

## CHAPTER 3

### RESEARCH MODEL AND HYPOTHESES DEVELOPMENT

#### 3.1 Introduction

This chapter highlights the rationale for the present study. It also presents the research model and describes the development of the research hypotheses. The chapter concludes with the summary of the research hypotheses. This study examined the extent to which trust in co-workers mediates the relationship between co-workers' trustworthiness and employees' job performance. It also investigated whether trust in co-workers would mediate the relationship between co-workers' social undermining behaviour and employees' job performance.

#### 3.2 Rationale for the Study

A body of research has emerged with an emphasis on the concept of trust (e.g., Dirks & Ferrin, 2002; McAllister, 1995). Much work on trust within the organisation has focused on trust in supervisor (e.g., Aryee et al., 2002; Simmons, Gooty, Nelson, & Little, 2009), trust in management (e.g., Jones & Martens, 2009; Mayer & Gavin, 2005), and trust in organisation (e.g., Deery, Iverson, & Walsh, 2006; Khazanchi & Masterson, 2011). However, relatively little attention has been devoted to trust in co-workers (Dirks & Skarlicki, 2009; Tan & Lim, 2009).

Past research has noted that trust in co-workers is positively related to important outcomes including trust in organisations (Tan & Lim, 2009), affective commitment (Ferres et al., 2004), employees' willingness to share resources with their co-workers

(Dirks & Skarlicki, 2009), and perceived organisational support (Ferres et al., 2004). However, whether trust in co-workers affects employees' co-workers directed OCB (OCBC), organisation-directed OCB (OCBO), co-workers targeted CWB (CWBC), and organisation-targeted CWB (CWBO) have remained unclear.

Based on past literature, there are three broad categories of employees' job performance, namely organisational citizenship behaviour (OCB), counterproductive work behaviour (CWB), and task performance (Rotundo & Sackett, 2002; Viswesvaran & Ones, 2000). OCB and CWB can also be explained by behaviours that are directed at the organisation and at other specific individuals within the organisation such as co-workers and supervisors (e.g., Robinson & Bennett, 1995; Williams & Anderson, 1991). Dalal's (2005) meta-analysis shows that OCB and CWB have different patterns and magnitudes of relationships with their antecedents such as perceptions of organisational justice and organisational commitment.

I proposed that trust in co-workers is related to employees' co-workers directed OCB (OCBC), organisation-directed OCB (OCBO), co-workers targeted CWB (CWBC), organisation-targeted CWB (CWBO), and task performance. It would be interesting to determine whether trust in co-workers is associated with different employees' job performance categories. Individuals who trust their co-workers should be able to show better performance and work behaviour because they could focus on their tasks and freely exchange their knowledge and information with others (Dirks & Skarlicki, 2009; Holste & Fields, 2010).

Tan and Lim (2009) suggest that when employees believe that their co-workers are benevolent and have integrity, they would likely trust their co-workers more. However, employees are likely to encounter both the positive and negative behaviours

of co-workers (Chiaburu & Harrison, 2008). It remains unanswered whether co-workers' social undermining behaviour is related to trust in co-workers.

Spector (1998) develops a job-stress model which asserts that job stressors may result in negative reactions and emotions such as anger. Penney and Spector (2005) consider workplace incivility as a job stressor which could trigger negative reactions and outcomes such as counterproductive work behaviour (CWB), job dissatisfaction, and increased blood pressure.

Lau and Cobb (2010) propose a conceptual model and state that relationship conflict between employees (i.e., a job stressor) and their co-workers may negatively affect trust in co-workers. As job stressors could produce tensions among the involved parties, it is anticipated that co-workers' social undermining behaviour is negatively related to trust in co-workers.

A meta-analysis by Chiaburu and Harrison (2008) shows that co-workers' support was related to employees' effectiveness outcomes such as task performance and OCB. They also observe that there is a direct link between co-workers' antagonism and CWB. I anticipated that co-workers' trustworthiness and social undermining behaviour are related to employees' job performance through other variables such as trust. When employees perceive their co-workers have the ability to accomplish tasks, treat them well, and show consistency in words and actions, they would be more comfortable engaging in trusting relationships with co-workers. With high level of trust, employees are more likely to show high levels of job performance (Walumbwa et al., 2010).

Past research has revealed that trust in supervisor mediates the relationships between supervisors' trustworthiness and a range of employees' work outcomes (e.g., Mayer et al., 1995; Simons, 2002). To the best of my knowledge, there is no prior

research that has examined trust in co-workers as a mediator for the relationship between co-workers' trustworthiness and employees' job performance.

