Significance of Monitoring and Control for Employees’ Felt Trust, Motivation, and Mastery

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ABSTRACT
The aim of the current study is to investigate the importance of monitoring and employee control for employees’ felt trust, as well as felt trust as a mediating variable between monitoring and control, intrinsic motivation and mastery. A random sample of 3015 Norwegian employees was analyzed using Structural Equation Modeling. Monitoring was negatively related to employees’ felt trust, while employees’ control over decisions was related to higher felt trust. In turn, felt trust was related to employees’ intrinsic motivation and experience of mastery. Felt trust also partially mediated the relationship between employee control and intrinsic motivation, employee control and mastery, and entirely mediated the relationship between monitoring and intrinsic motivation and monitoring and mastery. The findings highlight the importance of felt trust for theory related to the workplace: Our findings support that employees are less intrinsically motivated if they are monitored because they feel less trusted.

KEY WORDS
Felt trust / control / monitoring / intrinsic motivation / mastery

Introduction
Trust is an important issue in labor research, and a valuable asset in the workplace. Trust predicts individual-level outcomes such as job satisfaction, organizational citizenship behavior, organizational commitment, turnover, and job performance (Colquitt et al., 2007; Dirks & Ferrin, 2002; Gill, 2008; Matzler & Renzl, 2006). Trust also engenders more and higher quality knowledge sharing, communication, and cooperation in organizations (Dirks & Ferrin, 2001; Huotari & Iivonen, 2004; Levin & Cross, 2004).

Trust at a personal level is relational, emerging between persons (Eikeland, 2015). While most studies initially focused on the trust of the trusting agent (trustor), the feeling of being trusted by a trustee has recently received increased attention (Brower et al., 2009; Deng & Wang, 2009; Lau & Lam, 2008; Lau et al., 2007, 2014; Salamon & Robinson, 2008). The aim of the current paper is to contribute to this research by investigating how
monitoring and employee control influence employees’ feelings of being trusted by their management in a large representative sample of Norwegian employees. Monitoring as part of external control regimes is increasingly being introduced in workplaces (Bråten, 2010; West & Bowman, 2016), also in the Nordic countries. The paper also addresses the importance of felt trust for employees’ intrinsic motivation and sense of mastery. Furthermore, we investigate felt trust as a potential mediating variable between monitoring and employee control, and intrinsic motivation and sense of mastery.

Felt Trust

On the basis of previous theoretical contributions, Mayer et al. (1995) propose an integrative model of trust differentiating between antecedents of trust, trust itself, and consequences of trust. Antecedents of trust are of two types: the trustor’s propensity to trust, and the perceived trustworthiness of the trustee. The latter is based on three dimensions, related to the trustee’s ability, benevolence, and integrity. Trust is defined as ‘the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party’ (Mayer et al., 1995, p. 712). The outcome of trust is risk taking in a relationship. We follow Lau et al. (2007, p. 323) in defining felt trust as ‘the trusted other’s own perception of whether he or she is trusted by others’.

While trust and felt trust are related concepts, they do not necessitate a one-to-one relationship. The relationship between trust and felt trust depends on how trust manifests itself in specific outcomes, and how the trustee interprets those outcomes. Thus, in a study by Lau and Lam (2008), managers’ perceptions of being trusted by their staff were not significantly related to the staff members’ own report of trusting them. Felt trust should also be conceptually distinguished from reciprocal trust. Serva et al. (2005, p. 627) define reciprocal trust as ‘the trust that results when a party observes the actions of another and reconsiders one’s attitudes and subsequent behaviors based on those observations’. However, in establishing this perspective, the trustee is no longer conceptualized as a trustee, but as a trustor, and the trust placed in him as the antecedent of his/her own trust.

Felt trust, thus, needs to be studied as an independent topic. Just as the trust of a trustor influences the organizational behavior of this trustor, it is reasonable to expect that the degree to which people feel that they are being trusted will affect their organizational behavior (Lester & Brower, 2003).

Trust in the Nordic Context

Studies have emphasized how the Nordic countries score higher in general trust than other countries, and how this trust is connected with high-quality public institutions, democracy, and equality (Rothstein, 2009, 2010; Rothstein & Uslaner, 2005). In a recent research summary from The Nordic Council, these higher trust levels are metaphorically referred to as The Nordic gold (Andreasson, 2017). Various aspects of trust and its significance within the Norwegian society are also discussed in a recent anthology edited
by Skirbekk and Grim (2012), while Thygesen and Kampmann (2013) discuss trust in connection with Nordic management practices. Typical for this research, however, as for most previous trust research, is that trust is mainly discussed as general trust, and also that trust is examined from the perspective of the trustor rather than the trustee, meaning that felt trust lies beyond the scope of this research.

