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**Workplace trust as a mechanism of employee (dis)advantage: The case of employee
socioeconomic status**

Marko Pitesa (mpitesa@smu.edu.sg)
Singapore Management University
Singapore

Stefan Thau (stefan.thau@insead.edu)
INSEAD
Singapore

Madan M. Pillutla (mpillutla@london.edu)
London Business School
United Kingdom

Please send page proofs to Madan Pillutla (mpillutla@london.edu)

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Abstract

Early work on trust in social science highlighted how the lack of trust between individuals can cause social division, contribute to social stratification, and reduce economic opportunities for people from all social groups. We integrate this work with organizational research on antecedents of trust to generate predictions explaining when and why low employee socioeconomic status (SES) can be a barrier to trust. We discuss how this process can impair the success of both organizations as well as their lower-SES employees. We present a model, and data, suggesting that lower-SES employees will be both more distrusted as well as more distrustful relative to their higher-SES colleagues. This, in turn, locks them out of potentially advantageous social and economic exchanges. Our theory adds precision in detecting when and why lower-SES employees face barriers to success in organizations, as well as provides a blueprint for studying the impact of trust on socially disadvantaged groups in organizations.

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1. Aims and overview

Trust has been one of the most widely studied phenomena by organizational behavior scholars in recent decades. Trust is commonly 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, Davis, & Schoorman, 1995, p. 712). This definition highlights the importance of trust in the central challenge of organizations and economies, whereby actors must rely on others to accomplish their own and organizational goals while being uncertain about whether others will behave as expected (McEvily, Perrone, & Zaheer, 2003). Given the importance of trust to organizational functioning, organizational behavior research focused on identifying factors that may increase trust among organizational members, with the ultimate goal of improving organizational performance (see Section 2. for a more detailed review of organizational research on trust).

The tremendous interest in trust in organizational science was inspired by a growth in interest in trust in related disciplines, such as sociology (Bourdieu, 1986; Putnam, 1995). However, the disciplinary research on trust had a much more socially engaged agenda, conceptualizing trust as an antecedent to and consequence of social divisions, and examining its role in stratification, social justice, and equality of opportunity (Bourdieu, 1986; Putnam, 1995). This line of research claimed that if trust is undermined among certain groups of people, it can become a powerful mechanism of disadvantage of these groups. As an illustration, consider a study by Falk and Zehnder (2013). These authors conducted a city-wide field experiment on trust and found that people are more likely to trust residents of high-income districts with their money. These findings mean that residents of lower-income districts are less likely to receive economic opportunities because they are trusted less. In this

manner, trust becomes a mechanism through which existing socioeconomic disadvantage is perpetuated.

In the current review, we aim to motivate and help guide *organizational* research on trust as a precursor to disadvantage. We argue that, in addition to focusing on the role of trust in organizational performance, organizational scholars are uniquely positioned to contribute to the understanding of trust as a source of disadvantage. Employees who are trusted gain valuable opportunities in organizations. Much of organizational life depends on relying on others without having control over or being able to monitor them. People will be more willing to rely on and engage with trusted others in such situations. Thus, being trusted is an advantage. In addition, trusting others can be a source of advantage because it allows trustors to engage with as opposed to shy away from potentially advantageous (but uncertain) exchanges. Our overarching point is thus that trust can be a powerful mechanism of advantage versus disadvantage in organizations.

We illustrate this point by considering how trust might reproduce the disadvantage of employees of lower socio-economic status (SES). We focus on SES for three reasons. First, SES is perhaps the most relevant social category to consider as it is correlated with all other social categories that represent a basis of disadvantage. For example, to the extent that people are disadvantaged due to their ethnicity or race, this would on average imply that they are also disadvantaged in terms of SES. Thus, our focus on SES as a basis of disadvantage provides a relatively general model that can be developed and extended to consider the role of trust in disadvantage based on other social categories (by modeling unique factors stemming from membership in other social groups) over and above those stemming from SES. Second, as we elaborate in more detail in Section 3, relative to other disadvantaged social groups, lower-SES employees have been neglected in organizational behavior research. We thus hope to promote and facilitate empirical research in organizational

behavior on this group of employees. And third, most of the disciplinary research on trust differences as a determinant of social stratification has focused on SES. We use findings from this work to develop our ideas about the perpetuation of disadvantage in organizations.

By bringing in the perspective that trust can be a powerful mechanism underlying disadvantage to organizational research, we expand the scope of organizational scholarship on trust. Given the importance of trust at the workplace for the attainment of work goals in organizations, and given the importance of how one fares within organizations for overall socioeconomic success, understanding how trust dynamics in the course of everyday work in organizations contribute to or undermine the goal of equality of opportunity is a major social concern. Organizations are the primary vehicles of economic advancement and as such they are perhaps the most important context within which to investigate question of trust as a source of disadvantage. Organizational scholars are thus uniquely suited to contribute to solving this social challenge. In addition, specifying why trust might be lower in relation to or among certain social groups in organizations would add precision to the current models of trust in organizations. Current models, which focus on the performance implications of trust, overlook the fact that trust may be predictably lacking as a function of employee social group membership. They are therefore somewhat imprecise about the antecedents of trust.

The reverse, i.e., bringing the nuanced and multifaceted conceptualization of trust from the organizational literature to the general social science literature on SES and trust, is also a useful enterprise as it can resolve some empirical inconsistencies in the literature. For example, some findings indicate that trusting behavior is higher among individuals from low SES backgrounds (Piff, Kraus, Côté, Cheng, & Keltner, 2010), while other findings indicate the opposite (Korndörfer, Egloff, & Schmukle, 2015). Our review will show how these conflicting findings and claims from disciplinary research can be reconciled by utilizing the multifaceted conceptualization of trust developed by organizational scholars.

The rest of this paper is organized as follows. In Section 2, we review organizational research on trust at greater length, and position our perspective relative to other perspectives examining bases of disadvantage in organizations more generally. In Section 3., we define employee SES, consider the state of organizational behavior research and practice in relation to lower-SES employees, and elaborate on how trust in the workplace might shape disadvantage based on SES (and other social categories). In Section 4, we review work from a range of disciplines to generate a model explaining why lower-SES employees are particularly unlikely to be trusted by others (4.1.), as well as why they might be particularly unlikely to display trusting behavior at work (4.2.), jointly locking them out of the opportunities and social and economic benefits that trust provides. In Section 5, we conclude by discussing implications of our review for managing SES-based distrust as well as for the understanding of the role of trust in disadvantage based on other social categories. Taken together, our hope is that this review provides both general arguments for as well as a concrete illustration of the feasibility and utility of a more socially conscious approach to studying trust in organizational behavior research.

2. Extant organizational perspectives relevant to trust and disadvantage

Most organizational research on trust has been concerned with defining the construct of trust both conceptually and phenomenologically, cataloguing features of individuals or organizational procedures that render employees more trusting, and examining mechanisms through which trust facilitates performance. For example, one large stream of work sought to conceptually define different phenomena related to trust, such as trustworthiness, trust propensity, and the outcomes of trust (Bhattacharya, Devinney, & Pillutla, 1998; Mayer et al., 1995), and to delineate the different psychological manifestations of trust as either cognitive or affective experiences (McAllister, 1995). Another stream of work proposed and

extensively tested the idea that trust is facilitated by perceptions of trustee's benevolence and competence (Colquitt, Scott, & LePine, 2007; Mayer et al., 1995), and examined what can be done when such expectations are violated (Kim, Ferrin, Cooper, & Dirks, 2004). A third large body of work focused on detecting specific pathways through which trust facilitates organizational performance (Colquitt, LePine, Piccolo, Zapata, & Rich, 2012; Dirks & Ferrin, 2001). In sum, the aim of organizational behavior research on trust has largely been to produce relatively general insights into trust as a social phenomenon and investigate how it can be fostered in organizational contexts to boost performance.

In a review of organizational literature on trust, Kramer (1999) discusses employee social group membership as preparing people to trust those who belong to this specific social category. Kramer referred to this type of trust as "category based trust," or "trust predicated on information regarding a trustee's membership in a social or organizational category—information which, when salient, often unknowingly influences others' judgments about their trustworthiness" (p. 577). In this view, generalized beliefs about a category create an advantage or disadvantage for members of that category, which in turn perpetuate the beliefs about that category over time (Jussim, Eccles, & Madon, 1996). Subsequent organizational literature has paid virtually no attention to this form of trust or its implications for the wellbeing and success of members from social groups that are not trusted. Indeed, a search of top empirical journals in organizational behavior conducted using "category based trust" as a keyword reveals virtually no mention of this construct. Thus, the primary organizational literature on trust has little to say about the role of trust in the disadvantage of employees belonging to certain social groups.

The organizations literature on diversity has tackled the question of trust among members belonging to different social groups, but the goal of this research was not to understand how and why workplace trust dynamics might disadvantage some employees.

Instead, the goal was by and large to understand how interactions among diverse team members can be structured to improve team and organizational performance (Roberson, Ryan, & Ragins, 2017). As such, this body of work is silent as to whether and how trust dynamics disadvantage employees based on their social group membership.