There is also empirical evidence in literature suggesting that employees' trust in the organisation mediates the relationships between negative experiences at work and various attitudes and behaviours of employees. According to Lo and Aryee (2003), trust in organisation mediates the relationships between psychological contract breach and employees' psychological withdrawal behaviour, civic virtue, and turnover intentions. Similarly, Montes and Irving (2008) show that organisational trust mediates the relationships between relational contract breach and employees' outcomes such as satisfaction, feelings of violation, and employment intentions.

I thus anticipated that when employees experience co-workers' social undermining behaviour, they would lose trust in their co-workers, and they in turn are more likely to retaliate by engaging more in CWB and less in OCB. To my knowledge, this is perhaps the first study to determine if trust in co-workers mediates the relationship between co-workers' social undermining behaviour and employees' job performance.

The following sections review reports of the hypothesized relationships among co-workers' trustworthiness, co-workers' social undermining behaviour, trust in co-workers, and employees' job performance.

### **3.3 Research Model and Hypotheses Development**

According to Blau's (1964, as cited in Wayne et al., 1997) social exchange theory, social exchanges involve unspecified obligations between parties in an exchange relationship. When individuals help another party, they expect some benefits in return from doing so. Social exchange theory therefore could explain why individuals trust

each other and how trust could affect the performance of employees (e.g., Aryee et al., 2002; Lau & Liden, 2008; Yang, Mossholder, & Peng, 2009).

Gouldner (1960) uses the norm of reciprocity to explain one's obligation to return any favourable treatment. However, when and how the favour will be repaid is at the discretion of another party. Lau and Cobb (2010) therefore emphasize that social exchange relationships tend to depend on trust. Employees who are viewed as trustworthy are likely to receive more support from others, and the former would respond favourably by enhancing their performance and by going beyond their formal duties to help others because of their sense of obligation and reciprocation (Dirks & Skarlicki, 2009).

Figure 3.1 shows the research model of this study. It illustrates diagrammatically the relationships among the constructs in this study. The aim of this study is to empirically test the relationships between co-workers' trustworthiness and employees' job performance, as well as between co-workers' social undermining behaviour and employees' job performance. This study also aimed to examine how these relationships are mediated by trust in co-workers. The arguments and theoretical logic for hypotheses are provided in the following sections.

### **3.3.1 Co-workers' Trustworthiness and Trust in Co-workers**

Mayer et al.'s (1995) integrative model of trust proposes that one party's trustworthiness influences another party's perceptions of trust. They identify three factors of trustworthiness, namely one's ability, benevolence, and integrity, as determinants of trust. According to the authors, one's ability captures the competencies and skills that allow individuals to have influence in the domain of interest. As a result,

one's ability may lead to trust because they apparently have more capability to accomplish tasks and solve task-related problems (Serva, Fuller, & Mayer, 2005).