The Importance of Monitoring and Employee Control for Felt Trust

As employees cannot immediately know to what extent their management trusts them, the feeling of being trusted is likely to develop based on behavioral and contextual cues interpreted as displays of trust, or the lack thereof. We posit that control and monitoring is central in this respect, as is also implied by Mayer et al.’s definition of trust as ‘the willingness of a party to be vulnerable […] irrespective of the ability to monitor or control that other party’ (Mayer et al., 1995, p. 712). If we assume that this definition tap into how people in general conceive of trust, it follows that monitoring and control initiated or maintained by management over employees may easily leave the employees with a feeling of not being trusted.

The importance of monitoring and control for employees’ felt trust is of particular interest in today’s work life due to the increasing use of electronic monitoring systems (Bråten, 2010; West & Bowman, 2016). Monitoring is a pervasive part of modern information systems and work environments, allowing management to monitor employee activities and productivity without the need of direct supervisory observation. The importance of monitoring is also of particular interest in the Nordic countries due to how it might conflict with traditional Nordic work culture. While work culture in the Nordic countries is known for its high levels of employee autonomy and discretion (Eurofound, 2013), monitoring forms such as electronic registration of time use can be seen as an attempt by employers to control how employees prioritize their time and thus reduce their autonomy. Nonetheless, monitoring is increasingly being introduced also here, for instance along with new information technologies (Fornyings- og administrasjonsdepartementet, 2009). A number of studies exist, demonstrating a negative impact on the psychosocial work environment from certain forms of monitoring and employer control under certain conditions (Alge & Hansen, 2014). Negative factors associated with such monitoring and employer control include stress and emotional exhaustion (Baer et al., 2014; Westin, 1992) and counterproductive work behaviors and job performance (Douthitt & Aiello, 2001; Martin et al., 2016). It may also lead to reduced trust in management (Bråten, 2010; Holland et al., 2015) and reduced team-trust (Piccoli & Ives, 2003). The present paper contributes to this literature by focusing especially at the relation between monitoring, employee control, and felt trust relative to mastery and intrinsic motivation.

In the present study, we explore monitoring in the form of electronic access control, electronic registration of time use, monitoring of internet use, phone use, emails, etc., which are all part of the current monitoring regime in modern workplaces (Stanton & Barnes-Farrell, 1996; West & Bowman, 2016). The different forms of monitoring range from the clearly overt, such as access control, to the potentially covert monitoring, such as monitoring of emails.

Several authors have theoretically argued that monitoring is a sign of lack of trust and that employees are likely to see monitoring as a sign for not being trusted (Ariss,
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2002; Frey, 1993; Smith & Tabak, 2009). For example, Brower et al. (2009) argue that a manager who intends to guard against incompetence or shirking is likely to closely monitor and give limited decision latitude to employees who are not trusted. We expect that this behavioral pattern is recognized, and interpreted as signals of reduced trust. Similarly, Smith and Tabak (2009, p. 43) state that ‘The employer by the very act of starting to monitor essentially signals that the employees are no longer viewed as trustworthy’. To our knowledge, however, no study has empirically tested whether monitoring influences employees’ feeling of being trusted, in the Nordic countries or elsewhere. Our first hypothesis is therefore as follows:

Hypothesis 1: Monitoring is negatively related to employees’ feeling of being trusted by management.

The second antecedent of felt trust investigated in the current paper is control. In everyday language, control is typically associated with an authority’s control over a subordinate, such as the employer’s control over the employee (i.e., employer control). Control may, however, also be exerted by employees, such as when they are given discretion in their work (i.e., employee control). In the present context, control is explored first as employees’ control over decisions relating to how work tasks should be executed (task discretion), and then control over work pace (work tempo). Dallner and Knardahl (1997) define this as the workers’ freedom or possibility to exercise control, regulate, direct, and make decisions about their own work. We expect that employees who are granted more control over their decision and work pace interpret this as a sign of trust. They feel that their management trusts them to make wise decisions and use their time well. There is already some support for this in the current literature. Falk and Kosfeld (2006) designed an experiment allowing a person in the role of a principal to either trust or to control the participating agents, where controlling ruled out the agent’s most opportunistic actions. When asked for their emotional perception of the control, most agents who reacted negatively said that they perceived the controlling decision as a signal of distrust. Lau et al. (2007), studying actual workplaces, also identified a negative relationship between autocratic leadership involving authority and employer control and felt trust. Our second hypothesis is therefore as follows:

Hypothesis 2a: Employees’ control of work pacing is positively related to employees’ feeling of being trusted by management.

Hypothesis 2b: Employees’ control of decisions at work is positively related to employees’ feeling of being trusted by management.