The literature on discrimination against out-groups points to a straightforward source of disadvantage for individuals from certain social groups, including lower-SES employees. Decision makers often select candidates who belong to their own social group (e.g., candidates of the same race or gender) when making selection decisions (Finkelstein, Burke, & Raju, 1995; Goldberg, 2005; Lin, Dobbins, & Farh, 1992; Pager & Shepherd, 2008; Prewett-Livingston, Feild, Veres III, & Lewis, 1996; Whitley & Kite, 2009). Although organizational decision makers might only be attempting to reduce the uncertainty inherent in selection decisions by picking individuals from their own social category, because decision makers are generally from higher socio-economic strata, they are likely to select individuals from their own socio-economic demographic, thus disadvantaging lower-SES individuals.

We point to a subtler and potentially more pervasive source of disadvantage. We focus on mechanisms other than positive attitudes towards similar others to explain how lower-SES is associated with a deficit of trust. We argue that the uncertainty people experience in social interactions is accentuated for people with lower SES (lower SES people being less trusting of others regardless of the SES of the target) and towards people with lower SES (lower SES people being less trusted by both higher and lower SES others). If lower SES individuals trust less, their opportunities for productive social and economic exchanges, which are necessary to move up socially, are lowered. Consequently, lower-SES employees, defined as those employees who are underprivileged in terms of income, education, and occupational prestige, will continue to be locked in their disadvantage.

Our argument about the subtle role that trust plays in perpetuating disadvantage is similar to the perspective developed by Stephens, Markus, and Phillips (2014), which highlights workplace practices that favor practices associated with higher social classes and in that way fuel inequality. Stephens et al. (2014) argue that organizations are generally structured such that middle-class ways of expressing one's self (i.e., expressive independence as opposed to hard interdependence which is the working-class way of being a self) are prioritized and lead to advantage. They further argue that employees who come from working class backgrounds tend to be socialized by their managers and coworkers in ways that continue to develop patterns of behavior that reflect an interdependent self, and therefore continuing disadvantage. Similarly, we argue that by not trusting individuals from lower socio-economic backgrounds, managers and coworkers prevent them from accessing opportunities for advancement.

3. SES definition and an overview of extant work on SES and trust

SES is a construct that captures “a person's relative social advantage. It is usually gauged by income, education, [and] profession” (Angell, 1993, p. 126). Central to most conceptual and operational definitions of SES are differences in the amount of material resources people have at their disposal (e.g., money and other assets; Jones, 1976), and these differences result to some extent from differences in educational attainment and occupational prestige (see Côté, 2011, for an overview of SES definitions). While the components of SES may be differently represented across individuals (e.g., a certain individual might be higher in income and lower in education, while the opposite might be the case for another individual), there is both an objective correlation among the three factors, and, importantly for our review, perceivers form a single coherent perceptions of SES by mentally averaging the facets of SES (Himmelfarb & Senn, 1969). SES is partly a result of a meritocratic distribution

of rewards, but it is also in large part determined by contextual factors not controlled by individuals, most notably the SES of one's parents (Bowles & Gintis, 2002). The relative stability of SES forms the basis of one of the key social concerns, i.e., whether people of lower SES have adequate opportunity to advance economically on meritocratic terms. This question is a common topic of debates regarding general social policies, such as those focusing on educational and health opportunities. Because business organizations are key vehicles of economic value generation, understanding how organizational dynamics might contribute to SES-based disadvantage is of paramount social concern. The same concern is relevant for organizational performance because it hampers "economic efficiency if the talents of those from poorer families are underdeveloped or not fully utilized, as those from poorer backgrounds will not live up to their productive potential" (Blanden, 2013).

A focus on employee SES is timely because organizational behavior research has generally neglected employee SES as a precursor to disadvantage, and even as an antecedent of employee outcomes more generally. Leana, Mittal, and Stiehl (2012) show that only a small fraction of studies in organizational sciences focused on lower-SES employees. More importantly, even when past organizational research did sample lower-SES workers, the substantive theoretical focus was rarely on understanding the specific needs and tendencies of such employees. Christie and Barling (2009) note that "SES indicators, such as occupational position, education, and income, have usually been treated as nuisance variables whose influence must be excluded" (p. 1474–1475). We located five reviews published in the last two decades making the point that lower-SES workers are understudied in organizational behavior research (Côté, 2011; Kossek, Huber-Yoder, Castellino, & Lerner, 1997; Leana & Meuris, 2015; Leana et al., 2012; Meuris & Leana, 2015). While we are optimistic that the published reviews might indicate a growing interest in understanding the role of SES in the

workplace, new theorizing around SES and empirical tests have been rather slow to follow.¹ Perhaps one reason why the reviews did not generate more empirical research is that they generally did not aim to lay out a programmatic agenda for examining social and organizational problems related to SES. Also, despite the call by Leana et al., (2012) for articulating the underlying processes and mechanisms associated with poverty that may affect work outcomes, there has not been much work done to date on that. By focusing on one aspect of organizational life that is also a key driver of employee success—trust—we attempt to generate a template for the construction of new theory aimed at uncovering and alleviating the issue of SES-based disadvantage in the workplace.

What is the current state of thinking on SES and trust? Recent widely publicized social psychological work on SES takes a functional view, suggesting that because lower-SES people are facing objectively more difficult circumstances in life, and because trust is important for managing social and economic challenges, more trust will develop among lower-SES people. For example, Piff et al. (2010) report a study showing that lower SES are more trusting in an economic game. This functional view of SES and trust is quite optimistic, as it suggests that levels of trust adjust in a way that helps lower-SES people socially and economically, serving to facilitate rather than hamper their mobility. This view also suggests that there is not much that organizations or policy makers need to do to facilitate trust among lower-SES employees.

Is this view correct, and can we thus relax knowing that the relationship between SES and trust is a self-correcting one, serving to facilitate the economic functioning of those in

¹ There are some methodological constraints that limit researchers' ability to empirically examine the impact of employee SES on individual outcomes. First, as noted earlier in the paper, lower-SES individuals are not selected into organizations in sufficient numbers on account of discrimination, which means that it is difficult to examine the whole range of the SES hierarchy. Second, SES effects are most reliable when studied as a combination of and interaction between individual components such as education, income, etc., which complicates data collection and analysis (Adler et al., 1994). And finally, SES is as much a product of many social causes as it is a causal variable (cf. Jaynes, 2002, who discusses the reciprocal relationship between intelligence and family SES), making it difficult to make causal inferences.

need? The finding of more trusting behavior cited above is a part of a broader discussion on the relationship between SES and prosociality, with some authors claiming that lower-SES people are, on average, more prosocial (Piff et al., 2010), while others claim that they are less prosocial (Korndörfer et al., 2015). Inferences about trust are derived from these general statements, whereby people are assumed to be more trusting if they are more prosocial. In the current paper, we seek to enrich this view of SES and trust through a theoretical integration of theories and findings on SES from a range of disciplines on the one hand, and organizational behavior research on trust on the other.

First, we note that the general pattern of results in large-scale publicly-available data suggests the opposite relationship between SES and trust, with lower-SES people generally reporting they are less trusting. Most notably, Korndörfer et al. (2015) analyzed data from a much larger sample than the one reported by Piff et al. (2010), using the German Socio-Economic Panel, and found that higher-SES participants “were more trusting and trustworthy in an economic game when interacting with a stranger ($N = 1,421$).” Large-scale attitudinal surveys, such as the General Social Survey and the World Values Survey, also contain questions asking how trusting participants are, and the data from such surveys also suggest that higher-SES individuals are more trusting (e.g., Alesina & La Ferrara, 2002; Delhey & Newton, 2003; Fischer & Torgler, 2006; Gheorghiu, Vignoles, & Smith, 2009; Hamamura, 2012; Narayan & Pritchett, 1999).

These initial considerations which suggest that extant disciplinary research on SES and trust conflate pro-sociality with trust (Andreoni, Nikiforakis & Stoop, 2017, which we discuss in a later section, is a notable exception) demonstrates that it is rather detached from the rich set of theoretical considerations introduced by organizational trust researchers. For example, as noted earlier, trust involves “the willingness of a party to be vulnerable” (Mayer et al., 1995). Lower-SES people, whose lives are generally more fragile, might not have

material resources that would allow them to be comfortable about accepting additional vulnerability, which could be the reason why they do not trust others. Take for example the case of a lower-SES person who is unwilling to accept the word of the person selling a used appliance and instead insists on a (somewhat costly) certification from a third party. This insistence could be because they cannot afford to get another such appliance if the one they have just bought turns out to be a lemon and not because of a deficit in pro-sociality. Thus, understanding that trust involves a decision to incur vulnerability reveals additional forces, such as the ability to manage when things go wrong, in determining whether lower-SES or higher-SES employees would display more trust.

