

**Are Secret Proceedings Why Longer Tenured Employees Trust Their Organizations  
Least?**

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### **Abstract**

We address the effects of secrecy in organizational policy enforcement. First, the legal literature that explains why court proceedings are open is summarized: openness more effectively holds decision makers and claimants accountable for truthfulness and unbiased decisions, demonstrates that the rich or powerful have not bought off the weak, supports adaptation to changing norms, and enhances the legitimacy of state authority. Next, we propose that when organizational policy enforcement is kept secret from other employees, organizations lose these benefits. One reflection of these losses will be lower employee trust in their organizations the longer their tenure there. Using questionnaire data from a large U.S. governmental agency, we found that lower employee trust with tenure is incrementally linearly lower over the course of employment, not the result of an early breach of the psychological contract. This occurs for employees at all hierarchical levels but is steepest for non-supervisory employees, suggesting that employees lack information about policy enforcement may be driving this phenomenon.

## **Are Secret Proceedings Why Longer Tenured Employees Trust Their Organizations Least?**

“Publicity is the very soul of justice... It keeps the judge himself, while trying, under trial” Bentham (1827)

Large organizations have established numerous procedures to enforce their policies. Many of these, especially in the largest organizations, resemble legal trial proceedings. When an employee is accused of violating an organization’s policy most large organizations in developed countries provide an opportunity for the accused parties to challenge the charge with their own evidence and account of what occurred. In this hearing-like process a judge-like designated authority makes a decision. If employees are found in violation of the organization’s policies the employee may face termination, financial, or other penalties. Organizations institute these trial-like procedures for several reasons. One is to insure employees are not acting in ways for which the organization is later held liable, since organizations are held legally responsible for their employees’ conduct while working under the legal doctrine of *respondeat superior*. In addition, well managed organizations seek to foster employees’ perceptions that the organization takes its policies seriously and protects employees from false charges. That is, these trial-like procedures are intended to provide due process protections for both the organization and its employees. In most organizations these procedures lack a fundamental, we will argue foundational, feature of due process procedures: they are not open. We will argue that secret policy enforcement proceedings undermine, rather than support, employees’ perceptions that policy enforcement is taken seriously, and so undermines their trust in their organizations. We will present preliminary data consistent with our argument that secret policy enforcement undermines employees’ trust in their organizations, concluding by noting some of the additional ways the secrecy of enforcement

procedures can spread norms of secrecy, potentially causing additional harm to organizations and their employees alike.

### **Why Open Trials**

Secrets are facts kept deliberately hidden from those interested in knowing them (Gibson, 2014). Legal scholars have long argued that open trial proceedings have numerous advantages, not just for the litigants, but for society at large. Open courts foster societal trust in authorities by 1) holding judges accountable for fair and unbiased decisions, 2) demonstrating that the rich or powerful cannot get away with violations by buying off the poor or weak, 3) fostering a public discussion of what norms and sanctions are fair, and 4) supporting the legitimacy of state authority (e.g., Bentham, 1827; Foucault, 1975; Resnik, 2006). Resnik (2006) notes that although the immediate parties to a dispute may prefer secret trials to avoid embarrassment, open trials help to reveal false claims and errors, especially those of the authorities.

The first benefit open trial proceedings have for societal trust is that public trials hold the judges accountable. Kings in Renaissance Europe used public trials to control gift-receiving to corrupt judges. A 1604 fresco in the Geneva Town Hall quotes Exodus 23:8 “And thou shalt take no gift: for the gift blindeth the wise and perverteth the words of the righteous.” In previous centuries, judges were supported by such gifts. Renaissance kings however moved to make their judges dependent on salaries paid by the state and to made the proceedings public to ensure that the state’s laws were applied in an unbiased way. Fine and Holyfield (1996) noted that secrecy supports individual self-interest and social control, and this is why open proceedings constrain self-interested judges. Further, secret procedures facilitate personal vendettas. In open proceedings those making charges are held accountable for what they say in front of their friends and neighbors.

Organizational policy enforcement secrecy incurs the same risks. In large organizations, as in those expanding Renaissance polities, higher level executives need to be confident that the lower level authorities adjudicating claims and violations are producing unbiased decisions. Although, in theory higher-level executives could audit the documents from such hearings, this would be too time-consuming, and such documentation can be skewed. As an illustration, some supervisors in the public sector report they are afraid to enforce performance standards because they could be falsely charged with bias by the poorly performing employee; the charge, even if not substantiated, could damage their promotion prospects. If such charges and the process by which they are investigated and enforced are known to all employees, they can judge whether the charge was just or not. Making organizational enforcement processes and outcomes open to other employees makes it more difficult for lower-level authorities to favor one party over another. It also makes it more difficult to carry out personal vendettas, and fosters trust that organizational policies are being fairly enforced.

Second, open trials allow everyone to see that the rich or powerful are not receiving favored treatment. If laws are claimed to apply equally to all, public trials allow everyone to see that this is so. In organizations, executives, supervisors, and prima dona employees have a great deal of power over other employees. If high-level executives are to insure that this power is used for legitimate organizational purpose, and not misused to subvert others or satisfy self-interests at others' expense, employees need to believe that their reports of policy violations will receive a fair hearing. If employees have never seen that done (because enforcement is secret), they are not likely to trust the organization's policies are reliably enforced. Not only can this undermine trust, it can also enable further trust-violating behavior. For example, in a large survey of U.S. Federal Government employees, 45% reported witnessing gross mismanagement of funds or illegal practices, but 70% of these employees stated that they did not report these actions because they

believed no one in the organization would act on them (Office of Merit Systems Review and Studies, 1981). Large organizations are much richer than their employees, and can use secret proceedings to offer financial pay-offs to employees for their silence. Employees, fearing for their future careers, may decide it is in their personal interest to take the money. Recently, there have been popular press complaints that payoffs to aggrieved employees and secret organizational procedures allowed powerful executives who were guilty of illegal acts to persist in those actions (e.g., “Harassers Protected, And Victims Silenced” *The New York Times*, August 19, 2016, B1).