The Importance of Felt Trust for Mastery and Intrinsic Motivation

In addition to investigating these two antecedents of felt trust, we also investigate two potential outcomes of felt trust, as well as felt trust as a mediating variable. Previous studies have supported that the degree to which employees feel trusted correlates significantly with other dimensions of their work experience and performance (Deng & Wang, 2009; Lau et al., 2007; Lester & Brower, 2003; Salamon & Robinson, 2008).
this study, we focus on two potential outcomes of employees’ felt trust: intrinsic motivation and mastery. Both intrinsic motivation and mastery may be conceived as desirable phenomena as both are positively correlated to a number of positive outcomes. Intrinsic motivation is, for instance, positively correlated with organizational citizenship behavior (Lambert, 2006) and work performance (Kuvaas, 2011). Mastery is a significant component of wellbeing at work, and an effective prevention against stress and burnout (Daniel et al., 2006; Jacobsson et al., 2001; Langballe, 2008).

Mastery

‘Mastery’ refers to the perception that one’s actions produce a desirable outcome or result (Knardahl, 1997). We expect that felt trust functions as an important source of information to employees on how their management views their job performance and abilities, and thus indirectly also that it influences their sense of mastery.

According to Mayer et al.’s (1995) definition of trust, a core component of trust relates to the trustor’s expectations of how the trustee will act. If this is also how managers and employees perceive trust, employees will be likely to interpret their feeling of being trusted by their management as an important source of information relating to their management’s expectations in this regard. If employees feel that they are not being trusted, they may see this as a sign that their management have low expectations toward their future actions. On the basis of how employees perceive the expectations their management project at them, employees will be likely to internalize the positive or negative labels ascribed to them, and adjust their self-image, attitudes, and behavior accordingly (Daniels & Larson, 2001; Karakowsky et al., 2012; Mitchell & Daniels, 2003; Rosenthal & Jacobson, 1992). This self-fulfilling prophecy is often referred to as the Pygmalion effect (Karakowsky et al., 2012; Rosenthal & Jacobson, 1992), or its counterpart the Golem effect (Daniels & Larson, 2001; Mitchell & Daniels, 2003). If low or reduced levels of felt trust are interpreted as signs of low or reduced expectations toward their abilities, for instance, this may result in a reduced sense of mastery. This explanation may be extended by assuming that employees interpret felt trust not only as conveying information about their management’s expectations toward them but also as a form of feedback – as their management’s expectations of future behavior is likely informed by past experience. Thus, while high or increased trust exerted from a trustor may be interpreted by the trustee as a positive feedback relating to his/her abilities, integrity, and benevolence, reduced trust may be interpreted as a devaluation of the same. Positive feedback has been found to have a positive impact on a person’s sense of mastery (Daniels & Larson, 2001; Jacobsson et al., 2001). Our third hypothesis is therefore as follows:

Hypothesis 3: Employees’ felt trust from management is positively related to employees’ perception of mastery of work.

Intrinsic Motivation

Intrinsic motivation is present when a person is doing an activity for the inherent meaning or satisfaction it gives, rather than for some separable, external consequence
An important premise for the feeling of intrinsic motivation is that employees believe that they act out of their own free will (Deci & Ryan, 2000). On the basis of the above definition of trust, we can expect that employees who do not feel trusted believe that their management does not believe in their ability, benevolence, or integrity to act in the company’s best interest without being monitored or controlled. As with mastery, employees are likely to internalize these sentiments – inducing them to believe that they would not do their best out of their own free will, thus shifting their focus to external causes for their behavior and reducing their intrinsic motivation.

Just as with mastery, positive feedback has also been demonstrated to influence employees’ enjoyment with a task and consequently their intrinsic motivation (Badami et al., 2011; Deci et al., 1999; Koka & Hein, 2003). Deci and Ryan (2000) argue that positive feedback is important to strengthen employees’ feeling of competence, which is an important facilitator for intrinsic motivation. Felt trust, accordingly, may be assumed to have the same consequence. Our fourth hypothesis is therefore as follows:

Hypothesis 4: Employees’ felt trust from management is positively related to intrinsic motivation.

Felt Trust as a Mediating Variable

In addition to investigating the importance of trust for intrinsic motivation and mastery, we also investigate to what extent felt trust acts as a mediating variable between monitoring and employee control, and intrinsic motivation and mastery. Trust has been suggested as an important mediator between organizational practices and employee outcomes. Holland et al. (2015) concluded that electronic monitoring could negatively affect the employment relationship through the loss of trust. Alder et al. (2006) found that trust was an important mediator between monitoring implementation characteristics and employee attitudes. They focused on employees’ trust in management/organization. Whitener (1997) argued that trust was a mediator of the impact of HR practices on important organizational outcomes. It is therefore natural to also investigate to what extent felt trust acts as a mediating variable. Previous research has supported a relationship between monitoring, employee control, mastery, and intrinsic motivation (Carayon, 1993; Falk & Kosfeld, 2006; Lawrence & Robinson, 2007; Stanton & Barnes-Farrell, 1996). Here, we want to investigate whether felt trust can explain these relationships.

On the basis of our expectation in the importance of monitoring and employee control for felt trust, and the importance of felt trust for employees’ sense of mastery and intrinsic motivation – we expect that felt trust is also likely to mediate the relationships between monitoring and employee control – and mastery and intrinsic motivation.