In addition, while the question of whether lower-SES versus higher-SES people are more trusting is an important one, it speaks to only a part of the broader question of how trust in organizations impacts lower-SES employees' opportunities and success. If lower-SES employees are more distrustful, this in itself would hold them back at work because they miss out on opportunities to develop relationships and rely on others in their career (Parks, Henager, & Scamahorn, 1996; Tyler, 2001; Yamagishi, 2001). To the extent that a lack of trust becomes the norm in certain pockets of the workforce, it might result in bad performance and dysfunctional social relationships (Colquitt et al., 2007), potentially holding back entire groups of lower-SES employees. At the same time, an even more direct impact on one's career and work success might come not just from whether lower-SES employees trust more, but whether *others* put their trust *in them*. Research by Falk and Zehnder (2013) cited earlier suggests that lower-SES employees would be trusted less. Because giving an employee an opportunity (e.g., a promotion, a responsible task) generally involves placing some trust in the person, to the extent that a humble family background makes such opportunities less likely, distrust toward lower-SES employees might be a powerful mechanism locking lower-SES people out of opportunity.

In the next two sections, we review theoretical and empirical work from a range of disciplines to propose a model of when and why trust differs as a function of SES of an employee as the trustee as well as the trustor. As noted above, both trust and SES are multifaceted constructs, but given our agenda, our conceptualization of these constructs is problem driven: We are concerned with the different possible manifestations of the two constructs that may contribute to generating SES-based disadvantage through dynamics of trust and distrust in the workplace. With respect to trust, we are interested in its various manifestations in the course of everyday work that might contribute to this problem, for example entrusting subordinates with a task or relying on a coworker in a cooperative effort. With respect to SES, we are similarly interested in its different manifestations that might shape whether employees trust or are trusted by others, including both past (family) SES and current SES, as well as the different components of SES discussed earlier. Finally, we are interested in SES differences that occur within as well as across hierarchical levels and types of jobs employees occupy. Even employees working in the same organization and in the same position may be of very different SES. For example, most college graduates start their careers in organizations in entry-level positions, whether they come from a poor or family or a wealthy family. To the extent that such SES differences, *in themselves* lead to different levels of trust in a way that holds lower-SES employees back, they are important to understand both in the interest of promoting organizational performance as well as in the interest of promoting social justice. We should note here that the effects we will investigate go beyond the ubiquitous (and important) stratification that is likely to occur because managers who are typically from higher-SES backgrounds may trust people from their own category and discriminate against lower-SES subordinates. Figure 1 provides a visual summary of the model based on our review.

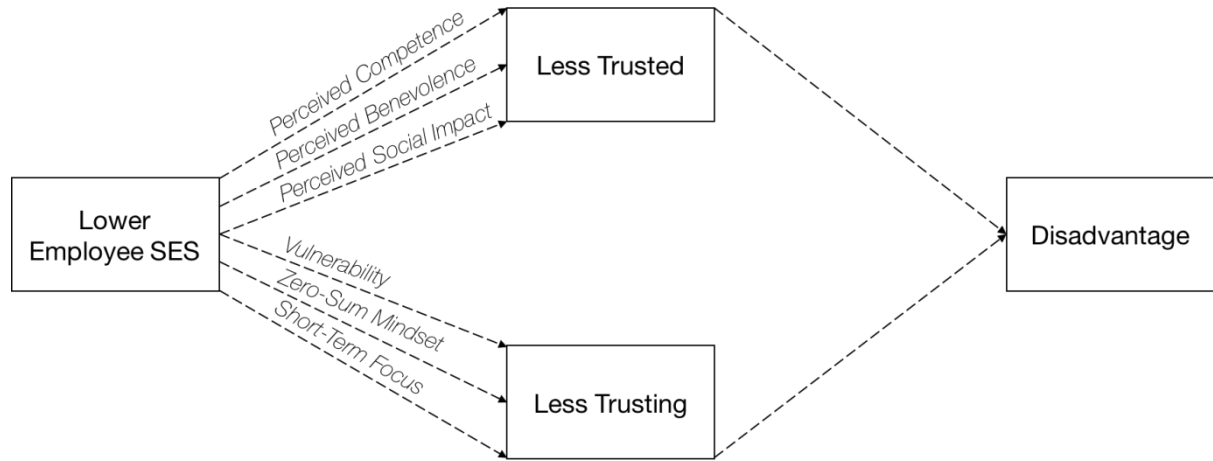


Figure 1. A model of trust as a mechanism of SES-based disadvantage

4. A model of trust as a mechanism of SES-based disadvantage

4.1. SES as a property of a potential trustee

We start developing our model by considering how the SES of a potential trustee influences the tendency of organizational agents (e.g., coworkers, supervisors, clients, business partners) to put their trust in the potential trustee. As noted earlier, virtually all research on SES and trust tackles the question of whether lower-SES are more or less trusting than higher-SES people. The question of how SES shapes trust in a potential trustee is both less understood and potentially more important to the question of equality of opportunity. Unwillingness to trust an employee simply because he or she comes from a humble background may drastically diminish opportunities of lower-SES employees, perpetuating socioeconomic stratification in organizations.

Logically, the SES of a trustee can impact trust formation at the workplace only to the extent that a trustor is aware of the potential trustee's SES. One may wonder whether SES is something that is easy to perceive during workplace interactions. Social categories such as gender, age, and race, tend to be easily observable, while it might be less clear how easy it is to ascertain trustee SES in the context of modern workplaces. The answer is that the local

context and its historical legacy will determine how salient SES cues are. But overall, because SES is such a strong basis of division in society, dividing people in terms of where they live, what they wear, how they are educated, how they talk, who they know, and even what their names are, it is likely that across workplaces, people do readily form impressions of their coworkers' SES, both past and current. An entry-level colleague from the same mid-sized city will quickly reveal his family SES by discussing what neighborhood he resides in. In India, merely learning a person's name might suffice to gauge the person's family background. Furthermore, because SES is associated with differences in socialization patterns as well as momentary psychological experience, it is oftentimes easily gauged even with no concrete information about the person's background beyond information readily available in everyday interactions.

For example, Kraus and Keltner (2009) examined whether merely viewing a video of a person engaging in a brief, 60 second interaction would suffice to gauge the person's SES. The logic was that SES will impact *how* the person interacts with others and that these interactions will reliably indicate actors' SES. The authors found that observers can indeed reliably estimate SES, and the impression was mediated by the fact that lower-SES people displayed more engagement cues (e.g., nodding) than did higher-SES people. Similarly, Kraus, Park, and Tan (2017) report that people were accurate in gauging U.S. speakers' SES based on their accents. Gillath, Bahns, Ge, and Crandall (2012) found that people are remarkably accurate in gauging a person's income based solely on the kind of shoes the person was wearing, as indicated by the very high vector correlation of .63 (surpassed only by that of gender, i.e., the ability to identify men's and women's shoes as belonging to the appropriate gender). Finally, based on the theory that a face would reveal the objectively different physiological and psychological life circumstances (e.g., in terms of health and affect) of lower-SES and higher-SES people, Bjornsdottir and Rule (in press) found that

based on just a photograph of a person's face with no contextual information whatsoever, people are able to estimate SES better than chance. In sum, while less obviously salient than other social categories, SES can be easily gauged through various cues readily available in everyday workplace interactions and can thus be expected to be a salient social category of a potential trustee.

How will the perception of a coworkers' SES impact trust? As we noted earlier, one of the key insights of organizational research on trust is that perceived characteristics of a potential trustee are perhaps the key determinant of whether a trustor places trust in the trustee (Colquitt et al., 2007; Mayer et al., 1995). This literature highlights ability (competence), benevolence, and integrity of the potential trustee as the key characteristics explaining trust. Ability or competence are relevant for whether the potential trustee would be able to "perform a particular action important to the trustor" (Mayer et al., 1995, p. 712) whereas benevolence and integrity concern a perception of whether the potential trustee would be *willing* to engage in other-regarding (i.e., trustworthy) rather than self-serving (e.g., exploitative) conduct. Like any perception, the latter impression can be parsed into a larger number of lower-level perceptions, and some scholars have examined cognitive (e.g., perceived "integrity") versus emotional (e.g., affecting perceived "benevolence") pathways contributing to the overall impression of whether the other party has other-regarding versus self-serving motives (Colquitt et al., 2007).

To the best of our knowledge, there is no organizational behavior research that has examined how stereotypes of different disadvantaged groups shape trust formation via perceptions of competence and other-regarding motives. Yet, the social psychological work on inter-group perception in recent decades shows that people readily form stereotypical perceptions of members of various social groups, such as women, Asians, as well as people of low SES, along the dimensions of competence (also referred to as agency) and warmth

(also referred to as warmth; see Cuddy, Fiske, & Glick, 2008; Cuddy, Glick, & Beninger, 2011, for a review of the different streams of work). Perceptions of competence and warmth dominate social perception and effectively subsume most other less general inferences people make of others. The importance of competence and warmth in social perception is easy to explain from an evolutionary standpoint, as the ability to ascertain whether a person has benevolent or selfish intentions (i.e., warmth perception) and whether the person is competent enough to realize these intentions, had obvious survival implications. Interestingly, dimensions of competence and warmth parallel the factors of competence and benevolence that organizational behavior research has identified as key antecedents of trust.

We argue that understanding stereotypes of competence and benevolence that people hold based on employees' social group (in the case discussed here, SES) is important for the understanding of whether and why certain employees would be trusted less and thus be locked out of opportunities at the workplace. In the following two subsections (3.1.1. and 3.1.2.), we review social psychological research on stereotypes of competence and benevolence in relation to lower-SES employees and discuss the implications for trust at work. In the final subsection focusing on the role of SES as a property of a potential trustee, we review additional relevant work beyond perceptions of competence and benevolence.