Third, Resnik (2006) argues that what is a fair use of power changes over time. This was illustrated as a theme of the popular American television show, *Mad Men*, featuring the poor treatment of women in the American workplace of the 1960s. Only when hearings are open can people debate whether the laws are fair. By seeing the claims and counterclaims, members of the society can debate which sanctions are appropriate and what the underlying norms ought to be. Which uses of authority are legitimate or not is often ambiguous in organizations, and broader workplace discussion aid policy adaptation to changing workplace norms.

Fourth, Resnick (2006) noted that public trials initially were intended to demonstrate the state’s power (at a time when states only weakly controlled local authorities), and to support the idea that governments have to account for their own authority by letting others see how and why power was used. When the public can observe trials and see that both sides had an opportunity to tell their sides of the story, and that evidence was carefully considered, the populace is more likely to trust the authorities, reinforcing state power. Similarly, by keeping employees in the dark about whether or not organizational policies are reliably enforced, employees have no basis to trust that the policies are taken seriously, and so trust in their organizations is undermined. This is reflected in the 2015 survey of U. S. Federal employees in which only 50% reported “My

senior leaders maintain high standards of honesty and integrity”

<https://www.opm.gov/blogs/Director/2015/10/6>.

To summarize, American legal doctrine holds that trials should be public, not necessarily for the benefit of the parties directly involved, but because open trials produce societal trust in state authorities. Open trials hold both deciding authorities accountable for unbiased decisions and encourages those providing testimony to be honest because they can be observed by friends and neighbors. Open trials provide a degree of confidence in the unbiased application of laws that higher level authorities cannot personally maintain in larger societies or organizations. Open trials allow observers to see that the rich or powerful are not buying silence and so avoiding accountability. Finally, open trials foster an adaptation to changing norms, and allow all to see that higher level authorities take their own laws seriously. These are all benefits lost to organizations when their policy enforcement is kept secret.

### **Secrecy in Organizations**

There are discussions of secrecy and trust in the organizational literature. Most focus however on the role of secrecy in interpersonal trust and why individual participants keep or share secrets with other individuals (e.g., Feldman, (1988); Hannah, 2005; 2007; Lewicki, McAllister & Bies, 1998). Most relevant to our argument are several theoretical arguments about the role of secrecy for organizations. Costas and Grey (2014) note that secrecy can be intended to protect a reputation or forestall legal damages, something of interest to organizations. In subsequent work Costas and Grey (2016) suggest that secrecy fosters hubris among insiders and makes those not in-the-know feel excluded. Gibson (2014) proposed that government officials keep information secret because some “inconsequential fact” may be revealed that could harm some party’s interests. He further notes that secrets are information and that information is easy to steal, since its loss cannot be immediately detected. Based on Costas and Grey (2014, 2016)

and Gibson's (2014) observations, organizations may keep policy enforcement secret to protect their reputations, offer financial inducements to avoid open court settlements, and to protect their reputations with customers, clients or investors. These are real concerns. We contend however that they also come at the substantial cost of undermining employees' trust in their organizations. When information about trust-supporting policy violations is more visible than the enforcement procedures due to enforcement secrecy, employees see or hear of the violation but never find out whether it was addressed. For example, poor performance that was not addressed, or hiring policies that were ignored without apparent consequences, or coworker or managerial actions employees may construe as immoral could all undermine organizational trust, when they are seen as occurring without consequences. If these violations are vivid or shocking, they are likely to be discussed, with the story moving to distant places in the organization. If the facts and enforcement of policies are not known by employees, this is what Goffman (1959) called "barriers to perception;" if employees are not aware of policy enforcement, from their own perspective there is no enforcement. What is more, secrecy signals that employees are not trusted, and those who are trusted with information are less likely to trust in return (see Mayer, Davis, & Schoorman, 1995, for a review of the causal role of openness in fostering trust).

### **Secrets, Tenure, and Employee Trust in their Organizations**

Most executives care about employee trust in their organizations. For example, selection and performance management systems are not only designed to foster employee performance, but also to support employee trust that their organizations reward good performance. Employee trust in their organizations matters. In speaking of organizational trust, Kramer (1999, p. 585) notes, "efficient organizational performance depends on individuals' feelings of obligations toward the organization, their willingness to comply with its directives and regulations." Employees with greater trust in their organizations worked harder, were more effective



performers, were more cooperative with coworkers, and were less likely to quit (Dirks & Ferrin, 2001. Robinson, 1996). Further, Kramer (1999) and Bies and Tripp (1996) reported that those who trusted their organizations more were less obstructive and less likely to seek revenge than employees who placed less trust in their organizations.

We propose that lower employee trust with more tenure is one reflection of employees' accumulated intermittent observations of policy violations that do not seem to have been addressed because enforcement is secret. Information about violations, even if rare, travels far and enforcement is often kept secret, leading to a slow linear decline in employee trust in their organizations with increasing tenure. Organizational policies stating that employees cannot be trusted to know how its policies have been enforced foster a reciprocal lower trust over a person's organizational tenure.

