Identifying the Factors of Stakeholder Trust: A Theoretical Study

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Abstract

The aim of this study is to identify and systematize the factors of stakeholder trust and to present the impact of the trust factors on a particular stakeholder’s trust. There have been found two basic factors of stakeholder trust – these are corporate reputation and organizational trustworthiness. Such factors as emotions, propensity to trust, experience with the organization and sociocultural factors, same as inborn factors or acquired during growth, factors related with the environment where the person lives or other factors are the secondary. It is suggested to divide the trust factors into controllable and uncontrollable by the organization. Finally, supposed two propositions were expressed: 1) controllable factors have a direct impact on every stakeholder’s trust; 2) uncontrollable factors have an indirect impact on a consumer’s trust. These propositions were reflected in a developed theoretical model of the impact of the trust factors on stakeholder trust.

Introduction

It was observed that stakeholder trust is generally analyzed in the context of organizational trustworthiness. This factor is dominant not only in scientific literature of marketing, management, economics and psychology, but also in the areas of communication and information technologies. Whereas the analysis of other factors of stakeholder trust is fragmentary – scientists dissociate from deeper interpretations of those factors. Despite the fact that stakeholder trust is under the significant influence of organizational trustworthiness, it should be noted that dissociation from other factors of stakeholder trust is causeless. Therefore, it is useful to identify and systematize the factors of stakeholder trust and also to substantiate theoretically the impact of the trust factors on a particular stakeholder’s trust.

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trust. Therefore, the research problem is structured as a question, i.e. which factors have the impact on stakeholder trust in the organization? The research aims to identify and systematize the factors of stakeholder trust. The research methods involve systemic and comparative analysis of scientific literature and publications.

1. Identifying the factors of stakeholder trust


1.1. Corporate reputation

Corporate reputation is a multidisciplinary, rather complicated and extensive construct. The dimensions of corporate reputation are widely discussed in scientific literature because of their multiplicity. For this reason, we will focus on identification of the corporate reputation dimensions, because the dimensions increase the perception of corporate reputation as the main factor of stakeholder trust. In order to deeper understand the relationship between corporate reputation and stakeholder trust, it is worth considering the basic dimensions of corporate reputation. The dimensions proposed by Varey (2002), Fombrun and van Riel (2004), Schwaiger (2004), Chun (2005), Forman and Argenti (2005), Dowling (2006), Omar, Williams Jr, and Lingelbach (2009), Hillenbrand and Money (2009), Puncheva – Mitchelotti and Mitchelotti (2010), Siano, Kitchen, and Confetti (2010), Podnar, Tuškej, and Golob (2012), Maden, Arikan, Telci, and Kantur (2012), Mazzola, Ravasi, and Gabbioneta (2013), Petrokaite and Stravinskiene (2013), Guru, Sanjeevaraja, Gopala, and Parashivamurthy (2013), Benthaus, Pahlke, Beck, and Seebach (2013), Olmedo – Cifuentes, Martinez – Leon, and Davies (2014) can be systematized and combined into six basic dimensions of corporate reputation proposed by Fombrun and van Riel (2004): emotional appeal, products and services, financial performance, vision and leadership, workplace environment and social responsibility. According to the empirical and theoretical insights of Fombrun and van Riel (2004), Schwaiger (2004), Helm (2007), Podnar et al. (2012), Olmedo – Cifuentes et al. (2014), it is stated that emotional appeal, products and services, vision and leadership have the strongest impact on consumer trust. Whereas financial results have the impact on shareholder trust and employee trust, workplace environment has the impact on employee trust, and social responsibility has the impact on employee trust and on the community trust.

1.2. Organizational trustworthiness

When analysing stakeholder trust, scientists appeal to the dimensions of organizational trustworthiness proposed by Mayer et al. (1995). These dimensions involve competence, benevolence and integrity of the organization. Such scientists as Gill et al. (2005), Schoorman et al. (2007), Xie and Peng (2009), Pirson and Malhotra (2010), Greenwood and Van Buren III (2010), Park et al. (2012), Park et al. (2014), Fuoli and Paradis (2014), Yu et al. (2014) support and invoke these dimensions in their studies. Despite the fact that scientists have proved the impact of these dimensions on stakeholder trust, there are many other dimensions of organizational trustworthiness.
With reference to the scientific insights of Mayer et al. (1995), Gill et al. (2005), Jahansoozi (2006), Schoorman et al. (2007), Rawlins (2008, 2009), Xie and Peng (2009), Pirson and Malhotra (2010), Greenwood and Van Buren III (2010), Park et al. (2012), Park et al. (2014), Fuoli and Paradis (2014), Yu et al. (2014), Schnackenberg and Tomlinson (2014), it is stated that trustworthiness of the organization can be defined by five basic dimensions: competence, benevolence, integrity, transparency and responsibility. According to the empirical and theoretical insights of Gill et al. (2005), Jahansoozi (2006), Rawlins (2008, 2009), Pirson and Malhotra (2010), Xie and Peng (2009), Park et al. (2012), Park et al. (2014), it is stated that competence of the organization has the impact on consumer, employee, shareholder and the community trust. Benevolence has the impact on consumer and employee trust, integrity – only on shareholder trust, whereas transparency has the impact on employee and the community trust, and responsibility impacts only the community trust.