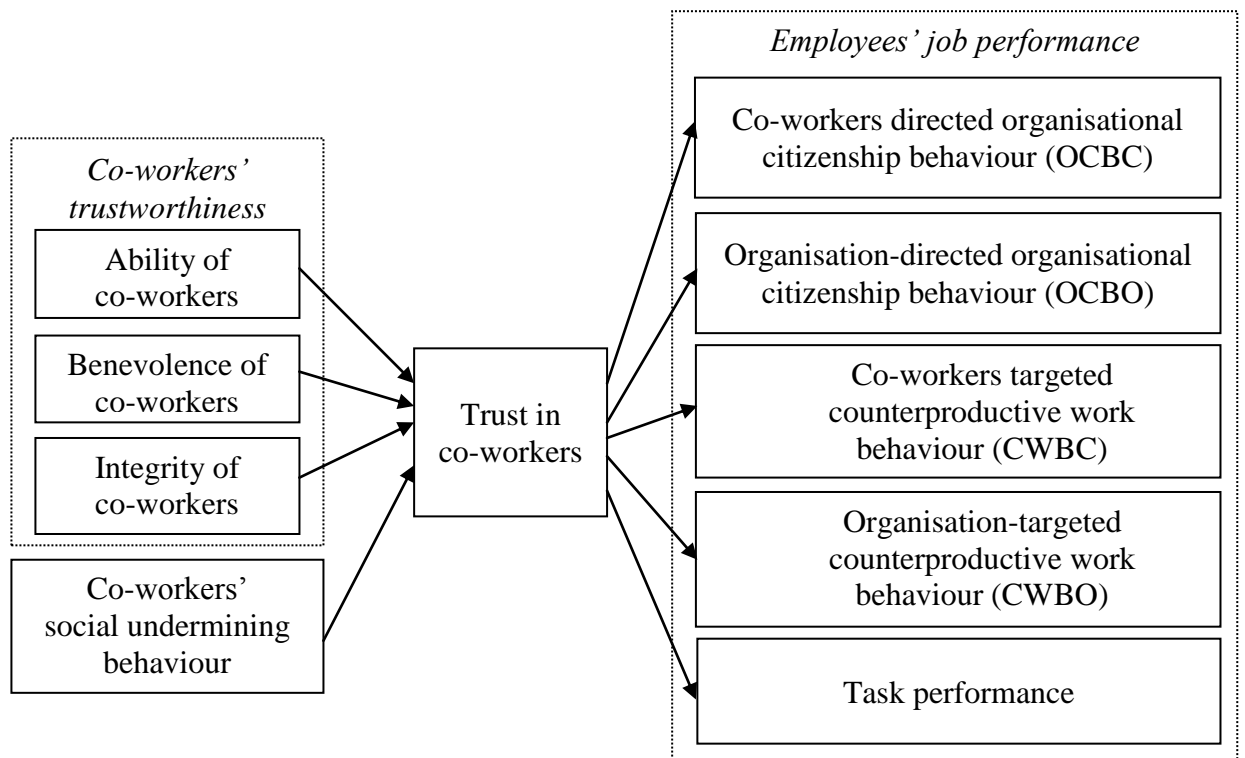


Figure 3.1 The research model

Benevolence, according to Mayer et al. (1995), refers to a party's perceptions that another party would hold good intentions and responds positively to his or her needs. When co-workers help an employee with a work task, the employee would be more willing to trust their co-workers (Ferrin et al., 2006). Finally, integrity is perceptions that the other party would act upon a set of values which are deemed acceptable to the trustor (Mayer et al., 1995). Someone with sound principles is often trusted because he or she is expected to behave with honesty, consistency, sincerity, and fairness.

Past organisational researchers tend to focus mainly on trust in supervisors. They reveal that supervisors' trustworthiness is significantly related to trust in supervisors.

According to Davis, Schoorman, Mayer, and Tan (2000), restaurant managers' ability, benevolence, and integrity correlated with the prediction of employees' trust in the managers. Mayer and Gavin (2005) conducted a study in a United States based eight manufacturing plants, and they report that the plant managers' ability, benevolence, and integrity are significantly and positively related to trust in the managers. Using a sample of Malaysian employees, Poon, Rahid, and Othman (2006) similarly assert that supervisors' ability, benevolence, and integrity are significantly related to white-collar employees' trust in their supervisors.

The few studies that have examined the relationship between co-workers' trustworthiness and trust in co-workers revealed some inconsistent results. Knoll (2008) observes that co-workers' ability, benevolence and integrity are related to trust in co-workers. According to the author, co-workers' benevolence and integrity are more important predictors of trust in co-workers than co-workers' ability. In contrast, using Singaporean Chinese as samples, Tan and Lim (2009) report that only benevolence and integrity of co-workers are significantly and positively related to trust in co-workers. The authors explain that the ability of co-workers is not significantly related to trust in co-workers because their Chinese sample tends to emphasize more on the positive attitudes, rather on their co-workers' competency. In their study, benevolence was identified as the most significant factor in predicting trust in co-workers.

Trust in co-workers is important as employees tend to interact frequently with their co-workers in order to accomplish interdependent, non-routine, and complex tasks (Lau & Liden, 2008). In order to understand the relationship between co-workers' trustworthiness and trust in co-workers based on the experiences of Malaysian employees, this study examined whether co-workers' ability, benevolence, and integrity are related to trust in co-workers.

Accordingly, I hypothesise the following:

*Hypothesis 1a:* The perceived ability of co-workers is positively related to trust in co-workers.

*Hypothesis 1b:* The perceived benevolence of co-workers is positively related to trust in co-workers.

*Hypothesis 1c:* The perceived integrity of co-workers is positively related to trust in co-workers.

### **3.3.2 Co-workers' Social Undermining Behaviour and Trust in Co-workers**

The social information processing theory suggests that individuals' behaviour may be influenced by cues or social information from the social environment and through observations of the behaviour of others (Salancik & Pfeffer, 1978). Past studies predominantly focussed on the positive aspects of workplace relationships such as social support, leader-member exchange (LMX), mentoring relationships, and helping behaviour. Relatively less attention has been devoted to the social undermining behaviour in the workplace (Duffy et al., 2002). Such behaviour may adversely affect individual and organisational well-being. According to Duffy et al. (2002), supervisors' social undermining behaviour leads to decreased organisational commitment. Crossley (2009) suggests that it is crucial to understand the victims' reactions to social undermining behaviour in order to promote healthy relationships, increase trust and cooperation, and prevent conflicts in the workplace.