Felt trust as a mediating variable has received some support in current literature. Frey (1993) theoretically argued that felt trust is a mediator between monitoring and intrinsic motivation, because it leads to a reduction in trust. The experimental study by Falk and Kosfeld (2006) supported this. Not only did external control generate a feeling of being distrusted in the majority of the subjects, but this also led to a significant reduction in the agents’ willingness or motivation to act in the principal’s interest.
Our study, however, is to the best of our knowledge the first to explore empirically how felt trust mediates between these factors in the workplace. This leads to our final hypotheses:

Hypothesis 5: Employees’ feeling of being trusted will mediate the relationship between monitoring and employee control and intrinsic motivation.

Hypothesis 6: Employees’ feeling of being trusted will mediate the relationship between monitoring and employee control and mastery of work.

The suggested relationships are summarized in Fig. 1.

Figure 1: Suggested model.

Methods

Sample and Procedure

The questionnaire was administered in 2014 as part of an annual work-life survey – the YS Employment Outlook Survey (Bergene et al., 2014).

The web-based questionnaire was sent to a stratified random sample of the Norwegian working population between the ages of 18 and 66 years. The sample was stratified by age, gender, sex, education, geography, industry, and company size. The sample was recruited through a web-panel administered by TNS Gallup.
Measures

We rely on existing measures of mastery of work, employee control at work, demands, and intrinsic motivation. Mastery of work, two types of control (control over decisions and control over work intensity), and demands were measured using the scales from QPS Nordic (Dallner et al., 2000; Skogstad et al., 2001). The QPS Nordic questionnaire can be downloaded from www.qps-nordic.org. Intrinsic motivation was measured by the scale developed and tested by Kuvaas (2011). Each dimension is measured on a 5- or 6-point Likert scale.

Monitoring was measured by asking respondents if the following forms of monitoring occurred in their workplace: electronic access control, electronic registration of time use, electronic registration of productivity, monitoring of which internet pages employees access, monitoring of phone use, monitoring of emails, video surveillance, phone tapping, or any other forms of monitoring. We regard monitoring as a formative construct, in contrast to the rest of the measures that are reflective.

Felt trust measure

There are only a handful of empirical papers investigating employees’ feeling of being trusted by their management, and there is no agreement on a validated measure to capture the construct of felt trust. Two instruments used by Lau et al. (2007; 2014) concentrate on behaviors interpreted as signs of trust, and not directly on the feeling of being trusted. Salamon and Robinson (2008) used a scale to measure collectively felt trust. Lester and Brower (2003) used a modified version of the trustworthiness measure developed by Schoorman et al. (1996) to capture employees’ ‘felt trustworthiness’. Although the instrument has several merits, the 17 items used to measure one construct prohibited the use of the instrument in the present study. We therefore develop, and test, a relatively short measure of felt trust that focuses more directly on the employee’s perception of being trusted by their management.

Development and content validity

To facilitate good content validity, or the extent to which a specific set of items reflects the content domain (DeVellis, 2003), the items where developed and discussed in an interdisciplinary team of scholars. The items were developed in accordance with the integrative model of organizational trust presented by Mayer et al. (1995) to secure a theoretical basis for the construct. Specifically, we focus on Mayer et al.’s (1995) dimensions of trustworthiness to ensure that we capture employees’ perception of being trusted in each aspect of their trustworthiness: ability, benevolence, and integrity.

Ability regards the individual’s skills, competencies, and characteristics. Ability is domain-specific in the sense that management may trust that their employees have the ability to perform one task but not another. We ask: ‘Management trusts that I am competent in my work’.

Benevolence relates to a person’s intentions to do good for another. Employees may have the ability to do their job, yet choose to make decisions that benefit themselves
individually rather than the organization. We ask: ‘Management trusts that I make decisions for the good of the organization’.

Integrity relates to whether the trustee adheres to norms or standards acceptable to the trustor. The norms or standards may vary depending on the context. In this context, we have chosen to highlight one norm likely to be preferred by most managers, namely that employees strive to do their best – often referred to as their work ethics. We ask: ‘Management trusts that I am doing the best I can’.

Finally, we added one last general item pertaining to management’s general trust in the employee, as felt by the employee: ‘Management trusts me’. These four items make up the felt trust scale used in the present study. They were measured on a 6-point Likert scale.

Factor validity and discriminant validity. To test the factor validity of the measure, an exploratory factor analysis was performed on one half of the data, and a confirmatory factor analysis on the second half. We also performed the exploratory factor analysis to ascertain whether the trust items provided unique information not already covered by established and related measures of the psychosocial work environment, or the construct’s discriminant validity, as defined by Pedhazur and Schmelkin (1991). Therefore, we also included items regarding mastery of work, employee control at work, demands, and intrinsic motivation into the exploratory factor analysis. For the exploratory factor analysis, we used the maximum likelihood method. Because we expected the factors included in the present analysis to be related, we employed oblique rotation.