4.1.1. Perceived competence

SES is a unique social category in the sense that in some part it is a result of merit, for example such that more competent people might be more likely to attain a higher-SES, while in part it is unrelated to merit much like any other social category. Most of the variation in an individual's SES is explained by the SES of the individual's parents (Bowles & Gintis, 2002). Similarly, contextual social, political, and economic conditions, over which individuals might not have much influence, may redefine one's SES overnight. In extreme

cases, one's SES might change radically as a result of a complete accident such as winning a lottery or becoming a victim of fraud. Thus, while on average SES as a social category might have some objective correlation with merit or ability of the person, in many cases SES will be largely unrelated to merit or ability but rather a product of contextual factors.

This is important to note because there are strong reasons to expect that in most situations, the contextual nature of SES will be largely underappreciated. Instead, people will make strong inferences about a person's ability based on the person's SES. A recent study which compared actual mobility statistics in the U.S. with people's lay beliefs about the amount of mobility and found that people "vastly overestimated the amount of upward mobility" (Davidai & Gilovich, 2015, p. 63). This suggests that people believe that the correlation between merit and SES attainment is stronger than it actually is. Thus, people should infer that SES is reflective of merit to a greater extent than it actually is, underappreciating the contextual factors determining SES (such as parental SES).

One striking indication of this possibility comes from the same literature on key factors organizing stereotype content we mentioned earlier. Koch, Imhoff, Dotsch, Unkelbach, and Alves (2016) conducted a study to reexamine whether competence and morality, which have been identified as the strongest basis of person impression through a history of theory-driven research, also emerge when people are asked to make *spontaneous* impressions of other groups, unrestricted by researchers' hypotheses. The authors labeled the first factor that emerged in spontaneous impression formation "Agency/Socioeconomic Success" (p. 675). The agency component is similar to that identified by past work on person perception, but the authors found that when forming impressions, people associate agency or competence so strongly with socioeconomic success that the two impressions are empirically undistinguishable. Thus, it seems that the notions of competence and socioeconomic success are almost one and the same in the minds of most people.

While the conclusions by Koch and colleagues illustrate the deep connection between the perception of SES and competence most strikingly, other research on stereotypes also found evidence in line with this interpretation. Fiske, Cuddy, Glick, and Xu (2002) asked people to rate different groups in terms of how competent and warm they thought the groups were perceived in the society, and they found that poorer people are thought to be stereotyped as low in both competence and warmth. More broadly, the finding that people readily make inferences regarding competence based on a person's social standing (which, as we noted, might be due to entirely contextual factors, most notably family SES) is foundational to much research in sociology. Most notably, "expectation states" and "status characteristics" research showed that people are often influenced by a person's status (which may be a result of arbitrary group membership) when making judgments about the person's competence and even performance (Berger, Cohen, & Zelditch, 1972).

Thus, one major barrier to trust for low SES individuals in organizational settings might be the negative stereotype people have regarding their ability. As we noted earlier, competence or ability of a potential trustee is one major determinant of the decision of whether to trust the person. Even if one likes a person and believes the person has good intentions, one is unlikely to entrust the person with an important task if one has an (often unfounded) preconceived notion that the person is not competent. For example, when selecting which subordinate to assign a task that is important for a success of the team, the team leader is much more likely to entrust the task to a subordinate perceived as more rather than less competent. And given that performance on important tasks is what gets one noticed and put forward for advancement in organizations, the lack of an opportunity to work on

these important projects will be detrimental to the prospects of those deemed not competent². Also, given the often-unfounded negative competence stereotype of lower-SES employees, this points to a worrisome reality—in all cases in which SES is not an honest proxy of a person's ability (which might include most cases in actuality³), lower-SES employees will be unfairly distrusted in workplace decisions, locking them out of various opportunities potentially relevant for their advancement in the organization.

Research on statistical discrimination from labor economics is consistent with this idea (Arrow, 1973; Phelps, 1972). This work suggests that because employers believe that membership in a certain social group (e.g., being black) is negatively associated with competence, they might discriminate against members of that social group while in reality having nothing for or against members of the given social group. The psychological mechanism underlying statistical discrimination is quite similar to the distrust based on stereotypes of competence people hold in relation to lower-SES workers (or other social groups).

Yet, research on trust can go much beyond the insights of statistical discrimination research in two important ways—first, by identifying a range of workplace situations beyond employee selection in which trust can facilitate performance as well as benefit employees' careers and second by noting the self-perpetuating nature of distrust. Beyond selection, workplace interactions where trust is implicated include situations such as the allocation of tasks as noted above, or the taking on of suggestions for improvement of work processes, or the degree of autonomy afforded to subordinates. The appreciation of the broad range of

² The vertical dyad linkage model by George Graen and colleagues (e.g., Graen & Uhl-Bien, 1995), which shows that managers invest in only a few high-quality exchange relationships with their subordinates, with the remainder involving only obligatory compliance by the both managers and their subordinates with the formal role requirements, suggests support for the reasoning that some subordinates gain by getting preferential treatment from their managers.

³ We should note that there is evidence that chronic poverty, and in particular the accompanying malnutrition and anxiety about money, reduces cognitive capacity and executive control (cf. Schilbach, Schofield, & Mullainathan, 2016), which might suggest that there is some merit to the link between lower SES and competence. However, even these results point to detrimental effects of extreme poverty, which is unlikely to be the case with lower SES employees in formal employment, which is our focus here.

situations in which negative competence stereotypes undermine trust is of practical importance. Managers, who may be aware of and therefore regulate statistical discrimination dynamics during selection, are less likely to be aware of the subtle discrimination they practice in their everyday interactions with coworkers and subordinates.⁴ Our discussion above suggests that they should.

Also important is the self-perpetuating nature of distrust, which is elegantly demonstrated in the classic study by Strickland (1957). Strickland (1957) showed that supervisors trusted subordinates less when they could (and did) monitor their actions compared to subordinates whose actions they did not monitor even though the performance of both subordinates was the same. He argued that this difference in trust was because monitored subordinates were perceived as acting due to external pressures and unmonitored subordinates due to internal ones. This study, which shows that the lack of autonomy might be detrimental to the formation of trust, points to how an initial lack of trust (which could lead to providing less autonomy) might lead to its perpetuation.

4.1.2. Perceived benevolence

The second major reason for trust identified by past work is the perception that the potential trustee would be benevolent if trust were placed in him or her (Colquitt et al., 2007; Mayer et al., 1995). The decision to trust is defined as one in which both parties can be better off if trust occurs and is met with trustworthy behavior. However, the decision to trust oftentimes also involves some risk of exploitation. This feature of trust is perhaps most elegantly captured in the “trust game” (Berg, Dickhaut, & McCabe, 1995; Camerer & Weigelt, 1988), an economic game that recreates prototypical features of a situation affording the opportunity to trust, so as to study causes and consequences of decisions people make in

⁴ Chugh and Brief (2008) make this important point about the differential attention paid to potential discrimination in one-off events such as selection (they refer to these as gateway events) compared to discrimination in everyday activities (what they call pathways)

this situation. In the trust game, one player (the trustor) is given a fixed amount of money and an opportunity to send any part of the money to another player (the trustee). The amount sent to the receiver is tripled and the receiver can decide how much (if any) of the tripled money to send back to the sender. Therefore, the sender can earn more money by sending the money to the receiver, but only if the receiver reciprocates by sending a sufficient portion back to the sender. The game captures the fact that for the trustee, the most profitable decision, at least in the course of a one-shot interaction, is to defect rather than to behave in a trustworthy manner. The temptation to cheat, which is vividly captured in this game, is a feature of most trust situations, which is why the perceived benevolence of the trustee becomes a major predictor of whether people decide to put their trust in the trustee (Colquitt et al., 2007).

As outlined above, the literature on stereotypes suggests that people hold preconceived notions of how generally benevolent are members of different social groups. The stereotype of lower-SES people is generally classified as low in warmth (Fiske et al., 2002), though there is some recent research that suggests the opposite (Durante, Tablante & Fiske, 2017). Our own research on impressions of lower-SES employees (e.g., Lim, Pitesa, & Vadera, working paper), shows lower-SES employees being stereotyped as somewhat higher in warmth than higher-SES employees. In terms of operationalizations, in our experiments, we generally manipulate perceived SES of the employee by contrasting an employee who is financially secure (but not opulent) with an employee who is less financially secure (but not poor), for example needing to worry about paying bills (like many if not most employees do). In our field studies, we measure other-reported perceptions of warmth in a dyadic manner and examine correlations with the person's self-reported SES, using samples of workers varying in SES.

Research on system justification provides another basis for doubting that lower-SES individuals will be stereotyped as generally less benevolent. Most notably, Kay and Jost

(2003) found that people maintain stereotypes of lower-SES people as happy and honest, and that these stereotypes may serve to justify the unequal distribution of outcomes in the society. The authors cite a range of examples of how lower-SES people are portrayed as content with their situation and possessing moral qualities virtue that higher-SES people might lack. They note that a “provocative suggestion that emerges from these accounts is that the belief that ‘no one has it all’ makes people feel better about their own position in society and increases the perceived legitimacy of the social system.” Indeed, the studies reported in Kay and Jost (2003) show that reminding participants of “poor but honest” and “rich but dishonest” stereotypes increases people’s tendency to justify the existing system and the associated distribution of rewards.