To test our argument that lower trust with greater tenure is linear and incremental over the course of employment against an alternative hypothesis that the negative relationship between organizational trust and tenure occurs early in employment and then stabilizes. The latter might be expected from existing work on psychological contract breach. We find that the negative relationship between organizational trust and tenure is linear over the course of employment, rather than a result of a correction to the psychological contract soon after employment. This is consistent with our proposal that it is a long series of observations of policy violations combined with enforcement secrecy that leads to loss of employees' trust in the organization's policy enforcement and undermines their trust in their organizations over time. Further, we find that the decline in trust with tenure is attenuated for managers, suggesting that greater access to otherwise secret information about policy enforcement may mitigate (but does not eliminate) the negative relationship between tenure and organizational trust.

Tenure is the length of time a person has spent with an organization, usually assessed in years. Tenure has long been a common variable in human resources management research. Trust is a modest negative predictor of turnover (e.g., Cotton & Tuttle's, 1986, metaanalysis reported that 15 out of 22 studies found a negative relationship between trust and tenure for a  $Z = 7.17$ ,  $p < .0005$ ). Only recently however has research begun to accumulate on the effects of a prolonged organizational experience on employees. Recently, for example, Ng and Feldman (2010) found increased employee aggression with increased tenure, despite generally increased job performance.

Disputes over definitions of trust and its differing facets have long plagued management research (Bigley & Pearce, 1998). In part, this is a function of the widely different workplaces, people and entities in which trust research has been conducted. This wide diversity in conceptualizations of trust has created challenges, with many researchers offering competing definitions of trust. Shapiro (1987) has lamented this literature as a confusing potpourri applied to a host of units and levels of analysis. Bigley and Pearce (1998) proposed that, rather than insisting that all researchers use a particular definitional framework or measure, trust research advances by using the definition appropriate for the problem addressed.

We adopt Bigley and Pearce's (1998) definition of trust because it was developed to accommodate the study of a wide variety of trust problems at differing levels of analysis: actors trust to the extent they are confident the other will not exploit their vulnerability in that situation. Interpersonal trust is the most frequently studied type of trust in the organizational psychology literature: interpersonal trust is the degree of trust employees have that the person with whom they interact will not exploit the vulnerability that interaction creates (Mayer, Davis & Schoorman, 1995). Similarly, organizational trust is defined here as employees' confidence that their organization will not exploit the vulnerability their employment creates. Searle et al. (2012)

noted that, in contrast to interpersonal trust, the referent for organizational trust is not always clear. Some propose that it is trust in management at various levels of the organization (Child & Rodrigues, 2004); alternatively, Giddens (1990) defined organizational trust as reliability and faith in abstract organization-espoused principles, and Carnevale (1995) suggested that it is faith that the organization will be fair, competent and non-threatening. In contrast, Whitener (1997) and Brown, Bemmels, and Barclay (2010) focus on employees' assessment of the content of the organization's human resources policies and the extent to which they are reliably implemented. Finally, Gillespie and Dietz (2009) are among the few to theorize about why employees trust their organizations. They propose that employees trust their organizations to the extent that they see those organizations as having the collective competence to do their work, have genuine care and concern for the well-being of stakeholders, and consistently adhere to moral principles. Several of these definitions conflate organizational trust with the organization's practices intended to foster employees' trust in their organizations. To avoid such confounding, we follow Child and Rodrigues (2004) and Carnevale (1995) and assess organizational trust via direct employee reports of their trust in their organization and its executives, rather than their assessment of its leadership, strategy, human resources policies or practices.

The available empirical evidence indicates that the more experience employees have with their organizations, the less trust they have in it. A search of the literature finds several studies reporting associations between employees' tenure and their trust in their organizations, or the similar concept of trust in top management. None of these report a positive relationship between tenure and organizational trust. For example, Battaglio and Condrey (2009) found a  $r = -.12$  ( $p < .05$ ) between employees' trust in their organization and their length of service. Tan and Lim (2009) reported a nonsignificant association between employee tenure and their trust in their organizations, similar to the Gilbert and Tang's (1998) report of a nonsignificant correlation

between employee tenure and organizational trust. Nichols et al. (2009) reported, “the negative relationship between length of service and trust in management is not a function of age (p. 249, no coefficient reported)”, but was associated with professional work, being female, working in a smaller organization, and in a non-unionized workplace. Kiffin-Petersen and Cordery (2003) reported  $r = -.18$  ( $p < .01$ ) between tenure and trust in management. Thus, the available literature suggests either no relationship between employees’ tenure and their trust in their organizations or a negative association. This is in contrast to the long history of research on turnover suggesting that positive employee attitudes toward their organizations lead them to remain with their organizations (e.g., Cotton & Tuttle, 1986; Hom & Griffith, 1995).

We propose that the longer the organizational tenure of employees, the more likely they will have witnessed a policy violation. Policy misuse, abuse or incompetence may be widely observed, and even more widely discussed, but when enforcement procedures are secret this can undermine employees’ trust in their organizations. One practical consequence of such secrecy is that employees may never learn that trust undermining incidents were redressed. Another is secrecy’s signal that there is a non-trusting relationship between the organization and its employees.