Both (Kaiser’s 1960) criterion of an eigenvalue greater than 1 and a scree plot test supported the notion that the items included were best represented by six factors. The six factors identified were, as expected: felt trust, mastery of work, demands, intrinsic motivation, and two factors for employees’ control at work (i.e., control over decisions and control over work intensity).

There were two (1.0%) nonredundant residuals with absolute values greater than 0.05, none of them related to the trust items. The pattern matrix revealed that each of the four trust items had factor loading exceeding 0.80 on the trust factor. None of the four trust items had factor loading exceeding 0.30 for any other factors. The difference between factor loadings exceeded 0.20 for all four items.

Looking at the five previously validated measures included in the analyses, all items loaded with 0.30 or more on their respective factors. However, two items had a difference between factor loadings below 0.20. One item, originally belonging to control over decisions, had a factor loading of 0.37 on control over decisions, and of 0.23 on trust. The second item, originally belonging to control over work pacing, had a factor loading of 0.37 on control over work pacing, and of 0.33 on control over decisions. These two items were dropped in further analyses.

We performed a confirmatory factor analysis with AMOS on the second half of the dataset. Again, felt trust, mastery of work, employee control at work, demands, and intrinsic motivation were included as latent variables. Each item was restricted to load on only one latent variable (i.e., items from the mastery at work measure were restricted to load only on the mastery at work latent variable, items from the felt trust measure were restricted to load only on the felt trust latent variable, etc.). As with the exploratory factor analyses, we allowed all latent variables to be correlated by including a nondirected arch between them. Degree of freedom was (276–61): 215.
The result showed a root mean squared error of approximation (RMSEA) of 0.058 (LO90: 0.055, HI90: 0.061), indicating a satisfactory fit (McDonald & Ho, 2002). Furthermore, the results suggest that the low RMSEA is relatively stable and not likely to be caused by chance. A comparative fit index (CFI) value of 0.95 further supports the fit of the model (McDonald & Ho, 2002). Finally, the analysis showed relatively high factor loadings. All items loaded on the predicted factor at 0.47 or higher. The five items developed for this study all loaded on the trust factor at 0.80 or higher. There were no serious problems of too high factors correlation, the highest value being between the two forms of control at 0.55. Cronbach’s alpha was above 0.70 for all factors, and 0.97 for the felt trust factor. In conclusion, the analyses support the reliability, factor validity, and discriminant validity of the developed measure.

**Statistical analyses**

To test our hypotheses, we analyzed the data using Structural Equation Modeling (SEM) with AMOS. SEM permits simultaneous regression equations; it is therefore regarded as a valuable tool when one is interested in mediation and when we look at multiple dependent variables (Bowen & Guo, 2011). The Structural Equation Model consists of a measurement model and a path model (McDonald & Ho, 2002). The measurement model consists of 27 observed items (i.e., each question from the questionnaire) as indicators of seven latent variables (i.e., control of work pacing, control of decisions, monitoring, felt trust, intrinsic motivation, and mastery of work). In our model, each observed item is only used as an indicator of one latent variable.

The path model describes the relationship between the latent variables. For the analyses, the path model was based on Fig. 1. However, we also allowed a direct relationship (or a directed arch) from each of the independent variables (control of work pacing, control of decisions, and monitoring) to each of the dependent variables (intrinsic motivation and mastery at work). These direct relationships are not the main focus of this paper, including them allowed us to investigate to what extent felt trust as a moderating variable could explain the relationship between the independent and dependent variables (i.e., hypothesis 5 and 6). For the analyses, we also allowed the independent variables to correlate (nondirected arches). For more explanations on the measurement model and a path model in a Structural Equation model, including directed and nondirected arches see McDonald and Ho (2002).

**Results**

A total of 3015 respondents completed the questionnaire, yielding a response rate of 47.8%. The demographic characteristics of the respondents are presented in Table 1.

Compared with the Norwegian population, we find a higher number of respondents among the oldest age groups (50 years and older) and a lower number among the youngest (18–29). We also find some overrepresentation of respondents with higher education. Although not ideal, an underrepresentation of younger employees and employees with lower educations is common in surveys (Tolonen et al., 2006). Compared with Statistics Norway’s statistics, we also have an underrepresentation of employees in temporary
position (4% compared with 8%) (SSB, n.d.-b) and in part-time work (16% compared with 25%) (SSB, n.d.-a).

The items used in the current study had between 0.1% and 0.6% missing values. Missing values were handled using the Expectation-maximization (EM) algorithm. See Table 2 for the measures (mean, number of items, scaling, etc.) and their correlation matrix. Inspection of the data shows significant deviation from normality; however, due to the large sample, a significant deviation from normality does not necessitate a meaningful or problematic deviation (Field, 2009). Exploring the data closer shows a slight negative skew of the trust items (between −1.03 and −1.56 for each item) and a slight positive kurtosis on the mastery items (between 0.97 and 2.53). We use bootstrap confidence intervals. The bootstrap procedure makes no assumptions about the parent population (such as normality) other than random sampling (Hayes, 2013; Kelley, 2005).