Previous research suggests that unpleasant experiences at work could be related to the lack of trust. Experiences of psychological contract violations, according to Robinson (1996), are negatively related to trust within an employee-employer relationship. Similarly, Hill, Eckerd, Wilson, and Greer (2009) report that unethical buyer's behaviour is negatively related to trust in the buyer in a buyer-supplier relationship. Besides, past research has demonstrated that trust could be undermined through job stressors. For instance, relationship conflict among team members contributes to lower trust in team members (Langfred, 2007). Likewise, Lau and Cobb (2010) hypothesize that relationship conflict with co-workers could negatively affect trust in co-workers.

Social undermining behaviour refers to intentional discourteous behaviour in the workplace intended to demolish other parties' favourable reputation, their ability to carry out their work, or their ability to build and sustain positive relationships (Duffy et al., 2002). Such behaviour therefore could be regarded as a job stressor. Job stressors often trigger negative emotional responses such as anger in an individual (Fox et al., 2001), thereby could lead to dissolution of trust (Dunn & Schweitzer, 2005; Kiefer, 2005). I therefore hypothesise the following:

*Hypothesis 2: Co-workers' social undermining behaviour is negatively related to trust in co-workers.*

### **3.3.3 Trust in Co-workers and Employees' Job Performance**

Trust influences employees' behaviour towards others at work and plays an important role in social exchange among organisational members (Rubin, Bommer, & Bachrach, 2010). Organ (1990) indicates that employees are more likely to reciprocate

positive treatment they received from others by engaging in citizenship behaviour. The reciprocation is generally based on the beliefs or expectations that the others will fulfil their obligations in the future (Coyle-Shapiro, 2002; Konovsky & Pugh, 1994). A meta-analysis by Colquitt et al. (2007) summarizes the impact of trust on employees' job performance. They conclude that employees who trust their managers have better task performance, engage more in OCB, and commit less CWB.

Trust in supervisor has been shown to be related to the supervisor-directed citizenship behaviour (Wech, 2002). Researchers suggest that employees who trust their supervisors are more likely to engage in OCB (e.g., Dirks & Ferrin, 2002; Mayer & Gavin, 2005; Poon, 2006). There is also some empirical support that trust in co-workers is positively related to individual's OCB. Through a longitudinal study, Choi (2006) reports that trust among organisational members tend to increase employees' helping behaviour (i.e., one of the OCB dimensions). Trust in co-workers, according to Parker et al. (2006), is related to proactive work behaviour (i.e., a behaviour that encompasses both task performance and OCB). In addition, Settoon and Mossholder (2002) show that trust in co-workers is positively related to individuals directed OCB.

As high quality social exchanges between employees and their co-workers are likely to have spill over effect on the organisation (Chiaburu & Harrison, 2008), I expect that employee's trust in co-workers is positively related to co-workers directed OCB (OCBC) and organisation-directed OCB (OCBO). I hypothesise the following:

*Hypothesis 3:* Trust in co-workers is positively related to (a) co-workers directed OCB (OCBC) and (b) organisation-directed OCB (OCBO).

Past research has noted that trust in organisation could help to lower employees' withdrawal behaviour such as absenteeism, lateness, and turnover (Beehr & Gupta, 1978). According to Ferres et al. (2004), trust in co-workers is negatively related to intention to leave. Taken together, previous work demonstrates that trust could mitigate the occurrence of undesirable behaviour in the workplace.

Trust in senior management, according to Thau, Crossley, Bennett, and Sczesny (2007), is significantly and negatively linked to antisocial work behaviour. They suggest that CWB falls under the broader construct of antisocial work behaviour. Besides, according to the authors, employees tend to act in ways that protect their self-interests such as taking property from work without permission when there is little trust in the management.

Accordingly, I hypothesise that when employees trust their co-workers, they are less likely to engage in co-workers targeted CWB (CWBC) and organisation-targeted CWB (CWBO). This leads to the following hypothesis:

*Hypothesis 4:* Trust in co-workers is negatively related to (a) co-workers targeted CWB (CWBC) and (b) organisation-targeted CWB (CWBO).

Past research has noted that trust is important for individual and organisational well-being. Trust in supervisors has been linked to improved individual task performance (e.g., Dirks & Ferrin, 2002; Mayer & Davis, 1999). According to Morgan and Hunt (1994), trust increases cooperation among employees and their commitment towards the organisations, lower their intentions to leave, and diminish conflicts at work.

