>
<td>.27***</td>
<td>0.35</td>
<td>0.10</td>
<td>.25***</td>
<td>0.37</td>
<td>0.10</td>
</tr>
<tr>
<td>Interaction frequency</td>
<td>0.17</td>
<td>0.07</td>
<td>.18*</td>
<td>0.48</td>
<td>0.21</td>
<td>.17*</td>
<td>0.14</td>
<td>0.07</td>
<td>.14*</td>
<td>0.20</td>
<td>0.07</td>
</tr>
<tr>
<td>Step 2</td>
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<tr>
<td>Education^a</td>
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<tr>
<td>Store tenure^a</td>
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</tr>
<tr>
<td>Organizational rank^b</td>
<td>-0.04</td>
<td>0.02</td>
<td>-0.15*</td>
<td></td>
<td></td>
<td></td>
<td>0.40</td>
<td>0.14</td>
<td>.20**</td>
<td></td>
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</tbody>
</table>

Note. Model 1 tested control variables only; Model 2 tested $H_2a$; Model 3 tested $H_2b$; Model 4 tested $H_2c$. For Model 1, $F(2, 171) = 10.85$ ($p < .001$), $R^2 = .11$, Adj. $R^2 = .10$. For Model 2, $F(3, 170) = 10.32$ ($p < .001$), $R^2 = .15$, Adj. $R^2 = .14$, $\Delta R^2$ (due to relational demographic differences) = .04. For Model 3, $F(3, 168) = 8.22$ ($p < .001$), $R^2 = .13$, Adj. $R^2 = .11$, $\Delta R^2 = .02$. For Model 4, $F(3, 170) = 10.15$ ($p < .001$), $R^2 = .15$, Adj. $R^2 = .14$, $\Delta R^2 = .04$. 
^aSimple difference. ^bCategorical difference (senior store manager).
*p < .05. **p < .01. ***p < .001 (all one-tailed).
Discussion

We set out to examine the impact of relational demographics on perceived trustworthiness. On the basis of two different accounts of relational demographics—similarity attraction and relational norms—we proposed two competing hypotheses for how relational demographic differences between members in vertical dyads affect perceived managerial trustworthiness.

Contrary to the prevalent belief among researchers that similarity breeds trust, we did not find support for the similarity–attraction account in vertical dyads. Instead, our findings provide initial support for the relational norms explanation, which states that demographic dissimilarities have more significant influence on perceptions of managerial trustworthiness than do similarities. Our results therefore provide initial support for the claim that a similarity-trust/dissimilarity-distrust paradigm is inadequate (Williams, 2001) as far as the demographic characteristics in this study are concerned.

We contribute to the literature on relational norms by extending the scope of this account in several ways. First, whereas previous findings on relational norms were based on managers’ ratings of their subordinates (Shore et al., 2003; Tsui et al., 2002), we used the relational norms argument to examine subordinates’ evaluations of managerial trustworthiness, thus extending the generalizability of the relational norms view.

Second, we examined norms of education and organizational rank, which researchers have not previously addressed. Our results show that when the composition of vertical dyads follows education and organizational-rank norms (i.e., better-educated vs. less-educated managers, senior managers vs. lower-ranked managers), staff members perceive managerial trustworthiness to be higher than they would if the dyads were composed otherwise.

Third, our results highlight the fact that social context plays an important role in shaping perceptions of trustworthiness. Specifically, in vertical dyads, in which managers and staff do not have equal power, perceptions of trustworthiness are positively affected by demographic dissimilarities between the dyadic members. In a different social context, such as in horizontal dyads in which there is little difference in power, we may not find demographic dissimilarities to have the same effect. Moreover, it is possible that other types of norms, such as occupational or cultural norms, may also affect how dyadic members form perceptions of trustworthiness. Cultural norms of power distance, for example, may further strengthen the inherent power inequality within vertical dyads (Huang & Van de Vliert, 2006), and subordinates would more likely respect their supervisors in these dyads (Begley et al., 2006).

It is noteworthy that, contrary to our hypothesis, the results on store tenure did not support either account. Instead, we found that perceived managerial trustworthiness was higher when managers and staff differed in their store tenure, especially when staff had longer store tenure than their managers. A
potential explanation for this finding is that store tenure may not have been a proxy of experience in our sample and therefore did not create strong normative expectations among members in vertical dyads. It is common for the organization we studied to frequently transfer managers from store to store as a means of promotion and to enhance exposure to various managerial issues. In addition, more-capable store managers known for their problem-solving ability are frequently transferred to stores with critical issues, which could result in shorter store tenures as these managers are transferred from store to store. More studies are needed to understand these underlying dynamics associated with tenure.