Zucker (1986) proposed reasons why employees would trust in their organizations--what she called their institutional arrangements. She describes how, in the United States in the 19<sup>th</sup> Century, rational bureaucratic forms (of which trial-like procedures are a component) served as substitutes for direct interpersonal trust and made large organizations possible by generating common expectations and trust in organizations that could support interdependent work among strangers, just as Renaissance kings used open trials as one method to assert their control over local elites. Zucker’s (1986) historical analyses have been reinforced by other research. Support for the importance of formal employment procedures supporting organizational trust comes from

theorizing from Aryee, Buhwar and Chen (2002), Korsgaard, Schweiger and Sapienza (1995), and Pillai, Schriesheim and Williams (1999); as well as from Colquitt and Rodell's (2011) findings that perceptions of management policy justice leads employees to trust their organizations more. Similarly, Masterson et al. (2000) found that employees' perception of the procedural justice they experience at work is more strongly associated with their attachment to their organizations, while the interactional justice employees experience from their supervisors is more strongly associated with their satisfaction with their supervisors.

While Masterson et al. (2000) focused on organizational attachment, we propose that perceptions of the enforcement of trust-supporting policies affect employees' trust in their organizations as well as their attachment. Organizations build formal human resource management policies and procedures intended to foster employee trust in the organization itself, irrespective of any interpersonal trust employees may have in particular individuals. Organizations work to build employee trust by rotating managers among different positions, communicating policies, procedures and company strategies directly to employees through posted policies, emails and other forms of direct communication. These remind employees to salute the uniform, not the person. The dependence of organizations upon employee confidence that policies and procedures for the maintenance of trust are implemented suggests that organizations will be vulnerable to incremental trust degradation over time, when the enforcement of those policies is kept secret.

Although organizational policy violations may not be pre-meditated or deliberate, we propose that employees can experience apparently unaddressed violations of organizational trust-supporting policies as a form of betrayal. Zhao et al. (2007) found that reported breach of the psychological contract was associated with substantially higher employee mistrust. Without knowing why policies appear to have been unenforced, employees may (however falsely)

interpret a lack of information about consequences as intentional organizational betrayal. We know that even minor negative information is weighted more heavily than positive information (Fiske, 1980). Although there may be many more examples of trust-supporting policy implementation, negative events are more emotionally commanding. These are attended to and remembered longer than positive ones (Baumeister et al., 2001). These minor accumulating policy-enforcement betrayals may be remembered for a long time. Even if they are infrequent, they are not forgotten (Pearce & Henderson, 2000; Hansson, Jones & Fletcher, 1990; Zimmer, 1972). A negative feedback loop may develop between employees witnessing or hearing of a betrayal of organizational policies, then trusting the organization less. Employees then become more attentive to enforcement secrecy and further trust undermining incidents. If so, this is consistent with a slow incremental linear reduction in employee organizational trust with more tenure in the organization. In most organizations, it may take some time for employees to witness or hear of incompetence or policy violations that seem not to have been addressed due to the secrecy of enforcement. If there is an increasing probability of observing or hearing of such acts over time, we should see a negative linear relationship between organizational tenure and employee organizational trust over the course of employment.

*Hypothesis 1a:* Employees' trust in their organizations will be incrementally and linearly lower the longer their tenure in their organizations.

This argument is potentially in contrast to Robinson, Kraatz and Rousseau (1994) who found that organizational trust declines in the first two years of employment for those who believe their organization has violated their psychological contract. Their focus was on the early period of employment; they did not address what happens to employee organizational trust after that initial period of employment. Similarly, De Vos, Buyens and Schalk (2003) reported that employees' expectations of their own contributions and the organization's inducements change

in the first year of employment. This stream of research suggests a negative relationship between tenure and organizational trust could be isolated to those first years of employment, as employees learn what “the deal” really is in their organization, rather than from the secrecy of policy enforcement. If it really is solely a matter of unrealistic early expectations, trust would erode rapidly in the initial period of an employee’s tenure, as the reality of organizational life fails to live up to idealized expectations. This negative relationship between tenure and organizational trust would weaken or disappear after the first years of employment as employees become more realistic about their organizations’ policies. Under such a causal dynamic, we would anticipate the relationship to take a U-shape, attenuated to cover only the left half of the curve. That is, the negative relationship between tenure and trust would be strongly negative the first years of employment but the relationship would flatten out subsequently as tenure increased. We directly test our own proposal of a slow linear decline in employee organizational trust over the length of employment, consistent with a lack of information about policy enforcement, against the following competing hypothesis of an early decline in organizational trust that then stabilizes as employees become more realistic.

*Alternative Hypothesis 1b:* Employees’ trust in their large organizations will be lower in the first years of employment and then be stable for those with longer tenure.

If there is a linear decline in employee trust in their organizations with greater tenure, is it actually the result of secrecy in policy enforcement? If employees’ lack of information about enforcement is a contributing factor, available data about the hierarchical rank of employees in the sampled organization may shed light on this argument. Managers have access to more confidential policy enforcement information than do non-supervisory employees. Managers would be involved in more confidential enforcement proceedings, and would attend meetings where difficult personnel problems are discussed. If enforcement secrecy fosters a perception of

organization betrayal, the negative relationship between tenure and organizational trust should be attenuated for managers. Of course, there may be other reasons why managers trust organizations more: more trust has been placed in them, they receive higher rewards, and so may reciprocate with greater trust. Nevertheless, an attenuated negative tenure effect for managers, compared to non-supervisory employees, would suggest that enforcement secrecy, is a contributing factor.

*Hypothesis 2:* The negative relationship between organizational tenure and employees' trust in their organizations will be moderated by managerial position, such that the negative relationship will be attenuated for managers.