1.3. The secondary factors: inborn or acquired during growth; factors related with the environment where the person lives, emotions, propensity to trust, experience with the organization, sociocultural factors

Ben-Ner and Halldorsson (2010) state that trust is impacted by particular factors such as inborn factors or acquired during growth, factors related with the environment where the person lives. Trust can be considered as an emotional construct (Siano et al., 2007) and be impacted by individual’s propensity to trust (Mayer et al., 1995, Caldwell & Clapham, 2003, Yu et al., 2014), the experience between the organization and stakeholders (Bennett & Gabriel, 2001, Josang et al., 2007, Goergen, 2013), sociocultural factors (Knack & Keefer, 1997, Zak & Knack, 2001, Kharouf et al., 2014).

It was observed that the majority of trust factors are personal, oriented to individual, not to the group trust. For this reason inborn factors or acquired during growth; factors related with the environment where the person lives, emotions, propensity to trust, experience with the organization and sociocultural factors are usually associated with consumer’s as an individual’s trust. Whereas such factors as corporate reputation and organizational trustworthiness are of a general nature related with the trust of many stakeholders.

Despite the trust factors found in the literature of marketing, psychologists state that trust cannot be impacted by any factors. According to Riedl and Javor (2011), the nature of the individual trust can be explained only by biological factors – genetics, hormones and cerebration of an individual. Sociocultural factors and experience are the environmental factors controlled by aforementioned biological factors. In the next section the factors of trust will be divided into homogenous groups substantiating their impact on trust.

2. Grouping the factors of stakeholder trust

From the perspective of consumer behavior and marketing management disciplines, when positioning certain values of the organization – in this case it is corporate reputation and organizational trustworthiness – the organization may impact the perception of organizational trustworthiness in the mind of the individuals, thus impacting trust in the organization. It is, therefore, concluded that the organization can control the factors that are related to the organization (corporate reputation and organizational trustworthiness), while psychological, personality and situational factors (inborn factors or acquired during growth, factors related with the environment where the person lives, emotions, propensity to trust, experience with the organization, sociocultural factors and other factors) cannot be controlled by the organization. With reference to these insights, it is purposeful to divide the trust factors into those controllable and uncontrollable by the organization.

Summarising the analysis of the factors of stakeholder trust, two assumptions are made:
1) Controllable factors have a direct impact on every stakeholder’s trust.
2) Uncontrollable factors have an indirect impact on a consumer’s trust.

It is supposed that the controllable factors have a direct impact on every stakeholder’s trust because of their relationship with organizational performance, the results (it is revealed by the dimensions of corporate reputation), and also organizational behavior with regard to stakeholders (it is revealed by the dimensions of organizational trustworthiness). It is also supposed that uncontrollable factors cannot have an impact on stakeholder trust by itself. Therefore, this group of factors should be treated as moderators, which have an indirect impact only on consumer
trust (as mentioned before, the uncontrollable factors are personal, oriented to individual, not to the group trust and they are also usually associated with a consumer’s as an individual’s trust). The aforementioned assumptions are presented in a theoretical model of the impact of the trust factors on stakeholder trust (see Fig.1).

![Fig. 1. A theoretical model of the impact of the trust factors on stakeholder trust](image)

**Conclusions**

There have been found two basic factors of stakeholder trust in the scientific literature – these are corporate reputation and organizational trustworthiness. Such factors as inborn or acquired during growth; factors related with the environment where the person lives, emotions, propensity to trust, experience with the organization, sociocultural factors had been analyzed fragmentary, and only recently they have received a special attention from scientists. The organization can control those factors that are related to the organization (corporate reputation and organizational trustworthiness), while psychological, personality and situational factors (inborn factors or acquired during growth, factors related with the environment where the person lives, emotions, propensity to trust, experience with the organization, sociocultural factors and other factors) cannot be controlled by the organization. With reference to the theoretical insights in the area of stakeholder trust, a theoretical model of the link between controllable factors, uncontrollable factors and particular stakeholder trust was developed. Finally, supposed two propositions were expressed: 1) controllable factors have a direct impact on every stakeholder’s trust; 2) uncontrollable factors have an indirect impact on a consumer’s trust. These propositions were reflected in a developed theoretical model of the impact of the trust factors on stakeholder trust.

**References**