Finally, the kernel of truth view stereotypes suggests that it is informative to look at actual behavior of members of a social group to ascertain the related stereotype. In some cases, stereotypes have some basis in reality in the sense that there are objective differences in the extent to which certain social groups exhibits a particular tendency. Thus, to gauge what the stereotype of low-SES people with respect to morality or benevolence behavior, it is informative to examine whether there is objective relationship between SES and benevolence. In examining the empirical evidence between SES and other-regarding behavior, we see very mixed findings. Some research found that low-SES individuals are more other-regarding (Piff et al., 2010; Piff, Stancato, Côté, Mendoza-Denton, & Keltner, 2012), while others found no effects (Van Doesum, Tybur, & Van Lange, 2017), and some a trend in the opposite direction (Korndörfer et al., 2015). The lack of a clear tendency among lower-SES people to be less (or more) benevolent across all situations suggests that we can’t rely on actual behaviors to ascertain stereotypes about warmth.

As described earlier, one group of authors suggests that because other-regarding behavior may be more functional in lower-SES context (e.g., by providing support that is less

available through material means), low-SES people are socialized into being more other-regarding (Piff et al., 2010; Piff et al., 2012). Other research found no effects (Van Doesum, Tybur, & Van Lange, 2017), and some a trend in the opposite direction (Korndörfer et al., 2015). Thus, there doesn't seem to be a clear tendency among lower-SES people to be less benevolent across all situations.

A recent field experiment by Andreoni, Nikiforakis, and Stoop (2017), which cleverly disentangles pro-social preferences from pressures associated with poverty and the marginal utility of money in determining trustworthy behavior, provides us with a way to link membership in particular SES categories with trust independent of any inference about benevolence. This research shows that, while there are no differences in social preferences (i.e., benevolence) between the rich and the poor, there is a difference in trustworthy behavior because of pressures associated with poverty and differences in marginal utility for money. In other words, lower-SES employees face a different set of temptations and costs for engaging in untrustworthy behavior compared to higher-SES employees.

If all people desire material comfort and there is a diminishing marginal utility for wealth, lower-SES employees might be (seen) as more tempted to engage in untrustworthy behavior in situations in which doing so creates an opportunity to advance their own material outcomes. This idea is similar to rational choice models of crime which suggest that people are more likely to violate social norms to attain desired outcomes when the situation affords them with an opportunity to do so, and they have difficulties obtaining valued outcomes through socially normative ways (Becker, 1968; Cornish & Clarke, 1986; Hechter & Kanazawa, 1997; Piliavin, Gartner, Thornton, & Matsueda, 1986). Building on this logic, lower-SES employees who are objectively in a greater material need, might have a greater temptation to advance their own outcomes through untrustworthy behavior more than higher-SES employees. Note that it is not necessary that lower-SES employees behave in an

untrustworthy behavior (even though the Andreoni et al., 2017 study suggests that they might). All that is necessary is that they are *perceived* as such by at least some people in the organization.

This discussion implies that an important situational factor relevant for understanding when and why lower-SES employees might be distrusted is the level and nature of temptation. Some situations affording the opportunity to trust involve relatively low material benefits on the part of trustee in case of untrustworthy behavior. For example, an employee whose job is to process visa applications gains nothing in terms of material resources by reassuring a colleague that there is nothing to worry about in terms of the visa application, but then failing to follow through on that promise and causing legal issues to the colleague. In this case, the incentive to be untrustworthy might be a somewhat lighter workload, rather than material gains. Some situations, in contrast, involve more potential material gain in case of untrustworthy behavior. For example, an employee who is entrusted with selecting a supplier to be awarded a large contract might gain much by organizing a kickback payment. If lower-SES employees are perceived as more tempted by opportunities for improving their material situation through untrustworthy behavior, they might be less likely to be trusted in such situations. Note that it is not just the level (large versus small gains from being untrustworthy) but the nature of the temptation (material gain versus a lighter workload) that has an impact on trustworthiness (real and perceived). Lower-SES should only impact (perceived) trustworthiness in situations where there is material gain and not in any other situation.

Of course, lower-SES employees might also be perceived as more eager to foster good relationships and develop a good reputation at work (perhaps because they are more dependent on their work), and demonstrations of untrustworthy behavior would undermine these goals. This fact suggests the second situational characteristic that might affect the

likelihood that lower-SES people are judged potentially untrustworthy is the visibility of a potential untrustworthy behavior. In work-relevant context where the visibility of behavior is high (e.g., coworkers exchange information about each other often), lower-SES employees are unlikely to be suspected of potential untrustworthy behavior, since they are perceived as needing to conform and be norm abiding due to their higher objective dependence on their job. However, when a potential untrustworthy behavior would not be visible (e.g., as in the kickback example above), worries about a greater temptation concerning material resources among lower-SES individuals proposed above might become quite salient.

Taken together, the discussion above suggests that lower-SES employees are unlikely to be perceived as less benevolent generally. However, their objective circumstances in life, i.e., the fact that they are deprived of material resources relative to their higher-SES colleagues, might prompt thoughts about their potentially greater temptation to advance their material interests through untrustworthy behavior, particularly when potential career costs are low (for example when potential untrustworthy behavior is not very visible).

4.1.3. Perceived social impact

Perceptions of competence and benevolence jointly determine whether a potential trustee is expected to be trustworthy in a specific situation (Colquitt et al., 2007). In the previous subsections, we reviewed evidence suggesting that there are strong reasons why lower-SES employees would be locked out of opportunities due to a lower trustworthiness perception, primarily due to a strong negative (and in many cases unfounded) stereotype of lower competence, and in some cases also due to a lower perception of benevolence. Yet, even if lower and higher-SES employees were judged equally trustworthy as a function of their perceived ability and benevolence, the social and organizational context within which the decision to trust occurs may nevertheless result in an uneven distribution of trust across

SES strata. The reasons for this go beyond the preference that high SES managers show towards employees from their own social strata.

The first is the perceived long-term impact of trusting actions. Trust has spillover long-term social implications not just for the trustee but also for the trustor; for example it can create reciprocity and a connection between the trustor and the trustee because a trusting action is a signal of confidence in and a positive view of the trustee (Derfler-Rozin, Pillutla, & Thau, 2010; Putnam, 1995). Given a choice of exhibiting trust toward a lower-SES and a higher-SES person, even if the person anticipates the same level of trustworthiness between the two (which is unlikely given the evidence reviewed in the previous two sections), it might be more advantageous for the trustor to create a connection with the high-SES rather than low-SES employee. Because higher-SES people have more material as well as social resources, creating a connection with and eliciting reciprocity from a higher-SES rather than a lower-SES employee might create an opportunity for drastically higher personal benefits.

The second consideration in this regard is related to the key premise of this paper—the fact that being distrusted locks members of certain social groups out of opportunities. Organizational actors do not necessarily desire this negative outcome. Some people surely dislike members of certain social groups or, at least implicitly, are comfortable with the fact that some social groups are disadvantaged. Research on such topics as social dominance orientation (Pratto, Sidanius, Stallworth, & Malle, 1994) and aversive racism (Dovidio & Gaertner, 2000) provides empirical demonstrations that such motives and such people exist. At the same time, much work in social science, including the current paper, is a testament to the fact that people also have strong justice concerns and an interest in reducing disadvantage experienced by members of different social groups, even when they do not personally belong to one of the disadvantaged social groups. An interesting question therefore is when and why

people might try to increase versus reduce disadvantage experienced by members of certain social groups by exhibiting trust toward them.

In support of the justice arguments we make above, Van Doesum et al. (2017) showed that people tended to treat lower-SES individuals more favorably irrespective of their own SES across four different experiments. The particular “favorable treatment” they examined was social mindfulness, which they defined as being considerate towards others and operationalized using a sequential decision-making paradigm where the focal participant made the first choice from a set of options (for example, they had to choose an apple from a set of two red and one green apple and leave the other two options for the person choosing next). A participant was considered to be socially mindful or considerate towards the others if they left proper options for the person making a decision next (i.e., choosing a red apple for themselves, therefore leaving the option between a red and a green apple for the person).

