A MODEL OF THE ROLE OF EMOTIONS IN SHORT TERM TRUST AND CONTROL DECISIONS

Anne M H Christie

Griffith Business School, Griffith University, Brisbane, Australia
e-mail: A.Christie@griffith.edu.au

Peter J Jordan

Griffith Business School, Griffith University, Brisbane, Australia
e-mail: Peter.Jordan@griffith.edu.au

Ashlea C Troth

Griffith Business School, Griffith University, Brisbane, Australia
e-mail: A.Troth@griffith.edu.au

Refereed Paper (OB Stream)
Paper presentation

A MODEL OF THE ROLE OF EMOTIONS IN SHORT TERM TRUST AND CONTROL DECISIONS

ABSTRACT (120 Words)

Trust is a key issue in both managing performance and change in organisations. Trust enables us to understand how individuals and organisations can work cooperatively in the absence of formal contractual arrangements. Trust involves coordinating the individuals’ expectations, interpersonal relationships, and social structures (Hosmer, 1995). However, it does not exist in isolation. It also involves the development of control strategies to ensure a positive outcome of a trust decision. In this paper we develop a model of trust that examines the impact various modes of control have on trust. We also investigate the impact of mood and emotional intelligence on the decision to trust and the use of particular modes of control. Implications for theory and practice are discussed.

Keywords: trust, control, emotion, mood, emotional intelligence

INTRODUCTION

The fast paced changes required of organisations have accentuated the need for an increased capacity to adapt and respond to these changes through internal and external structures and relationships that can form and reform quickly (Cloke & Goldsmith, 2002). To continue to be successful, organisations need a workforce that is skilled in working cooperatively toward established goals. One of the key building blocks of such adaptable organisational structures and relationships is trust. Trust has been defined as a mechanism, which is involved in coordinating the individuals’ expectations, interpersonal relationships, and social structures (Hosmer, 1995). It involves more than a calculation of risk in dealing with others in an economic transaction and is influenced by a variety of differences in personalities of individuals (Mikulincer, 1998; Sorrentino, Hanna, Holmes, & Sharp, 1995) and their emotional states (Dunn & Schweitzer, 2005). Trust is comprised of behavioural, cognitive, and emotional dimensions (Deutsch, 1960; Lewis & Weigert, 1985; Mayer, Davis, & Schoorman, 1995; McAllister, 1995) which influence our propensity to trust others. The emotional dimension of trust has been described in terms of an emotional bond between participants in a relationship (Lewis & Weigert, 1985). Individuals use control to minimise the risk of and potential harm of unsubstantiated trust or to manage the situation in favour of the trustor. The perception of risk or harm resulting from trust stems from a range of factors including perceptions of the competence of the other party involved in a given situation, the outcomes of previous decisions to trust, and the
judgemental and emotional reactions to those perceived outcomes. Due to the complexity of the concept of trust it is necessary to separate the thought from the action. The thought or subjective trust is the trustor’s subjective assessment of the trustworthiness of the trustee and the action or behavioural trust is the trustor’s trust manifested in behaviour (Kee & Knox, 1970). The aim of this paper is to outline a model identifying the relationship between control, the subjective and behavioural aspects of trust and the impact of mood on the decision to trust and of emotional intelligence on the use of particular modes of control.

**Definitions of Trust**

How a person acts in a given situation is stimulated by their motives, goals or intentions, their thoughts or cognitions relating to their expectations of success and perceptions of risk, and their emotions or feelings about how they will present themselves to establish or maintain a bond with others. Deutsch’s (1958) definition of trust asserts that trust is involved where the trustor’s behaviour could lead to a harmful or beneficial event, the outcome is dependent on the behaviour of another person, and the trustor would be “worse off if he trusts and his trust is not fulfilled than if he does not trust” (Deutsch, 1958, p.267). Deutsch (1958) is concerned with the fear of failure, rather than the potential for success. The notion of expectation in Deutsch’s view is about an expectation of the event being harmful or beneficial to the trustor, rather than an expectation about the behaviour of the other person which is evident in other definitions. Deutsch (1960) focussed on the role of motives in determining the intentions of the trustor as being the primary factor for assessing the likelihood of whether the other person will cooperate or not. His view is firmly based on the motives or intentions of the trustor believing that evaluating risk in terms of those intentions would influence behaviour.