Trust within team leads to better task performance because employees have the tendency to share information with their team members and generate more ideas and

solutions when they trust their team members (Simmons, Gooty, Nelson, & Little, 2009). In addition, empirical findings suggest a positive relationship between trust in team members and team performance (e.g., Costa, 2003; Costa, Roe, & Taillieu, 2001). Trust helps employees to focus their attention and effort on their jobs, thus resulting in higher task performance (Mayer & Gavin, 2005). I thus hypothesise the following:

*Hypothesis 5:* Trust in co-workers is positively related to task performance.

### **3.3.4 Co-workers' Trustworthiness and Employees' Job Performance**

Social learning theories suggest that how employees behave in the organisation depends on the behaviour of other people (Bommer, Miles, & Grover, 2003). As employees interact and work alongside with co-workers on a daily basis, they typically learn some acceptable behaviour at work by observing their co-workers' behaviour. According to Bommer et al., the average level of co-workers' citizenship behaviour is positively related to the level of individual employee's organisational citizenship behaviour (OCB).

In a social exchange relationship, employees are more likely to engage in exchange relationships and reciprocate by exhibiting citizenship behaviour when they perceived their co-workers are trustworthy. Employees are motivated to reciprocate co-workers' positive treatment by providing assistance and support to their co-workers (Buunk, Doosje, Jans, & Hopstaken, 1993). In addition, Love and Forret (2008) report that high quality of exchanges between co-workers in the work group is positively related to the four sub-dimensions of OCB, namely altruism, conscientiousness, civic virtue, and courtesy. According to Jordan, Feild, and Armenakis (2002), positive exchanges between employees and their co-workers are positively related to social

cohesion in work groups. In a leader-follower relationships study, Huang, Iun, Liu, and Gong (2010) assert that participative leadership behaviour of superiors tend to encourage the subordinates to engage more in OCB.

Based on previous findings, I expect that co-workers' ability, benevolence, and integrity are positively related to co-workers directed OCB (OCBC) and organisation-directed OCB (OCBO). This leads to the following hypotheses:

*Hypothesis 6:* Co-workers' ability is positively related to (a) co-workers directed OCB (OCBC) and (b) organisation-directed OCB (OCBO).

*Hypothesis 7:* Co-workers' benevolence is positively related to (a) co-workers directed OCB (OCBC) and (b) organisation-directed OCB (OCBO).

*Hypothesis 8:* Co-workers' integrity is positively related to (a) co-workers directed OCB (OCBC) and (b) organisation-directed OCB (OCBO).

Past research has noted that people with positive work experiences tend to withhold counterproductive work behaviour (CWB). Chiaburu and Harrison (2008) report that co-workers' support is negatively related to both co-workers targeted CWB (CWBC) and organisation-targeted CWB (CWBO). Based on social exchange theory, the authors reason that employees would likely engage less in CWB when they receive support and help from their co-workers. Colquitt et al.'s (2007) meta-analysis shows that the benevolence of a trustee has negative relationships with CWB. Employees who are satisfied with their jobs commit less CWB (Bayram, Gursakal, & Bilgel, 2009). According to Devonish and Greenidge (2010), organisational justice has negative

relationships with individuals targeted CWB and organisation-targeted CWB.

Based on previous findings, I anticipate that when employees perceive their co-workers have positive attributes such as ability, benevolence, and integrity, they would engage less in co-workers targeted CWB (CWBC) and organisation-targeted CWB (CWBO). This leads to the following hypotheses:

*Hypothesis 9:* Co-workers' ability is negatively related to (a) co-workers targeted CWB (CWBC) and (b) organisation-targeted CWB (CWBO).

*Hypothesis 10:* Co-workers' benevolence is negatively related to (a) co-workers targeted CWB (CWBC) and (b) organisation-targeted CWB (CWBO).

*Hypothesis 11:* Co-workers' integrity is negatively related to (a) co-workers targeted CWB (CWBC) and (b) organisation-targeted CWB (CWBO).

Literature suggests that trust enables employees to focus on activities that need to be done rather than worrying about non-productive matters (Mayer & Gavin, 2005). According to Grant and Sumanth (2009), employees experience higher perceptions of task significance when they believe their managers are trustworthy. The authors suggest that when employees feel that they have more meaningful work experiences, they tend to exert more effort and accomplish better performance. Similarly, Rich (1997) shows that perceptions of sales managers' trustworthiness have a positive relationship with sales personnel's performance.