The decision studied by Van Doesum et al. (2017) is different from the decision to trust in the sense that it doesn’t involve personal vulnerability or considerations of competence and benevolence of the other person. But precisely because of that, it provides a demonstration of the average tendency people have when it comes to benefiting others as a function of targets’ SES. It seems that people do not want to disadvantage lower-SES individuals, but rather have a desire to help them. When it comes to trust as a form of other-benefiting behavior, people likely understand that an act of trust is well received by and has positive implications for the trustee. In addition to creating direct opportunities for the trustee (as exemplified by the trust game discussed earlier), trust involves a demonstration of confidence in the other person’s competence and benevolence, traits along which people generally desire to be perceived positively (Sedikides & Strube, 1997). However, because trust is not merely an instance of other-regarding behavior, but also involves personal vulnerability for which stereotypes of competence and benevolence are relevant, the lower-

SES of potential trustees is still likely to undermine trust. The justice motive we discuss above may therefore not lead, overall, to trust despite the inclination to help lower-SES employees. It might temper distrust instead. This raises the question of when and why distrust toward lower-SES people might be most pronounced. Specifically, as the stakes involved in a decision to trust increase, the relevance of stereotypes of competence and benevolence will likely increase and will eventually outweigh the desire to benefit lower-SES individuals. Lower-SES people might be most likely to receive opportunities through acts of trust only when the opportunity is relatively minor and does not entail a large degree of vulnerability for the trustor. Thus, while lower-SES people might not always be disadvantaged through trust, they might be particularly disadvantaged when it matters the most—in the domain of relatively more significant opportunities. The many times that someone has trusted a low SES person in a low impact situation might even perversely license them to not trust them when the stakes are high (c.f., the extensive literature on moral licensing for relevant reasoning), thus further advancing the disadvantage. The Strickland (1958) study that we noted above might further support this reasoning if trustors do not attribute internal factors to trustworthy behaviors in low impact situations, which in turn does not lead to inferences about trustworthiness and therefore greater trust in high impact situations.

Taken together, this discussion suggests that people's desires to be considerate towards lower-SES individuals might conflict with the perceived lower social benefits derived from trusting them. When combined with concerns about competence and benevolence, particularly as the stakes increase, this suggests that, people are likely to divert trust from lower-SES to higher-SES employees.

4.2. SES as a property of the trustor

We now turn to SES as a property of the trustor to further examine how trust in the organization is likely to be distributed across employee SES. We examine the possibility that low SES people are not just trusted less (as the previous sections suggest), but also whether and why they might be less trustful themselves. This is relevant because trust not just creates opportunities for the trustee, but, as we touched upon in the last section, exhibiting trust toward someone has personal benefits for the trustor, for example by eliciting reciprocity and facilitating relationship building (Parks et al., 1996; Tyler, 2001; Yamagishi, 2001). In the following three subsections, we examine the possibility that being lower-SES versus higher-SES causes different sets of worries, assumptions, and expected benefits when making the decision whether to place trust in someone or not.

We discussed how SES is salient as a property of a potential trustee. As a property of the trustor, it is likely to be an even more salient guide for behavior. SES differences are associated with very strong differences in how a person is brought up, including everything from exposure to different physical environments (Evans, 2004) to exposure to different parental and cultural influences (Kohn & Schooler, 1969). Such differences during formative years may create permanent differences in how people feel and act in different social situations due to differences in habits, worldviews, and priorities, and these differences may even become biologically ingrained (Kaplan & Gangestad, 2005). In addition to socialization effects, differences in SES are associated with differences in one's current psychological environment and constraints. Recent research in behavioral economics has studied implications of this fact, showing that the constraints and psychological burdens that lower-SES people face may in themselves lead to suboptimal decisions in a number of areas of life, including finances, health, and education, ultimately creating a "poverty trap" in the sense that a lack of resources in itself makes people less likely to advance economically (Banerjee

& Duflo, 2012). Following a similar approach, we review evidence relevant to how SES differences impact the tendency to trust others.

4.2.1. Vulnerability

A defining aspect of the decision to trust someone is “the willingness of a party to be vulnerable to the actions of another party” (Mayer et al., 1995, p. 712). Thus, trust, while beneficial in the long term for individuals, organizations, and economies, does require an individual to incur additional vulnerability in the short run. We argue that SES is a strong determinant of whether people are able to cope with the potential negative consequences of others’ untrustworthy behavior, and that as a result SES influences the extent to which people are willing to accept personal vulnerability by trusting others.

Many negative consequences of others’ untrustworthy behavior can be buffered through material and social resources that lower-SES employees are generally lacking. This notion is consistent with research on the effect of finances on life satisfaction (Furnham, 1998; Johnson & Krueger, 2006), which suggests that “money protects people from unfortunate and unforeseen perturbations in life” (Vohs, Mead, & Goode, 2008, p. 208). In contrast, lower-SES workers, who lack material and social resources, lack the buffer that such resources may provide against the losses that could be brought about by others’ untrustworthy behavior. Thus, lower-SES workers will, on average, be less willing to accept being vulnerable to others’ untrustworthiness.

Consider the case of a worker deciding to trust a coworker to perform an important task, such as extending a permit to work in a foreign country. If the coworker proves to be untrustworthy (e.g. forgets to attach relevant supporting materials, or does not extend the permit in time), a lower-SES employee will have a harder time coping with the consequences of the untrustworthy behavior (e.g., losing the job and returning to their home country) than a

higher-SES employee. Although not all acts of untrustworthy behavior inflict direct financial harm, many harmful consequences that can come about as a result of untrustworthy behavior can be buffered through material resources or social capital. For example, if one is harmed physically as a result of another person's untrustworthy behavior (e.g., a mechanic who did not fix the car properly, resulting in a car crash), a lower-SES worker will again have a harder time coping with such a negative outcome than a higher-SES worker. The lower-SES worker will not be able to afford an equally good recovery program and might face more difficulties if he or she needs to stop working during convalescence. At the lower extreme of SES, such as low-income employees living from paycheck to paycheck, a single act of untrustworthy behavior could be devastating.

A related rationale has been proposed by Simmel (1950) in his analysis of social status. Simmel (1950) argued that people who belong to higher social strata function in an environment that is marked by a greater level of protection against untrustworthy behavior, including more effective law enforcement, better insurance, and more income. For that reason, the costs of others' potential untrustworthiness are lower, which is believed to lead to greater levels of trust propensity among people enjoying higher social status. In the organizational context, similar institutions and policies apply to low and high SES, but the psychological context created by employees' SES will make the perceived costs of others' untrustworthy behavior higher for lower-SES than for higher-SES employees.

Indeed, psychological research suggests that employees are acutely mindful of the level of material and social resources they have at their disposal to buffer negative events in life. Employees who are well-off worry less about, and feel less threatened by financial risk than poor people (Marjanovic, Greenglass, Fiksenbaum, & Bell, 2013). In one experiment, people who were made to believe they lacked material resources felt more vulnerable to harmful events in life compared to people who were made to believe they had more material

resources (Pitesa & Thau, 2014). Thus, it can be expected that lower-SES employees should feel relatively greater vulnerability compared to higher-SES employees when in situations affording the opportunity to trust.

Given the greater sense of vulnerability among lower-SES employees, they are likely to be more averse to the risk involved in the decision to trust. Indeed, economics research suggests that lower-SES individuals exhibit greater risk aversion (Haushofer & Fehr, 2014). In a similar vein, although the decision to trust might on average and in the long run be profitable, the fact that lower-SES individuals are less capable of coping with its potential short-term negative consequences is likely to introduce a barrier to their tendency to trust. This proposition would be consistent with the evidence suggesting a positive correlation between income and trust cited earlier (e.g., Crossley, Cooper, & Wernsing, 2013; Dincer & Uslaner, 2010; Salamon & Robinson, 2008; Slemrod & Katuščák, 2005; Zak & Knack, 2001), but, importantly, the discussion above points to a mechanism that manifests itself both in terms of objective life circumstances (vulnerability to negative consequences of untrustworthy behavior) as well as in terms of the proximal psychological state connecting the objective circumstances with the decision to trust.

A study we conducted provides preliminary support for this mechanism. We describe it here briefly and provide more details online.⁵ We recruited 99 participants ($M_{\text{age}} = 29.73$, $SD_{\text{age}} = 9.20$, 35.35% male) from a subject pool maintained by a behavioral laboratory of a U.K. business school, and we randomly assigned them to either the *material-resources-lacking* condition or the *material-resources-not-lacking* condition. We adopted the manipulation from Nelson and Morrison (2005). This manipulation consists of using different anchors on a scale that participants employ to report their monthly income. In the *material-resources-lacking* condition, scale anchors were designed in such a way that most

⁵ https://osf.io/rg873/?view_only=11f2fa15d8324f64ac21028722a6e736

participants would report their income at a lower end of the scale, ranging from 1 = £0–\$999 to 11 = *Over £500,000*. In the *material-resources-not-lacking* condition, scale anchors were designed so that most participants would report their income at a higher end of the scale, ranging from 1 = £0–\$49 to 11 = *Over £500*. Prior research found that reporting one's income at lower versus higher end of the income scale affects the perception of whether one has few or sufficient material resources (Nelson & Morrison, 2005; see also Schwarz, 1999).

When asked for participants subjective evaluations of whether their income was high or low (1 = *very low*, 7 = *very high*), and we found that those in the *material-resources-lacking* condition indeed felt that their income was lower ($M = 2.28$, $SD = 1.20$) than in the *material-resources-not-lacking* condition ($M = 3.16$, $SD = 1.46$), $t_{97} = 3.29$, $p = .001$.

Participants next indicated how “vulnerable,” “threatened,” “unable to meet the challenges in life,” and “incapable of coping with external shocks in life” they felt on a scale ranging from 1 = *definitely not* to 5 = *extremely* ($\alpha = .83$). We found that participants in the *material-resources-lacking* condition reported feeling more vulnerable ($M = 2.38$, $SD = 0.92$) than in the *material-resources-not-lacking* condition ($M = 1.86$, $SD = 0.82$), $t_{97} = 2.97$, $p = .004$.