Gambetta (1988, p.217), using this same concept of risk from a more positive perspective, defines trust in another as where “the probability that he will perform an action that is beneficial or at least not detrimental to us is high enough for us to consider engaging in some form of cooperation with him”. This definition emphasizes the anticipation of success. It is couched in terms of cooperation based on little risk of harm being suffered by the trustor. Likewise, Luhmann’s (1979) view of trust is founded on the premise of risk and incorporates a concept noted by Berg, Dickhaut, and McCabe (1995) that in the transaction, the trustee is making a decision that will affect both parties
and the trustor is giving to the trustee the right to make that decision. Trust is a choice or a decision motivated by a need in the trustor. If there is no potential loss to the trustor involved in the situation then trust is not involved. Risk behaviour and the perception of risk are influenced by factors such as familiarity with the environment of the problem, control systems in place, and social influences (Mayer, Davis, & Schoorman, 1995).

Barney and Hansen (1994, p.460) emphasise the mutuality of trust in their definition namely, “the mutual confidence that no party to an exchange will exploit another’s vulnerabilities”. This definition concedes that the trustee is also vulnerable in terms of how they act in the situation. In other words, the reputation of the trustee may suffer if they do not act appropriately. Mayer, Davis, and Schoorman (1995, p.712) have added the notion of vulnerability to Gambetta’s (1988) definition of trust, describing it 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”. The onus here is on the trustor and their willingness to be vulnerable. This definition acknowledges the risk involved in trust in that the trustor is relying on the trustee and has a stake in the outcome, but it emphasises that the trustor acts without the intention to control the trustee.

Incentives and disincentives to trust can be found in rule making and rule breaking behaviour (Gambetta, 1988). To be confident that others are willing to act in accordance with a common understanding of the goal increases trust. To distrust the other party without reason increases complexity (Kramer, 1999). Rotter (1967, p.651) defines trust as “an expectancy held by an individual or a group that the word, promise, verbal or written statement of another individual or group can be relied upon”. In this definition, Rotter incorporates a present reliance on a declared action by the trustee based on the expectation that the trustee will fulfil that promise through a future action. Rotter (1967) uses his social learning theory (Rotter, 1954) to claim that both situation specific experiences and those from other situations are used in varying degrees to determine the expectancy to trust. Therefore, instead of relying on specific information about the other parties involved, the trustor uses prior knowledge of similar situations and is expecting that the persons involved in the current situation will behave in the same way that those in the previous encounters behaved. It is this type of
generalised expectation (Rotter, 1971) that is the foundation for short term trust. Short term trust is used to describe trust when the parties involved have not developed a significant level of familiarity with one another.

When we have confidence in the competence and cooperation of others then we have trust on the basis of feeling secure. Becker (1996) calls trust a form of non-cognitive security because it indicates that we are confident in our feeling of security and therefore choose to trust the other. To increase our understanding of things/people we must become familiar with them and the way they operate. Luhmann (1979, p.20) advocates that ‘familiarity and trust are therefore complementary ways of absorbing complexity’. When such familiarity is not possible, that is, when we are anxious about the trust decision, we rely on understanding the personality of the other person as it is presented to us. By perceiving emotions and other expressions of their attitudes and intentions we are able to make assumptions that enable us to regulate our behaviour and increase our control over ourselves and situations. The information we disclose about ourselves and the stories we tell give an insight into our personalities and values. In response, “people tend to trust other people and institutions that ‘tell stories’ expressing currently salient values, stories that interpret the world in the same way they do” (Earle & Cvetkovich, 1999).

So, in summary, the decision to trust is based on a purposeful and willing choice by the trustor who, acknowledging the risk or potential cost of an unsuccessful outcome, acts from a level of confidence that is based on an expectation that the trustee’s behaviour can be relied upon. In forming this level of confidence, the trustor evaluates the consistency between the intentions and actions of the trustee. In situations involving familiar others, the trustor is able to rely on previous experience or knowledge of this consistency. However in short term trust situations, the trustor is unfamiliar with the trustee and seeks information from behavioural cues as well as verbal and facial expressions to develop a generalised expectancy regarding how the trustee will behave in a given situation.