## **Method**

### **Setting and Procedure**

This study consists of a census of all United States Federal Aviation Administration (FAA) employees in 2006; the agency requested that it be identified by name in all reports. The FAA is responsible for the safety of civil aviation in the United States. It also has major roles in promoting safety through regulation in civil aviation, encouraging and developing civil aeronautics and new aviation technology, developing and operating air traffic control and navigation systems for both civil and military aircraft, researching and developing the National Airspace System, developing and carrying out programs to control aircraft noise and other environmental effects of civil aviation, and regulating U.S. commercial space transportation. Like many other organizations, the FAA keeps policy enforcement confidential.

The scale items used in this report are taken from employee surveys the FAA has periodically conducted since 1990. We use the 2006 administration for these tests in order to have more variance in tenure. The majority of all FAA employees completed the anonymous on-line survey. While many professions are represented, the majority of employees are air traffic controllers. The responses of 17,940 employees at all ranks are available. The data do not include



information on the sex of the respondents. Eighty-one percent of the respondents were white, 7% were African American, 4% were Hispanic, 3% were Asian, 2% were Native American, and 3% reported more than one ethnic category.

It is important to eliminate several possible alternative explanations for the hypothesized negative relationship between organizational tenure and trust. With our data we could test two possible spurious causes of the negative relationship (employee trust in their supervisors and employee age) and one possible suppressor variable (organizational commitment). Some confounding of employee trust in their supervisors and trust in their organizations should be expected due to the supervisors' central role representing the organization to employees, and because they implement so many of the organization's human resources management policies (Eisenberger et al., 2010; Farh, Podsakoff, & Organ, 1990). In addition, Smircich and Morgan (1982), Kouzes and Posner (2002) and Gillespie and Dietz (2009) all have suggested that employees generalize from their interpersonal trust in supervisors to their trust in their organization. Therefore, we controlled for employee trust in their supervisors. Controlling for age is also necessary to ensure we do not misinterpret age-related experiences, such as cohort or health-status effects, as organizational tenure. We also controlled for organizational commitment because trust-associated attitudes such as organizational commitment tend to increase with tenure (Mowday et al. 1982). With greater tenure many employees may have made organization-specific investments that make it difficult for them to change organizations (Staw & Salancik, 1976). Further, Giddens (1990) and Gillespie and Dietz (2009) propose that employees will trust organizations that reflect their personal values. We expected that employees will remain longer in those organizations that shared their values (Mowday et al., 1982). Once committed to their organizations, employees may seek to psychologically justify their participation by viewing the

organization more positively. Thus, organizational commitment may act as a suppressor, masking tenure effects.

## **Measures**

Because the scales were constructed from the items available in the employee survey, convergent and discriminant validities of the organizational trust measure and the control variables of organizational commitment and supervisory trust were confirmed by subjecting the items from the constructs to confirmatory factor analyses using principal component analysis with varimax rotation (see Appendix, which also lists all items). The results indicated clear component structures, and all of the scales meet the most conservative standards of convergent and discriminant validity.

**Organizational Trust.** Employees' Organizational Trust was assessed by five items having an  $\alpha = .93$ .

**Organizational Tenure.** The FAA employees were asked to provide tenure data within a range of years rather than a single year value (to protect their anonymity). We took the midpoint for each category and assigned it to each employee in that category, following the practice used in the Institute for Social Research Quality of Employment Survey (Quinn and Staines, 1979) and adopted by Halaby (1988), Glass and Camarigg (1992), among others. Thus, if "How many years have you worked for the FAA," was answered as "Less than one year" employees were assigned a tenure of .5 years, if "1 through 3 years" they were assigned a tenure of 2 years, and so on, with "more than 20 years" coded as 20 years. This produced a continuous variable using units (years) allowing easier interpretation of the results.

**Controls.** Employees were asked to report their age in years. Employees' Supervisory Trust was a scale composed of nine items with an  $\alpha = .96$ . Organizational Commitment was

assessed by answers to four questions with an  $\alpha = .87$ . Table 1 presents descriptive statistics and correlation coefficients for the variables.

Insert Table 1 About Here

## **Results**

Age, Supervisor Trust and Organizational Commitment were controlled in the hierarchical regressions reported in Table 2. Given the high correlations among several of the variables, we tested for multicollinearity in the regressions by calculating the variance-inflation-factor (VIF) for all variables. The VIF values were low, ranging from 1.08 and 1.31, suggesting little risk of multicollinearity affecting these analyses. In Model 2 found in Table 2 we report that Organizational Tenure is negatively associated with Organizational Trust. This is consistent with the existing empirical literature finding modest negative relationships between an employees' tenure in their organizations and their trust in their organizations.

Insert Table 2 About Here

To test Hypothesis 1a (that employees' organizational trust declines linearly over the course of employment) against competing Hypothesis 1b (that organizational trust declines in the first few years of employment and then remains stable with increasing tenure), plots of the raw data and the residual plots were examined to look for evidence of non-linearity, but none was detected. Locally weighted scatterplot smoother (Lowess) analyses on the augmented partial residual plots using Stata's `acprplot` command (StataCorp, 2005) were conducted. Lowess analysis computes linear regressions around each observation within a specified sampling bandwidth, with each observation-regression parameter combination representing a point on the Lowess curve (Cleveland, 1979). A curve that differs substantially from the ordinary regression line indicates problems with the linear model. The Lowess curve indicated good fit of the data

with the linear-decline explanation, in support of Hypothesis 1a and contrary to competing Hypothesis 1b.