### Structural Equation Modeling

We performed a SEM on the entire sample, in order to test the proposed relationships. Again, we used the maximum likelihood method. Table 3 presents the main results of the analysis. Degrees of freedom was 310, Chi-square 2872.7, CFI 0.94, and RMSEA 0.052. The results supported the notion that employees’ experience of control over important

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Descriptive statistics</th>
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<tbody>
<tr>
<td>N</td>
<td>3015</td>
</tr>
<tr>
<td>18–29 years</td>
<td>7%</td>
</tr>
<tr>
<td>30–49 years</td>
<td>46%</td>
</tr>
<tr>
<td>50–66 years</td>
<td>47%</td>
</tr>
<tr>
<td>Male</td>
<td>47%</td>
</tr>
<tr>
<td>Female</td>
<td>53%</td>
</tr>
<tr>
<td>Not finished high school</td>
<td>4%</td>
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<tr>
<td>High school</td>
<td>47%</td>
</tr>
<tr>
<td>Up to 4 years higher education</td>
<td>34%</td>
</tr>
<tr>
<td>More than 4 years of higher education</td>
<td>16%</td>
</tr>
<tr>
<td>Private sector</td>
<td>51%</td>
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<td>Public sector</td>
<td>43%</td>
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<tr>
<td>Publicly owned company</td>
<td>6%</td>
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<td>Permanent employment</td>
<td>96%</td>
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<tr>
<td>Temporary employment</td>
<td>4%</td>
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<tr>
<td>Full time</td>
<td>84%</td>
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<td>Part time</td>
<td>16%</td>
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Table 2  Latent variables and correlation matrix

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>Scale</th>
<th>No. of items</th>
<th>Alpha</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Monitoring</td>
<td>1.48</td>
<td>1.52</td>
<td>0-1</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Control of decisions</td>
<td>3.28</td>
<td>1.24</td>
<td>1-6</td>
<td>3</td>
<td>0.81</td>
<td>-0.068 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Control of work pacing</td>
<td>3.53</td>
<td>1.54</td>
<td>1-6</td>
<td>3</td>
<td>0.86</td>
<td>0.033 ns</td>
<td>0.490 ***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Felt trust</td>
<td>4.84</td>
<td>1.09</td>
<td>1-6</td>
<td>5</td>
<td>0.97</td>
<td>-0.162 ***</td>
<td>0.389 ***</td>
<td>0.253 ***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Mastery at work</td>
<td>4.05</td>
<td>0.44</td>
<td>1-5</td>
<td>4</td>
<td>0.74</td>
<td>0.014 ns</td>
<td>0.192 ***</td>
<td>0.098 ***</td>
<td>0.305 ***</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Motivation</td>
<td>4.29</td>
<td>1.13</td>
<td>1-6</td>
<td>4</td>
<td>0.91</td>
<td>-0.124 ***</td>
<td>0.384 ***</td>
<td>0.201 ***</td>
<td>0.455 ***</td>
<td>0.241 ***</td>
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</table>

*p < 0.05 *p < 0.01 ***p< 0.001.
work decisions and degree of monitoring were related to their perception of being trusted by their management. In turn, employees’ feeling of being trusted was related to their intrinsic motivation for work and their sense of mastery of work.

The monitoring measure used in the present article encompasses a wide variety of different forms of electronic monitoring, from the more common and possibly more benign electronic access control to more rare forms such as video surveillance and phone tapping. Furthermore, some forms of monitoring could be executed covertly (i.e., without the employees’ knowledge). Indeed, 31% of employees report not knowing whether their employer monitor their emails. We use monitoring as a formative construct (designed as the average of related, but independent indexes). To stress test our findings, we ran simple linear regression for the relationship between each of the types of monitoring and trust. This was done to ensure that the negative relationship between monitoring and felt trust is not solely due to a few particular monitoring forms only. For example, if employees who do not feel trusted are more likely to suspect covert monitoring, we could expect a relationship between covert monitoring and trust, but not between overt monitoring and trust. The relationship between each of the nine monitoring forms was significant and negative, with the exception of phone tapping. The relationship between phone tapping and trust was negative, but not significant. However, as only 1% of the sample (or 45 employees) reported phone tapping, we do not have the statistical power to investigate this relationship alone.

Trust as a Mediating Variable

To test the role of felt trust as a mediating variable, we used AMOS to calculate 95% bootstrap confidence intervals with 10,000 bootstrap samples as recommended by Hayes (2013). The results are presented in Table 3.