**Control**

Psychological theories of control in general indicate three perspectives to control namely control over self, control over the influences of others, and control over the environment. These perspectives of control relate to an individual’s behaviour in a given situation. However they also
influence the within-person controls or self-regulatory processes that individuals use. Self-regulatory processes allow greater control over the demands of the immediate environment by enabling an individual to engage in their actions in a more planned way with less reflexivity than they would without the self-regulatory processes (Bandura, 1986). While self-regulatory processes operate within-person they are influenced by external events and systems (Tsui & Ashford, 1994). Giving others control or maintaining control oneself can both be seen as strategies for achieving one’s goals.

The specific types of control examined in this research will be those outlined by Shapiro and Astin (1998). They describe four modes of control namely, negative assertive, positive assertive, positive yielding, and negative yielding. The assertive aspect relates to using active efforts to change the situation and is akin to primary control (Rothbaum, Weisz, & Snyder, 1982) and problem-focussed coping strategies (Folkman & Lazarus, 1980) or a task focussed approach to the situation. The yielding aspect relates to acceptance or maintaining harmony and relationships and is akin to secondary control (Rothbaum, Weisz, & Snyder, 1982) and emotion-focussed coping strategies (Folkman & Lazarus, 1980). The positive and negative aspects of the modes of control are described as relating to the outcomes where negative assertive control is too much control and negative yielding is too little control (Shapiro & Astin, 1998). These aspects could however be better described as a focus on self (negative) and other (positive). So for example, negative yielding is too little self-control and allows control by others to the point where the individual could be manipulated whereas negative assertive control describes too much control by self resulting in the individual being manipulative. The intensity of control therefore increases from negative yielding through positive yielding then positive assertive to negative assertive. In the theoretical model developed in this paper, we argue that emotions influence the relationship between control and trust and that emotional intelligence moderates the relationships between emotions and subjective trust and emotions and control.

*Emotion/Mood*

The model presented in this paper examines the impact of both mood and emotional reactions on the decision to trust and the mode of control trustor’s use to achieve a successful outcome. Emotion can be considered from a number of perspectives. Firstly, in terms of the positive or negative affect or the valence of the emotion experienced as a consequence of a decision to trust. That is, how is the
event experienced: is it pleasant or unpleasant. Secondly, in terms of a secondary appraisal of the person-environment relationship as it is perceived and evaluated. Primary appraisal includes goal relevance whereas secondary appraisal includes consideration of options for adapting to the situation (Lazarus, 1991). Since emotions are elicited, the eliciting events act upon emotions “through their significance, their meaning, their rewarding or aversive nature” (Frijda, 1986, p.4). Affect or emotional reactions are terms used to describe positive or negative experiences of the eliciting event for example, as pleasant or unpleasant. Emotions can be identified and described by the depth or expressive nature of the response to eliciting events and as such are “changes in action readiness” (Frijda, 1986, p.5).

A more recent view of emotion (Lazarus, 1991, p.38) is that emotions are “organized cognitive-motivational-relational configurations whose status changes with changes in the person-environment relationship as this is perceived and evaluated (appraised)”. Therefore emotions provide direction to our reactions and a capacity to appraise or evaluate people, situations, and surroundings. Lazarus (1991) outlines this further by differentiating between ‘primary appraisal’ which includes goal relevance, goal congruence or incongruence, and type of ego involvement and ‘secondary appraisal’ which includes options relating to coping. Appraising our environment therefore is a cognitive activity and the role our emotions play in this appraisal process is designed to “regulate emotional distress or protect one’s ego-identity” (Lazarus, 1991, p.134).