As a robustness check, we conducted additional hierarchical regression analyses on the squared term for tenure (See Model 3 in Table 2). The squared term is significant suggesting the relationship is not linear as proposed in Hypothesis 1a. In Figure 1, it can be seen that employee trust is lower incrementally until about seventeen years of seniority where it levels off. Employee trust in this organization already is quite low (see Table 1), so it could be that there is a floor, on employees' lack of trust in their organizations. Once trust reaches that floor it does not continue to decline. In addition, employees of the FAA of more than 20 years of seniority at the time of this survey would have personally experienced a catastrophic trust-destroying event (Gillespie & Dietz, 2009). In 1981 then President Ronald Reagan broke a strike by air traffic controllers by terminating all 13,000 air traffic controllers who would not end the strike called by their labor union and return to work. Federal workers had never before been fired for following the recommendation of their recognized labor union to strike. It had been normative not to terminate striking Federal employees. This event was considered a watershed, not only for FAA employees, but also for U.S. labor relations generally and was widely seen as a betrayal of existing employment norms. The mean organizational trust of employees with 20 or more years tenure with the FAA is a very low 1.77. Nevertheless, those employees who did not directly experience the organizational betrayal are following the pattern of slow, incremental linear decrease in organizational trust accumulating year-by-year with organizational experience, consistent with Hypothesis 1a as opposed to competing Alternative Hypothesis 1b. We do not know why we failed to find the initial declines in organizational trust that Robinson and Rousseau (1994) found for those reporting a psychological breach. Perhaps these FAA employees did not have the unrealistic expectations that many of Robinson and Rousseau's

(1994) employees did. Nevertheless, these patterns suggest that the existing evidence of decades-long linearly lower organizational trust here cannot be explained via early-tenure breach of psychological contracts.

Insert Figure 1 About Here

Hypothesis 2 proposed that the lower organizational trust associated with longer organizational tenure would be attenuated for managers who are insiders to more enforcement secrets. Table 3 reports the test of whether the effect of tenure on organizational trust differs between employees in non-supervisory job classifications and those in supervisory or managerial positions. Hypothesis 2 was supported. Organizational trust declines with tenure among all employees, with managers' organizational trust being .02 lower for each additional year of tenure. Consistent with the idea that policy enforcement secrecy is contributing to lower trust with experience, we see that the negative relationship is significantly steeper for non-supervisory employees, .03 lower for each additional year of tenure. Managers' greater access to more secret enforcement information does not completely mitigate their lower organizational trust with their greater organizational tenure. These middle managers are still excluded from enforcement information not directly in their chain of command and so still experience enforcement secrecy.

Insert Table 3 About Here

### **Discussion**

In this paper we have argued that secrecy in organizational policy enforcement undermines employee trust in their organizations. We turned to the legal literature to understand why societies have open trials, and argued that these advantages are lost if organizations keep their proceedings secret, leading to a slow undermining of employee trust in their organizations the longer they work for them. This is consistent with the legal literature on the value of open trials. This relationship was not a fluke of a single study (It is also found in the literature), it was

not the result of age or employees' trust in their supervisors, and it occurs in the face of increased trust-associated organizational commitment with employee tenure. The decline was most marked for non-supervisory employees. This is consistent with our argument that information about others' poor performance, integrity violations, misuse of authority or resources and other types of trust-supporting organizational policies travels far in organizations. Information about how and whether these incidents were addressed does not travel as widely in organizations, such as this one, with policy enforcement secrecy practices. When policy violations are known but enforcement kept secret, it visibly signals a lack of organizational trust in its employees.

### **Organizational and Interpersonal Trust**

These results suggest that employees' trust in large organizations has a different origin and support from interpersonal trust. Organizational trust is not primarily generalized from interpersonal trust but is consistent with the role of organizational policies in supporting employee organizational trust. In contrast to interpersonal trust, which tends to be higher with experience with the individual over time (e.g., Bottom et al., 2002; Sniezek & Van Swol, 2001), here we found that employees' trust in their organizations is lower with experience (see Table 1). Thus, the common practice of suggesting that individuals' interpersonal trust in their supervisors generalizes to their trust in their organization has been too facile (see, Cook & Wall, 1980; Butler, 1991; Tyler & DeGoey, 1996; and Kramer 1999). This finding builds on Tan and Tan (2000) and Gillespie and Dietz's (2009) theorizing and Masterson et al.'s (2000) findings in support of our contention that employees' trust in their organizations primarily derives from their perceptions of its enforcement of policies and procedures, but that their attachment to supervisors arises from the respect with which those supervisors treat them (see also, Dyer & Chu, 2000, and Colquitt et al., 2001).

This distinction between employees' supervisor trust and trust in their organizations does not imply that trust in supervisors is irrelevant to organizational trust. As Eisenberger et al. (2010) found, employees will see some supervisors as embodying their values and the organization's values to a greater extent than others do. Distressingly, if those organization-embodiment supervisors undermine the organization's trust-supporting policies, the impact of supervisors may extend beyond their effects on their immediate subordinates. Informal communication networks within organizations can carry news of such actions throughout the organization. Employees who hear of a trust undermining incident will look for evidence that the organization has addressed it. If that evidence is not forthcoming, either because the organization does not respond or because information about redress is kept secret from employees, employees may hold the organization as a whole, rather than the misbehaving supervisor, responsible. In this way employees' trust in the organization can erode despite their interpersonal trust in their own particular supervisors.