Dirks and Skarlicki (2009) suggest that a co-worker's trustworthiness could lead to better job performance. They report that employees are more willing to share

resources with a co-worker when they trust the co-worker. According to Seers (1989), when employees receive help and knowledge from their co-workers, they would be able to enhance their job performance. Besides, emotional support and guidance from co-workers would assist the employees to accomplish higher levels of job performance (Liden, Wayne, & Sparrowe, 2000).

This leads to the following hypotheses:

*Hypothesis 12:* Co-workers' ability is positively related to task performance.

*Hypothesis 13:* Co-workers' benevolence is positively related to task performance.

*Hypothesis 14:* Co-workers' integrity is positively related to task performance.

### **3.3.5 Co-workers' Social Undermining Behaviour and Employees' Job Performance**

Past organisational justice research has noted the negative implications of unjust treatment on employees' work behaviour such as an increase in counterproductive work behaviour (Duffy et al., 2002; Fox et al., 2001; Skarlicki & Folger, 1997), less organisational citizenship behaviour (Moorman, 1991; Robinson & Morrison, 1995), decreased organisational commitment (Tepper, 2000), lower job satisfaction (Cortina et al., 2001), higher absenteeism (De Boer, Bakker, Syroit, & Schaufeli, 2002), and greater turnover intentions (Pearson, Andersson, & Porath, 2000). According to Mitchell and Ambrose (2007), employees subjected to harmful behaviour in the workplace often feel they have little or no control, thereby they are more likely to display negative behaviour and less likely to engage in OCB.

Organisational members' negative behaviour has been linked to damaging personal outcomes such as negative consequences on mental and physical health (Lim, Cortina, & Magley, 2008) and an increase in personal distress (Major, Zubek, Cooper, Cozzarelli, & Richards, 1997). Past research on stress often associates work stressors such as conflict in teams or work groups with lower levels of member satisfaction (Jehn, 1995), team performance (De Dreu & Weingart, 2003), and team commitment (Giebels & Janssen, 2005). In addition, there is a growing recognition that negative events and aversive experiences at work would trigger negative emotions such as anger and detrimental outcomes such as job dissatisfaction (e.g., Langfred, 2007; Iies et al., 2011; Raver & Nishii, 2010).

Duffy et al. (2002) report that supervisors' social undermining behaviour is negatively related to organisational commitment and self-efficacy. According to the authors, both supervisors' and co-workers' social undermining behaviour are positively related to employees' counterproductive work behaviour, and negatively associated with employees' psychological well-being. Their results suggest that employees tend to react in negative ways when they experience social undermining behaviour at work.

Hence, I anticipate that co-workers' social undermining behaviour is negatively related to co-workers directed OCB (OCBC), organisation-directed OCB (OCBO), and task performance. I also expect that such behaviour is positively related to co-workers targeted CWB (CWBC) and organisation-targeted CWB (CWBO). This leads to the following hypothesis:

*Hypothesis 15:* Co-workers' social undermining behaviour is related to (a) co-workers directed OCB (OCBC), (b) organisation-directed OCB (OCBO), (c) co-workers targeted CWB (CWBC), (d) organisation-targeted CWB (CWBO), and (e) task performance.



### **3.3.6 Co-workers' Trustworthiness and Employees' Job Performance as Mediated by Trust in Co-workers**

Trust in supervisor plays an important role in mediating the relationships between leader behaviour and subordinates' work outcomes. Huang et al. (2010), for example, examine whether trust in supervisor mediates the relationships between participative leadership and the work performance of 213 non-managerial subordinates such as front-line employees in a telecommunication company. They report that trust in supervisors play a significant role in mediating the relationships between participative leadership and non-managerial subordinates' outcomes like task performance and organisation-directed OCB (OCBO). Using the exchange-based model, they suggest that participative leaders tend to show concern and care for the lower level employees, and this could lead to high levels of trust in leaders, which subsequently may result in desired work outcomes.

In a study of 146 workgroups in a large bank in the United States, Walumbwa, Hartnell, and Oke (2010) indicate that trust in group members significantly mediates the relationships between authentic leadership and group performance as well as between authentic leadership and citizenship behaviour. According to the authors, authentic leaders tend to encourage transparent information exchange and fairness, and thereby promote high levels of trust among group members, better group performance and more citizenship behaviour.

Schaubroeck, Lam, and Peng (2011) investigate the mediating role of trust in leaders in the relationships between team leader behaviour and team outcomes. Using a sample of 191 financial services teams, they report that cognition-based trust in team leaders significantly mediates the relationship between transformational leadership and team performance. They explain that when team leaders engage in transformational

leadership behaviour such as focusing on collective goals, team members would thus trust in the leaders' competence, and this would improve the confidence of the teams' ability to perform well.