Emotional reactions or experience can be described across a range of underlying dimensions. Smith and Ellsworth (1985) have noted six orthogonal dimensions namely, pleasantness, anticipated effort, certainty, attentional activity, self-other responsibility–control, and situational control. With short term trust the focus is on a subjective experience of emotion in a given situation. The trustor must quickly appraise the situation and respond to it and the trustee. Subjective evaluations of emotions according to their pleasantness, certainty, attentional activity, and control are therefore going to impact on the trustor’s judgements. Similarly, Lambie and Marcel (2002) have classified the nature and content of the conscious experience of emotions into three main aspects namely, the mode (analytic or synthetic, detached or immersed); direction (toward self or the world); and focus (evaluation or action). They build on Lazarus’ (1991) theory in their description of the way in which
various emotion states trigger an action attitude or action readiness. The fight/flight spectrum is an example of this type of action readiness. Our coping and control behaviours are indeed associated with this underlying dimension of our emotions. Frijda (2005) notes the capacity of individuals to use emotion control or regulation processes when adverse responses or consequences are likely if emotions remain unrestrained. The need to restrain these emotions stems from an awareness of the consequences of proceeding without restraining those emotions. So not only does an individual have the capacity to determine whether an experience is pleasant or unpleasant, they can also be aware of and reappraise their emotional state in terms of the relevance to a specific concern that holds their attention and in terms of the implications of the concern for the person as a whole (Lambie & Marcel, 2002).

Whereas emotions are connected with the eliciting event and the object of the emotion is salient, moods are “configurations of activity that are not centered around an object or event” (Frijda, 1986, p.59). “Moods differ from emotions in that they are more diffuse and longer lasting” (Ashkanasy, Zerbe, & Hartel, 2002) and “in mood experience, the cause has become detached from felt action readiness” (Frijda, 1986, p.253). The affect infusion model (Forgas, 1995) predicts that self perceptions and social thinking will be influenced by the mood of the person and will be consistent with the valence of their mood. Positive moods generally promote optimism in one’s thinking and perceptions and negative moods result in pessimistic thinking. However, self-other framing has been found to moderate the influence of mood on self-perceptions of success (Detweiler-Bedell, Detweiler-Bedell, & Salovey, 2006). According to these findings, we expect that in situations of short term trust, the extent to which the trustor uses another person as the basis for a normative standard of success will influence the trustor’s self-perception of their success in that situation. In other words, when an individual’s attention is focussed on the self, they are more likely to make judgements in accordance with the valence of their mood. The impact of their mood on their judgement can however be moderated by them evaluating their success in comparison with the other person’s success. Focussing on the other person has the effect of reducing subjectivity in the evaluation process.

**Trust and Emotion**
Rafaeli and Sutton (1989) note the ability of people to distinguish between what they feel and the emotions they then express. Expressive behaviours “make the observer attribute emotional states to the person” (Frijda, 1986, p.9). Dunn and Schweitzer (2005) used Smith and Ellsworth’s (1985) conceptualisation of emotions in conjunction with the secondary appraisal of control to explore the effect of various emotions and their valence on trust. Dunn and Schweitzer (2005, p.746) note that “when an event was negative, angry participants were more likely to blame other people for the event than were sad participants” and for positive events “no difference in attributions across angry and sad participants” was found. In general then, control appraisals influence evaluative judgements on the type and extent of control and the valence of the emotion constrains these judgements in accordance with the valence of the event. The ability of individuals to perceive and use emotion is a skill or talent, which needs to be developed and managed by the organisation for both the benefit of the individual as well as the organisation. One concept that has proven successful in this regard is emotional intelligence as it has been shown that training can increase an individual’s emotional intelligence (Murray, Jordan, & Hall-Thompson, 2005).

*Emotional Intelligence*

Ashkanasy, Härtel, and Daus (2002) note a number of recent developments in the study of emotion in organisations including research into the effect of mood on the performance of individuals (Fisher, 2000); research identifying emotion as the link between workplace events and employee behaviour (Weiss & Cropanzano, 1996); and potential applications of emotional intelligence in the workplace (Jordan, Ashkanasy, & Hartel, 2002). However, it is the concept of emotional intelligence that has undergone substantial investigation in recent years even though it can be argued that the foundations of the concept stem from theories articulated early last century (Gardner, 1983; Thorndike, 1920). Since emotional intelligence is comprised of a broad range of abilities that relate to the way individuals manage emotion, there are a number of potential applications of emotional intelligence in the workplace for both the worker and the organisation. Ashforth (2001, p. 721) notes that emotional intelligence is needed in “modern organisations, as stable bureaucracies and segmented jobs give way to organic forms, floating teams, and the need for self-direction, social competencies, adaptability, and creativity”.