### **Linearly Lower Organizational Trust with Experience**

These data best supported the theory of linear incrementally lower employee organizational trust over the length of employment. These data are consistent with our argument that policy enforcement secrecy undermines employee trust over time. This decline is not the result of newcomers' unrealistic expectations or an early psychological breach that stabilizes and becomes more unrealistic after the early years. This decline happens incrementally over the entire span of employees' experience with their organizations because enforcement is secret. When enforcement is kept secret, organizations do not gain the advantages of checking lower-level authorities' biases, preventing rumors that the powerful do not need to follow organizational policies, provides clarity about organizational norms, nor fosters trust that organizations can and will enforce their policies. Moreover, longer tenured employees often are

sources of guidance for newer employees on what organizations will value and what employees can expect from their organizations. If employees with greater organizational tenure trust their organizations less, these employees are potentially spreading their low trust to their less experienced coworkers and so can further undermine others' organizational trust. For these reasons, understanding why employees trust their organizations less with more tenure has important theoretical and practical implications for human resource management practices.

In addition to its possible effects on employees' trust in their organizations, secrecy can undermine organizations in two additional ways. First, Lehman and Ramanujam (2009) argued that organizational secrecy increases the likelihood that policies will be violated. They propose that the segregation of knowledge provides opportunities for those in the know to know how to violate policies and avoid detection. If employees never see that policies are enforced, they might reasonably assume that their own chances of experiencing negative consequences from violations are low. We argued that this undermines employee trust in their organizations, but increased policy violation and avoidance of accountability are themselves directly damaging to organizations.

Second, Jansen and Von Glinow (1985) argued that patterns of organizational secrecy come to be seen by employees as normal and rewarded by the organization, fostering distressful ethical ambivalence among all employees (see also, Costa & Grey, 2016). Fishman (2006) provides an example of how secrecy in one part of the organizations can spread. He proposed that Wal-Mart, which uses its market dominance to forbid its suppliers from discussing their relationship with Wal-Mart, extended that penchant for secrecy to lobbying state legislatures to block social welfare agencies from asking employees where they worked when applying for family benefits. Wal-Mart had a policy forbidding its employees (on pain of termination) from disclosing that they work for Wal-Mart when applying for health care benefits for their children.



Fishman (2006) heaped scorn on Wal-Mart's culture of secrecy, one that extended to seeking to prevent state agencies from collecting information relevant to public policy. He argues that secrecy breeds secrecy, suggesting that secrecy in policy enforcement could foster employee assumptions that they should not speak up about other matters affecting organizational performance, undermining employees' organizational citizenship behavior and cooperation with one another.

If we are right that secrecy in policy enforcement contributes to the linearly lower organizational trust of longer tenured employees, this suggests that this negative relationship between tenure and organizational trust could be rectified by removing the enforcement secrecy. Is it really necessary to keep organizational redress actions secret? If names are released in legal cases, why can't they be in organizations' internal due-process proceedings? Alternatively, posted summary information that omitted the involved employees' names, so that employees would at least know their organizations are taking action to enforce their trust-supporting policies may reduce or eliminate the lower trust with more tenure. If openness works for states, it could work for organizations. If the incrementally lower employee trust in their organizations with experience is due to a lack of enforcement information survives further testing, it implies more research on the costs of policy enforcement secrecy is warranted.

### **Secrecy in Policy Enforcement**

Finally, if providing information to employees about grievances, whistleblower complaints, and other charges that policies have been violated is so valuable, why do so few organizations do it? Their stated reason is privacy, for themselves primarily, and for the complainants and accused. According to Shils (1966) people have a right to privacy, and a right to construct barriers to others knowing their secrets. Thus organizations claim rights to keeping secrets about their operations, just as people have rights to privacy about their intimate lives. It is

easy to see how this logic extends to keeping enforcement of their procedures from employees, because organizations cannot easily control what employees say to outsiders. Executives do have to worry about their organizations' reputations, but wouldn't fair and open discussion of what happened and how the organization responded enhance their organizations' reputations?

We know that even in legal matters often the complainants (and certainly those being charged) would prefer to keep the matter private. Many would see information coming to light in enforcement proceedings as embarrassing. Secret policy enforcement is defended in organizations as protecting claimants. For example, in many whistleblower proceedings, neither the whistleblower nor the targets are permitted to speak of the proceedings. However, the targets do know who has lodged the charge against them so any retaliation from them would be obvious. Being open about the evidence helps protect against someone making false charges as part of a vendetta, and allows all employees to know that violations have consequences.

Secrecy undermines accountability. If the evidence and judgments were known, people would only be shamed by their own actions. Does this risk of embarrassment really outweigh damage to employees' willingness to come forward with a violation, or someone's interest in everyone knowing they have been falsely charged, or employees' trust in their organization? Most importantly, openness keeps those rendering judgements honest. Governments know that open trials build public trust in them and their laws, and even dictatorships feel the need to put on Show Trials to foster public trust in their actions. As the Renaissance kings discovered, avoiding embarrassment comes at a price, and that price is a loss of trust in the authorities and their policies.

In addition, Costa and Grey (2014; 2016) note that organizational secrecy may not exist for purely functional reasons, but as a symbol of who can be trusted, to make insiders feel distinct and special. In the case of secret policy enforcement, who gets to feel distinct and

special? The staff members conducting the investigation and rendering judgment, and possibly a few managers, are the only ones who know the secret. Yet aren't they interested parties and the judges the ones open procedures are intended to keep unbiased? It is hard to see the risks of bias, favoritism and misuse of power that secrecy in policy enforcement fosters as less important to organizations than a social demarcation of insiders and outsiders.