The 95% confidence intervals support an indirect relationship mediated by felt trust between employees’ control of decisions and intrinsic motivation, between employees’ control of decisions and mastery of work, between monitoring and intrinsic motivation, and between monitoring and mastery at work. The analysis does not show a direct relationship between monitoring and either intrinsic motivation or mastery – supporting that the relationships between monitoring and the two outcome variables are entirely mediated by felt trust. Employees’ control of decisions have both a direct and an indirect relationship with the two outcome variables, suggesting that felt trust explains part of, but not the entire relationship.

Discussion

Previous research has demonstrated the existence of a relationship between trust and individual and organizational outcomes in the workplace such as knowledge sharing, cooperation, job satisfaction, organizational citizenship behavior, organizational commitment, turnover, and job performance (Dirks & Ferrin, 2001, 2002; Levin & Cross, 2004; Mayer et al., 1995; Schoorman et al., 2007). However, as previously argued, the focus has generally been on the trustor and his/her trust, and not on the trustee and his/her feeling of being trusted. Furthermore, most empirical research has...
Table 3 The direct effect of employee control and monitoring and indirect effect – mediated by felt trust

<table>
<thead>
<tr>
<th>Effect on intrinsic motivation</th>
<th>Control of decisions</th>
<th>Control of work pacing</th>
<th>Monitoring</th>
<th>Felt trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct effect</td>
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<tr>
<td>95% CI</td>
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<tr>
<td>0.368 ***</td>
<td>0.310</td>
<td>0.424</td>
<td>0.149 ***</td>
<td>0.124</td>
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<tr>
<td>0.119 ***</td>
<td>−0.165</td>
<td>−0.071</td>
<td>0.01</td>
<td>−0.006</td>
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<tr>
<td>−0.010</td>
<td>−0.052</td>
<td>0.032</td>
<td>−0.035 ***</td>
<td>−0.052</td>
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<tr>
<td>0.334 ***</td>
<td>0.285</td>
<td>0.380</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Effect on mastery at work</th>
<th>Control of decisions</th>
<th>Control of work pacing</th>
<th>Monitoring</th>
<th>Felt trust</th>
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<tr>
<td>Direct effect</td>
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<td>95% CI</td>
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<tr>
<td>0.136 ***</td>
<td>0.071</td>
<td>0.200</td>
<td>0.126 ***</td>
<td>0.1</td>
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<tr>
<td>−0.018</td>
<td>−0.072</td>
<td>0.037</td>
<td>0.009</td>
<td>−0.005</td>
</tr>
<tr>
<td>0.053</td>
<td>−0.005</td>
<td>0.110</td>
<td>−0.029 ***</td>
<td>−0.044</td>
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<tr>
<td>0.282 ***</td>
<td>0.230</td>
<td>0.334</td>
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<table>
<thead>
<tr>
<th>Effect on felt trust</th>
<th>Control of decisions</th>
<th>Control of work pacing</th>
<th>Monitoring</th>
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<tr>
<td>Direct effect</td>
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<td>95% CI</td>
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<tr>
<td>0.447 ***</td>
<td>0.391</td>
<td>0.500</td>
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<tr>
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<td>−0.018</td>
<td>0.081</td>
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<tr>
<td>−0.105 ***</td>
<td>−0.149</td>
<td>−0.060</td>
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</tbody>
</table>

Estimates are given in standardized estimates. All confidence intervals (CI) are bootstrapped.
*p<0.05 *p<0.01 ***p<0.001.
concentrated on employees’ trust in management or peers, and not on management’s trust in employees.

A growing body of research highlights the importance of managers’ trust in employees, and the importance of employees’ perception of being trusted by their management (Deng & Wang, 2009; Lau et al., 2007; Lester & Brower, 2003; Salamon & Robinson, 2008). In this paper, our aim is to contribute to this area of research. We have investigated the importance of monitoring and employee control for employees’ experience of felt trust, and felt trust as a mediating variable between monitoring and employee control – and intrinsic motivation and mastery.

The importance of monitoring and employee control for employees’ experience of felt trust

Our findings support the notion that employees’ feeling of being trusted increases with their level of control over decisions at work and decreases relative to the level of monitoring at work. The results are in line with the theoretical expectation that the level of control conceded to employees, along with the monitoring of employees, are seen as important signs of management’s trust in employees by the employees themselves. To our knowledge, we are the first to statistically test the relationship between employee control and monitoring and employees’ feeling of being trusted. However, the findings are in line with Lau et al. (2007) who identified a negative relationship between autocratic leadership and felt trust and Falk and Kosfeld (2006) who reported that participants in an experiment perceived being controlled as a sign of distrust. We did not find a significant relationship between employee control of work pacing and felt trust. A possible explanation is that control of work pacing is seen more as a function of the job than as a type of control deliberately delegated or exerted by management. For example, while a researcher may autonomously decide when to work and when to take breaks, a teacher is dependent on class hours, and the breaks must take place in-between classes.