Page 8
A clear distinction exists between trait emotional intelligence that focuses on behaviour or personality and information processing models of emotional intelligence that examine mental abilities (Petrides & Furnham, 2000). The most common models of emotional intelligence are the trait model (Goleman, 1995), which focuses on emotional competencies and the abilities framework (Mayer & Salovey, 1997; Salovey & Mayer, 1990), which focuses on emotional intelligence as the interaction of emotion and cognition. In later research they conceptualised emotional intelligence as being comprised of a set of abilities in a four-part model comprised of (a) perceiving emotion, (b) using emotions to facilitate thought, (c) understanding emotion, and (d) managing emotions in a way that enhances personal growth and social relations (Mayer & Salovey, 1997). A measure based on the latter construct will be used in this paper.

The experience of trust is determined by the interplay of people's values, attitudes, and moods and emotions (Jones & George, 1998). In particular, there is a connection between emotional intelligence and interpersonal behaviours. George (2000) discussed emotional intelligence in relation to various interpersonal aspects of the leadership process; specifically five factors contributing to leader effectiveness. One of these was generating and maintaining enthusiasm, confidence, optimism, cooperation, and trust. She theorized that by being able to better understand and use their emotions, leaders high in emotional intelligence would be able to maintain cooperation and trust by engaging in constructive thinking and high quality interpersonal relationships. Cooperative behaviours increase trust (Weingart, Bennett, & Brett, 1993) and high emotional intelligence has been shown to increase cooperative behaviours. For example, Schutte et al. (2001) found that those with higher scores for emotional intelligence were more likely to cooperate with others.

**A MODEL LINKING SHORT TERM TRUST, CONTROL, AND EMOTIONS**

The primary research gap that we are seeking to fill is in relation to understanding emotional reactions to contraventions of trust and the influence of emotions on the mode of control used. Figure 1 outlines a model that explains the relationship between short term trust, control and emotions. In the following pages we describe the paths in this model in detail.
Figure 1. Proposed Model of Short Term Trust, Emotion and Control
Adapted from Kee and Knox (1970). (□ = K & K model)

The first path in the model to be examined is that between perceiving the competence and/or motives of others and subjective trust. In judgements of the competence and motives of others there is a need to examine prior knowledge and behavioural information. Mood has been found to influence the processing of this information. In particular, Bless, Schwarz, and Wieland (1996) found that individuals in happy moods are more likely to rely on stereotypes and general knowledge structures. Clore, Schwarz, and Conway (1994) found that individuals in a sad mood are more strongly influenced by the information at hand. Schwarz (1990) identified that positive affect is connected with goal pursuit in that individuals usually experience positive affect when either they are in situations that are characterized by positive outcomes or where their current goals are not threatened.

Another impact that mood has on the trustor’s decision to trust relates to the amount of information the trustor seeks or is satisfied with before making the decision. That is, when do we have sufficient confidence to make a decision to trust instead of seeking more information or clues about the trustee? Mood then, has an impact on when it feels right to make a decision instead of delaying the process until more information becomes available. Martin, Ward, Achee, and Wyer Jr. (1993, p. 325) found that in terms of processing information about another, “positive moods tell us to continue when they reflect our level of enjoyment but tell us to stop when they reflect our level of goal attainment” and that negative moods tell us the opposite in each case. In that study, the researchers asked participants to read a series of behaviours to form an impression of the target person. Half were
told to stop when they felt they had sufficient information to form an opinion and half had to keep reading until they no longer enjoyed it. Martin et al. (1993) also found that more favourable impressions were formed by individuals in a positive mood rather than those in a negative mood. Based on these findings, it is hypothesized that:

\textit{H1. The link between perceptions of competence of the trustee and subjective trust is moderated by the trustor's mood. Positive mood will positively influence the trustor's judgement of subjective trust.}

There is debate regarding the relationship between trust and control. Some authors identify trust as a substitute for control because trust lowers the costs of monitoring and other control mechanisms (Cummings & Bromiley, 1996), and involves high cooperative behaviours (Costa, 2003; Currall & Judge, 1995). On the other hand, Das & Teng (1998) refute that trust is a substitute for control, identifying that both contribute to the cooperation needed in a relationship. The intention to trust is subjective and needs to be manifested in an action for trust to actually occur. The other person (or their word) must actually be relied upon for trust to be tested. Most conceptions of trust are in agreement that acting on trust involves submitting to another thereby risking they will abuse / subvert the power / responsibility given to them. While not trusting other people minimises these risks, there are situations where we need to trust others even though we may have doubts about the outcome. In this case control is a way of alleviating or minimising risk. Once potential risks have been minimised it is easier to trust (Bijlsma & van de Bunt, 2003). Choosing the appropriate control strategy then will impact on the trustor’s perception of the amount of risk to be borne in that situation. Based on this reasoning, it is hypothesized that:

\textit{H2. The link between the trustor’s subjective trust and their behavioural trust is mediated by the mode of control used. Trustors with low subjective trust can increase their behavioural trust by decreasing the level (intensity) of control.}

One of the functions of emotions is to signal the relevance of events to an individual’s well-being or concerns (Frijda, 2003, pp., p.132). In this manner, events are identified as pleasant or unpleasant through the occurrence of positive and negative affective responses, respectively. Another function of emotions is to stimulate an awareness of the event causing the emotion and in some cases
its meaning or they may stimulate a behavioural response to deal with the event (Frijda, 2003). Placing trust in another engenders in the trustor expectations regarding the behaviour of others (subjective trust) and also regarding the outcomes of the trustor’s decision to trust. Where an individual seeks to minimise the risk involved in trusting through the use of control, it is reasonable to expect an emotional response based on their perceptions of the success or failure of their decision to trust.

Indeed, Dunn and Schweitzer (2005, p.745) found that “positive-valence emotions are likely to lead to positive judgments and negative-valence emotions are likely to lead to negative judgments”. They also argue that that an individual’s judgment about: a) themself would be influenced by personal-control emotions (e.g. pride, guilt); b) others would be influenced by other-control emotions (e.g. anger, gratitude); and c) situations would be influenced by situational control emotions (e.g. sadness, hope).

Based on this reasoning, it is hypothesized that:

H3a. In situations where the trustor perceives their trust decision as being successful, the trustor will have a positive emotional reaction.

H3b. In situations where the trustor perceives their trust decision as being unsuccessful, the trustor will have a negative emotional reaction.

In situations requiring trust there is always a possibility that the trustor may suffer a loss. Isen and Simmonds (1978) have found that happy individuals are motivated to maintain their positive state. If this is the case, then when they experience a failure in a decision to trust, they may in fact be risking the loss or failure itself and the loss of their positive emotional state. Consequently, they would be more sensitive to what they have to lose and not as willing to take the risk. It is likely that greater emphasis will be placed on how bad another loss would feel rather than on how probable it is that a loss will occur (Isen, Nygren, & Ashby, 1988). If the trustor’s emotional reaction to the trust decision is positive it is likely that the trustor will not want to lose that feeling and therefore not alter their perceptions of the trustee. In one sense, they are continuing to trust on an unconditional basis in that their trust is no longer conditional on judgements of the trustee rather the decision to trust is now about how it feels.
Another factor relating to emotions and subsequent judgements is that of certainty or uncertainty appraisals associated with emotions. Tiedens and Linton (2001, p. 985) found that “when people feel emotions that are accompanied by certainty appraisals, they are more likely to feel certain in subsequent situations than when they feel emotions accompanied by uncertainty appraisals, which produce more uncertainty in subsequent situations.” The outcome of a prior decision to trust will carry with it a certainty appraisal in the case of a successful decision and an uncertainty appraisal in the case of a decision failure. This will influence subsequent decisions in relation to the trustor’s perceptions of the trustee. Based on this reasoning, it is hypothesized that:

**H4. The trustor’s emotional reaction to the success or failure of the trust decision will influence the trustor’s perceptions of the future competence or motives of the trustee.**

Hypotheses 3a and 3b suggest that trustors will have an emotional reaction to the perception of the success or failure of their trust decisions. Contraventions of trust, however, do not mean that the trustor immediately can stop trusting. In organizations there may be the need for the trust to continue in order for goals to be achieved or tasks completed. So in the case of a negative trust experience, how does this relationship change? Since individuals with high emotional intelligence are able to manage their own emotions (Mayer & Salovey, 1997), it is anticipated that their emotional management ability could be used to ameliorate the consequences of negative emotional reactions. In effect, this does not mean that emotional intelligence will prevent the experience of a negative emotional reaction in the face of a perception of trust failure, rather it means that greater emotional intelligence will enable a trustor to either regulate their own emotions and continue to cooperate in trust and/or it will enable the trustor to choose a mode of control to facilitate or support their trusting behaviour. Schutte et al. (2001) found that individuals with high emotional intelligence display significantly more cooperative responses towards others even in the face of contraventions of trust.