In a cross-sectional study of 179 subordinates and 28 supervisors of a public sector organisation in India, Aryee et al. (2002) report that trust in organisation mediates the relationships between interactional justice and work outcomes such as job satisfaction, organisational commitment, turnover intentions, and organisation-directed OCB (OCBO), individuals directed OCB (OCBI), and task performance. Their results suggest that trust underpins the relationships between perceived organisational justice and employees' work outcomes. Likewise, Van Dijke, De Cremer, and Mayer (2010) reveal that trust in authority mediates the relationships between procedural fairness and important outcome variables such as employees' OCB.

Trust research primarily focussed on the supervisor-subordinate relationships. Past studies tend to support the mediating role of trust in leader in the relationships between leader behaviour and work outcomes (e.g., Bass, Avolio, Jung, & Berson, 2003; Pillai, Schreishem, & Williams, 1999; Rubin et al., 2010; Wat & Shaffer, 2005). However, there are few studies that have examined the mediating role of trust in co-workers in the relationships between employees and their co-workers. Dirks and Skarlicki (2009), for example, show that trust in a co-worker mediates the relationships of perceptions of the co-worker's trustworthiness and willingness to share performance-related resources. They suggest that the resources employees receive from co-workers may lead to better job performance, but they somehow did not examine this link.

Tan and Lim (2009) used the samples of 226 full-time insurance agents in Singapore to examine trust in co-workers and trust in organisations in a single study. According to them, the benevolence and integrity of co-workers tend to foster trust in

co-workers. They also report that trust in organisations significantly mediates the relationships between trust in co-workers and employees' outcomes such as organisational commitment and insurance agencies' performance. However, they did not examine the mediating role of trust in co-workers.

I anticipate that trust in co-workers is an important mechanism that links co-workers' ability, benevolence, and integrity with employees' job performance. I therefore hypothesise the following:

*Hypothesis 16:* Trust in co-workers mediates the relationships between co-workers' ability and (a) co-workers directed OCB (OCBC), (b) organisation-directed OCB (OCBO), (c) co-workers targeted CWB (CWBC), (d) organisation-targeted CWB (CWBO), and (e) task performance.

*Hypothesis 17:* Trust in co-workers mediates the relationships between co-workers' benevolence and (a) co-workers directed OCB (OCBC), (b) organisation-directed OCB (OCBO), (c) co-workers targeted CWB (CWBC), (d) organisation-targeted CWB (CWBO), and (e) task performance.

*Hypothesis 18:* Trust in co-workers mediates the relationships between co-workers' integrity and (a) co-workers directed OCB (OCBC), (b) organisation-directed OCB (OCBO), (c) co-workers targeted CWB (CWBC), (d) organisation-targeted CWB (CWBO), and (e) task performance.

### **3.3.7 Co-workers' Social Undermining Behaviour and Employees' Job Performance as Mediated by Trust in Co-workers**

Spector's (1998) job-stress model proposes that job stressors could trigger negative emotions, and thereby may result in negative responses to the stressors. Cole et al. (2008) examined the relationship between team behaviour and team performance using a sample of 61 teams in a manufacturing company. The authors report that dysfunctional behaviour in work teams is negatively related to team performance through the mediating role of teams' negative feelings such as anger and anxiety.

Jones (2009) investigated the relationship between organisational justice and counterproductive work behaviour (CWB). According to the author, desires for revenge against the organisation significantly mediate the relationship between perceived procedural injustice and organisation-targeted CWB. In addition, he finds that desires for revenge against the supervisor significantly mediate the relationship between perceived interactional injustice and supervisors-targeted CWB. According to Jones, perceived injustice motivates employees to harm the source of mistreatment because it shows that the organisation or the supervisor cares little about them. Employees thus tend to engage in CWB in response to their desire for revenge.

Using a sample of 203 employees in a property management company, Miner-Rubino and Reed (2010) indicate that trust in organisation significantly mediates the relationships between workplace incivility and employees' outcomes such as job satisfaction, job burnout, and turnover intentions. According to the authors, when employees experience rude behaviour in the workplace, they tend to lose trust in the organisation. This in turn would cause them to feel dissatisfied with their jobs and increase their intention to withdrawal from work. In addition, Jehn, Rispens, and Thatcher (2010) show that task conflict is related to negative group environment such as

lower levels of trust towards other group members. This in turn may negatively affects individual's performance and satisfaction with the group. I therefore anticipate that co-workers' social undermining behaviour is likely to diminish trust in co-workers, and thereby distract employees from accomplishing better task performance, discourage them to perform more OCB, and encourage them to engage more CWB. This leads to the following hypothesis:

*Hypothesis 19:* Trust in co-workers mediates the relationships between social undermining behaviour and (a) co-workers directed OCB (OCBC), (b) organisation-directed OCB (OCBO), (c) co-workers targeted CWB (CWBC), (d) organisation-targeted CWB (CWBO), and (e) task performance.