As we have previously argued, management’s trust in employees, and employees’ feeling of being trusted by their management should be distinguished. It is therefore important to know which factors in the work place that actually influence employees’ felt trust. Our results support the idea that management can actively influence employees’ feeling of being trusted by assigning control over decisions and by refraining from implementing monitoring schemes, and moreover, that by implementing monitoring schemes employers may, inadvertently, make employees feel they are not trusted.

The importance of felt trust for intrinsic motivation and sense of mastery

Our findings support the idea of a positive relationship between employees’ feeling of being trusted by their management, and their intrinsic motivation and sense of mastery. This is in line with current literature describing a relationship between felt trust and other factors of organizational significance (Deng & Wang, 2009; Lau et al., 2007; Lester & Brower, 2003; Salamon & Robinson, 2008). Furthermore, the findings are in tune with the argument that the trust employees perceive to receive from their management can be interpreted as an important source of feedback, relating to their
management’s beliefs in employees’ abilities, integrity, and benevolence. This feedback, in turn, will influence employees’ intrinsic motivation and sense of mastery.

The findings indicate that a substantial part of the relationship between employees’ control of important decisions at work, and their intrinsic motivation and sense of mastery, can be explained by felt trust. Moreover, our findings suggest that the entire relationship between monitoring and employees’ intrinsic motivation can be explained by felt trust. In this light, the findings demonstrate not only that felt trust is a significant variable for the individual employee and the organization but also that taking into account felt trust might yield relevant and important knowledge of the mechanisms behind already established workplace relationships, such as employee control and intrinsic motivation. In this way, the concept of felt trust may enhance our theoretical understanding of why organizational systems and management schemes affect employees’ intrinsic motivation and behavior. Our results indicate not only that monitoring may reduce employees’ intrinsic motivation, but also that it will do so because it is experienced as a sign of reduced trust.

Limitations and Future Studies

The present study is cross-sectional and has only used survey data. To further investigate the validity of the instrument, it would be useful to look into how well our findings converge with findings produced by different methods, and also, how well the instrument predicts significant variables measured with different methods or at different points in time. The cross-sectional nature of the data makes it difficult to determine causality, or to identify the direction of the involved relationships. We hypothesized that the feeling of trust would give employees feedback influencing their sense of mastery of work. However, it is also possible that employees with high self-confidence and a strong sense of mastery of work are more prone to assume that their management trusts them. A longitudinal – or quasi-experimental – design would be more suitable for determining the directionality of the relationship. In line with Hayes (2013), we believe that it is still appropriate to model purportedly casual processes (as we do with SEM and mediation analyses) – however, we need to distinguish between the statistical correlations we test, and the casual interferences we speculate upon based on those correlations and theoretical expectations.

Our study population are mostly members of a relatively stable workforce; they are slightly older than the Norwegian population, better educated and generally on full-time, permanent contracts. It would be interesting to also investigate the importance of felt-trust specifically among other groups, such as younger employees moving between temporary employments. Is felt trust equally significant in jobs one does not expect to hold in the future?

Practical Implications

Some practical implications of the current paper are worth highlighting. On the basis of the current results and previous research, we believe that employees’ feeling of being trusted is a significant factor in the workplace, with notable consequences for both the
employee and the organization. The measure developed in the current paper would likely yield relevant information to management if included in work environment surveys.

The results of our current analyses also indicate that organizations should be careful when implementing monitoring systems, taking into account that they may be counterproductive. Implementing monitoring systems to ensure that employees do their jobs may send a signal of lack of trust and leave the employees less motivated and possibly less productive at work. Our results show that employees are more motivated, and feel a higher sense of mastery, in a work situation where they feel trusted and where they are granted the freedom to exercise control over their own work.

Conclusion

Trust is a significant factor in workplaces. This paper contributes to a growing body of literature supporting the significance of felt trust, or more specifically, of employees’ feeling of being trusted by their management. Two empirical and theoretical contributions of the current paper are (1) new knowledge of how variation in felt trust may be explained and (2) new knowledge on how felt trust can help explain important mechanism in the workplace.

We have argued that the perception of felt trust develops as the employee interprets behaviors and contextual cues as a display of thrust, or the lack thereof; and that monitoring and employee control will function as important cues. Our findings support that the presence of monitoring systems is interpreted as a sign of lack of trust, while allowing employees greater control over decisions at work is interpreted as a sign of trust.

We have argued for felt trust as an important mediator between organizational practices and employee outcomes. The results support that employees’ felt trust is related to their level of intrinsic motivation and sense of mastery of work. Moreover, the results support that felt trust partially mediates the relationship between monitoring and employee control on one side, and intrinsic motivation and sense of mastery on the other. In this manner, felt trust is important for understanding significant mechanisms in the workplace. By introducing monitoring systems and reducing employee’s control over important work tasks, management may signal a lack of trust, leaving employees more demotivated and with a reduced sense of mastery.

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