### **Limitations**

Two limitations in the empirical study supporting the essay arguments are worth noting. First, we could not directly test our argument that secrecy in policy enforcement is the cause of the lower employee organizational trust with longer tenure. We sampled only one organization with enforcement secrecy policies in place. Although similar relationships were found in a search of the literature, we cannot be sure secrecy in policy enforcement is the reason in these studies either. Future research could see if the negative relationship between tenure and organizational trust is absent in organizations with more openness about policy enforcement. Second, the incremental negative relationships between organizational trust and organizational experience reported here and in the literature are small. Because they were found here and in other studies, we suggested they are worth understanding. The small effect size does suggest that organizational experience, and possibly secrecy, are not the only, or necessarily the most important, cause of employees' trust in their organizations. Future research could usefully explore the relative importance of tenure along with other potential causes of employees' organizational trust that have been proposed in the literature (e.g., Keifer's, 2005, perceptions of an insecure future, inadequate working conditions, and poor treatment).

### **Conclusion**

The costs of organizational secrecy are too little discussed, and even more rarely studied. We know a great deal about the social roles of secrecy in interpersonal relationships, but very

little about what organizations' secrecy policy enforcement does to their employees and their organizational performance. Here we drew on literature from the law and existing research to propose and test our argument that keeping organizational policy enforcement secret has a slow, linear negative effect on employees' trust in their organizations. More information about policy enforcement does not need to come from completely open procedures, but organizations need to find ways to be sure employees believe policies are actually enforced. We hope this modest essay and its preliminary empirical test of part of that argument might encourage greater interest in understanding the effects of organizational secrecy policies.

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The authors declare no potential conflicts of interest with respect to the research, authorship, or publication of this article.

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## Appendix

### Factor Loadings for Organizational Trust (OT), Organizational Commitment (OC) and Supervisory Trust (ST)

<b>Item</b>	<b>OT</b>	<b>OC</b>	<b>ST</b>
I trust FAA management.	<b>.86</b>	.25	.25
FAA executives are honest when communicating with employees.	<b>.86</b>	.23	.19
The FAA is committed to employee concerns.	<b>.84</b>	.28	.18
My organization has a real interest in the welfare and satisfaction of those who work here.	<b>.80</b>	.24	.32
Promotions in my organization are given to those who are well qualified.	<b>.70</b>	.20	.37
To what extent are you willing to put in additional effort beyond that normally expected to help the FAA succeed?	.21	<b>.82</b>	.13
To what extent do you care about the fate of the FAA?	.19	<b>.82</b>	.14
To what extent do you feel loyalty to the FAA?	.46	<b>.78</b>	.15
To what extent are you proud to work for the FAA?	.45	<b>.71</b>	.20
My immediate supervisor interacts well with subordinates.	.16	.12	<b>.90</b>
My immediate supervisor is fair with subordinates.	.17	.10	<b>.90</b>
My immediate supervisor has the respect of subordinates.	.22	.13	<b>.88</b>
I trust my immediate supervisor.	.24	.15	<b>.88</b>
My immediate supervisor keeps informed about the way subordinates think and feel about things.	.22	.12	<b>.85</b>
My immediate supervisor is an effective communicator.	.20	.12	<b>.84</b>
I feel free to discuss with my immediate supervisor the problems and difficulties I have in my job without jeopardizing my position or having it 'held against' me later.	.30	.17	<b>.77</b>
My supervisor is effective in providing periodic coaching to improve my performance.	.31	.15	<b>.77</b>
My immediate supervisor tends to play favorites. (reversed)	.12	.04	<b>.74</b>
Eigenvalue	3.02	1.21	9.69

Table 1  
Means, Standard Deviations, Alpha Coefficients and Intercorrelations for Variables

Variable	Mean	S.D.	1	2	3	4	5
1. Organizational Trust	2.19	1.09	(.93)				
2. Supervisor Trust	3.17	1.12	.55**	(.96)			
3. Organizational Commitment	3.55	1.20	.65**	.40**	(.87)		
4. Age	47.39	9.26	.16**	.06**	.14**	--	
5. Organizational Tenure	13.80	6.56	-.27**	-.15**	-.23**	.37**	--

n = 17,940; \*\* p < .000

Table 2  
 Hierarchical Regression of Linear and Squared Organizational Tenure on  
 Organizational Trust

Predictor Variable	Model 1		Model 2		Model 3	
Age	.01**	(.00)	.02**	(.00)	.02**	(.00)
Organizational commitment	.46**	(.01)	.42**	(.01)	.42**	(.01)
Supervisory trust	.34**	(.03)	.32**	(.01)	.32**	(.01)
Organizational tenure			-.03**	(.00)	-.08**	(.00)
Organizational tenure Squared					.00**	(.00)
$\Delta R^2$			.02		.00	
F for $\Delta R^2$			830.43**		169.59**	
Total $R^2$	.52		.54		.55	
F	6,533.59**		5,334.40**		4,341.56**	
d.f.	(3; 17,936)		(4; 17,935)		(5; 17,934)	

n = 17,940. Values are unstandardized regression coefficients with standard errors in parentheses; \*\* p < .000

Table 3  
Decline in Organizational Trust for Managers vs. Non-supervisory Employees

Predictor Variable	Model 1	
Age	.02**	(.00)
Organizational commitment	.38**	(.01)
Supervisory trust	.31**	(.01)
Non-supervisory employee	.47**	(.05)
Organizational tenure	-.02**	(.00)
Non-sup. Emp. x Organizational tenure	-.01**	(.00)
Total R <sup>2</sup>	.58	
F	4,089.32**	
d.f.	(6; 17,933)	

n = 17,940. Values are unstandardized regression coefficients with standard errors in parentheses.; \*\* p < .000

Organizational tenure represents the effect of tenure on trust for the omitted group, in this case supervisory employees.

Figure 1  
Relationship between Organizational Tenure and Organizational Trust

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### Squared-Term Model