**Limitations**

Although we designed our study methodology to maximize internal validity, and we collected survey data from multiple sources to avoid common method variance, there were nonetheless several limitations with our sample.

First, we had a small sample size, which restricted our choice of analytical tools. For example, there was not enough statistical power to conduct subsample analysis—a popular way to study relational norms (Shore et al., 2003; Tsui et al., 2002)—or polynomial regression analysis (Edwards, 2002). To deal with the problem, we used difference scores to study hypotheses on store tenure, with the understanding that potential biases could occur and the results would need to be interpreted with care.

Second, one manager was paired with several subordinates in our sample. This may have violated the nonindependence requirement of multiple regression analyses. However, the consistency of our results seems to suggest the robustness of the relational norms account.

Third, we collected data from a service-providing chain organization in a Chinese society. These characteristics may limit the generalizability of our findings. Chinese society is characterized by paternalistic leadership and a relatively large power distance; subordinates are expected to take orders from supervisors with little question (Farh & Cheng, 2000). Normative influence is likely to be stronger in these cultures than in Western societies. Future researchers could examine the moderating role of cultural norms on the relationship between the relational norms account and perceived trustworthiness.

Fourth, the most ideal design to study the effects of similarity attraction is to examine dyads in their earlier stages of formation. Our sample was not the most ideal given that managers and subordinates had worked together for some time. Nonetheless, we believe our sample did offer a fair comparison between the similarity–attraction and relational norms explanations because the dyads in our study did not have sufficient time to build deep and lengthy relationships. This was due to the unique work context of retail fashion stores in Hong Kong and Macau, as we mentioned previously. Future researchers, however, can address
this limitation by using an experimental setting in which the length of the relationship can be controlled.

**Directions for Future Research**

In this study, we found support for the relational norms account in explaining subordinates’ perception of their supervisors’ trustworthiness. We examined the relational norms account by studying one demographic attribute at a time. However, because individuals are characterized by many demographic attributes simultaneously, the interaction effects of these attributes are worth studying, in particular when one attribute satisfies but others violate the relational norm. For example, the relative impact of better-educated but younger supervisors is still not known.

Our findings suggest that the social context affects perceptions of trustworthiness. Chatman, Polzer, Barsade, and Neale (1998) suggested that when cultural norms, such as collectivism, are prominent, the salience of demographic attributes are attenuated. In other words, cultural or occupational norms may also affect the dynamics of relational norms. We believe that two scenarios are possible. One is that the cultural or occupational norms may be so strong that relational norms do not matter. Another is that the cultural or occupational norms may moderate the impact of relational norms. Future empirical studies are needed to examine the dynamics of multiple types of norms.

The present study contributes to the trustworthiness literature by demonstrating the effects of relational norms in evaluating managerial trustworthiness. In reality, norm-violating dyads, such as young supervisors and old subordinates, are commonplace. Norm-violating dyads also include those in which subordinates are better educated than their managers. Although one cannot change the demographic attributes of employees and their dyadic demographic mix, it may be possible to direct efforts toward changing other types of norms or expectations to neutralize the undesirable effects of relational demographic norms. This includes, for example, young but better-educated supervisors or less-educated but older supervisors.

Moreover, it is possible that employee empowerment and the flattening of organizational hierarchy will reduce the inherent inequality of power between supervisors and subordinates so that subordinates will be more likely to base their perceptions of trustworthiness on managers’ behaviors rather than on their demographic attributes. Additionally, a stable relationship may attenuate the negative consequences of norm-violating combinations. Past findings have shown that the effects of surface-level demographic attributes, such as gender and race, dissipate through time (Harrison et al., 2002), whereas deep-level factors, such as personality and values, have a longer impact. If members of vertical dyads are given more time and opportunities for interacting and getting to know each other in depth, the effects of relational norms based on surface-level demographic attributes may be reduced.
AUTHOR NOTES

Dora C. Lau is an assistant professor of management at the Chinese University of Hong Kong. Her research interests include diversity and faultline management, interpersonal trust, small-group dynamics, chain store management, and middle managers’ syndrome.

Long W. “Rico” Lam is an associate professor of management and head of the Department of Management and Marketing at the University of Macau. His major research interests include trust within vertical dyads, workplace emotions, and organizational identification.

Sabrina Deutsch Salamon is an assistant professor of organizational behavior at the School of Administrative Studies at York University in Toronto, Canada. Her research interests include organizational trust, citizenship and deviant behaviors, and group dynamics.

REFERENCES


Received July 20, 2006

Accepted November 8, 2006
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