The 19 research hypotheses were tested using Structural Equation Modeling (SEM) approach. The following sub-section provides the summary of the research hypotheses.

### **3.4 Summary of the Research Hypotheses**

Table 3.1 summarizes the hypotheses in this study.

Table 3.1

#### *Hypotheses of the Study*

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*Hypothesis 1a:* The perceived ability of co-workers is positively related to trust in co-workers.

*Hypothesis 1b:* The perceived benevolence of co-workers is positively related to trust in co-workers.

*Hypothesis 1c:* The perceived integrity of co-workers is positively related to trust in co-workers.

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Table 3.1

*Hypotheses of the study (Continued)*

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*Hypothesis 2:* Co-workers' social undermining behaviour is negatively related to trust in co-workers.

*Hypothesis 3:* Trust in co-workers is positively related to (a) co-workers directed OCB (OCBC) and (b) organisation-directed OCB (OCBO).

*Hypothesis 4:* Trust in co-workers is negatively related to (a) co-workers targeted CWB (CWBC) and (b) organisation-targeted CWB (CWBO).

*Hypothesis 5:* Trust in co-workers is positively related to task performance.

*Hypothesis 6:* Co-workers' ability is positively related to (a) co-workers directed OCB (OCBC) and (b) organisation-directed OCB (OCBO).

*Hypothesis 7:* Co-workers' benevolence is positively related to (a) co-workers directed OCB (OCBC) and (b) organisation-directed OCB (OCBO).

*Hypothesis 8:* Co-workers' integrity is positively related to (a) co-workers directed OCB (OCBC) and (b) organisation-directed OCB (OCBO).

*Hypothesis 9:* Co-workers' ability is negatively related to (a) co-workers targeted CWB (CWBC) and (b) organisation-targeted CWB (CWBO).

*Hypothesis 10:* Co-workers' benevolence is negatively related to (a) co-workers targeted CWB (CWBC) and (b) organisation-targeted CWB (CWBO).

*Hypothesis 11:* Co-workers' integrity is negatively related to (a) co-workers targeted CWB (CWBC) and (b) organisation-targeted CWB (CWBO).

*Hypothesis 12:* Co-workers' ability is positively related to task performance.

*Hypothesis 13:* Co-workers' benevolence is positively related to task performance.

*Hypothesis 14:* Co-workers' integrity is positively related to task performance.

*Hypothesis 15:* Co-workers' social undermining behaviour is related to (a) co-workers directed OCB (OCBC), (b) organisation-directed OCB (OCBO), (c) co-workers targeted CWB (CWBC), (d) organisation-targeted CWB (CWBO), and (e) task performance.

*Hypothesis 16:* Trust in co-workers mediates the relationships between co-workers' ability and (a) co-workers directed OCB (OCBC), (b) organisation-directed OCB (OCBO), (c) co-workers targeted CWB (CWBC), (d) organisation-targeted CWB (CWBO), and (e) task performance.

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Table 3.1

*Hypotheses of the study (Continued)*

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*Hypothesis 17:* Trust in co-workers mediates the relationships between co-workers' benevolence and (a) co-workers directed OCB (OCBC), (b) organisation-directed OCB (OCBO), (c) co-workers targeted CWB (CWBC), (d) organisation-targeted CWB (CWBO), and (e) task performance.

*Hypothesis 18:* Trust in co-workers mediates the relationships between co-workers' integrity and (a) co-workers directed OCB (OCBC), (b) organisation-directed OCB (OCBO), (c) co-workers targeted CWB (CWBC), (d) organisation-targeted CWB (CWBO), and (e) task performance.

*Hypothesis 19:* Trust in co-workers mediates the relationships between social undermining behaviour and (a) co-workers directed OCB (OCBC), (b) organisation-directed OCB (OCBO), (c) co-workers targeted CWB (CWBC), (d) organisation-targeted CWB (CWBO), and (e) task performance.

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### **3.5 Conclusion**

This chapter presented the theoretical and conceptual framework for the research model. It described the development of the research model and the main research hypotheses. Trust in co-workers was identified as the mechanism that explains the relationships between co-workers' trustworthiness and employees' job performance. I also explored the mediating role played by trust in co-workers in the relationships between co-workers' social undermining behaviour and employees' job performance. The following chapter discusses the research method.