Finally, participants responded to a measure of trust propensity (Rotter, 1967; Wright & Tedeschi, 1975), including such items as “In dealing with strangers one is better off to be cautious until they have provided evidence that they are trustworthy” and “In these competitive times one has to be alert or someone is likely to take advantage of you” (1 = *strongly disagree*, 5 = *strongly agree*; $\alpha = .68$). We found that participants in the *material-resources-lacking* condition exhibited lower trust propensity ($M = 2.09$, $SD = 0.71$) than did participants in the *material-resources-not-lacking* condition ($M = 2.43$, $SD = 0.56$), $t_{97} = 2.67$, $p = .009$, and a mediation analysis found that the 95% bias-corrected confidence interval for the indirect effect of the material resources manipulation (0 = *material-resources-lacking*, 1 =

material-resources-not-lacking) through vulnerability on trust propensity did not include zero [0.022, 0.222], indicating a significant mediation by sense of vulnerability.

This experiment thus found preliminary evidence that lower-SES in itself undermines trust by making people feel vulnerable. The identification of the mechanism of vulnerability is notable, because to the extent that organizations have a limited ability to change their workers' SES directly, the findings suggest that organizations can intervene in terms of both the objective as well as the felt vulnerability that lower-SES individuals face. For example, organizations can make salient the potential sanctions faced by untrustworthy employees, which should help reduce felt vulnerability. They can also highlight the uniform application of policies and procedures designed to reduce uncertainty in transactions, which should mitigate objective vulnerability.

4.2.2. Assumptions about the distribution of success

Another defining feature of trust is that if it is met with trustworthy behavior, both parties can be better off than if no trust occurred. Consider again the trust game, which recreates the prototypical features of the decision to trust. In this game, whatever amount the trustor entrusts the trustee with is tripled by the experimenter. In a hypothetical case in which the trustee exhibits trustworthy behavior and sends back one-half of the augmented amount, both the trustor and the trustee are much better off than if no trust occurred. The trustor has fifty percent more resources than if trust had not occurred, and the trustee has an equal amount of resources as the trustor, compared to no resources if trust had not occurred. This aspect of the trust game captures the value generating aspect of trust.

However, real life is usually not as unambiguous as economic games. In real life, the decision to trust rarely leads to immediate and automatic increase in the value that the trustor puts at stake. Rather, value generation might come in relatively subtle ways, such as through

increased efficiency of work processes, relationship building, and reciprocity. Thus, to be motivated to realize the positive benefits of trust, people need to engage in a somewhat more demanding process of inferring that the given situation indeed has a potential to generate new value through trust. This is important because, as many lines of research show, individuals oftentimes fail to realize that a given situation (e.g., a situation affording the opportunity to trust) is one in which both parties can be better off.

The canonical case is a negotiation situation where much research has documented the fixed pie bias which is defined as the mistaken belief that negotiation outcomes are zero-sum, i.e., that gains of one party mean losses for the other party, even when priorities are objectively defined such that both parties can attain good outcomes (Bazerman & Neale, 1983). The fixed pie bias prevents negotiating parties from realizing gains that are available in the situation. Similar consequences of zero sum thinking have been documented in other domains. For example, Sirola and Pitesa (2017) found that employees who view success in a more zero-sum fashion are less likely to help their coworkers, even though the act of helping would in no way undermine their success, and despite the fact that helping is known to have positive effects on team and organizational performance. And Foster (1965), who studied peasant societies explained a lack of cooperativeness by citing precisely a zero-sum construal of success as the key issue: “If the ‘good’ in life is seen as finite and nonexpandable, and if apart from luck an individual can progress only at the expense of others, what does one stand to gain from a cooperative project?” (p. 308).

We argue that due to a different life experience in relation to value creation, higher-SES and lower-SES employees will differ in how they view the world as a zero-sum game. When people grow up or live in a low-SES (compared to high-SES) environment, they are in an environment in which there is objectively less opportunity for new wealth generation. For example, they are less able to invest and earn an interest on their investment, and are less able

to borrow funds to finance entrepreneurial ideas (Bornstein, 1996, about how the Grameen Bank, the world's most famous microfinance provider was set up to tackle this issue). As a result, many of their economic interactions are restricted to short term spot exchanges with limited ability to grow the pie and where one party can only gain at another's expense. It is thus not surprising that they would develop a zero-sum view of success.

This argument is supported by the anthropological work on peasants mentioned above, as well as recent cross-cultural work on values. Foster (1965) suggests that the harsh economic conditions of peasant economies are the key reason why peasants develop an "Image of Limited Good," and "see their universe as one in which the good things in life are in limited and unexpandable quantities, and hence personal gain must be at the expense of others" (Foster, 1965, p. 301). A recent study (Różycka-Tran, Boski, & Wojciszke, 2015) found that self-reported family economic status as above average was negatively associated with construal of success in a zero-sum fashion.

Different assumptions about the meaning of success might therefore be a reason for lower-SES individuals to have a lower tendency to trust, as has been documented by past work (Crossley et al., 2013; Dincer & Uslaner, 2010; Salamon & Robinson, 2008; Slemrod & Katuščák, 2005; Zak & Knack, 2001). Lower-SES employees might be less likely to assume that workplace interactions can benefit all parties. This assumption would thus make them less likely to seek opportunities for mutual gain through trust. Again, as with our discussion of vulnerability as a mechanism linking SES and trust, the benefit of identifying this psychological factor is that it creates precision in terms of understanding why the issue occurs and what organizations can do about it. In the case of assumptions about success, organizational interventions such as training programs or information sessions that show case examples of real gain from interpersonal or intergroup cooperation might help correct the misperception of organizations as zero-sum contexts.

4.2.3. Short-term focus and affect

The final feature of trust worth considering in our discussion of the role of trustor's SES is the fact that trust produces delayed rewards. Even in the simple case of the trust game, one first has to give money away and hope that trust creates benefits in the future. Instead, if one decides not to trust, one can keep the money and have it at one's disposal immediately. This is relevant because work in economics suggests that lower-SES individuals have a more short-term focus relative to higher-SES individuals (Haushofer & Fehr, 2014). Thus, it is possible that another reason why lower-SES employees are less trusting is the fact that they are less oriented toward the long-term benefits that trust produces.

Haushofer and Fehr (2014) reviewed evidence from economics suggesting that fewer resources induce a more short-term orientation, and they concluded that both a chronic socioeconomic situation as well as exogenous economic losses impact short-term focus. In one study, for example, villagers from Vietnam were given options between smaller but immediate rewards and larger but delayed rewards (Tanaka, Camerer, & Nguyen, 2010). In cases where a delayed reward was chosen, the money was kept by a trusted agent, such as a village head or a women's association president. The authors found that "Household income and mean village income were positively related with patience" (p. 567). In addition, the villagers made decisions after engaging in an economic game measuring risk preferences, in which they were able to realize some windfall gains. The authors found that the "amount of money made in the risk game earlier in the experimental session is weakly correlated with patience: individuals who received higher payments in the risk game exhibit lower discount rates" (p. 568).

The causal influence of one's economic situation on short-term focus has garnered the attention of economics research, because the ability to invest in delayed rewards is the

foundation of much economically productive behavior (and indeed for a whole range of positive outcomes in life as documented by the now classic Marshmallow studies referenced in Mischel, Shoda, & Rodriguez, 1989). At the same time, the role of short-term focus in dynamics related to organizational trust is still largely unexplored. The fact that lower income induces a short-term focus, which is clearly important for a delayed-reward investment such as the decision to trust, may introduce a systemic force undermining trust dynamics among lower-SES employees.

Research suggests that stress and negative affect link bad economic situations with a short term focus (Haushofer & Fehr, 2014). Specifically, studies show that introducing windfall gains (in randomized controlled experiments) improves affect and other indicators of psychological wellbeing (Haushofer & Shapiro, 2016), and studies in psychology demonstrate that negative affect induces a short-term focus (Lerner, Li, & Weber, 2013). Thus, lower-SES individuals' might be chronically in a worse mood than their higher-SES colleagues, which might result in their short-term focus, and which in turn leads to lower trust among this segment of employees.⁶

While the proposed pathway from SES to trust via mood has not been investigated directly, research on mood and trust provides additional reason to believe that this relationship exists. This work which builds off of feelings-as-information theory (for a review, see Schwarz, 2012), suggests that negative affect may lead to more negative evaluations of likely outcomes of the decision to trust. Consistent with this perspective, Dunn and Schweitzer (2005) found that experimentally induced negative feelings, for example anger, lead to lower levels of trust.

⁶ Note that the reasoning we offer here is similar to making the claim that lower-SES might lead to prevention focus, which has in turn been linked with a lowered tendency to trust others (Keller, Mayo, Greifeneder, & Pfattheicher, 2015). We are, however, not aware of studies that document the link between lower-SES and prevention focus.