The emotional intelligence ability to generate emotions to facilitate thoughts is perhaps the most likely dimension of emotional intelligence to be used in judgements of trust. This ability enables the person high in emotional intelligence to engage in perspective-taking and consider issues and problems from the other person’s point of view. Indeed, “individuals low on emotional intelligence are
not able to effectively use their emotions to facilitate cognitive processes and may find it difficult to integrate, in a productive manner, how they feel with what they are doing” (Zhou & George, 2003, p. 553). In other words, by being able to see things from another’s perspective, those with high emotional intelligence are more likely to moderate extreme emotional reactions and seek to create a collaborative flow to overcome problems they perceive. This skill linked to emotional awareness and emotional management enables the individual with high emotional intelligence to develop a considered response to negative trust experiences and overcome emotional setbacks which may, if not managed, negatively affect reasoning. Based on these findings, it is hypothesized that:

**H5. The trustor’s level of emotional intelligence will moderate the relationship between the trustor’s emotional reaction and their future subjective trust. Trustors with higher levels of emotional intelligence will have higher levels of subjective trust after an unsuccessful trust decision.**

Having high emotional intelligence, however, does not make the trustor completely vulnerable to continual contraventions of trust. Emotional intelligence, as defined by Mayer and Salovey (1997), involves a set of abilities to perceive, identify, understand, and manage emotions. This includes the ability to be aware of and manage others’ emotions. Since emotional intelligence is comprised of a broad range of abilities that relate to the way individuals manage emotion, there are a number of potential applications of emotional intelligence. In particular, the ability to regulate other peoples’ emotions is useful in managing other people’s emotional reactions to events thereby influencing their future behaviour. In this way individuals with high emotional intelligence are able to assist others to cope with stressful situations, such as a situation where a trust decision has been subverted.

There are two major types of regulatory processes described in the literature on coping (Lazarus & Folkman, 1984) namely, problem-focussed and emotion-focussed regulation. Problem-focussed regulation refers to identifying ways to modify or cope with a situation that causes particular emotions such as problem solving or changing the situation. Emotion-focussed regulation refers to the regulation of the stressful situation by using non-direct methods e.g. withdrawal or avoidance of the situation. Deciding what mode of control to use in a given situation is partially dependent of the other party involved in that, to be effective, an appropriate mode of control should be chosen to minimise
the risks or maximise the gains associated with the relationship. The capacity to perceive the emotions of others and regulate one’s behaviour accordingly is therefore essential to the selection of an appropriate mode of control. The mode of control needs to be selected to give the trustee the maximum chance of being successful in the next trust situation. Where success in a trust decision occurs, the trustor’s intensity of control will most likely increase. When a decision fails, the trustor needs to use their emotional intelligence to anticipate the reaction of the trustee and prepare a control strategy that will minimise the stress that may ensure from their previous failure. Based on this reasoning, it is hypothesized that:

H6. The trustor’s level of emotional intelligence will moderate the relationship between the trustor’s emotional reaction and the mode of control imposed by the trustor. Trustors with higher levels of emotional intelligence will increase their level (intensity) of control after a successful trust decision.

THEORETICAL/PRACTICAL CONTRIBUTION

This model contributes to the extant literature by extending the Kee and Knox (1970) model to include the mediating role of control between subjective and behavioural trust. The model also acknowledges the moderating role of moods on the decision to trust and enables an investigation of the influence that emotional reactions and emotional abilities on trust and control decisions. The practical implication of this model is that managers should not only recognize that their moods impact on their judgements of the trustworthiness of others, but the mode of control they put in place regulates their behavioural trust responses.

Becoming aware of the role that emotions play in judgements of trustworthiness and consequent behavioural responses to others is critical in identifying strategies for improvement. Training in emotional intelligence could be one such method of increasing awareness of others emotions and developing appropriate responses. This has the potential to facilitate change and improve performance.
REFERENCES