Taken together, this discussion strongly suggests that a likely pathway through which low SES undermines trust is via related psychological manifestations of a short-term focus and negative affect. Again, detecting pathways through which low SES relates to distrust is relevant because it points to interventions that might mitigate the negative effect. Interestingly, recent work suggests that one way to mitigate the short-term focus among lower-SES individuals, which we argue undermines trust, is to use trust itself. Specifically, Jachimowicz, Chafik, Munrat, Prabhu, and Weber (2017) suggest that “low-income individuals with higher community trust make less myopic intertemporal decisions because they believe their community will buffer, or cushion, against their financial need” and across a series of studies, the authors report that “In archival data and laboratory studies, we find that higher levels of community trust among low-income individuals lead to less myopic decisions” (p. 5401). The same logic of buffering might therefore be relevant for the mechanism of felt vulnerability discussed earlier, suggesting an interesting possibility that one way to solve the problem of distrust among lower-SES individuals is to jump start trust through an external organizational intervention. For example, organizations could rotate employees, perhaps particularly lower-SES employees, by temporarily moving them from their current domains that may be marked by lower levels of trust into work groups where they know that generalized trust is higher.

5. Socially engaged scholarship on organizational trust: Lessons from trust and SES model

Our model of trust showing mechanisms of SES-based disadvantage has the potential to help manage issues related to employee SES and trust. It may also point the way for developing similar models to study trust as a mechanism contributing to disadvantage experienced by other social groups. We discuss each in turn.

5.1. Implications for understanding and managing SES-based lack of trust

Our review suggests that while there are reasons that motivate people to trust low-SES employees (the desire to benefit disadvantaged groups, as discussed in section 3.1.4), as well as reasons that motivate low-SES employees to be more trusting (prosocial disposition, as discussed in section 2.), there are stronger reasons why low-SES employees would be distrusted, and also why they would be distrustful. Given the importance of trust to employees' as well as organizations' success, our review points to a potentially systemic issue that is largely overlooked by organizational behavior researchers as well as organizational decision makers.

Perhaps the key insight derived from our review is that SES-based distrust may arise absent any negative motives. The most intuitive way to think about the fact that some social groups are disadvantaged is to infer malicious intent on the part of other, often dominant social groups (Reskin, 2005). However, our review suggests that the average motivation that employees hold in relation to disadvantaged groups might be a positive and benevolent one (as we elaborate in section 3.1.4). Rather, lack of trust may arise because of negative stereotypes of competence and benevolence of disadvantaged groups. This is relevant because it points to areas for organizational interventions. Instead of trying to change or regulate people's motives, organizations need to foster mutual understanding that would correct the negative stereotypes.

Yet, doing so might be difficult in the modern economy marked by faster pace and shallow professional relationships. Economic progress has led to an increase in situations demanding employees to exhibit trust in strangers rather than people with whom they have a long common history. For example, teamwork is increasingly organized in ad hoc and geographically distributed teams, with employees interacting virtually with previously

unknown coworkers (Gibson & Cohen, 2003; Global Workplace Analytics, 2015). Another example is the increasing usage of online collaboration tools through which an employee located in one part of an organization receives requests for assistance from coworkers with whom he or she has had little prior contact (Cross, Martin, & Weiss, 2006). In such situations, employees need to exhibit swift trust in their coworkers to collaborate effectively (Meyerson, Weick, & Kramer, 1996; Mortensen & Neeley, 2012). At the same time, these are precisely the situations in which people are unlikely to have the time to revise their stereotypical perceptions of members of different social groups. Thus, modern organizational practices emphasizing dynamic collaboration styles might render trust as a mechanism of disadvantage increasingly relevant and dangerous.

Our review also points to reasons *why* low-SES individuals seem to be less trusting. Past work in economics and sociology found that lower-SES individuals exhibit less trust (Crossley et al., 2013; Dincer & Uslaner, 2010; Salamon & Robinson, 2008; Slemrod & Katuščák, 2005; Zak & Knack, 2001). This finding went largely unnoticed by organizational behavior researchers, and its reasons as well as implications in the organizational context have remained uninvestigated. Our review suggests that there are both socialization-related reasons (more zero-sum view of success) as well as reasons related to current psychological states (sense of vulnerability and short-term focus) explaining why lower-SES individuals are less trusting. Understanding these reasons is again informative because it points to organizational interventions that might be effective.

To combat a zero-sum view of success among employees, organizations can create targeted education programs, and the payoff of such investments will be particularly large in relation to the lower-SES segment of employees. Similarly, organizations could attempt to move lower-SES employees into high trust contexts, as such contexts have been found to mitigate the short-term focus among lower-SES individuals (Jachimowicz et al., 2017). They

could also reduce objective vulnerability by designing organizational policies that deter untrustworthy behavior, or mitigate the negative consequences of such behavior by promoting the use of organizational procedures that offer ways for people to counter others' untrustworthiness (e.g., efficient grievance procedures). In addition, organizations could consciously encourage the development of informal practices that promote trustworthy behavior, such as ethical organizational climates (Treviño, Butterfield, & McCabe, 1998), or attempt to reduce uncertainty via mechanisms that allow for a better distribution of information about people's trustworthiness (e.g., by facilitating information exchange concerning past experiences with potential trustees).

5.2. Implications for understanding societal inequality and justice

Our review generates one broad insight relevant to the major questions of inequality and equality of opportunity: Socioeconomic stratification is likely to generate trust dynamics in a way that holds lower-SES employees back and makes the existing stratification likely to reproduce itself. This insight is distinct from the idea that lower-SES disadvantage can be perpetuated because of higher-SES decision makers discriminating against lower-SES employees. Also, this insight connects organizational behavior research to key concerns in social sciences regarding inequality and meritocracy. In sociology and economics, the self-perpetuating nature of low SES is of major interest (Corcoran, 1995; Sachs, 2005). Our review identifies one workplace consequence of low SES that may contribute to this process. We show that an important mechanism underlying success in careers and organizations—trust—may systematically work against lower-SES employees. This effect might present a barrier to lower-SES employees' chances of moving up in the organization and improving their economic position. Similar organizational obstacles to the economic advancement of poorer employees might also play a major role in the self-perpetuating nature of poverty,

which suggests that organizational sciences can play an important role in solving this social challenge.

By highlighting the close connection between SES and trust in organizations, our research also speaks to the question of adequate pay. Economic rationales have been proposed against calls for an increase in the minimum wage (Hasset & Strain, 2013). Our review adds to this debate by demonstrating that there are also economic reasons why people should be protected from a lack of material resources. There are millions of individuals earning a minimum wage in the U.S. (U.S. Bureau of Labor Statistics, 2012), and this level of earnings puts them below the poverty line (U.S. Department of Health & Human Services, 2012). By demonstrating that low SES may undermine people's ability to trust, our review shows that by raising the minimum wage, societies may not just be doing the right thing morally, but also economically.

A similar logic is relevant to organizational decision makers. The question of adequate pay in the organizational literature has traditionally been focused on either the need to motivate employees through pay differences or the need to satisfy the principles of fairness by making pay equitable (Rynes, Gerhart, & Parks, 2005; Williams, McDaniel, & Nguyen, 2006). Our work introduces a new consideration to this literature. By reviewing evidence suggesting that low-SES acts as a barrier to organizational trust, the current paper warns that providing workers with low absolute levels of material resources may lead to the unintended consequence of more distrustful behavior that may harm organizations, the success of which is predicated on trust and cooperation among their employees.

5.3. Implications for understanding trust as a general mechanism of disadvantage

Our review focused on lower-SES individuals, but our approach can serve as a blueprint for theory building in relation to how trust is distributed across other disadvantaged

social groups, for example in terms of gender, race, age, and physical attractiveness. Some insights derived through our review will apply to other social groups. For example, perceived lower competence as a precursor to distrust of lower-SES employees is likely to hold in relation to other lower-status groups, such as women, racial minorities, and physically less attractive individuals. In addition to establishing discriminant validity of SES relative to these other social categories (as SES is correlated with each of them), it will be important to ascertain which social group is the key driver of trust-based disadvantage, or whether the effects of different social groups are cumulative.

In contrast, some insights derived from our review will be specific to SES. For example, the perception of a greater material need among lower-SES employees, and the related inference of greater temptation to advance material self-interest through untrustworthy behavior, might be specific to lower-SES individuals. Women, for example, although a low status group (relative to men), are generally seen as less rather than more likely to transgress norms of appropriate behavior to advance their self-interest (Lee, Pitesa, Pillutla, & Thau, in press). Future work should thus consider stereotype content of other social groups to modify the current framework in a way that addresses trust-based disadvantage of these groups.

A key value of the current example of SES in guiding future theory construction and research on the social implications of trust is that it provides sample organizing principles. We structured our review and derived predictions regarding SES and trust by considering fundamental properties of trust (e.g., the role of a trustee's competence and benevolence, or the role of vulnerability and delayed rewards) on the one hand, and fundamental properties of the relevant social group (e.g., low-SES employees perceived lower competence and benevolence, as well as higher levels of vulnerability and short-term focus). While the list of key features of trust relevant to a particular social group may vary, the overarching approach

we developed may be an effective template for extending the study of low-SES employees to that of trust for other social groups.

In sum, we hope that our general arguments for the importance of social implications of organizational trust, as well as our illustration of this approach focusing on lower-SES workers, helps promote and direct a more socially engaged scholarship on organizational trust, thus connecting this important stream of organizational behavior research to key social concerns of stratification and equality of opportunity.

6. References

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